

Minutes of the Office for Budget Responsibility Oversight Board and Audit Committee 29 January 2019

Oversight Board

Attending

Sir Christopher Kelly, Bronwyn Curtis, Robert Chote, Sir Charles Bean, Andy King.
Staff: Steve Farrington (Chief of Staff), Shaun Butcher (Deputy Chief of Staff),
Mark Dembowicz (Head of Strategy, Operations and Communications).

1. Procedures

The Board reviewed the minutes from the previous meeting and cleared them for publication. The Board reviewed the risk register and discussed the updates that had been made since the previous meeting.

2. Update on OBR activity

The Board discussed a summary of the OBR's recent outputs, stakeholder engagement, management issues and upcoming priorities, presented by the BRC. The following issues were discussed:

1. In December we published the Forecast Evaluation Report delayed from October due to the early Budget. The focus was on the performance of our forecasts immediately following the EU referendum. The slowdown in growth after the vote took longer than we expected to materialise, but it is now in line with our November 2016 forecast.
2. In January we published our latest Welfare Trends Report. The Report looked at the effect of recent disability benefit reforms on public spending. It finds that the introduction of PIP that was intended to reduce spending appears to have cost 15 to 20 per cent more.
3. We continue to produce our monthly commentary on the public finances. In January we noted that receipts and spending outturns remain close to our October forecast.
4. The Foreword to the *Economic and fiscal outlook* set out some of the challenging circumstances we faced in producing the forecast. A subsequent wash-up process resulted in an agreed set of changes to the process for the Spring Statement.

5. Robert and other staff members met with the Scottish Fiscal Commission in early January for the formal signing of a MoU between the SFC and ourselves. Our MoU with the Welsh Government is being redrafted in light of the new scrutiny role to be in place for April 2019.
6. The Board agreed the formal commissioning process the next external review, which will report in the autumn.
7. The Board discussed staff and office management issues, including current recruitment processes.
8. The Board reviewed its Terms of reference and activities undertaken to ensure that it is being adhered to.
9. The Board also discussed forthcoming issues, including the next *Economic and fiscal outlook*, and the *Fiscal risks report*.

Kate Ivers (OBR financial adviser) and Andy Ginever (OBR office manager) attended for item 3.

3. Finances and accounts

The Board discussed the financial position for the year to date and the plan for the *Annual report and accounts*.

Audit Committee

Attending

Attendees: Sir Christopher Kelly, Bronwyn Curtis, Robert Chote, Steve Farrington, Mark Dembowicz, Kate Ivers, Andy Ginever, Neil Chapman (Government Internal Audit Agency), Scott Dore (NAO), Peter Kitson (NAO).

1. Internal audit progress report 2018-19 and plan for 2019-20

GIAA presented a progress report for the internal audit on skills and capability and the actions outstanding. The committee discussed the plan for deciding on audit priorities for 2019-20.

2. NAO audit plan

The NAO presented the audit plan for the 2018-19 *Annual report and accounts*.