

Management Board Meeting Minutes

Monday 16 December 2019

Attendance: Secretary General (Fergal Lynch), Bernie McNally, Dermot Ryan, Éimear Fisher and Laura McGarrigle. Stephen Burke reporting.

1. Minutes of Last Meeting

The minutes of meeting of 2 December 2019 were agreed with one minor amendment.

2. Matters Arising

There were no matters arising.

3. EY Briefing on Compliance Issues

Gordon Gaffney, Mark Considine, Sinead Reilly, Tim Heneghan, Oisín Murphy and Andrew Burrows attended for this item. FL welcomed Sinead Reilly to the Department following her recent appointment.

GG presented, summarising the key issues in a detailed paper that had been circulated in advance of the meeting. He provided an update on the compliance function and its resources, and a review of the compliance activity and approach to 2018/2019 and 2019/2020. He also reviewed audit, risk and governance activities, the ELC chapter in the C&AG report, the PAC meeting on Pobal held on 12 December 2019, and the recent introduction of the National Childcare Scheme.

In terms of positives, GG noted the improved reporting by Pobal following a problematic period earlier in the year; the relative success of reclaims and prevention of over-claims; the successful abolition of CCS (the main source of compliance issues); and the increasing move to preventative rather than reactive governance of EY schemes. On the negative side there was still much to be done: overall compliance was a cause for continuing concern; over-claims were continuing although they were being recouped or prevented; and there would be a number of years' further work before we moved from a red to green risk rating.

The MB members welcomed the paper and thanked the team for its continuing work in a key priority area for the Department. The team responded to questions and comments in the following main areas: the need to keep focusing on the risk to the Department and to take all reasonable and possible steps to mitigate this risk; the value of having a clear statement of risk appetite (it was noted that to date DCYA is the only Department to have a written, if initial, risk appetite statement for the Department as a whole); the value of the Crowe project which is designed a new financial governance framework for all EY schemes (except ECCE); the implementation of the new NCS which is designed to address many of the governance and compliance issues existing in the legacy schemes; the question of appropriate sanctions against providers who consistently fail to meet the rules; the importance of comparing our performance on compliance and performance with that of other large schemes, including the DEASP and Revenue; and the value of a twelve-month review of the NCS as previously promised.

There was a consensus that the MB should continue to be the system's own strongest critic, i.e. that the push for continuing improvements should come in the first instance from within the Department. It was noted, for example, that the increase in major non-compliance rates in the current year arose partly from the Department's own decision to focus on the areas of highest risk to the Exchequer, and on the highest-value providers. In addition, the over-claims identified were now being recouped or prevented, thus avoiding a loss to the Exchequer, and represented a small percentage of the total spending on EY schemes. However, this was not in any way to minimise the importance of addressing the governance and compliance issues that remained in the system, and the work on this area would continue as a key priority area for the Department in 2020 and beyond.

The MB thanked the team and confirmed that the position would be reviewed again by the MB within six months. It was noted that there was likely to be a PAC hearing on the C&AG chapter in the early part of 2020.

4. Tusla update

Eimear Fisher presented on a discussion paper on the key issues facing Tusla as it completed its sixth full year. Among the issues raised were: the role of Tusla as a universalist or targeted service provider; the importance of clarifying its exact areas of responsibility, particularly as other Departments and agencies sought to pass additional responsibilities to it; the CEO's plans to reorganise its structures, with an emphasis on empowering the regions and decentralising responsibility away from headquarters; the importance of following through on the Strategic Workforce Plan; addressing unallocated cases, especially in the five identified areas; the response to special care shortages; Tusla's future approach to therapeutic services; and the completion of a review of the Child Care Act 1991.

The MB members agreed with the overall commentary, and pointed also to other areas including IT developments; 'Phase 2' of the Working Group Report on the establishment of Tusla; a failure or slowness to recruit funded and approved staff; and the possible link between how Oberstown staffing issues were being handled and those in the area of special care. Pressures of time did not allow for a detailed discussion, but it was agreed that these deserved fuller consideration by the MB in 2020.

5. DCYA Organisational Restructuring process and next steps

Ger Hughes attended for this item. FL introduced the topic and outlined a number of questions he had circulated to the MB in advance. The details discussed included the establishment of a Programme Board, the role of the SMT in the process, the proposed ambassador network, and the designation of responsibility for BOBF2 as part of the restructuring. The membership, terms of reference, and role of the Programme Board were discussed, as well as the timeframe and resources necessary for implementation. There was a strong consensus that the SMT should be fully involved throughout.

It was noted that the PMO would be operational from 6 January next and that it would be able to provide advice and thinking on these and other issues, including how best to put an ambassador network in place.

It was agreed that these matters would be considered further at the MB's next meeting, and that FL would consider them in conjunction with MB members and GH in the meantime.

6. For Noting

The Internal Audit Report: Review of the governance arrangements in respect of Tusla was noted.

7. Retirement of MB Member

FL took the opportunity to mark Eimear Fisher's last MB meeting, thanking her for her excellent and committed contribution to her own area and that of the Department. He said she had served the civil service with distinction, and her advice and good judgement would stand to the Department in the time ahead. He wished her the very best in her forthcoming retirement. This was echoed by all MB.

8. AOB

LMcG said that the Evaluation report on the Bail Supervision Scheme would be published shortly.

BMcN reported that independent review of costs of EY services was expected early in the New Year.

9. Next Meeting

The next meeting of the MB was (subsequently) arranged for Monday 13 January 2020.