



**CONFIRMED MINUTES OF THE FIFTEENTH MEETING OF THE JNCC  
SUPPORT CO HELD ON TUESDAY 9 DECEMBER 2008 AT MONKSTONE  
HOUSE, CITY ROAD, PETERBOROUGH, PE1 1JY**

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**JNCC SUPPORT CO.  
BOARD MEETING**

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SUPPORT CO HELD ON TUESDAY 9 DECEMBER 2008 AT MONKSTONE  
HOUSE, CITY ROAD, PETERBOROUGH, PE1 1JY**

**Present:**

Dr Bridgewater  
Dr Brown  
Mr Casement  
Mr Crawley  
Professor Doyle  
Dr Goold  
Dr Joyce  
Mr Lloyd Jones  
Mr Pritchard  
Mr Steer  
Professor Usher  
Professor Warren  
Mr Yeo

**In attendance:**

Mrs McQueen  
Mrs Quince  
Dr Stott

**Apologies:** Judith Webb, Mr Thin, Mr Christensen and Professor Hill.

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**1. Dr Bridgewater's opening remarks**

- 1.1 Dr Bridgewater welcomed members to the fifteenth meeting. He informed the Board that this would be Dr Brown's last meeting. Dr Bridgewater thanked Dr Brown for his exemplary work on the Board.

**2. Declaration of interests**

- 2.1 Nothing was declared.

**3. Minutes of the fourteenth Board meeting**

- 3.1 Professor Doyle asked that his apologies be recorded in the minutes of the fourteenth Board held in September.
- 3.2 The minutes were agreed.

**4. Matters arising**

- 4.1 Mr Pritchard informed the Board that he had received confirmation that the change in the Audit and Risk Management Committee's terms of reference from named individuals to representatives was legal from a governance point of view.
- 4.2 Mr Steer informed the Board that the European Commission seabed mapping contract had been awarded to JNCC following a tender exercise.

**5. Report from the company Secretary (Oral)**

- 5.1 Mrs McQueen reported the following matter to the Board:
  - i. the termination of Dr Vincent as a company director;
  - ii. the appointment of Dr Goold as a company director.
- 5.2 Mrs McQueen informed the Board that she was seeking legal advice over the appointment of Dr Stott as a director to the Board. Dr Stott is currently seconded from Defra and therefore not a JNCC employee. Mrs McQueen would report to the next meeting.

**6. Report from the Executive Management Board (BD 08 P09)**

- 6.1 The Board noted a paper which set out the main items discussed by the Executive Management Board and other significant issues relating to the running of the company. Mr Yeo informed members that the terms of reference for the Executive Management Board had been amended to take into account the new executive directors.

**7. Second quarter monitoring report 2008-09 (BD 08 P10)**

- 7.1 The Board noted the performance for the second quarter.
- 7.2 In discussion the following points were raised:
  - i. on the European Advice programme, the lack of progress on marine issues should be resolved as a matter of urgency;
  - ii. on the Access to Information programme, it was agreed that work on the JNCC website should be given priority next year to maintain the organisation's profile and interface with the outside world.

7.3 Dr Gibson informed the Board that the contract for European intelligence provision was due for tender and the country agencies would be consulted on their requirements. Providing the right information was always an ongoing challenge but uppermost was the contract providing value for money.

## **8. Report from the Audit and Risk Management Committee**

8.1 Mr Pritchard reported orally on the meeting of the Audit and Risk Management Committee (ARMC) the previous day. The report, which covered the following issues, would be sent to the Board in writing after the meeting.

8.2 The Board was advised that:

- i. new ARMC member Judith Webb was welcomed to her first meeting;
- ii. while the requisite minimum number of members is in place, various changes in 2008 have left the Committee currently with one fewer member than it has had in recent times. Options for adding another member are still under consideration;
- iii. the Committee examined the draft of the annual plan for internal audit for 2009-10, together with the internal audit strategy which covers three years, with 2009-10 being year 2. A wide-ranging discussion with the internal auditors confirmed some issues of balance and emphasis, clarified several specific issues and led to a small number of amendments aimed at tightening up some aspects of the plan. The plan will be discussed by the Executive Management Board and a final text will be tabled for adoption at the Committee's March meeting;
- iii seven audit topics will be covered in 2009-10, plus an audit of follow-up. The seven topics are:
  - Human resources training and development
  - Information technology
  - Risk management and corporate governance
  - Sustainable development action plan
  - Stakeholder relationship management
  - Business continuity planning
  - Core financial systems;
- iv. The Committee reviewed reports of two of the current year's audits which had been completed since the 14<sup>th</sup> meeting. The first covered media relations and publications, and this area was given a "substantial" assurance rating. The second covered core financial systems, and this area was also given an assurance rating of "substantial". Both audits had produced some constructive ideas and recommendations. While considering financial systems, the opportunity was taken to receive a brief statement from the Head of

Resources as to whether there were any significant new perspectives concerning financial risks which should be taken into account, in light of the current general economic situation. Since the JNCC Support Company does not hold funds in investments, is not insured by external insurers and receives nearly all of its funding from Government, some of the main risks that would affect other organisations are not relevant in JNCC's case. There are however some vulnerabilities in relation to insolvency of key suppliers and contractors; some safeguards are in place for this, but there are risks here which will need to be watched. Recently announced changes in VAT rates are expected to produce a small gain for the Support Company in 2009;

- v. a briefing was received on the new instruction from Government that statutory bodies should process payment of supplier invoices within 10 days, as a measure designed in particular to help cash-flow for small businesses during the current economic situation. This is now what JNCC is doing, but it has quite an impact in terms of the increased staff time required, and this is an issue which will need to be watched over time;
- vi. the Committee reviewed the 2008 edition of the report produced each year by the Treasury on Fraud in Government departments. These reports provide a rich source of material which is of use in highlighting emerging trends, and providing advice on good practice and lessons learned regarding controls and safeguards. It was noted that JNCC's own internal audit processes have generated points that are consistent with the messages coming from the Treasury report. The Committee were also pleased to note that the report is seen as helpful support for JNCC's management, and that it is circulated internally and factored in to the organisation's risk assessment processes; and
- vii. Mrs Maggie McGhee of the National Audit Office (NAO) gave a short presentation on the work of the NAO, as context for their role as JNCC's new external auditors. (A summary of this can be made available to any members who are interested). An external audit strategy will be on the agenda for the ARMC's next meeting in March 2009.

**9. AoB**

- 9.1 No further items were discussed.