

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

9 June 2022

Oversight Board

Attending

Members: Sir Chris Kelly, Bronwyn Curtis OBE, Richard Hughes, Prof. David Miles CBE, Andy King.

Staff: Stephen Farrington (Chief of Staff), Laura Gardiner (Deputy Chief of Staff), Mark Dembowicz (Head of Strategy, Operations and Communications).

1. Procedures

The Board reviewed and cleared the minutes from the last meeting for publication.

2. Update on OBR activity

The Board discussed a **summary of the OBR's recent outputs**, stakeholder engagement, management issues and priorities. In relation to our outputs, the following issues were discussed:

On 24 May we published our latest *Welfare trends report (WTR)*. It compared changes in non-pensioner welfare spending since the pandemic hit with changes during and after the previous three UK recessions of the past four decades.

- Alongside the *WTR* we published an updated set of Long-term economic determinants that underpin our long-term fiscal projections. They are used by organisations inside and outside government to inform their own long-term modelling.
- We have continued to publish our regular monthly commentary on the public finances immediately after the ONS data release. We compare outturns against our monthly profiles for the public finances this year that were updated on 12 May.

The Board also discussed our **engagement** with Government and other stakeholders including:

- Fiscal policy announcements on 26 May, which were not accompanied by an updated forecast. These measures would need to be incorporated into the next forecast to be commissioned by the Chancellor.
- Progress on updating the *Memorandum of Understanding* between the OBR, Treasury, DWP and HMRC.

- The return of some international engagement and attendance at the OECD Working Party of Independent Fiscal Councils and Parliamentary Budget Offices in Dublin, where Andy King presented some of our work on climate change (Andy also chairs the climate change working group in the same network). The Chief of Staff also spoke at a Royal Statistical Society Conference on inflation.
- We have continued to use roundtables to inform our work, particularly to inform our work on fiscal risks and sustainability. The Resolution Foundation hosted a roundtable of experts following the launch of our most recent *Welfare trends report*.

The Board discussed the OBR's **budget delegation** and a range of **staff and office management** issues including staff moves and vacancies; the operation of the OBR's HR and finance function which is contracted from the Treasury; the staff survey; and the 2022-23 pay remit.

A range of forthcoming issues was discussed, including upcoming publications, analytical priorities, hybrid working arrangements and priority actions from the staff survey results.

3. Risk register

The Board discussed a review of the key organisational risks identified by internal audit processes.

Additional attendees: for items 4 and 5, OBR business manager, NAO and GIAA.

4. Finances and accounts

The Board discussed the financial position at the end of 2021-22, which will be incorporated into the *Annual report and accounts* due to be published in July.

5. Annual report and accounts

The Board reviewed the *Annual report and accounts* and *Business plan* which were approved for publication.

Audit Committee

Attending

Attendees: Sir Chris Kelly, Bronwyn Curtis, Richard Hughes, Mark Dembowicz, Stephen Farrington, Laura Gardiner, OBR business manager, NAO and GIAA.

1. NAO Audit Completion Report 2021-22

The NAO presented the Audit Report, which proposed a clear audit opinion. The Report was considered and agreed by the Audit Committee, which was invited to

review the findings set out in the report, including the letters of representation and audit certificate. No material issues were raised.

2. Internal audit plan for 2021-22

The Government Internal Audit Agency presented the draft annual opinion report and draft internal audit plan, which was designed in line with the findings of the key organisational risks review in item 3.