

Management Board Meeting Minutes Monday 10 December 2018, 10.30am

Attendance: Secretary General (Fergal Lynch), Dermot Ryan, Bernie McNally, Éimear Fisher and Michelle Shannon. Miriam Kenna reporting.

1. Minutes of Last Meeting

The minutes of meeting of 3 December 2018 were agreed subject to amendment.

2. Matters Arising

There were no matters arising.

3. Brief Updates

BMcN provided updates on (i) EY Operations (meeting of CCCs) (ii) EY Quality (NCCA nominees) (iii) ACS (iv) Pobal (procurement) (v) School Age Regulations (vi) independent review of costs (vii) EY Research (First 5; framework of research).

MS provided updates on (i) Scouting Ireland (ii) ETB(SLAs) (iii) LGBTi (iv) Creative Ireland (v) Participation Strategy (vi) Adoption (Information and Tracing Bill and illegal registrations) (vii) M&BH (Collaborative Forum) and (viii) Creative Ireland.

EF provided updates on (i) GAL Bill (ii) Operation Neolithic (Memo for Gov) (iii) Tusla (Board Chair and CEO recruitment; oversight agreement).

DR provided updates on (i) External HR (Tusla CEO) (ii) Internal HR (Restructuring phase 2; Employee engagement and People Strategy) (iii) Finance (REV) (iv) ICT (e-submissions presentation at SMT).

4. Early Years Compliance issues

Gordon Gaffney, Laura McGarrigle, Paul Fay and Gillian Martin attended for this item and presented on a detailed briefing paper on Early Years Compliance issues. They presented under the headings of staffing and resourcing; review of the 2017/2018 programme year; approach for 2018 / 2019 year, and audit and risk.

Among the key messages noted were:

- the work to address governance and compliance issues continues to be intensive, and will take a number of years;
- good progress has been made in relation to compliance, especially over the last few months, but much remains to be done;
- the staffing and resource situation within the Department and Pobal had been improved, allowing further and continuing efforts to be made on key areas requiring attention;

- improved data means that reasonable estimates of over-claim could now be made. These range from 0.2% of ECCE to 5.5% of CCS payments (with higher percentage in the recent focused sample);
- action is in progress to recoup over-payments for 2017/2018 and 2018/2019, but the CSSO's critical advice indicates that this is inadvisable for previous years because of the lack of clarity in the rules and contracts governing schemes at that time;
- a detailed set of improved arrangements are in place for the current programme year including targeting over claims early in the year and focusing in the first instance on high-value cases;
- the audit and risk function is being further developed and targeted to focus on its core role and responsibility and deliver greatest value;
- DPER has confirmed that it is satisfied with the proposed approach to how the spirit and principles of Circular 13/2014 would be applied to the Affordable Childcare Scheme given its fundamental nature as a system of subsidies rather than grants. This involves a predominant focus within the scheme requirements on attendance records and reporting rather than on wider governance. The latter would still, of course, be of concern and would be a prompt for further compliance visits as appropriate. The Department is still working with DPER to clarify the position for the existing schemes but it is likely a similar agreement to the ACS will be reached and
- arrangements for the forthcoming ACS were designed to have in-built mechanisms to reduce greatly the danger of inappropriate claims, although these could never be ruled out entirely.

In response, the MB welcomed the extent of the work done and the detailed information provided in the briefing paper and oral presentations. They acknowledged the scale of the task that remained and noted that the legacy Early Years Schemes and sectoral issues would remain a major area of risk for DCYA for some years to come, even as intensive work proceeded.

Among the main points made by MB members were:

- we must continue to ask ourselves probing questions about whether we are doing enough, and whether we are doing the right things, to address the compliance and governance issues identified;
- the importance of ensuring external tests to check the robustness of the forthcoming ACS;
- the importance of training, whether mandatory or not, to ensure that providers understand the new scheme. It was noted that 650 face-to-face training sessions for 12,500 persons was planned in advance of the ACS launch with online training and follow-up supports also provided;
- the possible value of identifying the highest risks through discussion with individual providers as well as through the existing focus groups, consultation forums etc.;

- the value of a tabular overview of all current schemes with uptake and expenditure, to demonstrate trends and progress in addressing governance and compliance issues over time;
- the possible case for an inter-agency forum to help identify areas of high risk, drawing on the experience of others;
- the importance of addressing the apparent culture of slowness to cooperate with rules and procedures, on the part of at least some providers;
- the large increase in Early Years funding (admittedly from a low base) at a time of continuing concerns about governance and compliance;
- in the challenge to balance a robust compliance regime (which holds services accountable for the use of Exchequer funding) with maintaining access to services (particularly in areas of high deprivation), the necessity of taking an evidence based approach to assessing sustainability issues and the ability of sampling exercises to help us estimate the true extent of problems. (it was noted, in this context, that a number of the samples and compliance visits deliberately concentrated on areas of highest concern).

The MB thanked the team for its work, acknowledging the challenges involved, but also the importance for the Exchequer and good governance of pressing ahead with the process.

It was agreed that the Early Years team would report again to the MB in early April.

5. For Noting

It was noted that Oral PQs are next scheduled for 13 December 2018.

6. AOB

It was agreed that, arising from a request from the SMT, there would be a discussion about Higher Scale allowances at the next SMT meeting, scheduled for Friday 11 January 2019.

FL said the he wished to put in place arrangements for (i) updating the overall Brief for the Minister and (ii) preparing detailed briefs and summaries for the Vote as a whole. Both would be valuable for C&AG/PAC purposes and more widely for the Department as a whole.

Risk management meeting scheduled for 17 Dec has been postponed to allow for the business Plans to be prepared and finalised in the first instance.

8. Next Meeting

The next MB meeting was confirmed for Monday 17 December at 10:30.