

**MINUTES OF THE OFMDFM DEPARTMENTAL BOARD MEETING
ON 23 JUNE 2006**

PRESENT: Nigel Hamilton (Chair), Billy Gamble, George Gray, Neill Jackson, Deirdre Kenny, Jackie Kerr and John McMillen.

IN ATTENDANCE: Mark Higgins (Secretary).

APOLOGIES: Mary Bunting, Frank Cushnahan, Rosalie Flanagan, Stephen Grimason and Denis McCartney.

Welcome

1. The Board welcomed John McMillen to his first meeting as a member and the Department's Accounting Officer. Nigel Hamilton explained that John has been in post since 12 June 2006 and his responsibilities also include project management of implementation of the Review of Public Administration (RPA) and Resources, Regeneration and International Relations Directorate. Mr Hamilton advised the meeting that, as Accounting Officer, Mr McMillen has absolute primacy in relation to all financial and accounting matters in the Department.

Minutes of Last Meeting

2. The minutes of the meeting held on 25 May 2006 were agreed as amended.

Matters Arising

3. Matters arising were dealt with under the appropriate agenda items, i.e. Resource Planning and Finance & Accountability.

STANDING ITEMS

Assembly Issues

4. Neill Jackson, deputising for Rosalie Flanagan, provided a brief summary of recent proceedings in the Assembly.

Forward Plan

5. The Forward Plan was noted and no amendments were made.

Resource Planning

6. Deirdre Kenny and Jackie Kerr tabled a combined HR/Financial Analysis paper, incorporating workforce planning assumptions for 2006/07 and the financial position for Administration Cost reserves and bids. The Board noted that identified staffing reductions go a long way in achieving the Department's target figure of 380 full-time equivalent posts at 31 March 2008. The Board agreed to review the vacancy position towards the end of the planning period and cover any additional reductions from the vacancies at that time.
7. Jackie Kerr advised that Administration cost bids have been lodged with the Department of Finance and Personnel in the June monitoring round. She explained that, in the event that not all bids are met, there would be a greatly reduced ability for the Department to manage emerging pressures later in the year.

The outcome of the June monitoring round will therefore be critical with regard to managing administration cost demands in the Department.

2005/06 Annual Report and Accounts

8. Jackie Kerr tabled a final draft of the Department's 2005/06 Annual Report and Accounts and provided verbal briefing to the meeting on key issues in the draft. She explained that Finance Division were on target for finalising and submitting the draft to the Northern Ireland Audit Office (NIAO) within their specified timetable. Mrs Kerr expressed her thanks to staff across the Department who co-operated with the much tighter timetables for the submission of accruals and year-end financial information and acknowledged their co-operation as a key contributor to the Department's achievement of its faster closing commitments.

9. The Board discussed in detail the Department's financial performance for 2005-2006 and other issues raised at the 20.6.06 Audit Committee meeting which also examined the 2005/06 Annual Report and Accounts. Jackie Kerr advised that the accounts may require further adjustment or change before being finalised and issued to the NIAO. The Board agreed to some minor amendments and additional information in the Statement of Internal Control to reflect matters highlighted by the Accounting Officer and Internal Audit. The Board also noted a recent Decision Notice issued by the Information Commissioner that it is fair to disclose the salary details and pension contributions of senior staff in financial statements.

10. Mr Hamilton stated that there were a number of lessons to learn for future years, in addition to the Board's overall responsibilities, and that included the need for budget holders to continue with robust monitoring and control of expenditure, improved registration of IT assets through better records management. He also advised that Director's stewardship statements and the Statement of Internal Control should reflect all relevant issues.
11. The Board paid tribute to Mrs Kerr and Finance Division staff in achieving faster closing of the accounts by the timeframe introduced as a result of the faster closing initiative launched by HM Treasury with the ultimate aim that all departmental resource accounts would be laid before Parliament before the Summer Recess.
12. Jackie Kerr also tabled a financial report which provided outturn information for the year up to and including May 2006, June 2006 monitoring information and details of the Department's performance in making prompt payments to suppliers.
13. Jackie Kerr explained that monitoring in the 2006-07 year would be made against profile budgets and emphasised the need for budget holders to continue to carefully monitor performance against budget to minimise the risk of underspends. The report also referred to bids that were lodged with the Department of Finance and Personnel (DFP) in early June.

NIAO Memorandum of Matters Arising: Schedule of Actions

14. Jackie Kerr reported that the schedule was on target for completion.

20.6.06 Audit Committee

15. John McMillen provided a summary of the key issues discussed at the 20.6.06 Audit Committee meeting, which included a detailed examination of the draft OFMDFM 2005/06 Annual Report and Accounts, a review of the NIAO Memorandum Schedule of Actions and the Corporate Risk Register. The Committee also discussed corporate governance issues and noted a new Departmental fraud policy statement. Representatives from the NIAO and Internal Audit were in attendance at the meeting and they tabled a NIAO Audit Strategy and a 2005-06 Internal Audit Annual Assurance Report, respectively, which the Committee discussed in detail.

Freedom of Information (FOI)

16. Deirdre Kenny provided a summary of FOI requests which demonstrated that the Department continued to perform well and meet FOI standards in responding to requests. It was agreed that the Board would continue to receive brief verbal updates at each meeting and be provided with a fuller written paper each quarter on the position to date. **Action: Deirdre Kenny.**

Managing Attendance

17. Deirdre Kenny provided a brief outline of summary of the OFMDFM absence rate which had fallen for the third month in a row to 3.5% and which was consistently lower than the average of the rest of the NICS over the reporting period. It was agreed that the Board would, in addition to brief verbal updates at each meeting, be provided with a fuller written paper each quarter on the position for the previous reporting period. **Action: Deirdre Kenny.**

PAC Report on EBT

18. The Board discussed a recent minute to them from Nigel Hamilton which highlighted key recommendations by David Thomson on the Public Accounts Committee (PAC) report on the Emerging Business Trust which included reference to the appointment and performance of Board members and to conflicts of interest. In that context the Board noted a recent recommendation by the Audit Committee to a review of corporate governance of OFMDFM's Non-Departmental Public Bodies (NDPBs) and Third Party Organisations, which John McMillen and Jackie Kerr would be taking forward.

Corporate Governance Issues

19. The Board discussed a minute from Nigel Hamilton to Audit Committee members which highlighted key issues from a recent Corporate Governance Seminar he hosted jointly with the Comptroller and Auditor General and which Mr Cushnahan also attended. The Board noted the Audit Committee's decision that a programme of bilateral meetings would be arranged between the

Department's Audit Committee Chairperson, supported by the Department's Accounting Officer, and a selection of Chairpersons of the Department's NDPB Audit Committees. In addition it was agreed that the Departmental Audit Committee Chairperson should be provided with copies of risk registers and Internal Audit reports of NDPB Audit committees and vice versa. **Action: Corporate Services.**

20. It was agreed that the Audit Committee's recommendation for sharing of information should be addressed in the review of corporate governance of OFMDFM's NDPBs and Third Party Organisations, as outlined in paragraph 18 above **Action: John McMillen / Jackie Kerr.**

June Departmental Brief

21. The Board approved the June 2006 Departmental Brief, with some minor amendments, for issue to Directors to initiate the team briefing process within the Department.

Investors in People

22. The Board noted a paper tabled by Deirdre Kenny on the Department's approach to achieving IiP as a single corporate body. It was agreed to invite Gerry O'Neill from Public Service Improvement Unit, DFP to the August Board meeting, to address the Board and provide assistance on the way forward. **Action: Deirdre Kenny.**

2005/06 Business Plan Annual Outturn Report

23. Deirdre Kenny tabled the above report which summarised progress in achieving 2005-06 performance targets. The report stated that 77 of the total 95 targets have been achieved or substantially achieved. The report provided brief progress reports, as at 31.3.06, for those targets that had not been achieved by that date. The Board noted and approved the report for publication on the Department's web site. **Action: Corporate Services.**

24. It was noted that a Board sub-group of John McMillen, Jackie Kerr and Deirdre Kenny would commence work over the next few months on the Department's approach to business planning, including the content and format of the 2007-08 Business Plan and provide the September 2006 Board with recommendations on the way forward.

2005/06 Special Bonus Scheme

25. The Board noted a paper provided by Deirdre Kenny which explained that the Special Bonus Scheme is designed to reward excellent performance, either in circumstances which are exceptional to the normal work environment, or which are significantly above and beyond the call of duty. The Board noted that all requirements of the scheme had been met.

Tour de Table

26. Billy Gamble informed the meeting of a number of recent developments including the launch of the Children and Young

People's strategy, "Our Children and Young People – Our Strategy", Employment Equality (Age) Regulations which had been made recently and the commencement of consultation in the near future on sexual orientation anti-discrimination regulations in respect of goods, facilities and services.

27. Neill Jackson reported that the Northern Ireland Affairs Committee (NIAC) had completed its enquiry on organised crime and its report was due for publication in early July 2006. He also reported that initial discussions had taken place with Lisburn City Council on the staging of the 2007 Holocaust Memorial Ceremony.
28. John McMillen provided an outline of organisational changes in his area of responsibility which would be notified to all staff shortly and updated the meeting on developments regarding the Maze site.
29. George Gray updated the meeting on the legislative programme including the current position regarding Water, Rating, RPA and Education legislation.
30. Deirdre Kenny provided an outline of Central Emergency Unit's involvement in a UK exercise on Avian Flu Pandemic and the outcome of FOI seminars for senior staff. She also reported that responsibility for the Chief Executives forum had moved from DFP to Corporate Services Directorate.

31. Jackie Kerr advised that a document explaining the Department's fraud policy and incorporating a Fraud Response Plan would be issued to all staff and placed on the Department's web site. The document detailed responsibilities for the prevention of fraud and the procedures to be followed in the event of fraud being detected or suspected. Nigel Hamilton added that a review of whistle blowing policy would be taken forward by David Thomson, Department of Finance and Personnel (DFP).

ANY OTHER BUSINESS

Non-Executive Directors

32. Nigel Hamilton reported that he had sought the views of Directors on the appointment of a second Non-Executive Director to the Department in view of HM Treasury Code of Good Practice guidance that, where appropriate, Departments should consider appointing two Non-Executive Directors. The general consensus indicated that given OFMDFM's relative size, in terms of budget and staff numbers, a second appointment was not necessary. The Board concurred with that conclusion.

19 September Board Meeting

33. The Board noted that the Minister will be attending the September meeting and a final agenda would be drawn up for agreement at the August Board meeting.

Date of Next Meeting

34. The next meeting was scheduled for 10.45 a.m. on Thursday 24 August 2006.

DB 01/06/06

Mark Higgins

4.7.06