



**CONFIRMED MINUTES OF THE TWENTY-FOURTH MEETING OF JNCC SUPPORT CO,  
HELD ON THURSDAY 24 MARCH 2011, AT JNCC OFFICES, MONKSTONE HOUSE,  
CITY ROAD, PETERBOROUGH, PE1 1JY**

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**JNCC SUPPORT CO.  
BOARD MEETING**

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**Present:**

Mr Archdale  
Dr Bridgewater  
Mr Casement  
Mr Christensen  
Mr Crawley  
Mr Duke  
Dr Goold  
Professor Hill  
Dr Joyce  
Mrs McQueen  
Mr Parry  
Mr Pritchard  
Mr Rose  
Professor Warren  
Judith Webb  
Mr Yeo

**In attendance:**

Mrs Quince (Secretary)

**Apologies:**, Mr Thin and Dr Brown.

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

- 1.1 Dr Bridgewater welcomed members to the meeting and in particular Mr Rose to his first meeting as a Director of the company.
- 1.2 Dr Bridgewater noted that this would be Professor Hill's last meeting. He thanked Professor Hill on behalf of the Board for his hard work and efforts.
- 1.3 An amendment to paper BD 11 P01 had been tabled which detailed amendments to the draft terms of reference for the Audit and Risk Management Committee (ARMC) agreed at the previous day's ARMC meeting.
- 1.4 A paper had also been tabled relating to the appointment of Patrick Casement to the ARMC. This would be discussed following the oral report from the Chair of the ARMC.

**2. Declaration of interests**

- 2.1 Nothing was declared.

**3. Minutes of the twenty-third Board meeting**

3.1 The minutes were agreed.

#### 4. Report from the Company Secretary (Oral)

4.1 Mr Paul Rose had been appointed Director of the company following his appointment as Director of Evidence and Advice.

4.2 The annual return to Companies House would be filed in accordance with the deadlines.

#### 5. Governance responsibilities from April 2011 (BD 11 P01)

5.1 Mrs McQueen introduced the paper and explained that the requirement to revise corporate governance documentation had arisen following Committee's decision to streamline its arrangements. Members were asked to note the amendment to the paper tabled at the meeting relating to the draft terms of reference for the Audit and Risk Management Committee.

5.2 The Board **endorsed**:

- i. the schedule of delegations Part 2 (Annex 1);
- ii. the standing orders for the company Board (Annex 2);
- iii. the terms of reference for the Audit and Risk Management Committee (Annex 3 and amendment); and
- iv. the terms of reference for the Executive Management Board (Annex 4).

#### 6. Third quarter monitoring report 2010/11 (BD 11 N01)

6.1 The report was presented to members for information.

6.2 Members were asked to note:

- i. the effect of spending restrictions on this year's budget and the surrender of £670k to Defra; and
- ii. the risk of large cash balances at the year-end if invoices were not received in time.

6.3 Mr Yeo confirmed that the £670k surrendered to Defra was entirely reserved funding. The UK co-ordination funding had been fully spent.

6.4 The Board **noted** the report and congratulated staff on continuing to achieve targets against a backdrop of uncertainty and the spending restrictions put in place by the coalition government.

**7. Report from the Executive Management Board (BD 11 N02)**

- 7.1 Mr Yeo drew members' attention to section 3 regarding Peterborough office accommodation. He explained that the third business case submitted to Defra had been approved and had now been passed to the Government Property Unit (GPU) and the Cabinet Office minister for their approval. The GPU have indicated that they wish to look strategically at office accommodation in Peterborough with a view to establishing a Government hub, possibly as early as 2012.
- 7.2 The Board expressed their disquiet that too much time and resource had been spent on the Peterborough office accommodation project at a time when there were other pressing priorities. The Board acknowledged that Defra were aware of the time and effort expended.
- 7.3 The Board expressed their concern over the JNCC website being 'absorbed' into Defra's website. As a result of this change there could be a risk of loss of control over content of the site as well as confusion over the identity of JNCC as a UK body funded jointly by Defra and the devolved administrations.

**8. Report from the Audit and Risk Management Committee (Oral)**

- 8.1 The Committee discussed the implications for ARMC membership of the 'streamlining' adjustments to JNCC governance. Moving to a single Board meeting per year changes one aspect of the dynamic between the Board and the ARMC, and the assumption of full Accounting Officer responsibilities by the Chief Executive changes one aspect of how country conservation bodies have oversight of financial audit and risk issues. This did not mean that the ARMC takes over additional responsibilities from the Board, because all Board Directors still have the same legal responsibilities as before, but at the same time there was a need to have a sufficiently strong ARMC to make the appropriate inputs. Mr Patrick Casement of CNCC had expressed his willingness to join the ARMC: at its meeting the ARMC warmly endorsed his proposed appointment and commended it for Board approval (see Board paper BD 11 P02). Natural England and the Countryside Council for Wales are also each invited to consider nominating a suitable individual to join the ARMC.
- 8.2 Streamlining also forms part of the context for the ARMC's desire to strengthen its process for reporting on high priority risk issues to the Board. In future the status of controls applied to a small number of 'most important risks' will be reported to the annual Board meetings. The choice and definition of these risks will be agreed between management and the ARMC; they will be reflected in the priority risk comments in the Chief Executive's Statement on Internal Control, and they will cross-refer to the organisation's risk register. In addition, these same risks will be considered at every quarterly ARMC meeting, and any comments that need to be made on trends or controls will be reported to the Board in the Chair's written reports and in the meeting minutes, which will both continue to be provided to the Board on a quarterly basis.
- 8.3 The Committee took stock of new or particularly fast-evolving risk areas, and issues discussed on this occasion included:
- an increasing likelihood of scientific challenge;

- practical and political consequences of election purdah and the elections themselves in Scotland, Wales and Northern Ireland;
  - some significant challenges involved in delivering several strands of marine work within the timescales required; and
  - continuing conditions of heightened stress for staff of the JNCC Support Company.
- 8.4 The Committee discussed a draft of the annual Statement on Internal Control for the year ending 31 March 2011. In addition to the “priority risks” aspect mentioned above, the Committee commended the document overall and endorsed the Statement.
- 8.5 There were two internal audit reports to review on this occasion. The first audit, of risk management and corporate governance, resulted in a ‘substantial’ assurance rating. The second was the annual follow-up of outstanding recommendations from previous audits: this is traditionally not given an assurance rating. The follow-up report identified some slippage on a few action points which could be tightened up. These two audits complete the internal audit programme for 2010/11.
- 8.6 The Committee discussed the annual Assurance Report which summarises the year’s completed audits, and then discussed a report on the results of the performance indicators which are set for both sides of the audit process (in other words both for JNCC’s part in it and for the performance of the auditors themselves). In addition a closed session was held at the end of the meeting to review the performance of internal audit more generally.
- 8.7 The Committee discussed the draft Internal Audit Strategy for the three years beginning on 1 April, and the specific audit plan for the year 2011/12. Both documents were positively reviewed and were endorsed by the Committee.

**9. Any other business**

- 9.1 Nothing further was discussed.