

Executive Board Minutes Meeting 05th September 2016

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

Apologies: Niall O'Ceallaigh, Paul Ryan.

1. Minutes of previous meeting and matters arising, Government Memos

In addition to the Communications diary, the following was discussed: IFAC is expected to publish its pre-Budget 2017 statement later in the week. The Minister of State will appear before the Joint Finance, Public Expenditure and Reform, and Taoiseach Committee in relation to the cost of Motor Insurance. The Minister and officials will travel to Bratislava for Eurogroup and informal ECONFIN meetings later in the week.

The minutes of the previous Executive Board 29th August 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 reviewed the weekly schedule of business for the Dáil and Oireachtas Committees.

2.2 Exchequer Returns

Members discussed the August Exchequer Returns, published on the previous Friday. An Exchequer deficit of €329 million was recorded at end-August 2016. This compares to a deficit of €1,291 million in the same period last year. This €962 million year-on-year improvement in the Exchequer balance is driven by a year-on-year increase in tax revenue, albeit partially offset by increased voted expenditure and reduced non-tax revenue. Tax revenues for the month of August were down €196 million (7.4%) on the monthly target. This was primarily due to under-performances in income tax (-€98 million) and excise duties (-€97 million). Members noted that this was the third successive month in which tax revenue was behind profile.

In cumulative terms, the tax revenue surplus against profile has now been reduced to €449 million or 1.6%. This represents a 6.2% (€1,702 million) increase when compared to same period in 2015. Total net voted expenditure to end-August 2016, at €27,713 million, was €354 million or 1.3% below profile but €336 million (1.2%) higher in year-on-year terms.

2.3 Budget & Finance Bill Update

Members noted that the normal engagement with IFAC (the endorsement of the economic forecast process) in advance of the Budget had begun and that IFAC are expected to publish their pre-Budget statement later in the week. The macroeconomic data prepared for the SES will be used as the basis for the Budget figures while also taking into account the recent outcome of the UK Referendum. Officials continue to work on Budget and Finance Bill items and submissions.

2.4 Taxation Issues

Members discussed the Commission decision announced on the State Aid Apple case and the possible implications arising. Officials will continue to brief Ministers in advance of the Dáil motion regarding the proposed Government decision to appeal the European Commission's decision that Ireland provided unlawful State aid to Apple.

2.5 EWG/EFC Feedback

Feedback was provided to members from the recent EWG/EFC Informal meetings on the 29th and 30th August. On Friday 9th September it is expected that Eurogroup will deal with likely discussion points around Greece, a thematic discussion on spending reviews, current fiscal issues and preparation of the G7 meeting. On Saturday 10th September it is expected that the Informal ECOFIN will hold a policy discussion on the Future of Economic Policies in the EU and Tax Certainty.

2.6 EU Strategy Committee Update

(UK Referendum: Assessment of Risks, Opportunities and Priorities)

Members discussed a paper presenting preliminary analysis, post Brexit, focussed on key policy issues arising for the Department that covered the following areas: Macroeconomic impact; Financial Stability; EU financial services policy; Irish financial services sector; EU Budget; Taxation; and IFIs. This paper's analysis will be developed on an ongoing basis as part of the Department's post-referendum negotiation preparations.

Action:

- Arrange for issue of EU-UK paper: Preliminary assessment post referendum to the Minister – Mr O'Brien.

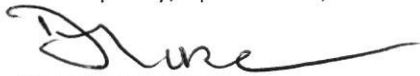
3. AOB

Members noted the work underway across a number of initiatives as part of the structure and processes around managing Freedom of Information requests.

4. Corporate

4.1 Report for SPS Management Committee (Performance Management Process for SPS Members excl. Secretaries General)

Members discussed the findings outlined in the report prepared by the SPS Secretariat based on those Assistant Secretaries and certain other SPS grades who shared their objectives and deliverables with the SPS Secretariat under the revised performance management arrangements. Members noted that the report that finds the new approach to setting objectives and deliverables across policy, operational, leadership and collaboration categories appears to be working.



Derek Moran
Secretary General

Executive Board Minutes Meeting 12th September 2016

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

1. Minutes of previous meeting and matters arising, Government Memos

Members discussed the Communications diary, noting the Minister and Minister of State diaries for the week.

The minutes of the previous Executive Board 05th 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.

2.2 Taxation Issues

Members discussed the recent Dáil motion regarding the Government decision to appeal the European Commission's decision that Ireland provided "unlawful State aid" to Apple, and actions arising.

2.3 Budget & Finance Bill Update

The CSO are expected to publish the Quarterly National Accounts Q2 2016 on Wednesday that will outline the first estimate of GDP growth for the second quarter of this year. These and other economic data are feeding into the macro-economic projections that will underpin the Budget figures. Representatives from the Irish Fiscal Advisory Council (IFAC) are expected to appear before the Budgetary Oversight Committee later in the week to present and discuss their Pre-Budget Statement. Officials continue to work on Budget and Finance Bill items and submissions.

2.4 Eurogroup & Informal ECOFIN feedback

Feedback was provided to members from the recent Eurogroup that discussed Greece, current fiscal issues, a thematic discussion on spending reviews, and preparation for the next G7 meeting. The Informal ECOFIN tabled agenda discussions on the Future of Economic Policies in the EU and Tax Certainty.

2.5 NPLs

A European Central Bank working group, led by Central Bank of Ireland deputy governor Sharon Donnery, will launch guidance for banks dealing with non-performing loans (NPLs) later in the day. This is part of a wider consultation process aimed at developing a common practice across member states. The ECB, together with a number of national supervisory authorities, also conducted a stocktake of national supervisory practices and legal frameworks concerning NPLs.

2.6 NAMA

The Cabinet is expected to discuss the Comptroller & Auditor General's special report into the sale of the Northern Ireland loan book and related loans (referred to as Project Eagle) at its meeting

on Wednesday and publish the same day or on Thursday morning. NAMA is also due to come before the Public Accounts Committee later this month to discuss the C&AG's special report on Project Eagle.

3. AOB

Members were updated on the ICT Hybrid roll-out and desktop PC refresh programme. Members also reviewed the transition to the new mobile phone contract.

4. Corporate

4.1 Internal Audit of Fixed Asset Management

Members reviewed the draft report on fixed asset management. The Terms of Reference for the audit were to review the control framework for Fixed Asset Management as at May 2016.

4.2 Wellness Update

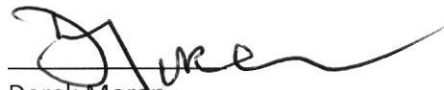
Members discussed the report setting out the wide range of initiatives and supports available to staff and managers relating to their state of wellness within the Department.

4.3 Legal & Advisory Costs Q2

Members discussed the Legal & Advisory Costs Register Q2 2016 that was tabled. Subject to clarification, this was agreed for publication.

4.4 Strengthening Cyber Security Controls and Protection Measures

Members discussed and agreed a paper outlining an ICT Security Strategy. This sets out a range of proposed ICT security enhancements to Department policies and practices in the area of cyber security that will be implemented in the period ahead. These are considered to be measured and appropriate and reflecting the reality of the real threat posed from cyber risk to the Department's data and ICT services and infrastructures. This is in line with the recently signed OGCIO Engagement Model that provides an assurance to confirm that there are systems aimed at ensuring the security of the ICT infrastructure in line with the Public Financial Procedures.



Derek Moran
Secretary General

Executive Board Minutes Meeting 19th September 2016

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

Apologies: Paul Ryan

1. Minutes of previous meeting and matters arising, Government Memos

In addition to the Communications diary, the following was discussed. The Minister will appear before the Budgetary Oversight Oireachtas Committee to discuss revenue-raising proposals. The Minister and officials are travelling to London to attend a number of engagements later in the week. The Minister of State chaired the Q3 IFS 2020 High Level Implementation Committee (HLIC) earlier in the day and travels to Singapore and Shanghai, accompanied by officials, to promote Ireland's IFS strategy. The Tax Institute is expected to publish their pre-Budget Report tomorrow and the ESRI is expected to publish their Quarterly Economic Commentary (QEC) later in the week.

The minutes of the previous Executive Board 12th 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.

2.2 Budget & Finance Bill Update

The Executive Board took note of preparations for the forthcoming Budget, which are progressing well. Pre-Budget submissions have been received to date and the Minister continues to meet with various stakeholders in the lead up to Budget 2017. Once Finance Bill list items are agreed, officials with work in conjunction with Revenue and the OPC in drafting the Bill.

2.3 NAMA

NAMA is due to come before the Public Accounts Committee later this month to discuss the C&AG's special report on Project Eagle. The Minister is considering an invitation to appear before PAC to respond to questions about the Project Eagle sale of property.

2.4 Economic Projections

The macroeconomic projections that will underpin Budget 2017 were discussed. Gross Domestic Product is revised this year to 4^{1/4} per cent and to 3^{1/2} per cent in 2017 taking into account a number of factors including the effects of contract manufacturing on net exports, evidence of inversions, oil prices, Brexit and exchange rate developments. Employment forecasts are revised to 2^{1/2} per cent this year and 2^{1/4} for 2017. Similarly unemployment figures are forecast at 8^{1/2} and 7^{3/4} in 2017. A memo for Government setting out the broad economic and fiscal parameters is to be brought to government on Wednesday. These projections will then be provided to the Irish Fiscal Advisory Council on Thursday to begin the

endorsement process (a meeting first with the Secretariat followed by presentation to the Council).

2.5 State Aid

Following the recent Dáil motion regarding the Government decision to appeal the European Commission's decision relating to State aid to Apple; the legal team are preparing the detail of an appeal. Members noted that the European Commission has published a scoreboard which examines all non-EU countries for tax purposes.

3. AOB

Members were updated on development of a Professional Diploma in Finance. The tender process is nearing a conclusion and the Department hopes to issue a contract in the coming weeks. Completion of the course will lead to conferral of a Professional Diploma in Financial Services from UCD at level 9 on the NFQ and will account for 20 ECT credits that can be utilised going forward to MSc in Financial Services (90 ECT). The modular course will last for 16 weeks (64 Hours) and assessment will be based on essay-based work, a group assignment and a 2/3 hour examination.

Action:

- Discuss divisional requirements with members for economics based training - Mr McCarthy.
- Prepare a consolidated training budget overview for 2016 and 2017 – Mr. Hogan

4. Corporate

4.1 Internal Audit of Shareholding Management Unit

Members were updated on management actions arising from the internal audit of the Shareholding Management Unit.

Action:

- Circulate Internal Audit report and management action plan for information – Mr Carville



Derek Moran
Secretary General

Executive Board Minutes Meeting 26th September 2016

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

Apologies: Paul Ryan, David Byrne.

1. Minutes of previous meeting and matters arising, Government Memos

In addition to the Communications diary, the following was discussed. Mr Saint-Amans, director of the OECD's Centre for Tax Policy and Administration, is in Dublin today for a meeting with the Minister for Finance to exchange views on the international tax agenda. On Tuesday 27th September, 2016 Minister Noonan will make a presentation to the Department of Finance's Economic Policy Competition 2016 winner. The Minister will attend the Cabinet Committee on Housing scheduled for Wednesday and will attend a number of Budget-related meetings with Minister Donohoe later in the week. The Comptroller and Auditor General and NAMA are due to come before the Public Accounts Committee on Thursday. The Minister of State continues with a series of IFS-focused meetings throughout the week. The Central Bank Governor, Deputy Governor and Director of Credit Institutions Supervision will speak at a number of engagements over the course of the week.

The minutes of the previous Executive Board 19th 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.

2.2 Budget & Finance Bill Update

The Executive Board took note of preparations for the forthcoming Budget, which are progressing well. Pre-Budget submissions have been received and a number of meetings with stakeholders are scheduled. Work continues on progressing the detail of a broadly agreed tax package by the Minister and elements will be further discussed over the coming weeks. Similarly, a Finance Bill list of items is being developed for agreement with the Minister to allow drafting of the Finance Bill.

2.3 NAMA

An update was provided in relation to NAMA and Project Eagle. It was noted that the Comptroller and Auditor General and NAMA are due to come before the Public Accounts Committee on Thursday to discuss the C&AG's special report on Project Eagle. The Minister will also appear before PAC in early October. The Taoiseach is inviting submissions from Opposition leaders in order to inform a Commission of Investigation. Officials from the Department will appear before the PAC in due course. The Executive Board was also updated on the status of the State Aid investigations into NAMA.

2.4 Economic Projections

Members noted that the macroeconomic projections that will underpin Budget 2017 were provided to the Irish Fiscal Advisory Council last Thursday to begin the endorsement process. This process has involved a meeting with the Secretariat and presentation to the Council is scheduled for Tuesday 04th October. Officials are in discussion with the Budgetary Oversight Committee to finalise timings on presentation of the projections. On the fiscal side, given that taxes have now been under profile for the three months in a row, it is considered that there will be little or no scope for an overshoot of the profiled annual tax revenue.

2.5 Brexit Progress Update

An update was provided to members following the Minister's recent trip to London and engagements where Brexit related matters were discussed.

3. AOB

Members were provided with an update of matters discussed at the recent Departmental Council.

Members noted that the closing date for receipt of applications for the 2016 Civil Service Excellence and Innovation awards is Thursday 29th September.

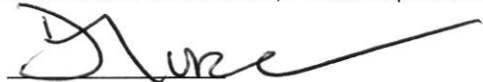
4. Corporate

4.1 Revised Framework of Assignments

Members reviewed the revised framework of assignments prepared in accordance with Section 4(1) and 9(2) of the 1997 Public Services Management Act. The revised framework, as set out in the attached document, constitutes a consolidated statement as at September 2016 of all assignments under the Act by the Secretary General of the Department of Finance to reflect recent reorganisation and promotion of officers.

4.2 Draft Statement of Strategy

Members reviewed progress draft in developing the draft Statement of Strategy 2016-2019. The draft document will be next issued to the Senior Management Group for consideration and following that will be issued to all staff for consultation. As part of this consultation process, Corporate Affairs will also engage with the PfG Office in D/Taoiseach and the Oireachtas Committee on Finance, Public Expenditure and Reform, and Taoiseach (Joint).



Derek Moran
Secretary General