

Approved by
Fiscal Discipline Council meeting on
29 May 2014
Minutes of the meeting No 3

Fiscal Discipline Council Procedure

Adopted in accordance with
Fiscal Discipline Law
Article 30, part one

I. General Provisions

1. 1. Fiscal council Procedure (hereinafter - Procedure) determines Fiscal Discipline Council (hereinafter - the Council) internal procedures, including the preparation of meetings, convening and the order of holding meetings.
2. The Council is collegial and functionally independent, adequately authorized autonomous public entity, which has a goal of monitoring the observance of the conditions of fiscal discipline established in the Fiscal Discipline Law.
3. The Council has been tasked to monitor the observance of the conditions of fiscal discipline established in the Fiscal Discipline Law, the adequacy of the fiscal safety reserve to the assessed fiscal risks, to prepare a fiscal discipline monitoring report and irregularity reports, if necessary, as well as to inform the Parliament and the Cabinet of its views of fiscal policy and macroeconomic development.

II . Call for the Council Meeting and Preparation

4. The Council may hold ordinary and extraordinary meetings.
5. Items for the Council review are submitted by:
 - 5.1. Chairman
 - 5.2. Member of the Council
6. The Chairman calls for the Council meeting, determining timing and announcing agenda. The Secretary organizes the Council meetings.
7. The Council shall meet as required but not less frequently than once every six months.
8. According to the schedule of the preparation and submission of a medium -term budget framework and the draft law on the annual state budget law adopted by the Cabinet of Ministers, the Council Secretary shall prepare an annual indicative plan for the Council meetings and communicate to the members. The Chairman upon comments of members decides on the indicative annual plan of meetings. The Secretary shall transmit the approved indicative annual plan of meetings for the council members and place it on the Council's website.

9. Chairman of the Council shall call for a meeting outside the Council's annual indicative plan, if it is necessary to consider an irregularity report, in accordance with the second part of the Article 29 of the Law on Fiscal Discipline 29th. This meeting is not considered an extraordinary meeting.

10. In some cases, the participation in Council meetings may take place by telephone or video conference and the Council Chairman decides about the organization of the meeting.

11. The initiators of the request for convening an extraordinary session to the Council Chairman shall indicate the reasons for calling an emergency meeting and the agenda.

12. The time and venue of the next council meeting shall be announced during a council meeting or no later than 15 working days before the meeting by sending a letter of invitation (by e-mail). The time and venue of an extraordinary meeting shall be announced no later than 5 working days before the meeting. Extraordinary meeting could be called on a shorter notice, if there are objective reasons.

13. The secretary shall mail the agenda approved by the chairman to the council members no later than 5 working days before the meeting.

14. The Council may decide on adding additional items on agenda upon proposal of a member of the Council.

15. The Secretary shall timely prepare and provide the Council with draft agenda, draft decisions on items to be discussed, and other documents necessary for objective examination according to this Procedure of the Council.

16. The Secretary shall transmit to the members the meeting materials issues to be examined as soon as they become available and when it is known that the matter will be discussed at a Council meeting, but no later than 5 working days before the Council meeting.

17. The Secretary not later than 2 working days before the meeting of the Council shall prepare for each of the agenda items a concise note containing the following:

17.1. applicability of the item to the responsibilities of the Council

17.2. the nature of the issue;

17.3. information on the attached materials;

17.4. draft minutes agreed by the Chairman of the Council, if applicable.

18. A member of the Council may request the Council to defer an item included on agenda for consideration. The Council shall decide on the deferral of the meeting item on the agenda for consideration based on the request by a member of the Council before approving the agenda of the Council meeting.

19. If the Council, in accordance with Section 18 of these Procedures decides to postpone the matter , the matter for consideration to be included in the agenda of the Council , which is decided by the Council

20. The Secretary shall organize the participation of the persons invited for the Council meetings.

III . Conducing Council meetings

21. Council meeting shall continue until the items on agenda have been exhausted unless the Council decides otherwise.

22. meetings of the Council when considering council meeting agenda , and Council members participating in the meeting :

22.1. Council members;

22.2. Secretary;

22.3. Experts and other participants invited by the chairman of the Council.

23. The Secretary prepares minutes of the Council meetings. The minutes shall include :

23.1. Council meeting time and venue ;

23.2. Council meeting opening and closing times;

23.3. Meeting Chairman's and the minute's taker's name and position ;

23.4. Names of present and absent Council members;

23.5. Agenda for Council meetings (items discussed, and persons who have spoken out on the item, a brief outline of the speech) ;

23.6. Results of voting, indicating the vote of each member of the Council on every decision ("for", "against" or "abstain") ;

23.7. Decisions adopted;

23.8. Council member's view on the issue, if any, or a notice of attached to the minutes of members' of the Council of written justification for the opinion.

24. Secretary of the Council, no later than 5 working days after the meeting shall send to members of the Council draft minutes for reconciliation. Following the review the draft minutes shall be signed by the Chairman and Secretary of the Council, who shall forward the minutes to the Council members.

25. Council meeting minutes are published on the Council's website.

IV . The decision-making by written procedure

26. Decisions by written procedure can be taken on:

26.1. Issues that have already been discussed at a Council meeting;

26.2. Procedural or technical issues.

27. Decision by written procedure is adopted if all members of the Council have voted to support the motion.

28. Secretary of the Council shall send to members of the Council the materials related to the proposed decision, a statement prepared according to the provision 17, and the deadline by which members of the Council shall send the vote. The deadline should be not be less than 2 business days, except in urgent cases.

29. Secretary of the Council shall prepare minutes regarding the decision making in writing, which is signed by the Chairman of the Council to confirm the fact of adopting the decision.

30. The Secretary sends the minutes of the decision making in writing to all council members. The minutes are published on the Council's website.

V. Working Groups

31. To prepare for Council meetings on the issues directly related to the competence of the Council and requires specific knowledge and expertise, the Council shall establish the following standing working groups:

31.1. First working group - the evaluation of the potential and the nominal gross domestic product;

31.2. Second working group – the assessment of adequacy of the fiscal security reserve.

32. Council may establish temporary working groups, if it is necessary to prepare the opinion of other fiscal policy and macroeconomic developments in the area, in accordance with the seventh paragraph of Article 28 of the Law on Fiscal Discipline.

33. Each working group shall include at least one member of the Council. The working group may include Secretary of the Council, the Council hired experts, and other persons, who have been recommended by one of the members of the Council.

34. A head of the group is a member of the Council. The Council approves the composition of the group.

35. The effort of a member of the Council in a Working Group is considered work related to the preparation of Council's meetings and shall be rewarded according to the Fiscal Discipline Law. Expert's effort in the Working Group work is a service, compensation for which is provided in accordance with the terms of reference and acceptance of the results. The engagement of experts shall comply with the Public Procurement Law. The Chairman of the Council shall decide on engaging the experts.

VI . The Secretary

36. The Secretary of the Council shall be chosen by competition, unless it is necessary to appoint a proxy for a specific period of time.

37. The Council shall approve the procedure for the competition and the job description of the Secretary of the Council.

38. Council shall decide on approving a candidate for the post of the Secretary of the Council.
39. The Chairman of the Council shall hire the candidate for the Secretary of the Council approved by the Council and shall conclude with him/her contract of employment.
40. Secretary of the Council in accordance with the provision 35 shall contract experts, control their performance, and approve payment for the services delivered.
41. The Secretary of the Council shall ensure the following:
 - 41.1. perform the statutory authority functions established according to the State Administration Law, with the exception of the functions which the Fiscal Discipline Law or the Procedure have assigned to the Chairman of the Council;
 - 41.2. manage of the budget sub-program 29.00.00 " the operation of the Fiscal Discipline Council ";
 - 41.3. examine the observance of the fiscal conditions in the draft medium-term budgetary framework law and the draft annual state budget law during the preparation, the execution, and the amendment;
 - 41.4. verify, if the conditions of the balance of provision and expenditure growth are properly applied, including an independent evaluation of the potential GDP and nominal GDP and the of the structural balance calculation;
 - 41.5. examine fiscal discipline law conditions in the execution of the annual state budget law and consistency of the local government budget and derived public person's budget summary fiscal indicators with the forecasted values;
 - 41.6. calculate the permitted deviation from the balance condition during severe economic downturn;
 - 41.7. examine the adequacy of the fiscal security reserve for the existing fiscal risks for the country;
 - 41.8. prepare proposals for fiscal discipline monitoring report, if necessary, the irregularity report and prepare other documents on behalf of the Council relating to the enforcement of the Fiscal Discipline Law, or adequate provision of the functioning of the Council.
 - 41.9. advise the Chairman of the Council on the allocation of financial resources to ensure the adequate operation of the Council ;
 - 41.10. request and receive from the institutions of the state the necessary information for enabling the work of the Council;
 - 41.11. provide Council with the information it needs, or it requires to fulfill its tasks;
 - 41.12. invite experts and other professionals on behalf of the Council to participate and provide their views in council meetings, complete procurement procedures to engage experts and control their performance and resolve payments;

- 41.13. report to the Council and Chairman of the Council on official duties, functions and tasks delegated by the Council
- 41.14. manage and supervise the use of budget funds as provided by law and the upon instructions of the Chairman and inform the Chairman;
- 41.15. ensure the preparation and assessment of contracts to support the functioning of the Council, as well as the signing the contracts, within the limits of authorization by the Chairman;
- 41.16. organize the Council recordkeeping, ensure document preparation, review, updating, circulation, filing and storage for the Council ;
- 41.17. monitor the assets (state property) of the Council in accordance with the applicable legal acts;
- 41.18. executes functions and tasks established by other laws and procedures , this procedure, the Council decisions, orders or resolutions of the Chairman.

VII . Ensuring the Council's operation

42. A member of the Council until the 5th working day shall provide the Secretary with time-sheets for the previous month. The time sheets shall indicate the hours spent on the Council meeting and in preparation for the meeting of the Council, including the effort on the working group.
43. Compensated effort related to the preparation of Council meetings, including the work of the working groups of the Council for a member shall be limited to 48 hours per annum. If the funding of the Council allows, Chairman of the Council may decide on the compensation for a higher number of effort hours.
44. A member of the Council shall submit to the Secretary an application and the supporting documents for travel and accommodation expenses no later than 14 working days after the expenses are incurred. The application shall indicate the dates and purpose of travel. The application shall be endorsed by the Chairman of the Council.
45. Secretary of the Council in accordance with applicable laws and procedures ensures:
 - 45.1. cooperation with the Ministry of Finance on operational technical support for the Council;
 - 45.2. the records of Council members' effort , notifications of absence from work, inability to work and leave the modalities - in coordination with the Chairman of the Council;
 - 45.3. compensation payment for the members of the Council on the preparation of and participation in meetings, transport, accommodation, and travel cost reimbursement;
 - 45.4. procurement to support the operations of the Council ;
46. The Secretary of the Council ensures the legality of the operation of the Council.

47. The Chairman or Secretary of the Council informs the media of the official opinion of the matters reviewed in the meeting of the Council. The Chairman shall inform the Saeima and the Cabinet of Ministers regarding the work of the Council in ensuring the observance of the Fiscal Discipline Law.

48. Deputy Chairman performs the responsibilities of the Chairman of the Council established by the Fiscal Discipline Law and these Regulations during the absence of the Chairman of the Council.

49. Secretary of the Council shall report to the Ministry of Finance on budgetary spending of the Council.