**DAERA FINANCE COMMITTEE (FC) MEETING**

**07 September 2022 @ 14.00-15.30**

**Webex Video Conference**

**Minutes**

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| **Attendees:**  | **Brian Doherty (Chair)****Roger Downey****Robert Huey** **Colin Breen (Deputising for Tracey Teague)****Fiona McCandless****Briege Lafferty (Items 5, 6 & 7)****Declan McCarney (Item 8)****Lynda Lowe (Items 4)****William Peel (Item 3)****Paul Donnelly****David Reid****Nuala Hennessy (Item 2)****Norman Fulton****Helen Mullan (Secretariat)** |
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|  | **Jill Spence (Observer)****Donna Hodge (Observer)** |
| **Apologies:** | **Tracey Teague**  |
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|  | **Description** | **Paper Reference / Action Owner** |
| **1.** | **Apologies and Minutes and Action Points of Previous Meeting** | **FC 26/22a** |
|  | The Chair welcomed members to the meeting and noted the apologies.Members agreed the Minutes of the 8 June 2022, Finance Committee meeting.The one action point from the meeting on 28 June 2022 – noted and agreed complete.  | **FC 26/22b** |
| **2.** | **Second Monitoring Round – Paper For Discussion**  | **FC 27/22** |
|  | Nuala Hennessy presented the paper highlighting the Department’s Resource and Capital proposals in this exercise and the financial implications of the Business as Usual, EU Exit, NI Protocol and Cost of Living issues currently, facing the Department. Nuala noted the Departments position in respect of Resource budget, highlighting the pressures and easements across the groups, outlining our proposals for going forward.Nuala highlighted the Capital easements within this round and the impact on the Departments overcommitment. Roger Downey asked that all business areas continue to engage with IYFPB regarding capital projects and their ongoing progress. Roger asked that should progress slip that IYFPB be advised at the earliest opportunity. Members engaged in considerable discussion about the paper including the proposed recommendations and the increased uncertainty for financial planning caused by the lack of a sitting Executive.Members also raised the Cost of Living pressures and the potential implications of these across the Department. Nuala advised that the NI Points of Entry (NI Protocol) is outside the scope of In-year Monitoring. **ACTION POINT:** Paul Donnelly to check if Forestry and Nature Green Growth was all NIEA.**Members agreed all recommendations in the Second Monitoring Paper.**  |  |
| **3.** | **Update Budget 2022-25 –Verbal Update**  |  |
|  | William Peel provided a verbal update on the budget 2022-25 position. Current Year 2022-23 – In the absence of an agreed Budget, departments are currently making spending decisions on the basis of the Contingency Planning Envelopes issued by DoF. The Vote on Account as agreed as part of the 2021-22 Spring Supplementary Estimate process provided legal cover for cash and resources of 45% of the authorised amount from the previous year. Under Section 59 of the Northern Ireland Act 1998 if a Budget Bill is not in place at least three working days before the end of the financial year (29 March 2022), the Permanent Secretary of the Department of Finance may issue cash to departments from the NI Consolidated Fund. Neil Gibson, DoF Permanent Secretary, wrote to the DAERA Permanent Secretary on 24 August 2022 advising that under Section 7 of the 2001 Act and Section 59 of the Northern Ireland Act 1998, he has now authorised for the service of that financial year the use of such resources by DAERA and the issue of such sums out of the Consolidated Fund for the services and purposes of your Department, cash and resource cover set at approximately 75% of the Department’s provision for the 2021-22 financial year. In the absence of official Budget exercise being commissioned the Future Years Financial Planning Branch (FYFPB) will shortly commission an internal Budget exercise, to assist with Financial planning in the Department and in preparation for anything official being required by DoF.Business areas will be asked to identify budgetary requirements for 2023-26, focusing on Resource and Capital with similar parameters to prior years. This will likely have a turnaround of 2 weeks.In the event an official exercise being commissioned by DoF, FYFPB will then refine this information to allow a return to be submitted.  |  |
| **4.** | **AFBI Finance Update** | **FC 28/22** |
|  | Lynda Lowe presented the AFBI Finance Paper. Providing an update on AFBI Finance systems, 2021-22 Final outturn position, AFBI Submissions for the Second monitoring Round, noting pressures and easements, Annual Accounts 2021-22, Royalty update and SCM Development project.Lynda stressed the Cost of Living pressures identified by AFBI and emphasised the importance and risks associated, should they not be met.**ACTION POINT**: Lynda Lowe to remind AFBI that while they have in the past underspent there is an onus on them to utilise funding effectively if they are bidding for additional requirements.Members discussed the paper at length and any issues facing AFBI, providing useful discussion and advice. |  |
| **5.** | **Contract Compliance****Direct Award Contracts****Prompt Payment Statistics** | **FC 29/22****FC 30/22****FC 31/22** |
|  | Briege Lafferty presented each of the above papers.**Contract Compliance (FC 29/22)**Looking at contract compliance against a 98% target**,** Department as a whole achieved this target. However some business areas did struggle.**ACTION POINT**: Briege Lafferty will contact PPSO staff to enquire what went wrong and will ask PPSO staff to engage directly with business areas to assist in addressing and resolving the same.**Direct Award Contracts (FC 30/22)**Briege outlined the DAC’s awarded to date in this FY.Briege asked that everyone be aware of Delegated authority limits and adhere to them. Guidance is available and should be referred to when necessary**.** Fiona McCandless noted that whilst DAC’s are not ideal, the level of uncertainty has meant that in some instances the normal procurement process has not been suitable. **ACTION POINT**: David Reid to engage with CPD on getting contracts in place for PoE DAC’s ASAP.**Prompt Payment Statistics (FC 31/22)**Paper presented with Briege noting the prompt payment targets against performance. Briege noted that support was available to any business that was falling short on targets and asked that all areas continue to monitor their performance. Members noted the content of the papers presented. |  |
| **6.** | **Aged Debt Analysis** | **FC 32/22** |
|  | Declan McCarney presented the Aged Debt Analysis paper.Declan asked that all business areas focus on addressing debt over a year old and GEUFB are content to provide advice. **ACTION POINT:** Declan will issue a note to G3’s to be circulated to business areas in an effort to give some guidance on addressing older debts. |  |
| **7.** | **AOB** |  |
|  | Roger Downey advised members that going forward FPB will be requesting written assurances from business areas that Accounting Officers and G3’s have approved and authorised all returns. Most notably Accounting Officers and G3’s should approve all bids and confirm awareness of all reduced requirements. Brian Doherty closed the meeting at 15.30. |  |

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