**DAERA FINANCE COMMITTEE (FC) MEETING**

**27 June 2023 @ 11.00am-12.30pm**

**Via Microsoft Teams**

**Minutes**

**Attendees: Brian Doherty (Chair)**

**Paul Donnelly**

**Roger Downey**

**Norman Fulton**

**Robert Huey**

**David Reid**

**Shane Doris (Deputising for Tracey Teague)**

**Seamus McErlean**

**Briege Lafferty**

**Nuala Hennessy**

**Francine Manikpure (Deputising for Kathryn Clarke)**

**Helen Mullan**

**Gemma Robinson**

**Beverley Bhatia (Secretariat)**

**Apologies: Kathryn Clarke**

**Tracey Teague**

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|  | **Description** | **Paper Reference / Action owner** |
| **1** | **Apologies, Minutes and Action Points of Previous Meeting** | **FC 17/23a**  **FC 17/23b** |
|  | The Chair welcomed members to the meeting and noted the apologies.  Members agreed the Minutes of 10 May 2023 Finance Committee meeting.  In relation to the action points, it was confirmed that:  Budget 2023-24 update  VSAHG provided a detailed paper focused on finance to TLT for consideration on the 7 June 2023.  Casework Committee update  An exercise was completed with 28 business cases identified as needing Casework Committee consideration.  AFBI Finance update  Contract Compliance Controls are included on the agenda of the next AFBI Accountability meeting due to be held on 3 August 2023.  AFBI confirmed that the new Contract Compliance system will address the priority 1 recommendation. |  |
| **2** | **First Monitoring Round 2023/24** | **FC 18/23** |
|  | Nuala Hennessy presented the paper providing an update on the First Monitoring Round.  Nuala reminded members that the Secretary of State for Northern Ireland made a Written Ministerial Statement on 27 April 2023, advising that DAERA has an opening Resource DEL allocation of £579.8m. She stated that whilst this was welcomed, DAERA’s opening NI Block allocation was subject to a cut of 1.5% equating to a reduction of £3.5m. This is in addition to the inescapable statutory obligations and contractual pressures.  Nuala confirmed that there is currently no timetable for a formal Monitoring Round to be commissioned by DoF, but that Finance Division will continue to complete internal Monitoring Rounds to get updated positions on the pressures the Department is facing.  Nuala advised that the Budget 2023/24 exercise identified pressures in the bTB Programme, inflationary operational costs and pay inflation totalling. The focus is to firm up the latest requirements in these three areas, manage them down and develop a plan to live within the allocated budget. A separate exercise is currently being carried out to determine any additional requirements by Business Areas for Technical Assistance on the basis that there would be scope for an allocation available to support Programme delivery.  Nuala highlighted the pressures identified following the First Monitoring Round and provided proposals for agreement.  There were significant discussions between members on staff cost pressures.  Nuala confirmed the Capital DEL allocation for DAERA for 2023-24 is £115.7m. This includes an allocation for NI Protocol Points of Entry.  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.  Members agreed the recommendations within the paper.  Brian Doherty thanked Nuala for the paper. |  |
| **3** | **Staff Cost Affordability** | **FC 19/23** |
|  | Roger Downey advised that the details provided in the paper had been discussed at the Resourcing and People Committee on 14 June 2023. Roger confirmed that the Resourcing and People Committee agreed that the current Headcount limits be rendered obsolete, and that reinstatement of updated Head Count Limits would be considered if the financial position of the Department improves allowing for the easing of the strict staffing processes that are now in place.  Members noted the content of the paper. |  |
| **4** | **AFBI Finance Update** | **FC 20/23** |
|  | Francine Mankipure presented the paper which provided an update on AFBI’s financial position.  Francine provided an update on the action points from the previous FC meeting.  Francine confirmed that the 2021-22 Annual Report & Accounts were formally laid on 12 May 2023 and will be published on the AFBI website.  Francine advised that the draft C&AG report on AFBI’s 2021-22 Financial Statements recommends that AFBI urgently implements a financial reporting system that meets its needs. Work has commenced with the assistance of SIB.  Francine highlighted that as was noted at the previous FC meeting, the C&AG issued a letter to the Permanent Secretary on 31 March 2023 noting that the NIAO were unable to complete the audit and certification of the 2022-23 Annual Report and Accounts in advance of summer recess due to issues within AFBI Finance. She advised that the C&AG confirmed that their teams were working together to develop a revised timetable.  Francine confirmed that AFBI stated that the draft lessons learned report on issues encountered on the upgrade of the AFBI financial system have been considered internally and will be provided to the Department once finalised.  Francine highlighted pressures within the budget for 2023/24 and how AFBI plan to meet these.  Brian Doherty thanked Francine for the paper.  Members noted the contents of the paper.  **Action point**  Confirmation to be provided at the next FC meeting that contract management controls are discussed at the AFBI Accountability meeting on 3 August 2023 |  |
| **5** | **Contract Compliance** | **Verbal Update** |
|  | Briege Lafferty provided a verbal update confirming that in April and May 2023, DAERA achieved a contract compliance rate of 99.6%, exceeding the Account NI target of 98%.  Brian Doherty thanked Briege for the update. |  |
| **6** | **Direct Award Contracts (DACs)** | **FC 21/23** |
|  | 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 reminded members that it is important for NDPBs to follow correct processes.  Members noted the content of the paper. |  |
| **7** | **Prompt Payment Performance** | **FC 22/23** |
|  | Briege Lafferty presented the paper which provided detail on the 10 & 30 Day Prompt Payment Performance for 2022/23 and for the YTD as at May 2023.  Briege confirmed that during 2022/23, 92.5% of invoices were paid within 10 days, exceeding the 92% target; and 97.4% of invoices were paid within 30 days.  For YTD as at May 2023, 95.1% of invoices were paid within 10 days and 98.2% were paid within 30 days.  Briege reminded members that Financial Systems Branch is available to assist business areas.  Brian Doherty commented that it was good to see the target being exceeded but warned that staffing levels may have a negative effect on targets being met.  Members noted the content of the paper. |  |
| **8** | **Casework Committee Update** | **FC 23/23** |
|  | Briege Lafferty presented the paper which provided an overview of the three business cases considered by the Casework Committee since April 2023. These related to:   * Business Case for the Collaborative Research Funding Programme and UKRI funding opportunities, which was approved by the Casework Committee on 2 May 2023; * Environment Fund EF 2023-28 OBC, which was approved by the Casework Committee on 3 May 2023; and * Centre for Environmental Date and Recording (CEDaR), which was approved by the Casework Committee on 8 June 2023.   For the action point from the FC meeting in May 2023, Briege confirmed that an exercise has been completed seeking the number of business cases to be considered by the Casework Committee up to 31 March 2024. Roger Downey advised that business areas have reported 28 business cases to be considered. This exercise will be commissioned again in 6 months.  Brian Doherty reminded members that business cases to be considered by the Casework Committee should be submitted in a timely manner prior to the meeting and that the Senior Responsible Officer should attend.  Roger Downey requested that business areas be reminded that business cases should be proportionate to the project.  Brian Doherty thanked Briege for presentation of the papers.  Members noted the content of the paper. |  |
| **9** | **AOB** |  |
|  | **Action Point**   * AFBI Sponsor Branch to confirm that contract management controls were discussed at AFBI Accountability meeting on 3 August 2023.   Brian Doherty closed the meeting at 12.25.  The next meeting is scheduled for 7 September 2023. | David Simpson |