

**MINUTES OF THE OFMDFM DEPARTMENTAL BOARD MEETING
ON 30 AUGUST 2007**

PRESENT: John McMillen, (Chair), Mary Bunting,
Rosalie Flanagan, George Gray, Jackie Kerr and
Paul Priestly.

IN ATTENDANCE: Liz Elliott, Mark Higgins (Secretary), Alan Maitland and
Gerry Mulligan.

APOLOGIES: Frank Cushnahan, Stephen Grimason, Nigel Hamilton,
Deirdre Kenny and Cynthia Smith.

MINUTES OF LAST MEETING

1. The minutes of the meeting held on 26 July 2007 were agreed as amended.

MATTERS ARISING

Action Points

2. Members provided updates to the current Action Points table for outstanding action points arising from previous meetings. An updated Action Points table would be issued with the minutes of the 30.8.07 meeting. **Action: Board Secretary.**

Sustainable Development

3. Alan Maitland provided the Board with an outline of his role as OFMDFM's Sustainable Development champion which involved the in-house pursuit of Sustainable Development initiatives. He highlighted the importance of the Departmental Board's endorsement of his approach and he explained that

Departmental Sustainable Development champions are required to produce an action plan to take that work forward.

4. He outlined the purpose of the action plan for OFMDFM which would involve staff, include ownership by the Board, who should receive several progress reports per year and would be a mechanism for encouraging and promoting sustainable development ideas and practical outcomes. The meeting recognised the cumulative effect of small scale housekeeping initiatives which had a limited overall impact because of the nature and relative small size of the Department. Liz Elliott advised that the Castle Buildings Accommodation Committee would provide a useful source of information and input to the proposed action plan. John McMillen emphasised the need to also focus on the higher level regeneration initiatives that potentially have beneficial, environmental and economic sustainable development outcomes.
5. Paul Priestly added that the Sustainable Development Unit had policy lead for this subject and a cross-sector focus. He also advised that the Junior Ministers were due shortly to host a reception for the Sustainable Development Commission. The Board approved Alan Maitland's proposal to develop an action plan and report on progress to the Board, several times per year.

Action: Alan Maitland.

Executive Business

6. Members discussed a range of issues concerning key policy decisions, the involvement of special advisers and liaison between them and officials. Members agreed that the involvement of two special advisers for the First Minister and deputy First Minister at the Board's recent strategic planning session was very positive and worthwhile.

7. Rosalie Flanagan reported that she is arranging weekly planning meetings with officials and special advisers to discuss key Departmental issues and forthcoming agenda items and papers for Executive meetings. The main focus of the weekly meetings is to highlight any areas of concern, for example, the timetable for the Programme for Government, the Priorities and Budget exercise and legislative timetable.

Annual Report to the Equality Commission

8. Gerry Mulligan provided an outline of the 2006-07 Annual Report to the Equality Commission for Northern Ireland which was submitted to the Board for their consideration. He explained that the report fulfilled the Department's commitment in its Equality Scheme to prepare an annual report on its implementation of the equality and good relations duties (under Section 75 of the Northern Ireland Act 1998) and to submit a report to the Equality Commission each year.

9. Mr Mulligan explained that good progress continues to be made on the implementation of all aspects of the Department's Equality Scheme with equality and good relations considerations

being mainstreamed into the development of policy and legislation. The Board commended the staff involved in the work associated with the equality scheme and the preparation of the annual report. The Board approved the report, agreed that it should be forwarded to the Equality Commission by 31 August, placed on the Department's website and forwarded to the First and deputy First Minister for information. **Action: Cynthia Smith.**

Strategic Planning Session

10. Paul Priestly led a discussion on the outcome of the Board's strategic planning session held on the 31 July 2007. He proposed that the Board review the 15 action points which emerged from that session with a view to agreeing those the Board intend to pursue and how they are to be taken forward. It was noted that some of the action points had been addressed, including:
 - Point 1 – the introduction of a new agenda format;
 - Point 2 - better discipline at Board meetings; and
 - Point 3 - change of venue for Board meetings.

11. Other action points had been partly addressed, including:
 - Points 5 and 6 – engagement with political advisers and Ministers – the weekly planning meeting with advisers organised by Executive Secretariat should assist with that continuing process and as agreed, in terms of enhancing communication, Jackie Kerr had developed a Budget 2007 timeline which would be circulated to Board members and advisers for their information;

- Point 7 – build the Board as a team – work on the Corporate and business plans for 2008-09 will provide an opportunity for further team building; and
 - Point 13 - review team briefing – a cross-departmental project team, headed by John Waddell from Paul Priestly's directorate will undertake a review, starting late September or early October 2007.
12. The Board also discussed improvements to strategic communication and the possibility of reviewing the need for Departmental intranet facilities. It was agreed that Deirdre Kenny, in consultation with Executive Information Service would be asked to examine the opportunities available in the OFMDFM website or in consultation with DFP their intranet and internet websites. **Action: Deirdre Kenny.**
13. It was agreed that the other action points arising from the Strategic Planning Session that had not yet been addressed should be re-visited at future Board meetings and all action points would be the subject of review on an ongoing basis. **Action: Board members.**

Forward Plan

14. The Board agreed additional items for the Forward Plan and an amended copy would be issued with the request to members for agenda items for the 4 October Board meeting. **Action: Board Secretary.**

Corporate Governance Framework

15. Following a review of a draft Corporate Governance framework by the Audit Committee further changes were submitted by Board members and adopted into a revised framework which was submitted to the Board for approval. The Board approved the latest draft framework, subject to some minor amendments, received by the Board secretary. The Board agreed that the framework should be reviewed in line with revised DFP guidance or structural changes to the Department, Board or Audit Committee. **Action: Board Members.** The Board also noted that the Terms of Reference for the Board and Audit Committee were included as key reference documents in the framework and should be reviewed annually. **Action: Board Members.**

16. John McMillen advised that he was currently examining the structure of the Audit Committee in light of the HMT Audit Committee Handbook, good practice guidance. The handbook stated that, "It is good practice, so far as possible, for audit committee members to be independent non-executive Board members." Mr McMillen advised that he would report to the Audit Committee and Board on his proposals for a suitable reconstituted Audit Committee. **Action: John McMillen.**

Resource Planning

17. The Board noted a joint paper from Deirdre Kenny and Jackie Kerr which summarised the current position for the Department's Fit for Purpose target, set by the Department of Finance and

Personnel (DFP), and the 2007-08 administration budget and resource reserve. The Board noted that a further 5 posts (full time equivalents) are required to meet the Fit for Purpose target of 389 (full time equivalents). The Board discussed the need to make further reductions to meet the target and it was agreed to review all current posts and vacancies. Liz Elliott would write to Directors to identify potential posts. **Action: Liz Elliott.**

18. The Board also noted an administration deficit for 2007-08 is estimated at about £1.696 million, and taking account of pressures arising from Restoration and other areas there would be a shortfall in the administrative budget of about £2.251 million. The adjusted reserve position for the year is £980,345.

Financial Reports

19. Jackie Kerr's paper on financial outturn as at 31 July 2007 showed that, against profiled budget, an administration cost underspend of £183,00 (3.3%), a resource underspend of £3.3 million (20.2%) and a capital underspend of £376,000 (42.4%). Mrs Kerr reported that she had raised concerns with DFP about delays in their part in providing financial information and reports due to temporary loss of staff and key skills. Mrs Kerr advised that the Finance Minister was focusing on underspends in Departments, particularly where there was a trend or patterns of underspending. Follow-up action by DFP with Departments to address underspends in the context of future allocation was not ruled out. There was also some concern about the Department's

current administration cost reserve which had decreased significantly.

20. The Board noted that OFMDFM's prompt payment performance for the month of June was 84% against a target of 95%. Mrs Kerr reported that this drop in performance was largely due to business areas not submitting invoices to Finance within the required 10 day period. It was agreed that this issue should be highlighted in the August Departmental Brief and business areas will be asked, by Finance Division, to provide explanations for late payments.
21. Jackie Kerr reported that the next monitoring round would be in October and as the in-year position for 2007-08 is particularly constrained it is doubtful that bids for additional in year resources would be met. The emphasis will be on the declaration of reduced requirements to manage the Northern Ireland Departmental Expenditure Limit (DEL). OFMDFM officials will meet with Special Advisers to discuss the in-year financial situation on 31 August. Jackie Kerr will commission an in-house monitoring exercise in early September. It was agreed that Directors would critically review their respective budgets and declare any reduced requirements as early as possible.
22. Jackie Kerr advised that she is committed to provide the OFMDFM Board with quarterly management accounts. However due to the impact of Account NI and Budget 2007 on limited Finance Division resources and, taking account of concerns

regarding the timeliness and reliability of financial data currently produced by DFP's Sun Accounting System, she requested that the commitment is deferred. The Board approved, subject to the agreement of the Non-Executive Director, Mrs Kerr's proposal to dispense with the preparation of management accounts for quarters ended June and September 2007 until the post Go-Live date for Account NI.

23. Mrs Kerr also advised that the Treasury Officer of Accounts has proposed that OFMDFM and DFP will be exempted from faster closing obligations for the 2007/08 financial year as a result of the Department's migration to AccountNI. This would obviate the requirement to prepare 9 month accounts. It was agreed that, subject to a successful migration to Account NI, the Finance Director would prepare a set of 9 month management accounts for the February 2008 Board as that preparation would serve as a useful control exercise. **Action: Jackie Kerr.**
24. Jackie Kerr reported that a potential fraud case involving an ex-member of staff did not materialise as the individual resigned and no further action was necessary. The Board concurred that potential fraud was a matter for all staff and that the Department's Fraud Policy and Fraud Response Plan should be followed in all cases.

Managing Attendance

25. The Board noted that at the Executive meeting of 19.7.07 Ministers endorsed the recommendations of the Minister for Finance and Personnel on managing attendance in the Northern

Ireland Civil Service (NICS). Subsequently, Central Personnel Group is to review current NICS procedures and other processes for managing attendance. The Executive agreed that Permanent Secretaries should present quarterly reports on managing attendance to Ministers.

26. A draft submission to the First and deputy First Minister was tabled for the Board's approval. The submission updated Ministers on the measures in place in OFMDFM to address procedures for managing attendance. The Board approved the submission, subject to amendments which would highlight the positive aspects of the Department's attendance record. **Action: Deidre Kenny.** Managing attendance would continue to be tabled as a regular quarterly agenda item at Board meetings.

Corporate Risk Register/ Risk Management Plan

27. Paul Priestly tabled the latest version of the Corporate Risk Register which was updated in light of comments received from Board members. Also tabled for completeness was the 2007-08 Risk Management Plan, which shows the risks which attach to the achievement of the objectives and targets in the OFMDFM Operational Plan for 2007-08.
28. The Board discussed the register and collectively agreed on the assessment of the 'impact' and 'likelihood' of each of the high level risks, reviewed the action already taken to manage those risks and identified additional actions that are required to manage the individual risks. The long term goal was to incorporate the register and risk management plan into one

document within the year. It was agreed that an updated corporate risk register incorporating the agreed changes would be circulated to members for information. **Action: Paul Priestly.** The Board also discussed business continuity planning and it was agreed that a paper would be submitted to the Board before the end of 2007. **Action: Deirdre Kenny.**

29. The Board noted that, "A Shared Future" and Racial Equality Strategies will be tabled at the next Board meeting and were identified in the Risk Management Plan against risks 2, 4 and 5. As the Board Level Risk Owner (BLRO) for those strategies and associated targets/outcomes, Cynthia Smith would therefore report on the management of those risks to the achievement of the above strategies' targets and outcomes.

Departmental Brief

30. The Board approved the August Departmental Brief, subject to additional material from Jackie Kerr on prompt payments performance and other finance matters. The Brief would be issued to Directors to instigate the team briefing process in the Department. **Action: Board Secretary.**

Business Change Programme

31. The Board noted an updated report which summarised the various priority 1 projects within the Business Change Programme. Jackie Kerr advised that she had registered concerns with DFP in relation to staff shortages to manage the AccountNI cut-over. Timing of RecordsNI implementation is also a concern due to a lack of resources to progress pre-

implementation tasks and its timing for October/November which will coincide with AccountNI training and that go-live timetable. Liz Elliott advised the Board that an amended implementation schedule, with 55 users going live in October/November and the remainder of the Department following in March 2008, had been proposed. The Board noted the proposal and agreed that every effort should be made to secure DFP agreement. It was agreed that reassurances should be sought from the relevant NICS Reform Project, Senior Responsible Officers (SROs) for RecordsNI and AccountNI projects by the Departmental SROs on managing those identified risks. **Action: Deirdre Kenny and Jackie Kerr respectively.**

Any Other Business

Annual Accounts 2006-07

32. Jackie Kerr reported that the Northern Ireland Audit Office (NIAO) was currently preparing a report on the OFMDFM Annual Report and Accounts 2006-07 and early preliminary discussions with the NIAO suggested that it would be a positive report. A management response would be issued to the NIAO and subsequently tabled at the September Audit Committee and the next Board meeting scheduled for 4 October 2007. Mrs Kerr expressed her thanks to all business areas for their input to the report.

Review of Board Meeting

33. The general consensus of opinion from members was that the new agenda format and change of venue had enhanced discussion and decision making. Members welcomed the

opportunity to re-visit and develop all the Strategic Planning Session action points at future Board meetings. It was proposed that an earlier start time is considered for Board meetings.

Action: Board Secretary.

Date of Next Meeting

34. The next meeting of the Board is scheduled for Thursday, 4 October in the 2nd Floor Conference Room, Dundonald House. The current start time of 10.45 a.m. is subject to change as stated in paragraph 33 above.

Mark Higgins

7 September 2007