

Executive Board Minutes Meeting 01 November 2016

Attendance: Derek Moran (Chair), Gary Tobin, John Hogan, Des Carville, Paul Ryan, Niall O’Ceallaigh, Sean Kinsella, Ailish Farrelly (Secretary).

Apologies: Ann Nolan, Aidan Carrigan, Nicholas O’Brien, John McCarthy, David Byrne

1. Minutes of previous meeting and matters arising

In addition to the Communications diary, the following was discussed.

On Tuesday the Minister is expected to attend Mungret Park Official Opening and Cabinet Meeting in the afternoon and on Thursday with British Ambassador Robin Barnett.

On Tuesday, Minister of State Murphy is due to meet with FinTech & Payments Association of Ireland representatives. On Wednesday, Minister Murphy is speaking at the Powerscourt business briefing and attending a briefing with the British-Irish Chamber of Commerce. On Thursday Minister Murphy will attend and speak at Enterprise Ireland Financial Services dinner. On Friday, Minister State Murphy will speak at Cicero business briefing.

Minutes were approved of the previous Executive Board 24th October 2016.

The FOI Report was discussed noting that the FOI Unit will liaise with Deciding Officers to close overdue FOIs which have not been responded to in more than 20 days by the FOI Requestor.

Action:

- Examine, in conjunction with the Corporate Office, the merits of publication of FOI Decisions for the Department – Mr Carville

2. Dashboard Summary including discussion on:

2.1 Weekly Schedule (Dáil, Seanad and Committees)

Members discussed the weekly schedule of business for the Dáil including Private Members Bills, Oireachtas Committees and Seanad.

2.2 Finance Bill Update

A list of Committee Stage amendments is completed. There are two new sections on Anti-Tax Avoidance and Irish Real Estate Funds. Opposition Party amendments are due on Thursday 3rd November.

2.3 NAMA

An update was provided in relation to NAMA and Project Eagle. It was noted that the next Public Accounts Meeting is Thursday 10th November with three Department officials due to appear before the committee. A media report that the PAC received independent legal advice supporting the Minister’s and Department’s contention regarding his powers under the NAMA Act 1999 was noted.

2.4 International Tax Update

As part of the appeal process, preparation is underway by legal counsel with a deadline of 10 November for lodging an appeal. It was noted that the Common Corporate Tax Base (CCTB) was launched last week by the EU Commission.

2.5 Financial Action Taskforce Assessment

Members discussed the Financial Action Taskforce Assessment of Ireland and noted that the assessment runs from 3rd until the 17th November 2016.

2.6 Report Card

The November Report Card was discussed in advance of publication. It was agreed that a sub-group would be established to review the current format and target audience for this publication.

3. AOB

Members discussed developments at Rush Credit Union.

4. Corporate

4.1 Statement of Strategy 2016 – 2019

It was noted that the Department is required to attend the Finance/PER Committee on 15 December regarding the Department's Statement of Strategy. It was noted that drafting of the Statement of Strategy is in its final stages.

4.2 SPS Executive Leadership Programme

Members were provided with an update on the SPS Executive Leadership Programme launching in December 2016, which is part of the Civil Service Renewal Plan Action 10. The Department can nominate 2 participants for participation in a formal programme running over 8/10 days. It was noted that the deadline for applications is the 14th November.

Action:

- Resend e-mail from SPS Secretariat to all EB members – Mr O'Ceallaigh
- Organise a talk for the Executive Board from a Department of Public Expenditure and Reform representative on the SPS Executive Leadership Programme and related Actions in the Civil Service Renewal Plan – Mr O'Ceallaigh

4.3 Departmental Council Feedback

Members were provided with an update on last week's Departmental Council meeting.



Derek Moran
Secretary General

Executive Board Minutes Meeting 07 November 2016

Attendance: Derek Moran (Chair), Ann Nolan, Gary Tobin, John McCarthy, John Hogan, Des Carville, Paul Ryan, Niall O’Ceallaigh, Derek Tierney (Secretary).

Apologies: Aidan Carrigan, Nicholas O’Brien, Sean Kinsella, David Byrne.

1. Minutes of previous meeting and matters arising

In addition to the Communications diary, the following was discussed.

Minister Noonan will attend the Eurogroup and Ecofin meetings in Brussels on Monday and Tuesday of this week. The Minister will attend the Finance Committee later in the week where Committee Stage amendments will be taken. Senior officials will appear at Public Accounts Meeting later in the week in relation to NAMA and Project Eagle.

The Minister of State and senior officials will attend the Cabinet Sub Committee meeting regarding Brexit. The Cost of Insurance Working Group meeting is scheduled to be chaired by Minister of State Murphy later in the week. The Minister of State is scheduled to attend the opening of Counter Fraud Conference addressing main Insurers and scheduled to meet with the French Ambassador Jean-Pierre Thébault. Members were provided with an update following discussions at the recent Cabinet Committee on the Economy.

Minutes were approved of the previous Executive Board 07th November 2016.

2. Dashboard Summary including discussion on:

2.1 Weekly Schedule (Dáil, Seanad and Committees)

Members discussed the weekly schedule of business for the Dáil including Private Members Bills, Oireachtas Committees and Seanad.

2.2 Finance Bill Update

A number of Committee Stage amendments is completed to be put down at Committee Stage of the Finance Bill that will be taken at the Finance Committee set for 9 - 15 November.

2.3 October Exchequer Returns

Members discussed the October Exchequer Returns. An Exchequer deficit of €2,429 million was recorded at end-October 2016. This compares to a deficit of €2,184 million in the same period last year. This slight increase in the year-on-year deficit (€245 million) is driven by an annual increase in voted expenditure, an anticipated reduction in non-tax revenue and a €542 million reduction in banking related receipts relative to the same period last year, all of which are partially offset by increased tax revenue. The Returns will show that at end-October 2016, cumulative tax receipts were up €613 million (1.7%) on profile, which represents a 4.7% (€1,651 million) increase when compared to same period in 2015. Tax revenues for the month of October were up €129 million (4.1%) on the monthly target (€3,166 million). This was primarily due to a very strong performance in corporation tax, offsetting shortfalls in stamp duties and minor shortfalls in VAT and some of the capital taxes.

2.4 NAMA

An update was provided in relation to NAMA and Project Eagle. It was noted that the next Public Accounts Meeting is Thursday 10th November with Department officials due to appear before the committee.

2.5 Brexit Update

Members noted the published ESRI paper quantifies the potential medium- to long-term macroeconomic impact of Brexit on the Irish Economy. The paper sets out a potential impact of Brexit under a number of scenarios. These are (i) a Norwegian type arrangement (EEA); (ii) a Swiss type free trade agreement (EFTA); and (iii) a more drastic departure from current arrangements where the UK and EU interact on the basis of WTO rules. Looking at the effect ten years after a UK exit, a WTO scenario results in the level of GDP being 3.8 per cent below what it otherwise would have been in a no-Brexit scenario; the bulk of the impact occurs in the first five years. As a result, the level of employment is 2 per cent below what it would otherwise have been, with the unemployment rate nearly 2 percentage points higher. The government debt and deficit are expected to worsen by 10.8 percentage points and 1 percentage point, respectively, after 10 years in a WTO scenario.

While the macro position is manageable it was noted that there would be challenges for some sub-sectors. The Department continues to engage with the relevant Cabinet Committee and cross-Departmental structures in the development of policy responses to Brexit.

Members noted the British High Court's recent ruling the UK Government does not have the power to begin exit negotiations from the EU without parliamentary approval, and noted that the UK government intends to appeal to the Supreme Court.

2.6 OECD EDRC Mission (2017 Schedule)

Every two years, the OECD examines economic trends and policies in individual OECD Member States and makes policy recommendations. The focus of the survey is typically structural in nature, rather than short-term, cyclical developments. The structural topic in focus for this survey will be productivity. The next survey of the Irish economy will be published in January 2018. As part of the survey's information gathering, the OECD secretariat will visit Ireland on the following dates;

- Structural Mission: 29th May – 2nd June 2017
- Policy Mission: 7th – 8th September 2017

Both of the OECD missions to Ireland will involve discussions with most divisions of this Department (as well as other Departments and agencies). The Economic & Budget Division will take the lead in coordinating responses to this survey from within the Department and across the relevant government departments and agencies. A draft report will subsequently be produced by the OECD secretariat; this report and Ireland's economic performance will then be reviewed by the Economic Development and Review Committee (EDRC) of the OECD in Paris on the 4th December 2017. It is envisaged that the final report will be published in early 2018.

3. AOB

Members were appraised of ongoing discussions with OPW in relation to meeting the Department's accommodation needs.

Members were provided with an overview of progress in relation to the Financial Management Shared Service project. A presentation by the Project Manager will be arranged in two weeks' time.

4. Corporate

4.1 VFM H1 2016

Members discussed the Value for Money report for those Capital, Consultancy (including IT Consultancy) and IT projects underway in the first half of 2016.

4.2 SPS Executive Leadership Programme

Members were provided with a presentation from the Senior Public Service - Department of Public Expenditure and Reform on the SPS Executive Leadership Programme launching in December 2016, which is part of the Civil Service Renewal Plan Action 10.



Derek Moran
Secretary General

Executive Board Minutes Meeting 14 November 2016

Attendance: Ann Nolan (Chair), Gary Tobin, John Hogan, Des Carville, Paul Ryan, Niall O'Ceallaigh, Sean Kinsella, David Byrne, Derek Tierney (Secretary).

Apologies: Derek Moran, Aidan Carrigan, Nicholas O'Brien, John McCarthy.

1. Minutes of previous meeting and matters arising

In addition to the Communications diary, the following was discussed:

Minister Noonan is travelling to the US with senior officials for a week long series of pre-planned meeting with the US Treasury, World Bank and International Monetary Fund. He is also due to meet companies and investors on his trip, including several American companies based in Ireland.

The Minister of State meets the CEO of Nord Angli, will address the Irish Brokers Association annual conference at Croke Park, chair a meeting of the Cost of Insurance Working Group and give the opening address at the Sunday Business Post 'The Future of Insurance Summit' which is taking place in the Gibson Hotel.

Minutes were approved of the previous Executive Board 7th November 2016.

2. Dashboard Summary including discussion on:

2.1 Weekly Schedule (Dáil, Seanad and Committees)

Members discussed the weekly schedule of business for the Dáil including Private Members Bills, Oireachtas Committees and Seanad.

2.2 Finance Bill Update

Members noted that the Finance Bill Committee Stage resumes this week with the Minister of State for Financial Services, eGovernment and Public Procurement and officials before the Joint Finance, Public Expenditure and Reform, and Taoiseach Oireachtas Committee.

2.3 NAMA

An update was provided in relation to NAMA and Project Eagle and official's appearance before the PAC the previous week. It was noted that the next Public Accounts Committee Meeting is to take place on Wednesday and Thursday this week with Deputy First Minister Martin McGuinness, former members of the NAMA Board and officials from Cerberus scheduled to appear.

2.4 Brexit Update

The Department continues to engage with the relevant Cabinet Committee and cross-Departmental structures in the development of policy responses to Brexit. Officials also met with the Department of Public Expenditure and Reform to ensure a unified view on issues concerning Brexit.

2.5 FATF Mission Update

Members discussed the ongoing FATF evaluation of Ireland's measures to combat money laundering and terrorist financing that includes an in-depth assessment of both the legislative

requirements in place and also the effectiveness of the country's AML/CFT framework. This peer review is broad in scope in that it encompasses a number of diverse but interlinking areas across both the public and private sector such as criminal justice measures, financial intelligence by law enforcement agencies, supervision in the financial services sector and supervision in the non-financial sector (e.g. accountants, solicitors, high-value goods dealers, and private members clubs). The Mission is being managed across approximately 40 meetings during this review covering both the public and private sector. There has been extensive engagement from all public sector agencies with a high level representation for all meetings. A key feature of the assessment for the FATF team is to meet with the private sector to examine their understanding of money laundering and terrorist financing and corroborate their analysis against the public side's view.

At the end of the Mission, it is expected that the assessors will provide a broad high level outline of the main strengths and weaknesses in the AML/CFT framework. It is likely that the first provisional draft ratings will be received in late January from the assessment team that will be the subject of a meeting in Paris in April. The draft ratings will be finalised in May, and will be considered and agreed at the Plenary in June 2017.

2.6 SMU Update

Members noted that The Court of Justice of the European Union issued a recent decision confirming that the Minister did not breach EU law with regard to shareholders' rights in recapitalising ILP. Members discussed next steps following the recent decision.

Members were updated on AIB and a number of separate submissions with the Minister approved or noted last week. Members were also updated on processes that are to get underway to create optionality around a 2017 AIB IPO.

3. AOB

Members noted that the Minister has approved the draft Statement of Strategy 2016—2019 and for it to be issued for the information of Government. It will then be laid before the Houses and published.

Members note that the Department of Public Expenditure and Reform intends to bring a Memorandum for Government in relation to management of the Exchequer Pay Bill.

An update was provided on the Fire & Electrical Upgrade project, now in its last phase, which has commenced with works underway on the Third Floor of South Block.

4. Corporate

4.1 Appeal Officer Training

Members discussed the proposed training, the purpose of which is to give internal appeal officers confidence in conducting an appeal, understanding and being prepared to deal with the issues which can arise in the context of an appeal under the new Civil Service Disciplinary Code.

4.2 Q3 Absence Management Metrics

Members discussed the Q3 Absence Management Metrics. It was noted that the Departments sick leave absences, in comparative terms to the Civil Service Average are low, are below the average, with the trend decreasing/reduced for Q3, in the majority of instances year on year.

4.3 World Bank

Members noted that an expression of interest notification will issue shortly to the Senior Management Group for a post with the World Bank.

4.4 SPS Training

When agreeing the new performance management process for Assistant Secretaries, Deputy Secretaries and Second Secretaries in 2015, the CSMB also decided that the new process should be supported by the provision of training to all members of the SPS on how to give and receive feedback effectively. This decision was based on feedback from those Assistant Secretaries and Secretaries General who participated in the performance management pilot process, and who were provided with such training.

Actions:

- Propose candidates for Appeals Officer Training – All Members
- Arrange for circulation of Expressions of Interest for World Bank Post – Mr O’Ceallaigh
- Provide names to SPS for feedback training – Mr O’Ceallaigh



Ann Nolan
Second Secretary

Executive Board Minutes Meeting 21 November 2016

Attendance: Derek Moran (Chair), Ann Nolan, Gary Tobin, John Hogan, Des Carville, Paul Ryan, Aidan Carrigan, Nicholas O'Brien, John McCarthy, Niall O'Ceallaigh, Sean Kinsella, David Byrne, Derek Tierney (Secretary).

1. Minutes of previous meeting and matters arising

In addition to the Communications diary, the following was discussed:

Minister Noonan is returning from the US after a weeklong series of pre-planned meetings. He is due to attend for Finance Bill Report Stage Amendments and will also give the opening address at the Department's Annual Tax Policy Conference on Wednesday. The Minister will also attend the Cabinet Committee on Brexit.

Members reviewed the Memoranda for the Government Meeting on Tuesday that include the Department of Finance Statement of Strategy 2016-2019 and an outline of the 6th Post-Programme Review Mission.

The CSO will publish their QNHS Q3 2016 on Tuesday and the Central Bank intends to announce the outcome of the review of mortgage measures on Wednesday.

Minutes were approved of the previous Executive Board 14th November 2016.

2.1 Weekly Schedule (Dáil, Seanad and Committees)

Members discussed the weekly schedule of business for the Dáil including Private Members Bills, Oireachtas Committees and Seanad.

2.2 Finance Bill Update

Members noted that the Finance Bill Report Stage commences this week with both the Minister for Finance and the Minister of State for Financial Services, eGovernment and Public Procurement and officials appearing before the Joint Finance, Public Expenditure and Reform, and Taoiseach Oireachtas Committee.

Members were advised that the Commission has assessed Ireland's 2017 Draft Budgetary Plan (DBP) as broadly compliant with the provisions of the Stability and Growth Pact (SGP) with a risk of some deviation. This is the same conclusion as last year.

2.3 NAMA

An update was provided in relation to NAMA and Project Eagle noting the appearance of Deputy First Minister Martin McGuinness and former members of the NAMA Board before the PAC the previous week. It was noted that the next Public Accounts Committee Meeting is to take place on Tuesday and Thursday this week with representatives from Lazard & Co. Ltd. and the NAMA Chairman and CEO due to attend.

2.4 Brexit Update

The Department continues to engage with the relevant Cabinet Committee and cross-Departmental structures in the development of policy responses to Brexit with the next meeting planned for the 24th November. Senior Irish officials are due to meet with the Commission Taskforce on 23 November to discuss in particular NI issues. The Council

Secretariat and Commission are to hold a joint technical seminar on the Article 50 process on 29 November including presentations on EU Budget and Financial Services issues. All 27 MSs are to be invited with a member of the Perm Rep accompanying the Irish delegation.

2.5 FATF Mission Update

Senior Officials met with the FATF Assessors who provided a broad high level outline of their mission findings. It is likely that the first provisional draft ratings will be received in late January from the assessment team that will be the subject of a meeting in Paris in April. The draft ratings will be finalised in May, and will be considered and agreed at the Plenary in June 2017.

2.6 US Trip feedback

The Secretary General provided members with feedback from the recent trip by Minister Noonan and senior officials. This comprised a weeklong series of pre-planned meetings with the US Treasury, World Bank and International Monetary Fund. The trip also provided an opportunity to meet companies and investors on his trip, including several American companies based in Ireland.

2.7 Policy Committee Feedback

Members noted the five recent meetings of the Policy Committee that discussed the following topics: Proposed Procurement of a Banking Shared Service, Brexit: Sectoral analysis of UK-Ireland links, COSMO: New Macroeconomic Model for Ireland, Economic Evaluation of Research & Development (R&D) Tax Credit, The importance of productivity as a driver of long term growth, Ireland's comparative productivity position and possible policy responses and Forecasting trade deflators in Ireland. Members also reviewed the upcoming topics for discussion over the next Quarter.

3. AOB

4. Corporate

4.1 FMSS Progress Update

Ms. Connie Costello, Programme Manager of the Financial Management Shared Services (FMSS) Programme, presented an overview of the FMSS Programme, its interaction with the existing finance function and processes and the next steps in its roll-out.

4.2 Internal Audit - Audit of Compliance

Members discussed an additional recommendation to a recent internal audit report on the compliance framework, in relation to awareness training for all staff in the Department on the Compliance Management framework.

4.3 Finance Attaché Post in the Embassy of Ireland, Berlin

Members discussed and agreed a proposal to run a process to identify a suitable candidate for the post of Finance Attaché Post in the Embassy of Ireland, Berlin. This will be notified to all staff in the coming days.

4.4 HR Strategy 2016-2019

Members reviewed and discussed the proposed HR Business Strategy. This provides a framework that reflects the Department's Business Strategy, aiming to ensure all the various elements of

people management integrate to deliver on the Statement of Strategy. The HR Business Strategy is complementary to and encompasses a number of existing plans, projects and strategies. It is designed to both enhance and to work in tandem with the Governance Framework, the L & D Strategy and the Civil Service Renewal Plan.

Actions:

- Issue the HR Business Strategy to allow staff for consultation and consideration – Mr O’Ceallaigh
- Commence process to identify a suitable candidate for the post of Finance Attaché Post in the Embassy of Ireland, Berlin – Mr. O’Ceallaigh



Derek Moran
Secretary General

Executive Board Minutes Meeting 28 November 2016

Attendance: Derek Moran (Chair), Ann Nolan, John Hogan, Des Carville, Paul Ryan, Aidan Carrigan, Nicholas O'Brien, John McCarthy, Niall O'Ceallaigh, Sean Kinsella, David Byrne, Derek Tierney (Secretary).

Apologies: Gary Tobin

1. Communications & Press Office Diary, Minutes of Previous Meeting & Matters arising Action Government Memos, Freedom of Information Report & Press Office Report

In addition to the Communications diary, the following was discussed:

Minister Noonan and officials will meet with the Chairman of NTMA. The Minister will attend the Cabinet Committee on Housing and Homelessness.

The Minister of State will attend number of IFS 2020 related events during the week and will chair the meeting of the Cost of Insurance Working group.

The 6th PPS/M review mission will take place from the 29th of November to December 2nd 2016. Senior Officials will travel to London later in the week to attend an IDA planned event and will also use the opportunity to meet with UK Treasury and Bank of England officials. The Irish Fiscal Advisory Council (IFAC) are scheduled to publish their Fiscal Assessment Report on Wednesday. The end-November Exchequer Returns will be published on Friday followed by a press briefing in the usual way.

Minutes were approved of the previous Executive Board 21st November 2016.

2.1 Weekly Schedule (Dáil, Seanad and Committees)

Members discussed the weekly schedule of business for the Oireachtas including Private Members Bills, Oireachtas Committees, Dáil and Seanad.

2.2 Finance Bill Update

Members discussed the Finance Bill that is in the Seanad this week following completion of Dáil Report Stage.

2.3 NAMA

An update was provided in relation to the C&AG report on NAMA's Sale of Project Eagle noting the end of public hearings culminating with of representatives from Lazard & Co. Ltd. and the NAMA Chairman and CEO.

2.4 Brexit Update

The Department continues to engage with the relevant Cabinet Committee and cross-Departmental structures in the development of policy responses to Brexit. It was noted that Perm Rep officials and officials from D/Taois and D/FAT will attend a joint technical seminar on the Article 50 process on 29 November. Members also discussed the recent research paper published by the ERSI that seeks to quantify the potential impact on trade between UK and each of the other 27 EU member states, as well as the EU as a whole, in the event that a free trade agreement is not reached.

2.5 Cabinet Subcommittee on Housing & Homelessness

Members discussed the agenda for the upcoming Cabinet Subcommittee on Housing & Homelessness.

2.6 Risk Management Update

The Executive Board considered and approved the 'Top Risks' as proposed by the recent Risk Committee. Risks and their risk mitigants were reviewed and discussed by members in detail.

2.7 6th PPS/M

The 6th post-programme review mission will take place from the 29th of November to December 2nd 2016. The post-programme review mission is principally focussed on medium-term fiscal policy and financial stability issues which affect Ireland's market access and capacity to repay. A key aspect of this review is that it takes place in the broader context of the EU's enhanced economic and fiscal policy governance arrangements including the EU Semester, the Two Pack, the Six Pack and the Fiscal Stability Treaty. The Department of Finance, working with the Department of Public Expenditure and Reform, is leading on the coordination and monitoring of this review process.

3. AOB

Members were advised that the Internal Audit Unit have commenced a review of the internal control framework in the Department in relation to Records Management Policy and its implementation by staff and will report on, and if necessary make recommendations to the Audit Committee and Secretary General in the usual way.

Arcline Ltd. have been procured to provide Freedom of Information (Fol) training to the Department, with availability to run the first one day courses on 13 and 14 December. Members discussed the importance of this training and the FOI Unit are working with the training provider to tailor the course as much as possible to the Department's context and initial roll-out begins in the Financial Services Directorate.

Members noted the nominations (Mr Paul Ryan, Mr John McCarthy, Ms Emma Cunningham, Mr Gerry Kenny and Mr Oliver Gilvarry) for Appeals Officer training in conducting an appeal, understanding and being prepared to deal with the issues which can arise in the context of an appeal under the new Civil Service Disciplinary Code.

4. Corporate**4.1 CSMB meeting feedback**

The Secretary General provided an update on discussions following the recent Civil Service Management Board Away Day. The agenda covered progress across a number of renewal actions, and discussions on the current context and emerging issues facing the Civil Service.

4.2 Internal Audit Plan 2017

The 2017 draft internal audit plan was presented to the Executive Board for discussion. The draft plan is based on a documented risk assessment by the Department. The detailed Terms of Reference for each individual audit assignment will be discussed and agreed with relevant line management in advance of the commencement of the audit fieldwork. The next step is to present



for approval by the Audit Committee and following that formal approval will be sought from the Secretary General through the signing of the IAU SLA for 2017, which will include the final Audit Plan for 2017.

Derek Moran
Secretary General