

**MINUTES OF THE OFMDFM DEPARTMENTAL BOARD MEETING
ON 22 FEBRUARY 2007**

- PRESENT:** Nigel Hamilton (Chair), Frank Cushnahan, Stephen Grimason, Rosalie Flanagan, Deirdre Kenny and John McMillen.
- IN ATTENDANCE:** Mark Higgins (Secretary), Neill Jackson, Billy Gamble and Iain McFarlane,
- APOLOGIES:** Mary Bunting, George Gray, Jackie Kerr and Cynthia Smith.

MINUTES OF LAST MEETING

1. The minutes of the meeting held on 25 January 2007 were agreed as amended.

MATTERS ARISING

Operational Plan 2007-08

2. Deirdre Kenny advised the Board that the January 2007 meeting agreed that Directors should forward final amendments to the draft Operational Plan and quarterly reporting framework to the business planning sub-group. As no further changes were received from Directors the Board approved the Operational Plan for submission to the Minister for approval. Consideration would also be given to submitting the Plan to an incoming First Minister and deputy First Minister if there is a positive outcome for a restoration of a devolved administration.

STANDING ITEMS

Assembly/ Restoration Issues

3. Rosalie Flanagan provided an update on political developments and the preparatory work in the event of the restoration of devolution, including Private Office and other staffing matters, support arrangements for Special Advisers, systems testing of Executive procedures, accommodation, briefings for officials and political parties and the provision of guidance on Executive procedures.
4. The Board discussed a draft paper which Ms Flanagan tabled on the main implications in practical terms for Departments, of St. Andrews, and the work that is underway with the parties to agree a new Ministerial Code.

Forward Plan

5. The Forward Plan was noted and Iain McFarlane advised he would provide finance items for insertion. The Board agreed that the plan would be subject to review in the event of restoration of a devolved Assembly.

Resource Planning

6. The Board noted a joint paper from Deirdre Kenny and Iain McFarlane which advised that the Department was currently on target to achieve the required headcount reduction. The Board noted the current administration reserve which was discussed in detail under the agenda item on financial reports.

Financial Report

7. Iain McFarlane summarised the papers tabled by Finance Division on financial outturn information to January 2007, Departmental reserve levels, the issues around February 2007 monitoring and prompt payment performance.
8. The finance paper also outlined the initial outcome of a recent Finance Directors meeting on the Investment Strategy for Northern Ireland (ISNI) 2, and the next steps in the process for the Comprehensive Spending Review (CSR) 2007 and the Priorities and Budget document. Mr McFarlane explained that Finance Division would be requesting updates from Directors to progress ISNI (2) projects and that Departmental guidance for the next step in the CSR/Priorities and Budget process is being finalised by DFP for issue by the end of March 2007.
9. The Board discussed key issues regarding administration cost and resource variance against profiled budgets and noted that variances were improving in terms of a favourable end of year outcome.
10. The Board noted with concern that prompt payment performance had fallen to 79% against a target of 95%, due primarily to the impact of the holiday period. The average performance for the year to date is 92% which is 1% lower than the year to date January 2006. The Board recommended that Directors ensure budget holders are reminded to take the appropriate action to ensure payments are processed quickly to enable the prompt

payment target to be achieved. Directors were also asked to notify their budget holders that information on prompt payment performance of individual divisions is available to assist with performance monitoring.

Management Accounts

11. Iain McFarlane tabled the third set of accruals based management reports/accounts for the information of the Board which provided a comparison of the first 9 months of the financial year to December 2006. The Board discussed the draft accounts and made suggestions for changes to, for example, the detailed notes to the accounts.

Account NI

12. The Board noted a progress report submitted by Finula Magowan on the introduction of Account NI within the Department, which advised that the, "go live" date for OFMDFM and DFP, scheduled for the 4 June would be delayed and was unlikely to happen before October 2007. The Board noted with concern that the delay would have the potential of impacting adversely on faster closing deadlines and that those concerns had been relayed by Finance Division to Account NI.

Fraud

13. Iain McFarlane tabled a document on revised Departmental Policies and Procedures on Fraud which had also been presented to the Audit Committee meeting held on 6 February 2007. Mr

Cushnahan welcomed the paper as a comprehensive and high quality document which should be widely circulated to all interested parties. The Board also fully endorsed the document and it was agreed that the Accounting Officer and Finance Division will address the most effective methods of communicating it to all staff, including as part of induction training and to the Department's sponsored bodies. **Action: John McMillen/ Iain McFarlane.**

Audit Committee Meeting

14. John McMillen provided a synopsis of the key issues tabled and discussed at the 6 February 2007 Audit Committee meeting which included a Northern Ireland Audit Office (NIAO) report on the audit of the OFMDFM account for the 2005/06 financial year. The report was presented in a new format to comply with International Audit Standards and resulted in a clean audit opinion of the 2005/06 account.

15. Internal Audit tabled a mid-year report which provided an interim opinion on the systems of internal control operating within OFMDFM. The report continued to provide a substantial level of assurance against the OFMDFM internal control framework and also summarised work completed to date by Internal Audit within OFMDFM against the 2006-07 financial year plan. The committee also reviewed the Department's Corporate Risk Register and made recommendations to the Board for amendments to the register.

16. The Committee were provide with an update on progress with the introduction of Account NI and noted their role in the project management of the faster closing project and its responsibilities in the consideration and approval of the year end financial statements. The Committee also noted a statement on Fraud Policy which detailed responsibilities regarding the prevention of fraud, a "Fraud Response Plan", a number of Dear Accounting Officer (DAO) letters related to fraud prevention and relevant Westminster Public Accounts Committee (PAC) reports and Treasury minutes.

17. Mr McMillen also reported that he and Mr Cushnahan were continuing with the programme of meetings with audit committees of some of the Department's sponsored bodies. The programme included a recent meeting with the Strategic Investment Board and a forthcoming meeting on 28 February 2007 with the audit committee of the Northern Ireland Commissioner for Children and Young People.

Freedom of Information (FOI)

18. Deirdre Kenny reported that the Department's performance in meeting the FOI Act's statutory deadlines for responding to FOI request continued to be excellent.

Managing Attendance

19. Deirdre Kenny provided a verbal update on absenteeism figures which showed the Department continued to sustain an

absenteeism level that was one of the best among Northern Ireland Departments.

HR Connect

20. Deirdre Kenny tabled a progress report as part of the Departmental Communications Strategy, on work carried out on HRConnect within OFMDFM. Mrs Kenny advised that presentations have been delivered to the Departmental Board, Senior Management Group and at the recent Departmental Staff Conference. Training is due to commence April/May 2007 and the Board endorsed Mrs Kenny request for Directors to provide "super-users" from their business areas to test the new system.

Corporate Risk Register

21. The Board noted that the 6.2.07 Audit Committee meeting reviewed the current Corporate Risk register which included recent amendments received from Directors. The Committee focused on Risks 1 and 5 and while it was satisfied that procedures to manage them are adequate it, recommended to the Departmental Board that each Corporate Risk should be the responsibility of a named Board member who should report on the management of the risk, at appropriate times, to the Board.
22. The Board, in taking account of Audit Committee recommendations, agreed that greater focus should be placed on the Corporate Risk Register at Departmental Board meetings. The Board also concurred with Deirdre Kenny's proposal there should be a much stronger link between the register and the

Department's Operational Plan to ensure that potential risks to the achievement of strategic objectives are identified and managed by the Board. The Board also agreed that each risk should have a named Board member who would report to the Board on the management of that risk. The Corporate Risk Register would be placed high on the agenda for Board meetings and the Board's Forward Plan. **Action: Board Secretary.**

Learning and Development Priorities

23. Deirdre Kenny tabled a paper on OFMDFM staff training priorities for 2007/08 which advised that priority will be required to be given to extensive training programmes to prepare staff to implement the NICS corporate reform projects rolling out in OFMDFM. Personnel Directors' Group identified 4 overarching skills needs in the NICS in the coming year, i.e. leadership and management development, programme and project management (PPM) training, policy and legislation skills, and administrative development.

24. The Board noted that a similar paper is being put to other Departmental Boards by Personnel Directors and concurred with the corporate development priorities identified by the Personnel Directors' Group. It was agreed that Board members would identify and agree other OFMDFM departmental training priorities, agree to cascade Deirdre Kenny's paper within their business areas and advise line managers to focus especially on these priority needs when carrying out personal development planning interviews for 2007/08. **Action: Directors.**

Departmental Brief

25. The February 2007 Departmental Brief was approved by the Board, with minor amendments, for issue to Directors to initiate the team briefing process within the Department. **Action: Directors.**

Any Other Business

26. Mary Bunting requested that the Board consider, in her absence, the creation of one additional Deputy Principal (DP) post in the North/South Ministerial Council, (NSMC) Joint Secretariat. The Board raised no objections to the new DP post.
27. Mr Hamilton reported on the recent "Winter Willow" pandemic flu exercise in which he played an active role. He asked relevant Directors to convey his appreciation to all staff involved particularly those in the Central Emergency Planning Unit who worked so hard to make the exercise a success.

Date of Next Meeting

28. The next meeting of the Board is scheduled for 10.45 a.m. on Thursday, 29 March 2007 in the 4th floor conference room, E4.02 Castle Buildings.

Mark Higgins

28 February 2007