**Finance Committee (FC) Meeting**

**Monday 19 November 2018 at 11.30am**

**Minutes**

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| **Attendees Dundonald House****Attendees Ballykelly House** | **Seamus McErlean****David Small****Roger Downey** **Declan McCarney****Alistair Carson****Leahann Donnelly (Secretariat)****Fiona McCandless****David Reid****Robert Huey**  |
|  | **Brian Doherty** |
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| **Apologies** | **Norman Fulton (Seamus McErlean deputising)** |
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| **Item** | **Description** | **Paper Reference / Action Owner** |
|  | **Welcome and apologies** **Minutes and Action Points from Previous Meeting**  | **FC 27/18****FC 28/18** |
|  | The Chair welcomed members to the meeting.The previous minutes were agreed without amendment. David Reid confirmed that the action point from the previous meeting has been completed on 8 November 2018. |  |
|  | **Update on Budget 2019/21** | **FC 29/18** |
|  | Declan McCarney presented the paper and discussed the latest Resource position. Mr McCarney highlighted the key pressures for next year. These pressures include pay inflation, TB Compensation, Mobuoy illegal landfill, Brexit, increases to Employer Pension Contributions and TRPSI. DAERA provided an update to DoF on the 9 November that we are on track to deliver the saving required to live within our £189.9m Resource Budget on the assumption that Treasury will fund Brexit and Employers pension contributions pressures and that £1.8m will be provided from Confidence and Supply funds for TRPSI. David Reid highlighted that this funding is not guaranteed. The Committee discussed the uncertainty of the funding position.The Committee also discussed revenue raising and the issue of Tuition Fees. Mr McCarney advised that the DoF consultation on Tuition Fees is not being taken forward as planned and that DAERA is considering progressing this independently. Mr McCarney advised the Capital Bids of £101m and £150m for the next two years are due to slippages in DSD, the AFBI Research Vessel and NIFAIS. The FC noted the contents of the paper. |  |
|  | **AFBI Finance Paper** | **FC30/18** |
|  | Alistair Carson presented the paper and discussed the considerable underspend on R&D Capital.The Committee discussed their concerns regarding financial management in AFBI.Mr Carson advised that AFBI faced a number of uncertainties, particularly in respect of Income, which makes forecasting difficult. The Committee discussed the challenges faced by AFBI and emphasised the need for short lines of communication. Mr Carson confirmed that AFBI were managing the challenges as best as they possibly could and that the area of financial management was now included in the Financial Systems Management Plan, the progress of which is reported to ARAC. Robert Huey noted that the explanations provided in the paper were not satisfactory. David Reid confirmed that he met with AFBI and that they are aware of the level of financial management that is expected of them. |  |
| **4.** | **January Monitoring Round 2018/19** | **FC 31/18**  |
|  | Roger Downey presented the paper.Mr Downey discussed the Resource position and highlighted the salary easements as well as the TB and Brexit pressures. The FC discussed the Resource proposals, the current uncertainties and the level of easement to be surrendered to DoF. Given the uncertainties around disallowance and the potential for further slippage as the year progresses, the FC agreed to surrender budget to DoF to leave a £1m overcommitment in Resource in line with prior years. The FC discussed the Capital position in detail and the uncertainties especially around Royalty Income in AFBI. The FC agreed to surrender budget to DoF to leave a Capital overcommitment of £1.5m in line with prior years. Mr Downey highlighted the importance of every business area having a contingency plan to ensure that they spend out their Capital budget allocations.The FC agreed that the Resource and Capital positions should be monitored over the next few weeks and that any amendments to the surrenders should be submitted to the FC by correspondence for approval.**Action Points****Financial Planning Branch to monitor the Resource and Capital budget positions over the next few weeks and submit any amendments to the surrenders to the FC for approval by correspondence.** | **Roger Downey** |
| **5.** | **RDP Modification** | **FC 32/18** |
|  | Declan McCarney presented the paper and the FC discussed the CAP Management Board recommended modification to the programme and the financial implications, the challenges of demand led schemes and the ability to spend under the scheme.The FC noted the contents of the paper and agreed to proceed with the recommendation. |  |
| **6.**  | **FC Terms of Reference** | **FC 33/18** |
|  | Roger Downey presented the paper to the FC. The FC agreed to accept the updated Terms of Reference. **Action Points****Financial Planning to check the reporting requirements of the Finance Committee to the Board** | **Roger Downey** |
| **7.** | **Papers to Note** |  |
|  | The FC noted the following papers:Direct Award Contracts (DACs) Procurement ComplianceAged Debt ReportPost Project Evaluation | **FC 34/18****FC 35/18****FC 36/18****FC 37/18** |
| **8.** | **AOB** |  |
|  | None. |  |

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