

Executive Board Minutes Meeting 03rd October 2016

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

Apologies: Aidan Carrigan, Paul Ryan, David Byrne.

1. Minutes of previous meeting and matters arising

In addition to the Communications diary, the following was discussed. The September Exchequer returns will be published tomorrow at a press conference in the usual way. Secretaries General will travel to the UK for the annual meetings with Permanent Secretaries. The Minister is due to come before the Public Accounts Committee on Thursday. The Minister of State, accompanied by senior officials, travels to New York on IFS Ireland business followed by the IMF/World Bank annual meetings in Washington.

The minutes of the previous Executive Board 26th September 2016 were agreed and progress on action items was noted.

2. Dashboard Summary including discussion on:

2.1 Weekly Schedule (Dáil, Seanad and Committees)

Members discussed the weekly schedule of business for the Dáil and Oireachtas Committees.

Action:

- The PQ user guide will be updated to take account of recent standing orders – Mr Tierney

2.2 Budget & Finance Bill Update

The Executive Board took note of preparations for the forthcoming Budget, which are progressing well. Reviews of pre-Budget submissions and meetings with stakeholders are ongoing. Work continues on elaborating the detail of the tax package and similarly, a Finance Bill list of items is being developed for agreement with the Minister to allow drafting of the Finance Bill. Cabinet members will continue to meet on the lead-up to the Budget, and, given the timing of the Budget, it is expected that there will be a Cabinet meeting this Friday to sign off on its elements.

2.3 NAMA

An update was provided in relation to NAMA and Project Eagle. It was noted that the Comptroller & Auditor General appeared before the Public Accounts Committee on Thursday to discuss his special report on Project Eagle. This was followed by an appearance by representatives from NAMA. The Executive Board discussed the key themes arising. It was noted that the Minister is scheduled to appear before PAC this coming Thursday and will be accompanied by officials. Current and former NAMA Board members and senior executives have been invited to appear subsequently. Officials (past and current) from the Department of Finance are also scheduled to appear before the PAC.

Related to Project Eagle, the Taoiseach has received submissions from opposition leaders in order to inform the scope of a Commission of Investigation. It is unclear at this juncture how the work of the PAC and the work of the proposed Commission of Investigation will be sequenced.

2.4 Macroeconomic & Fiscal Update

Members noted that the macroeconomic projections that will underpin Budget 2017 are being presented to the Budgetary Oversight Committee tomorrow morning and then to the IFAC Council after that. On the fiscal side, September's Exchequer returns will be published on Tuesday, 04 October 2016, with a press briefing in the usual way. The Returns will show that at end-September 2016, cumulative tax receipts were up (1.5%) on profile, primarily driven by a strong performance in corporation tax. Total net voted expenditure to end-September 2016, was 1.5% below profile. In terms of the Budget figures this implies that deficit remains at a projected 0.9 per cent by the end of this year.

2.5 IMF & World Bank Meetings

The Minister of State and senior officials are attending the IMF/World Bank meetings in Washington from the 07th-09th October 2016. These Annual Meetings of the Boards of Governors of the International Monetary Fund (IMF) and the World Bank Group (WBG) bring together central bankers, ministers of finance and development, private sector executives, representatives from civil society organizations and academics to discuss issues of global concern, including the world economic outlook, poverty eradication, economic development, and aid effectiveness.

2.6 European Banks Financial Stability

Members discussed the evolving situation regarding the European banking sector in recent weeks. Deutsche Bank is in discussion with the US Department of Justice regarding a settlement demand for \$14bn to settle claims of mis-selling mortgage-backed securities dating back to before 2008. Based on similar situations this figure is likely to be negotiated downward. The unexpectedly large size of the initial demand is leading analysts to speculate that Deutsche Bank may have to raise fresh capital or sell assets in order to cover the capital costs of a settlement in excess of the associated provision (€5.5bn). This uncertainty and associated speculation has manifested in significant downward pressure on the share price. Germany's second-largest bank, Commerzbank, is also receiving market attention after recently announcing that it is cancelling its dividend and letting go almost a fifth of its 51,000 staff.

The banking situation in Italy was discussed and it was noted that there is a constitutional referendum scheduled for 4th December. All of the above are having an impact on investor sentiment coupled with sectoral headwinds including negative interest rates, weak economic growth and tightening regulation which, in aggregate, are pushing the sector's profitability below its cost of capital.

Members discussed recent public statements by the Chairman of AIB who declared that AIB is close to being in a position to pay a prudent dividend to the State. Mr Pym said many of AIB's legacy problems have been largely resolved, leaving the State in a position to sell its equity stake. It was noted that any sale of equity is this is subject to a range of factors including prevailing market conditions.

These matters will be discussed at the Principals Group scheduled for later in the day.

These matters will be discussed at the Principals Group scheduled for later in the day.

3. AOB

Members noted that the British Prime Minister Theresa May has confirmed she will trigger the start of formal negotiations on the UK's departure from the EU before the end of March 2017. The announcement to trigger Article 50 commences the two-year process, unless extended by unanimity. Work is continuing across divisions to ensure preparedness for negotiations.

Work is progressing on the Electrical and Fire Safety project with the lower ground floor handed back and work commencing in North Block.

4. Corporate

4.1 IMI Annual Conference

Members were provided with an update of the recent IMI national management conference 2016 held on the 29th September.

4.2 HR Update

Members were provided with an update on the re-organisation of the Finance Unit in conjunction with work underway to progress the Financial Management Shared Service project and the Paymaster Banking Services.

A handwritten signature in black ink, appearing to read 'Derek Moran', written over a horizontal line.

Derek Moran
Secretary General

Executive Board Minutes Meeting 10th October 2016

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

Apologies: Aidan Carrigan, Nicholas O’Brien, Paul Ryan, David Byrne.

1. Minutes of previous meeting and matters arising

In addition to the Communications diary, the following was discussed. As well as attending Dáil and giving the Budget opening Statement, the Minister will make a number of post-Budget media appearances. The Minister of State attends Eurogroup and ECONFIN and will also make a number of media appearances in relation to Budget 2017. The Minister of State is also scheduled to chair a meeting of the Insurance Working Group later in the week

The minutes of the previous Executive Board 03rd October 2016 were agreed and progress on action items was noted.

2. Dashboard Summary including discussion on:

2.1 Weekly Schedule (Dáil, Seanad and Committees)

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

2.2 Budget & Finance Bill Update

The Executive Board took note of preparations for the forthcoming Budget, which are progressing well. Members received a full brief in relation to proposed tax package elements and revenue-raising measures. The Finance Bill list of items is being developed for agreement with the Minister to allow drafting of the Finance Bill. Cabinet members continue to meet on the lead-up to the Budget.

2.3 NAMA

An update was provided in relation to NAMA and Project Eagle. It was noted that Minister and senior Department officials appeared before the Public Accounts Committee on Thursday and took questions over a period of approximately five hours. The Executive Board discussed the key themes arising. A former member of the NAMA’s Northern Ireland Advisory Committee (NIAC) is scheduled to appear w/c 10 October. The Taoiseach has received submissions from opposition leaders in order to inform the scope of a Commission of Investigation relating to Project Eagle and discussions continue in this regard.

2.4 Macroeconomic & Fiscal Update

Members noted that the macroeconomic projections were presented to the IFAC Council at the end of the previous week with the White paper published on Saturday. The projections feeding into the Budget imply that the deficit remains at a projected 0.9 per cent by the end of this year, in line with the Summer Economic Statement.

2.5. European Banks Financial Stability

Following on from the previous week’s discussion, members reviewed the paper before them setting out an update on matters relating to European Banks Stability. This discussion included a

discussion of specific banks while noting the main sectoral headwinds that the European banking sector is facing. Members also noted and discussed recent speeches from various regulatory authorities highlighting their desire for banks to change their income and cost business models in a low interest rate environment. In terms of costs, it was noted that Irish banks had made very significant progress in this regard over recent years. Having discussed same with the Central Bank, members are also considering how best to interact with the ECB and the SSM to exchange respective viewpoints.

2.6 Permanent Secretaries Feedback

Members were updated in relation to the recent visit by Secretaries General to their counterparts in the UK. Discussions centred on common areas of interest including preparedness for Brexit and the development of a joint working paper on the 4th Anti-Money Laundering Directive.

3. AOB

Members were provided with a progress update on the tender for a proposed Public Awareness Campaign arising out of the commitments given in the EU Restructuring plans of AIB and PTSB.

Members noted that discussions are ongoing with OPW relating to refurbishment of property in Clare Street in order to provide additional capacity.

4. Corporate

4.1 HR Update

HR will shortly announce a process for selection of a suitable candidate to fill an embassy role as Financial Counsellor.

Members were provided with an update following a presentation to staff on the re-organisation of the Finance Unit. This reorganisation will take into account the transition to Financial Management Shared Service and the Paymaster Banking Services on a commercial basis with a retained unit returning to Dublin in 2018.



Derek Moran
Secretary General

Executive Board Minutes Meeting 17th October 2016

Attendance: Derek Moran (Chair), Ann Nolan, Gary Tobin, John Hogan, Des Carville, Nicholas O'Brien, Paul Ryan, Derek Tierney (Secretary).

Apologies: Aidan Carrigan, John McCarthy, Niall O'Ceallaigh, David Byrne, Sean Kinsella.

1. Minutes of previous meeting and matters arising

In addition to the Communications diary, the following was discussed. In addition to attending the Government meeting, Dáil and a Cabinet Committee on Brexit, the Minister will appear before the Finance, Public Expenditure and Reform, and Taoiseach Committee to discuss a Private Members Bill in relation to Pre-Legislative Scrutiny on the Central Bank (Variable Rate Mortgages) Bill 2016. The Finance Bill will be presented to the Dáil on Thursday, 20 October. In addition to IFS 2020 and other engagements, the Minister of State will take Committee & remaining stages of the Finance (Certain EU and Intergovernmental Agreements) Bill 2016 in the Seanad.

Members discussed a recent media article regarding the States Shareholding. The Head of SMU, together with the Press Officer, undertook to contact the author in question and discuss the detail presented and also to assure the author that the Department is available via the Press Office for fact checking at any time.

The minutes of the previous Executive Board 10th October 2016 were agreed and progress on action items was noted.

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/Budget 2017 Update

The Finance Bill List of Items was presented at the last Government Meeting on 11 October 2016. Members discussed the provisions being finalised in the Finance Bill, to bring into effect budgetary measures, which will be presented to the Dáil on Thursday, 20 October 2016.

2.3 NAMA

An update was provided in relation to NAMA and Project Eagle. It was noted that a former member of the NAMA's Northern Ireland Advisory Committee (NIAC) appeared before the Public Accounts Committee last week. The Executive Board discussed the key themes arising. Considerations are ongoing to inform the scope of a Commission of Investigation relating to Project Eagle and discussions continue in this regard.

2.4 Brexit Update

Members noted Mr Michel Barnier's recent visit to Dublin, one of a series of early engagements with EU capitals, before the formal Brexit negotiations process begins next year. Mr Barnier, who took office on 1 October, is the European Commission's Chief Brexit Negotiator and will lead the EU's technical negotiations with the UK once the British Government has triggered Article 50. The Department is continuing work across divisions and in conjunction with inter-Departmental structures to ensure preparedness for negotiations. Senior officials will attend a Cabinet Committee on Brexit, to be held on 19th October.

2.5. IMF/WB feedback

Feedback was provided to members from the recent IMF/World Bank meetings, attended by the Irish delegation, held in Washington. Among the key themes discussed at the meetings were world growth remaining below its long-term average to both developed as well as emerging markets, increased trade protectionism, levels of fixed investment activity impacting productivity growth, Brexit as a key global economic concern, Global debt, including China's ability to manage its debt, and high corporate debt levels in emerging economies and the link between interest rates growth and the need for focus on other key policy measures, including fiscal, trade, competition, and labour policy.

2.6 Eurogroup/ECONFIN feedback

Feedback was provided to members from the recent Eurogroup that discussed Greece, thematic discussions on growth and jobs, long-term healthcare and long-term care, looked at public expenditures and how to secure fiscal sustainability.

2.7 European Banking Authority

With the UK's exit from the EU, decisions have to be made with regard to the relocation of the two EU agencies (the European Banking Authority (EBA) and the European Medicines Authority (EMA)) currently residing in the UK. A number of Member States have already expressed an interest in hosting these agencies. Members approved the paper recommending that a public declaration of interest in hosting the EBA be made for the re-location of the EBA to Ireland post Brexit. It is expected that a proposal on whether to publically declare an interest in relocating both the European Banking Authority (EBA) and the European Medicines Authority (EMA) to Ireland will be discussed at the Cabinet Committee on Brexit, to be held on 19th October in seeking approval to submit a Memo to Government on this issue.

3. AOB

The Executive Board acknowledged the efforts by all staff involved in the Budget process and the wider work of the Department in recent weeks.

4. Corporate

4.1 Heads of Bills for Pre Legislative Scrutiny – Administrative Arrangements

Members noted the revised Finance Committee administrative arrangements when Draft Heads of Bills for Pre Legislative Scrutiny are being sent to the Committee.

4.2 C & AG Audited Accounts

Members noted the requirement of Circular 7/2015 dated 22/05/2015 from the Department of Public Expenditure and Reform.

The circular's requirements aim to ensure that in the normal course the accounts of bodies and funds under the aegis of Departments and Offices are laid before both Houses of the Oireachtas within three months of the Comptroller and Auditor General (C&AG) issuing the audit certificated on the accounts. These requirements are also stated in the C&AG's letter on completion of his audit.



Derek Moran
Secretary General

Executive Board Minutes Meeting 24th October 2016

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

Apologies: Aidan Carrigan, Nicholas O'Brien, Gary Tobin.

1. Minutes of previous meeting and matters arising

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

The Finance Bill is scheduled for second stage this week. On Thursday the Minister is expected to attend the Cabinet Committee on Housing and also appear before the Finance, Public Expenditure and Reform, and Taoiseach Committee to present pre-legislative scrutiny on the General Scheme of the Financial Services and Pensions Ombudsman Bill 2016. On Friday Minister Noonan is due to attend the GlobeSec Tatra summit 2016 in Bratislava.

On Tuesday, Minister of State Murphy is due to participate in a Newstalk Drivetime political panel. Also on Thursday, Minister Murphy is to attend as a keynote speaker in the Banking Payments Federation Ireland's National Banking conference 2016 'Delivering Services for Customers'. Minister Murphy will also chair the Cost of Insurance Working Group TF plenary on Thursday. On Friday, Minister State Murphy will speak at the 'Coca Cola Thank You Fund' award ceremony. The Fund is being delivered in partnership with the Irish Youth Foundation and YouthAction Northern Ireland.

The minutes of the previous Executive Board 17th October 2016 were agreed and progress on action items was noted.

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/Budget 2017 Update

The Finance Bill List of Items was presented at the last Government Meeting on 11 October 2016. Members noted publication of the Finance Bill, to bring into effect budgetary measures, and preparations underway for second stage during this week and committee stages.

2.3 NAMA

An update was provided in relation to NAMA and Project Eagle. It was noted that NAMA Board members appeared before the Public Accounts Committee last week and the Executive Board discussed the key themes arising. Considerations are ongoing to inform the scope of a Commission of Investigation relating to Project Eagle and discussions continue in this regard.

2.4 Rugby World Cup 2023

Members were provided with an update on the interdepartmental group that met the previous week, on which the Department sits, and who are involved in preparing a bid for Rugby World Cup 2023.

3. AOB

The Executive Board was provided with an update on those additional FoI supports being rolled-out across the Department. It was also provided with a progress update in drafting the Statement of Strategy 2016-2019 and the business planning cycle for 2017.

The Executive Board noted the recent advertisement for a Finance Officer, as a first step in the process to oversee the transition to and management of the retained finance function as part of the wider FMSS project.

The Executive Board will meet on the 28th November specifically to discuss proposed organisational design proposals and conduct a resource review.

4. Corporate

4.1 Civil Service HR Strategy

The Executive Board held a wide ranging discussion that considered the draft Civil Service HR Strategy issued for consultation. It was agreed that the Head of HR would revert with comments on behalf of the Executive Board.

4.2 Stress Management Awareness Policy

The Executive Board approved the Stress Management Awareness Policy – Guidelines for the Department of Finance. This policy is focussed on work-attributed stress (WRS). The purpose of this document is to highlight what WRS is, and the Department's and each staff member's role in managing WRS and is developed as part of the Department's 'People at the Centre' approach, it is in line with our wellness initiatives, governance and best practice and the obligation to ensure that, as far as is reasonably practicable, the health of employees is not endangered in the course of their work.

4.3 ESRI Research Programme Business Case

The Joint Research Programme between the Department and the ESRI has been effective in terms of enhancing the evidence base of key macroeconomic and tax policy issues through the production of high quality, policy relevant research. The Programme has also brought significant benefits to the Department in improving the skills and research capacity of the economists who have participated in joint work with ESRI researchers. Given the success of the Programme and the opportunity to undertake new research on a number of highly relevant topics including in the areas of productivity and tax modelling, the Executive Board approved the business case recommendation to extend the programme for a further year on the basis of a financial commitment from the Department of a maximum of €200,000 in 2017; in addition to the research projects indicated, it would be open to the Department (and the ESRI) to suggest other research topics; and that economists from the Department would participate in all of these research streams in order to continue the capacity building and knowledge transfer element of the programme.

4.4 IMI Corporate Membership Business Case

Members approved the recommendation that the Executive Board confirm that the Department maintains its membership with the IMI for the 2016/2017 year. On the basis of value for money and underlying support to the Departments L & D Strategy.



Derek Moran
Secretary General