Department of Agriculture, Environment and Rural Affairs
An Roinn Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe
Depairtment o' Fairmin, Environment an' Kintra Matthers
www.daera-ni.gov.uk

OFFICIAL DAERA MINUTES

MEETING TITLE	**DAERA AUDIT AND RISK ASSURANCE COMMITTEE MEETING**
DIVISION/BRANCH REFERENCE	**Corporate Governance Directorate: Governance Branch**
VENUE	**Teams**
DATE/TIME	**Wednesday 13 May 2026 @ 2.00pm**

LIST OF ATTENDEES	**ARAC MEMBERS**	
	Shane Lynch (SL)	Non-Executive Board Member (Chair)
	Mike Johnston (MJ)	Non-Executive Board Member
	Scott King (SK)	Non-Executive Board Member
	Michelle Scott (MS)	Independent Member
	OTHERS IN ATTENDANCE	
	Mark O'Donnell (MD)	Head of Strategic Planning and Corporate Services Group
	Alison Caldwell (AC)	Director of Corporate Governance
	Roger Downey (RD)	Finance Director
	Briege Lafferty (BL)	Deputy Finance Director
	Richard McAuley (RM)	Financial Reporting Branch
	Julie McElduff (JM)	Financial Reporting Branch
	Dermot Millar (DM)	Head of DAERA Internal Audit (IA)
	Carl Moyne (CM)	Strategic Planning Branch (SPB)
	Hugh Quinn (HQ)	Strategic Planning Branch (SPB)
	Amanda McFarland (AF)	Secretariat (Governance Branch)

Introduction

Agenda Item 1 – The chair welcomed everyone to ARAC.

Agenda Item 2 – Apologies were noted from Robbie Davis.

Agenda Item 3 – No conflicts of interest were declared.

Agenda Item 4 – Minutes and action points of previous ARAC meeting

The minutes of the meeting held on 15 April 2026 were agreed.

AF updated members on the action point from the April meeting and advised the Committee of the DAERA certification rate for mandatory Cyber Security Awareness e-Learning.

Agenda Item 5 – Annual Report and Accounts Highlight Report & Agenda Item 6 - Annual Report and Accounts 2025-26

AF opened by providing a summary of the significant governance and control issues reported in the draft Annual Report and Accounts. She highlighted that staffing had been included as it remained a sustained pressure on workforce capacity and capability and remains a core corporate risk. Water quality and wider environmental outcomes also remained a significant strategic priority and control theme.

AF further highlighted additional significant control issues identified in the Governance Statement which included the Office for Environmental Protection (OEP) findings and investigations; NIEA planning performance (statutory consultee timeliness); AFBI governance issues; Animal Health Law (AHL); FOI/EIR/DPA information access performance; and issues around Meridi Street which NIEA had being dealing with. It was noted that further control issues may be included following consideration of end-of-year assurance statements.

RM presented a high-level overview of the Annual Report and Accounts ahead of submission to the Northern Ireland Audit Office. It was noted that for the 2025-26 financial year, DAERA was currently reporting a Provisional Outturn of 99.9% for Resource DEL, 99.8% for Capital DEL and 99.9% Total DEL.

Key variances were outlined. The Committee also noted that ALB information had been received on time, which had enabled the Group accounts to be completed as required. Members noted the work which was required in relation to producing the ARA within the required timescales.

The Provisional Outturn position was discussed and it was noted that there no excess vote. It was also noted that a significant increase in income was reported within the Statement of Comprehensive Net Expenditure. This mainly arose from £143m in donated assets relating to the transfer of four Northern Ireland ports inspection facilities to DAERA from Defra.

Members noted that the rise in expenditure was primarily attributed to increased staff costs and staffing levels.

Mobuoy Site

Members sought an update on the accounting treatment for the Mobuoy site. RD explained how the latest information in relation to this issue had been assessed against the criteria in International Accounting Standard (IAS) 37.

Members noted that the NIAO may take a different view from the Department as to how the Mobuoy issue is treated in the Accounts and that this would be the subject of further discussion as part of the audit process. Members requested sight of the paper submitted to the Accounting Officer to help improve their understanding of the issues being considered.

AP – RD to circulate the Mobuoy paper submitted to the Accounting Officer to all ARAC members.

The Committee noted the revaluations in the Statement of Financial Position, including quinquennial revaluation uplifts and the recognition of donated assets. SL asked for further information about the treatment of donated assets and the background to the transfers. It was explained that treatment was in line with FReM Chapter 8 (IAS 20 adaptation) requirements, and assurance was provided that this would be clearly set out in the notes to the accounts.

Members discussed board oversight of climate related issues noting the absence of a standalone climate risk within the DAERA risk register. HQ advised that climate considerations were captured within other risks and that wording could be refined. BL noted that the new Sustainability Report would include further information on climate issues including relevant metrics such as energy consumption and water usage. The Committee also noted that the Department was in year four of its five-year Estate Sustainability Action Plan (ESAP). AC provided background information in relation to the development of the ESAP, and it was noted that further information would be provided in the Sustainability Report which was being drafted.

Members queried the absence of reference to the Special Adviser post in the Remuneration Report. It was agreed that compliance with the FreM would be checked.

AP – RM to check FreM to ensure the remuneration report was compliant.

MJ asked for consideration to be given to including reference to the wider NICS context within the Resourcing and People management section at page 11. He also asked for consideration of referencing the role of Defra within the Windsor Framework section at page 47.

AP – HQ to consider.

Following discussion, RD highlighted an emerging issue in relation to the quinquennial asset review in NIFHA and that work was underway to address this..

Agenda Item 7- Draft Letter of Comfort

RM presented the draft letter of comfort to the Committee for consideration. Members discussed the letter, inserted some changes and were content that the letter could be signed off by the ARAC Chair for issue to the DAERA Accounting Officer.

AP – AF to issue amended letter to SL for signature and return.

Agenda Item 8 – Internal Audit Annual Report and Opinion 2025-26

DM presented a summary of the Internal Audit Annual Report and Opinion. He highlighted an overall satisfactory system of governance, risk management and control and outlined his considerations in reaching this opinion.

DM advised that eighteen final reports had been issued in 2025-26 (sixteen satisfactory, two limited), five draft reports (one satisfactory and four limited), and one consultancy report.

DM updated members on seven reports and draft reports completed since the previous meeting and also provided an update on four draft reports currently being finalised.

SK queried the postponement of four audits at management request. DM explained that there were various reasons and that some were deferred into next year’s audit plan and that internal audit was content with this.

Members noted the update provided and the overall satisfactory opinion provided by internal audit.

Agenda Item 9 – AOB

RD thanked Finance, Governance Branch and Strategic Planning Branch staff for their work in getting the Annual Report and Accounts compiled within the required timescales. He also recognised the work undertaken by the four ALBs to ensure timely submission of the relevant information to DAERA which enabled the consolidation to be completed. SL also thanked all teams for their efforts in producing the Annual Report and Accounts noting that further consideration would be given after NIAO had conducted its audit process. **Dates of next meeting** It was noted that next ARAC was scheduled for 24 June 2026. Given the potential for this date to need changed at short notice it was agreed by the committee that an online format would provide greater flexibility. Meeting ended 15.45	
Minutes written by: Amanda McFarland	**Date:** 13 May 2026