**DAERA FINANCE COMMITTEE (FC) MEETING**

**7 September 2023 @ 2.00pm-3.30pm**

**Via Microsoft Teams**

**Minutes**

**Attendees: Fiona McCandless (Chair)**

**Paul Donnelly**

**Tracey Teague**

**Garry Corscadden (Deputising for Robert Huey)**

**Seamus McErlean (Deputising for Norman Fulton)**

**Briege Lafferty**

**Declan McCarney**

**Nuala Hennessy**

**Joseph Kerr (Deputising for David Reid)**

**Francine Manikpure (Deputising for David Simpson)**

**Helen Mullan**

**Gemma Robinson**

**Beverley Bhatia (Secretariat)**

**Apologies: Robert Huey**

 **Norman Fulton**

**David Reid**

**John Joe O’Boyle**

**Roger Downey**

**David Simpson**

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|  | **Description** | **Paper Reference / Action owner** |
| **1** | **Apologies, Minutes and Action Point of Previous Meeting** | **FC 26/23a****FC 26/23b** |
|  | The Chair welcomed members to the meeting and noted the apologies. Members agreed the Minutes of 27 June 2023 Finance Committee meeting. In relation to the action point, it was confirmed that: AFBI Finance updateContract Compliance Controls were raised at the AFBI Accountability meeting on 3 August 2023. |  |
| **2** | **Second Monitoring Round 2023/24** | **FC 27/23** |
|  | Nuala Hennessy presented the paper providing an update on the Second Monitoring Round.Nuala advised that the internal Second Monitoring Round was commissioned on 21 July and subsequently, on 25 July, DoF commissioned a ‘2023-24 In Year Technical and Information Gathering Exercise including Section 75 Equality Duty Requirements’. Due to the deadline for this exercise, a Finance Committee Paper **FC 25/23** ‘DoF Technical Exercise and Information Gathering’, was prepared and the recommendations were considered and approved by members of the Finance Committee by correspondence. Following approval from the DAERA Permanent Secretary, the recommendations within the paper were actioned with DoF by the 29 August deadline.This exercise provided departments with an opportunity to process technical changes; identify reduced requirements across all expenditure categories; identify bids for Capital; and identify bids for ring-fenced Resource DEL i.e., Deprecation/Impairment (D/I).Nuala highlighted the pressures identified following the Second Monitoring Round and the recommended proposals. Nuala reminded members that budget holders should continue to monitor all budgets closely to live within current allocations. Any opportunities to make savings should be utilised and any emerging pressures should be brought to the attention of Finance Division as soon as possible.Fiona McCandless added that following the DoF exercise, the Permanent Secretary had written to both her and Brian Doherty, in their role as Joint Senior Finance Director asking that budget holders be reminded of their responsibility to bid realistically for funding and to manage their budget carefully.There were significant discussions between members on budget pressures and Nuala advised that a further DoF exercise is likely to be commissioned in the Autumn.Members agreed the recommendations within the paper.Fiona McCandless thanked Nuala for the paper.**Action Point**Memo to issue to Budget Holders reminding them of their budget responsibility.  |  |
| **3** | **Budget 2024-25** | **Verbal update** |
|  | Declan McCarney provided a verbal update on the Budget 2024/25.Declan advised that at the Finance Directors meeting held in July 2023, DoF had engaged with NIO on the commencement of a Budget exercise and that it was likely further discussion would resume in September. Declan also advised that an exercise will commission on Capital costs for the next 3 years and reiterated the comments to bid realistically.Declan confirmed that details requested by DoF on Windsor Framework costs were provided on 6 September 2023. Fiona McCandless added that DoF recognised this was an initial assessment from DAERA and further review will be required as implementation of the Windsor Framework becomes clearer.Members thanked Declan for the update. |  |
| **4** | **Accounting Officer Responsibilities Regarding Budget Spending** | **FC 28/23** |
|  | Declan McCarney presented the paper which asked members to note the August 2023 memo from Neil Gibson, DoF ‘Accounting Officer Responsibilities Regarding Budget Spending.’Declan advised that the memo highlighted key points drawn from relevant guidance to an Accounting Officer’s responsibility as regards the use of public funds.Declan informed that the Permanent Secretary has asked for the memo to be provided to the Departmental Board and he confirmed that it would be included in the Finance paper.Tracey Teague also suggested that the memo should be circulated to SCSG, and members agreed.Members noted the content of the paper.Fiona McCandless thanked Declan for the paper.**Action Point**Neil Gibson memo to be circulated to SCSG. |  |
| **5** | **Staff Cost Affordability** | **FC 29/23** |
|  | Declan McCarney presented the paper on the Department’s headcount and affordable staffing position.Declan highlighted that there were no additional bids for staff costs submitted as part of the internal Second Monitoring Round and this would indicate that Business Areas are actively managing their staff budgets. It was recognised by members that whilst the staffing budgets are being managed in terms of affordability this is impacting on some work areas and delivery of services which has been reflected in the recent Interim Business Plan.Declan confirmed that there is still no clarity at this stage on last year’s pay award and its impact on 2023-24.There were significant discussions between members on the process required for filling and funding priority posts. This included the commitment given by the Permanent Secretary for 40 additional posts to support the climate change and environment agenda and will cover posts in EMFG, FFG and the new Climate Change & Science Innovation Group. Fiona McCandless added that following the review of Departmental Board Committees the revised Terms of Reference for Finance Committee and Capacity and Capability Committee needs to accurately reflect responsibilities for vacancy management. Members noted the content of the paper.Fiona McCandless thanked Declan for the paper. |  |
| **6** | **AFBI Finance Update** | **FC 30/23** |
|  | Francine Mankipure presented the paper which provided an update on AFBI’s financial position.Francine highlighted that the NIAO audit of the 2022-23 Annual Report & Accounts commenced on 17 July 2023; an estimate given by auditors was that certification would be received by the end of October. Given this timeframe, AFBI is concerned about its ability to meet the statutory deadline for submitting accounts to the Comptroller and Auditor General mid November 2023 and faster closing next year.Francine confirmed that AFBI have submitted bids as part of the Second Monitoring Round for NI Protocol PoE (Points of Entry) and non-budget Grant in Aid.Francine advised that AFBI have shared the finalised Financial Systems Lessons Learned report with the Department. The report indicates that AFBI did not view the upgrade as significant enough to use a project management approach and there was a lack of clarity around roles and responsibilities. The DAERA Permanent Secretary responded to the AFBI CEO, noting the issues highlighted in the report and confirming that the report and the implementation of an action plan to address the recommendations contained within would remain a standing item for DAERA/AFBI Accountability Meetings going forward.Francine informed that AFBI are currently in discussions with Resource Economics Branch regarding the Green Growth business case. It has been relayed to AFBI that as it is a programme level business case, individual project level business cases will be required. Fiona McCandless thanked Francine for the paper.Members noted the contents of the paper. |  |
| **7** | **Contract Compliance** | **FC 31/23** |
|  | Briege Lafferty presented the paper which provided an update on Contract Compliance.Briege highlighted that in Quarter 1 of 2023/24, compliance in terms of value of Purchase Orders (POs) was 99.77% which exceeded the Compliance target of 98%. The number of compliant POs was 99.23%.Members noted the content of the paper. |  |
| **8** | **Direct Award Contracts (DACs)** | **FC 32/23** |
|  | Briege Lafferty presented the paper which provided details on the DACs awarded since 1 April 2023, and a summary of the trends over the past three years. Briege highlighted the retrospective approval required by AFBI and further engagement on lessons learnt from this to help prevent the need for retrospective approval in the future.Members noted the content of the paper. |  |
| **9** | **Prompt Payment Performance** | **FC 33/23** |
|  | Briege Lafferty presented the paper which provided detail on the 10 & 30 Day Prompt Payment Performance for the YTD as at July 2023.Briege confirmed that for the YTD as at July 2023, 95.4% of invoices were paid within 10 days and 98.2% were paid within 30 days. Briege reminded members that the Account NI financial system will be upgraded in September 2023, and this will have an impact on performance in September and October 2023. Briege requested that members remind business areas to pay suppliers as quickly as possible when the system upgrade is complete and that there will be further comms to follow.Members noted the content of the paper.Fiona McCandless thanked Briege for presentation of the papers. |  |
| **10** | **Casework Committee Update** | **FC 34/23** |
|  | Declan McCarney provided an update on the one business case considered by the Casework Committee since the last update in June 2023, this related to the Carbon Benchmarking Programme.Declan highlighted the list of business cases that are due to be presented to the Casework Committee and informed that this is likely to put pressure upon the committee in the coming months.Declan advised that the Casework Committee is conscious that there is significant staff resource required to develop, review, and approve business cases from both inside the Department and DoF, and that FC members need to ensure their teams are realistic about the timeframes and forecast expenditure within 2023-24.Declan McCarney requested that business areas be reminded that business cases should be proportionate to the project.Fiona McCandless reminded members that the Casework Committee Terms of Reference requires papers be submitted to the committee five days in advance of the meeting.Briege Lafferty added that DoF are also under pressure so Business Areas should add this into their timescales.Fiona McCandless thanked Declan for the paper.Members noted the content of the paper. |  |
| **11** | **Finance Committee Terms of Reference** | **FC 35/23** |
|  | Declan McCarney presented the paper on the amended Finance Committee Terms of Reference (ToR).Declan confirmed that following the Departmental Board (DB) Effectiveness Review, the number of DB Sub-Committees would be reduced from seven to three, Audit and Risk Assurance Committee, Capacity and Capability Committee and Finance Committee. A recommendation from the review was that each Committee’s ToR should be reviewed and considered to clearly align the Board Operating Framework.Declan highlighted the amendments and informed that the amended Terms of Reference would go to DB for final approval.Declan added that the Casework Committee, and the Estate Transformation Board will support the Finance Committee.Fiona McCandless added that the review recommended that a Non-Executive Member (NEM) be included in the FC membership, and this had been added to the ToR. There may also be further amendments in terms of the Chair of the Committee. Members agreed for the amended ToR to be provided to DB for approval. |  |
| **12** | **AOB** |  |
|  | Declan McCarney informed members of a recent Freedom of Information request on travel bookings; Declan reminded members that travel bookings should be through the Travel Section within Finance Division and coded correctly on the Account NI system. Declan confirmed that guidance will issue as a reminder.**Action Point** * Memo to issue to Budget Holders reminding them of their budget responsibility.
* Neil Gibson memo ‘Accounting Officer Responsibilities Regarding Budget Spending’ to issue to SCSG.

Fiona McCandless closed the meeting at 3.25pm.The next meeting is scheduled for 15 November 2023. | Finance Division |