**DAERA FINANCE COMMITTEE (FC) MEETING**

**7 February 2023 @ 14.00-15.30**

**Via Microsoft Teams**

**Minutes**

**Attendees: Brian Doherty (Chair)**

**Kathryn Clarke**

**Paul Donnelly**

**Roger Downey**

**Norman Fulton**

**Robert Huey**

**David Reid**

**John Mills (Deputising for Tracey Teague)**

**Seamus McErlean**

**William Peel**

**Briege Lafferty**

**Lynda Lowe**

**Richard McAuley**

**Nichola Patton**

**Nuala Hennessy**

**Donna Hodge**

**Helen Mullan**

**Beverley Bhatia (Secretariat)**

**Apologies: Tracey Teague**

|  |  |  |
| --- | --- | --- |
|  | **Description** | **Paper Reference / Action owner** |
| **1** | **Apologies and Minutes and Action Points of Previous Meeting** | **FC 42/22** |
|  | The Chair welcomed members to the meeting and noted the apologies.  Members agreed the Minutes of 15 November 2022 Finance Committee meeting.  There were no actions arising from the meeting on 15 November 2022. |  |
| **2** | **Budget 2023-24 update** | **FC 01/23** |
|  | Brian Doherty advised that there is a standalone discussion item regarding the 2023/24 Budget at the Top Leadership Team (TLT) meeting on 8 February 2023.  Lynda Lowe confirmed the Budget 2023-24 position has changed since the paper was provided to members, as an exercise has now been commissioned by DoF and information has been circulated to Grade 3s. Discussions on proposals will be discussed at the TLT meeting.  Roger advised that the return is due with DoF on 8 February 2023 and Finance colleagues are due to meet with DoF week commencing 13 February 2023.  There was considerable discussion between members on emerging pressures within VSAHG from uplifts in bTB compensation in particular.  **Action Point**  VSAHG to provide a paper to Departmental Board (DB) on bTB, including a trend analysis on bTB compensation payments. | Robert Huey |
| **3** | **2022-23 Estimated Provisional Outturn** | **Verbal update** |
|  | William Peel provided a verbal update on the estimated provisional outturn exercise and advised that as we are now in the final quarter of 2022/23, the focus is to spend out on the budgets allocated in the Third Monitoring Round. He noted that the level of unpredictability on finance remains this year due to many factors and the high proportion of Ring-fenced budgets within the Department.  William also advised that In Year Financial Planning Branch are conducting Estimated Provisional Outturn exercises to look at forecast against budget and if business areas are aware of underspends or pressures they should contact IYFPB as soon as possible to discuss.  He noted that DoF will commission their Provisional Outturn exercise at the start of April with a return date in mid May and the outcome will be presented to the Finance Committee in May.  William expressed his thanks to staff for completing the exercises in a timely manner.  Members thanked William for the update. |  |
| **4** | **Staff Affordability** | **FC 02/23** |
|  | Brian advised that members will have seen the detail from this paper at the Resourcing and People Committee and DB. Briege Lafferty confirmed that the paper had been presented to the Capacity and Capability meeting on 1 February 2023 and that staff affordability will also be part of the Budget 2023/24 discussions at TLT.  Briege advised that the recommendations within the paper are to note what had previously been agreed at the Resourcing and People Committee.  Members noted the recommendations. |  |
| **5** | **Investment Strategy for Northern Ireland (ISNI) Update** | **FC 03/23** |
|  | William Peel presented the paper providing an update on the ongoing work across the Department in relation to the ISNI Finalisation Plan.  He advised that the Strategic Investment Board (SIB) are to complete the final draft by 31 March 2023 and that the final ISNI will require Executive approval. He also noted that SIB proposes that the final draft ISNI is structured in six parts/steps.  William thanked members for their assistance in completing Part 1 which was to provide comment in relation to baseline metrics.  He advised that Part 3 of the plan is seeking capital investment proposals over a 10-year timeframe and an exercise had gone to all business areas. William noted that IYFPB are currently collating returns and the outcome is due with the Permanent Secretary for review prior to be entered onto the new data information gathering tool.  He also advised that Part 2 was a workshop which was held in January on how the qualitative assessment can be applied to the 10-year investment proposals.  Roger Downey acknowledged that there are a lot of finance exercises out with business areas and thanked staff for working with Finance Division.  Members thanked William for his paper. |  |
| **6** | **RoFP – Dry Run 21-22** | **Verbal Update** |
|  | William Peel provided an update on the Review of Financial Process (RoFP) which aims to create a single coherent financial framework that is more transparent to the Assembly.  He advised that the impact on DAERA is the production of the Annual Consolidated Group Accounts and Estimates with the Department’s four NDPBs now included within DAERA’s Accounts.  A dry run of RoFP with the 2021/22 Consolidated Accounts for DAERA’s four NDPBs was submitted to NIAO for review in January 2023.  It will be a challenging year end in producing the 2022/23 Resource Accounts given the short time frame for getting audited Accounts Consolidated and getting Group Accounts laid before the Assembly in time for summer recess.  Meetings have been held with the NDPBs to discuss the timeframes required.  William asked that the committee notes that work is ongoing and a further update will be provided to the FC in May. |  |
| **7** | **AFBI Finance Update** | **FC 04/23** |
|  | Kathryn Clarke presented the paper which provided an update on AFBI’s financial position.  Kathryn informed members that she along with DAERA Finance colleagues had recently met with the AFBI Finance team.  Roger Downey confirmed that audit of the 2021/22 Accounts is progressing and AFBI have an agreed schedule with NIAO to finalise the same.  Discussions are ongoing with NIAO on the faster closing of the AFBI 2022/23 Accounts and they are aware of the wider impact on DAERA’s Accounts.  Kathryn confirmed that AFBI are to have an Internal Audit on their system which should provide assurances to NIAO.  She also advised members that AFBI have run a competition to appoint a Head of Finance and Corporate Affairs.  Members thanked Kathryn for the paper. |  |
| **8** | **Contract Compliance** | **FC 05/23** |
|  | Richard McAuley presented the paper highlighting that in Quarter 3 of 2022/23, Compliance in terms of value of Purchase Orders was 1.07% above the Department’s Compliance target.  Members noted the content of the paper. |  |
| **9** | **Direct Award Contracts** | **FC 06/23** |
|  | Richard McAuley presented this paper, providing an update on DACs in DAERA and a summary of the trends over the past 3 years.  Brian Doherty reminded members that it is important for NDPBs to follow correct processes.  There was some discussion between members on the clauses within the DACs for Portal Industrial Staff.  Members thanked Richard the paper. |  |
| **10** | **Aged Debt Analysis** | **FC 07/23** |
|  | Nichola Patton presented the paper which provided a summary of the debt position at 31 December 2022 compared to the position at 30 September 2022 and the position at the 31 December 2021.  David Reid advised that Rural Affairs Division were actively looking at their debts with the intent to reduce older debts. He also noted that RAD are centralising their debts within a Branch who will take forward the required actions.  In response to a query on the large increase in the number and value of NIEA debt at 31 December 2022, Paul Donnelly confirmed that Annual Charges were delayed and not invoiced until late in 2022 compared to June/July in previous years.  Members noted the content of the paper.  **Action Point**  RAD to provide an update on the position of their older debt and the work undertaken to reduce. | David Reid |
| **11** | **Casework Committee Update** | **FC 08/23** |
|  | Roger Downey presented the paper which provided an overview of the Information Management System for Laboratories in AFBI, NIEA and DAERA (ISLAND) business case considered by the Casework Committee since the last update in November 2022. He noted that the business case went to DoF in January 2023.  Brian Doherty reminded members that the role of the Casework Committees is to support the Accounting Officer ensuring value for money and affordability.  Lynda Lowe reminded members on the stages of approval that business cases need to go through and the time involved. |  |
| **12** | **AOB** |  |
|  | Roger Downey reminded members that returns on the Peace Plus Programme are due to the Permanent Secretary by 8 February 2023.  **Action Points**   * VSAHG to provide a paper to Departmental Board on bTB, including a trend analysis on bTB compensation. * RAD to provide an update on the position of their older debt and the work undertaken to reduce.   Brian Doherty closed the meeting at 15.05  The next meeting is scheduled for 10 May 2023. | Robert Huey  David Reid |