



JNCC SUPPORT CO. BOARD

GOVERNANCE RESPONSIBILITIES FROM APRIL 2011

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JNCC SUPPORT CO. BOARD

GOVERNANCE RESPONSIBILITIES FROM APRIL 2011

Paper by Tracey Quince

1. Introduction

- 1.1 The requirement to revise corporate governance documentation has arisen following Committee's decision to streamline its arrangements.

2. Schedule of delegations

- 2.1 The schedule of delegations Part 2 (Annex 2) has been amended to reflect the decisions by Committee to streamline its arrangements; and associated delegations to the company.
- 2.2 The Committee will be asked to endorse Part 1 of the schedule at its meeting prior to this meeting.

3. Changes to Terms of Reference

- 3.2 The terms of reference for the Audit & Risk Management Committee (Annex 3) and the Executive Management Board (Annex 4) have been revised and updated in line with new delegations and responsibilities, see Annex 5 for key changes to the documents.

4. Standing Orders

- 4.1 The standing orders for the Company Board (Annex 2) have been revised to reflect changes agreed as part of streamlining arrangements and changes to other corporate governance documents.

SCHEDULE OF DELEGATIONS

Introduction

1. Under the Regulatory Reform (Joint Nature Conservation Committee) Order 2005, and following approval from the Secretary of State, the Joint Committee set up the JNCC Support Co. as a company limited by guarantee. The purpose of the company is to provide services to the Joint Committee in connection with the functions specified in sections 33 and 36 of the Natural Environment and Rural Communities Act 2006 and in connection with any other functions of the Joint Committee. The change of arrangements for the provision of services to the Joint Committee implements action agreed in the Government's response, published in November 2002, to a review of the JNCC that reported in January 2002.
2. The Joint Committee, Company Board and Executive Management Board has made certain delegations in accordance with the attached schedule.
3. The schedule comprises:
 - Part 1 Delegations from the Joint Committee to the company, Board of the company, and any staff that the Board considers competent to undertake those responsibilities, and sub-groups of Committee.
 - Part 2 Delegations from the Company Board to the Executive Management Board, Audit and Risk Management Committee and Company Secretary.
 - Part 3 Delegations from the Executive Management Board to staff. This is supplemented separately by detailed financial delegations.¹
4. Each schedule shows the matters reserved to the delegating body alongside the areas of responsibility delegated. The schedules also require the body to whom responsibilities are delegated to refer back up through the line any matters that may involve either the company or the Joint Committee in significant risk to their reputations, legal standing or financial positions.

¹ Available to Committee members on request.

PART 1. SCHEDULE OF DELEGATIONS FROM THE JOINT COMMITTEE TO THE JNCC SUPPORT COMPANY.

1. The responsibilities of the Joint Committee are set out in their Standing Orders.
2. The Joint Committee has agreed that certain of its functions will be discharged by the JNCC Support Company (hereafter known as the 'company'). The Joint Committee has delegated certain of its responsibilities to the company, the Company Board and any employees of the company which the Board considers competent to undertake those responsibilities. The following table sets out in the left hand column the general areas of responsibility delegated to the company and in the right hand column the specific matters from each of these areas that are reserved for the Joint Committee. The Joint Committee has established a Remuneration Committee and the delegations made to it by the Joint Committee are shown in the central column. The Committee may at any time take back any responsibilities that it has delegated and specifically requires the company to refer to it any matter that may involve either the company or the Joint Committee in significant risk to their reputations, legal standing or financial positions.
3. The Joint Committee has delegated certain of its responsibilities to the Chairman. These include:
 - i. a general delegation to form time-limited sub-groups where a clear need is demonstrated;
 - ii. determination of how individual items of business are dealt with;
 - iii. sign-off of corporate and business plans after consultation with full Committee;
 - iv. sign off of non-contentious advice after consultation with full Committee;
 - v. sign-off of reserved items that are of little relevance to country conservation body members.

Delegated to the company	Delegated to the Remuneration Committee	Delegated to the Marine Protected Areas Sub-Group	Reserved for the Committee
Maintaining an effective framework of corporate governance to ensure that the Joint Committee fulfils its responsibilities for promoting the efficient and effective use of staff and other resources by the JNCC. This includes maintaining effective systems of: <ul style="list-style-type: none"> • delegated authorities; 			Regulating the Committee's own procedures, including approving and amending Standing Orders and a schedule of matters reserved to the Committee. Approving corporate governance arrangements for the JNCC, with the agreement of the GB country conservation

Delegated to the company	Delegated to the Remuneration Committee	Delegated to the Marine Protected Areas Sub-Group	Reserved for the Committee
<ul style="list-style-type: none"> • risk management and audit; • planning and monitoring; • programme and project management; • financial management; • staff management; • environmental management; • information management; • health and safety; and • internal and external communications. 			<p>bodies and Defra and devolved administrations where necessary.</p> <p>Ensuring that the company is run in accordance with the intentions of the Natural Environment and Rural Communities Act 2006 and making recommendations as necessary to the Secretary of State on matters concerning establishing or winding up the company or changing its objects.</p> <p>Approving and submitting to the Secretary of State the JNCC's annual report and accounts (Chairman).</p> <p>Establishing the strategic direction of the JNCC and approving corporate and business plans and associated budgets to be executed through the company.</p> <p>Approving projects outwith the corporate or business plan, where these have a total full-life cost of more than £300k prior to obtaining final approval from Defra</p> <p>Approving high-level</p>

Delegated to the company	Delegated to the Remuneration Committee	Delegated to the Marine Protected Areas Sub-Group	Reserved for the Committee
			<p>organisational strategies, such as communications and funding strategies, that have significant implications for the organisation.</p> <p>Reviewing and addressing major risks.</p> <p>Receiving and reviewing annual reports from the Audit and Risk Management Committee on the Committee's and company's control and risk management.</p>
<p>Delivering the Joint Committee's corporate and business plans. This includes the provision of any advice, information or other services necessary to fulfil the plans on behalf of the Joint Committee, including that delivered through inter-agency or lead agency working arrangements.</p> <p>Endorsing any in-year changes needed to performance measures.</p>		<p>Paper JNCC09P11 sets out delegations to the Marine Protected Areas Sub-Group. These will be reviewed at the June 2011 Joint Committee meeting.</p>	<p>Decisions which are potentially high-risk, contentious or novel for UK Government, devolved administrations or JNCC as follows:</p> <p>a) Strategies for JNCC's work including collaborative work with, or between, the GB country conservation bodies and Northern Ireland Environment Agency.</p> <p>b) Advice on the development or implementation of policy/legislation.</p> <p>Reviewing and contributing to new thinking and approaches for, or affecting, nature conservation with a view to informing</p>

Delegated to the company	Delegated to the Remuneration Committee	Delegated to the Marine Protected Areas Sub-Group	Reserved for the Committee
			<p>governments' high-level strategic thinking/decision-making.</p> <p>Receiving reports from the Executive Management Board and the MPA sub-group on significant decisions made on the Committee's behalf.</p> <p>Giving guidance or information to any of the country conservation bodies on any matter arising in connection with the functions of that body, which, in the opinion of the Committee, concerns nature conservation for the UK as a whole or nature conservation outside the UK.</p>
<p>Employing staff required to support the Committee in fulfilling its statutory and general responsibilities, and fulfilling all responsibilities associated with this.</p>	<p>Setting the overall pay remit for staff employed by the company on the Committee's behalf, with the approval of Defra and Treasury as required.</p> <p>In consultation with Defra, as necessary, setting and reviewing the terms and conditions and performance objectives for the Chief Executive and determining the amount of any performance bonuses.</p>		<p>Appointing a Chief Executive.</p>

Delegated to the company	Delegated to the Remuneration Committee	Delegated to the Marine Protected Areas Sub-Group	Reserved for the Committee
	Determining pensions with the approval of the Secretary of State.		
Entering into, and managing, contracts and other agreements necessary for the provision of goods and services required for the Joint Committee to fulfil its statutory and general responsibilities and complying with associated requirements in the financial memorandum.			
Holding and managing funding and other assets provided to the Joint Committee for the fulfilment of its statutory and general responsibilities and complying with associated requirements in the financial memorandum. This includes responsibility for administering and accounting for any funds provided by the Joint Committee to the GB country conservation bodies and Northern Ireland Environment Agency.			

PART 2. SCHEDULE OF DELEGATIONS FROM THE COMPANY BOARD.

1. The responsibilities of the Company Board are set out in its standing orders.
2. The Board has delegated certain of its responsibilities to two sub-committees of the Board (the Executive Management Board and the Audit and Risk Management Committee) and to the company secretary. Delegations to the Executive Management Board reflect the responsibilities delegated to the Chief Executive as JNCC's Accounting Officer, as set out in the Management Statement. To ensure the Chief Executive is able to comply with these responsibilities, he/she will act as the Chairman of the Executive Management Board.
3. The following table sets out in the left hand column delegated responsibilities, in the middle column the group or individual to whom these responsibilities are delegated, and in the right hand column the specific matters from each of these areas that are reserved for the Company Board. The Board may at any time take back any responsibilities that it has delegated (but with regard to the Accounting Officer responsibilities delegated to the Chief Executive) and specifically requires the sub-committees and company secretary to refer to it any matter that may place either the company or the Joint Committee at significant risk.

Responsibility	Delegated to:	Reserved for the Company Board
Making company appointments (excluding staff).		<p>Admitting members of the company in accordance with the Articles of Association.</p> <p>Appointing additional directors to the company in accordance with the Articles of Association.</p> <p>In the absence of the chairman of the Company Board, appointing a chairman for the meeting in accordance with the provisions of the Articles of Association and the requirements of the Secretary of State.</p> <p>Establishing, amending or dissolving sub-committees of the Board as may from time to time be appropriate, including agreeing their terms of reference and membership.</p>
Maintaining a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations.	Executive Management Board	

Responsibility	Delegated to:	Reserved for the Company Board
<p>Planning JNCC's work in support of Joint Committee, producing corporate and business plans and putting in place appropriate mechanisms and staff and financial resources for their delivery.</p> <p>Delivering the Joint Committee's corporate and business plans. This includes the provision of any advice, information or other services necessary to fulfil the plan on behalf of the Joint Committee including that delivered through the GB country conservation bodies and Northern Ireland Environment Agency.</p> <p>Providing advice and information to the Joint Committee to enable them to deliver the matters reserved to them.</p> <p>Monitoring and advising the Board on the company's performance and resource (staff and financial) position against the JNCC's corporate and business plans, and deciding on remedial action where necessary.</p>	<p>Executive Management Board</p>	<p>Endorsing quarterly reports on the company's performance and financial position against the JNCC's corporate and business plans, including any changes to performance measures.</p>
<p>Maintaining a system of risk management to inform decisions on financial and operational planning and to assist in achieving objectives and targets.</p>	<p>Executive Management Board</p>	<p>Reviewing changes to major risks concerning the company.</p>
<p>Ensuring that all funds held by the company on the Joint Committee's behalf are used for the purpose intended by Parliament, and that such monies, together with assets, equipment and staff held/ employed by the company on the Joint Committee's behalf, are used economically, efficiently and effectively.</p> <p>Ensuring that adequate internal management and financial controls are maintained by the JNCC, including programme, project and contract management, and measures against fraud and theft.</p> <p>Being responsible for ensuring that proper records are kept relating to the</p>	<p>Executive Management Board</p>	<p>Approving any significant changes in financial management policies and practices.</p> <p>Approving the company's accounts and the related submission to the Joint Committee.</p>

Responsibility	Delegated to:	Reserved for the Company Board
<p>accounts and that the accounts are properly prepared, and presented in accordance with any directions issued by the Secretary of State.</p> <p>Signing the accounts and a Statement on Internal Control regarding the JNCC's system of internal control (Chief Executive).</p> <p>Producing an annual report for approval by the Chairman.</p> <p>Paying on time the proper amounts of tax, VAT and National Insurance.</p>		
<p>Ensuring that effective personnel management policies are maintained that meet the requirements of employment law and ensure the health and safety of staff.</p> <p>Appointing, removing and remunerating staff (except for the Chief Executive, who is appointed by the Joint Committee).</p>	Executive Management Board	Appointing or removing the company secretary.
<p>Ensuring compliance with information legislation.</p>	Executive Management Board	
<p>Ensuring that statutory documents are delivered to the Registrar as and when required by the Companies Acts and that other requirements of the Companies Acts are complied with. Advising the Board by means of a written report at each of its meetings of action taken in this respect.</p>	Company secretary	
<p>Promoting a climate of financial discipline and internal control, overseeing arrangements to attain value for money, regularity and propriety, and reducing the opportunity for financial or other mismanagement.</p>	Audit and Risk Management Committee	
<p>Appointing, re-appointing or removing internal auditors and determining their remuneration.</p>	Executive Management Board	

Responsibility	Delegated to:	Reserved for the Company Board
<p>Approving long-term and annual plans for internal audit and commissioning audits of specific projects and value for money audits as required.</p>	<p>Audit and Risk Management Committee</p>	
<p>Advising, by means of a written annual report and any other means considered appropriate, the Company Board and Chief Executive on:</p> <ul style="list-style-type: none"> • strategic policies and processes for risk, control and governance, and related assurances including the Statement of Internal Control; • accounting policies and processes, including the process for review of the accounts prior to submission for audit; • the accounts, the letter of management representation, and the pre-certification report and audit completion report, including levels of error identified and management's response; • internal audit plans, findings and results; • environmental audit issues. 	<p>Audit and Risk Management Committee</p>	
<p>Ensuring that a process operates effectively to enable any JNCC matters involving significant risk to the JNCC's, UK Government's or devolved administrations' reputation, legal standing or financial positions to be identified and referred to the Joint Committee.</p>	<p>Audit and Risk Management Committee</p>	

DRAFT STANDING ORDERS FOR MEETINGS OF THE JNCC SUPPORT CO. BOARD

1. Board meetings

- 1.1 These Standing Orders supplement JNCC Support Co.'s Articles of Association and set out the Board's procedures as permitted by Article 30.
- 1.2 There will be one Board meeting each year in June. The June meeting will be held in a country on a rotational basis. Information and reports will be emailed intersessionally to members throughout the year.
- 1.3 The quorum is set out in Article 28 as shown below. Additionally it is a condition of the Secretary of State that Directors who are staff members are always in a minority for voting purposes.

A Board meeting is not valid unless a quorum is present throughout the meeting. The quorum is Directors together comprising at least half of the total number of Directors then serving of whom at least half must also be Members and of whom at least one was nominated to membership of the Joint Committee by the Secretary of State and at least one was nominated to membership of the Joint Committee by one of the GB Conservation Bodies or the relevant Northern Ireland Department or the Chair of the Council for Nature Conservation and the Countryside.

2. Declaration of interests

- 2.1 Members of the Board may not participate in the discussion or determination of matters in which they have a direct pecuniary interest.
- 2.2 Members are responsible for stating any pecuniary interest they may have in any matter discussed during a meeting of the Board before the commencement of discussion of the item. In the event of a member not appreciating at the outset of a meeting that an interest exists, the member should declare such an interest as soon as (s)he becomes aware of it;
- 2.3 When an interest is not of a direct pecuniary kind, members should consider whether participation in the discussion or determination of a matter would involve a real danger of bias. This should be interpreted in the sense that members might unfairly regard with favour, or disfavour, the case of a party to the matter under consideration. In considering whether a real danger of bias exists in relation to a particular decision, members should assess whether they, a close family member, a person living in the same household as the Board member, or a firm, business or other organisation with which the Board member is connected, is or is likely to be affected more than the generality of those affected by the decision in question. This would cover, for example, a situation involving a connection with a non-governmental organisation which received grant aid from the Board or which stood to benefit by a particular course of action which might be taken by the Board.
- 2.4 In any case of doubt, the Board member should openly declare the possibility of an interest, whether direct or indirect. The Chairman will rule on whether

any interest is such as to prevent the member participating in discussion or determination of the matter.

2.5 Where in the opinion of the Chairman there is a potential conflict of interest between the member's interest and that of the Board, the member shall withdraw from the meeting for the duration of the item.

2.6 Additionally, each member of the Board is responsible for:

- i. declaring, at least annually as required, for recording in the Register of Interests, any personal interest they may have, whether financial or otherwise, in the business of JNCC Support Co (the company). This includes any interest in other bodies whose business might impinge on that of the company. Examples include being a paid employee, partner, Director or proprietor of a company, partnership or other body;
- ii. declaring, at least annually as required, for recording in the Register of Interests, any such personal interest on the part of a close family member, and their involvement in any not-for-profit organisation, e.g. charity, as a Trustee or member of the Committee of management or other controlling body, if that body might receive grants from the company or where the family members might be involved in promoting such other organisation, or other significant dealings;
- iii. maintaining the confidentiality of confidential company business at all times, including confidential papers and discussions relating to Board meetings.

3. Attendance of the public

3.1 All business sessions of the Board shall be open to the public (except for discussion of confidential items, as determined by the Chairman).

3.2 The public are welcome to attend Board meetings as observers, but not to participate.

3.3 No cameras or recording equipment shall be allowed into meetings of the Board, except with prior permission from the Chairman.

4. Availability of agendas, papers and minutes in advance of meetings

4.1 The Board is committed to the principle of open government. Items for consideration at meetings of the Board will be classified as confidential subject to the conditions set out in relevant legislation and government guidance². Guidance on confidentiality of Joint Committee and Board business is available as an annex to Standing Orders for Meetings of the Joint Committee.

4.2 The agenda and supporting papers for Board meetings, including unconfirmed minutes of the previous meeting, will normally be dispatched to the receiving address of each Board member at least ten working days prior to the Board meeting.

² e.g. Environmental Information Regulations; Data Protection Act; Copyright Acts; Code of Practice on Access to Government Information; Freedom of Information Act.

- 4.3 Papers shall be made available to the public via the JNCC's website and on paper on request as far as practicable, including at meetings to which they relate. Agendas and papers will normally be made available on the website at least seven working days in advance of the meeting to which they relate and unconfirmed minutes no later than six weeks after the meeting to which they relate. Cover notes are provided with all papers on the website explaining their status and referring readers to the minutes of the meeting for the views of the Board on the paper.

5. Order of business

- 5.1 Business at Board shall normally include items *inter alia*:
- i. to record the names of members attending the meeting;
 - ii. to receive apologies for absence;
 - iii. to receive any declaration of interest for specific items of which any member or officer is aware;
 - iv. to consider matters brought forward at the direction of Chairman or members of the Board;
 - v. to consider matters arising;
 - vi. to consider specific matters or documents relating to the Board's work including papers circulated subsequent to the normal issue of papers for the meeting;
 - vii. to consider any other business;
 - viii. to confirm the venue, date and time of the next meeting.

6. Decision-making procedures

- 6.1 The Board will normally reach decisions by consensus. Where agreement cannot be reached by consensus, a vote will be taken on recommendations to Board, once all issues relating to them have been discussed.
- 6.2 Each Board member is entitled to one vote.
- 6.3 A majority vote is required for a decision to be agreed. If a majority vote is not reached and the issue must be decided at the meeting, the Chairman has a second or 'casting' vote. If any member(s) disagree(s) with the final decision, (s)he may have their views noted in the minutes. If a vote is not taken then the issue(s) may be deferred so that additional information or options can be provided.
- 6.4 Once a vote has been taken and the outcome determined, the Chairman will state the decision made and this will be recorded for the minutes.
- 6.5 The Board may agree to specific decisions being made by consultation of members intersessionally. In such cases the Board should also agree the process by which this will be done. In other cases the Chairman may act

under specific, or general, delegated authority to make decisions intersessionally on the Board's behalf.

7. Production and distribution of minutes of Board meetings

- 7.1 Minutes will be taken by a member of staff. Taken in conjunction with the papers presented to the meeting, the minutes should provide a correct record of the meeting, in sufficient detail to comprise an audit trail of issues discussed and decisions taken by Board.
- 7.2 Draft minutes shall be circulated to all members within 15 working days of the date of the Board meeting. Board members should inform the Chairman of any proposed amendments to the minutes within 10 working days of receipt. The Chairman will arbitrate over matters of dissent following consultation with the Chief Executive. Within 30 working days of the meeting, the Chairman will clear the minutes for publication on the JNCC's website, amended as necessary, as the unconfirmed record of the meeting.
- 7.3 The unconfirmed minutes will be confirmed at the next meeting of the Board, sent to all members and published on the JNCC's website (see 4.3 above).

8. Role and responsibilities of the Chairman, in respect of meetings of the Board

- 8.1 The Chairman is responsible for:
 - i. preserving order amongst all those present in meetings of the Board, including any members of the public;
 - ii. determining all matters of order, conflict of interest, confidentiality, competency and relevancy;
 - iii. determining in which order members wishing to speak should do so;
 - iv. ensuring that members of the Board have sufficient opportunity to express their views on any matter under discussion;
 - v. deciding whether to defer to a closed session discussion of any item if it becomes apparent that open debate would breach personal or commercial confidentiality or would otherwise compromise the JNCC's duty to safeguard the public interest. In reaching decisions of this nature, Chairman shall follow the guidance set out in Annex A to these Standing Orders, "JNCC guidance on confidentiality of papers relating to meetings of the Joint Committee and Board", especially the section headed "Criteria for determining confidentiality of JNCC business". If Chairman decides that an item of business should be deferred to a closed session, he shall advise the meeting of the reason(s) for his/her decision;
 - vi. making decisions intersessionally on behalf of the Committee when specifically, or generally, authorised to do so.

9. Role and responsibilities of the Chief Executive in respect of meetings of the Board

9.1 The Chief Executive is responsible for:

- i. ensuring that a register of members' interests is compiled and maintained, which shall be open to public inspection and published annually in the JNCC's annual report;
- ii. advising the Board on the following, for which (s)he is directly responsible:
 - a) overall organisation, management, staffing and performance of the company;
 - b) the propriety and regularity of the company's finances;
 - c) the keeping of proper accounts for the company;
 - d) prudent and economical administration of the company;
 - e) accountability to the Board for ensuring that the company complies with any statutory administrative requirements.

9.4 In the event that his/her advice as set out above is overruled by Board and the Chief Executive feels that the action contemplated could not be defended before the Public Accounts Committee, the Scottish Parliament, the National Assembly for Wales and the administration in Northern Ireland, the Chief Executive may require the Chairman to give him/her a written instruction on the matter, which instruction will be drawn to the attention of the Comptroller and Auditor General.

10. Role and responsibilities of other officers of the company and guests, in respect of meetings of the Board

10.1 Other officers of the company and guests may be invited by the Chairman or presiding member to participate in Board meetings. Their role is to:

- i. inform Board on matters to enable Board to reach decisions and to provide guidance on issues under discussion. They may take no part in the formal decision making process.

11. Suspension and amendment of Standing Orders

11.1 The Standing Orders may not be suspended, amended or added to except by a decision by the Board at a meeting.

11.2 Notwithstanding the provision in paragraph 11.1 above, these Standing Orders may not be suspended, amended or added to where this would contravene any statutory provision or direction made by the Secretary of State.

DRAFT TERMS OF REFERENCE FOR THE AUDIT AND RISK MANAGEMENT COMMITTEE

1. Background

1.1 In March 2005, the Joint Committee formally delegated responsibility to its support company for setting up an Audit and Risk Management Committee. The company therefore established the Audit and Risk Management Committee as a sub-committee of the company Board. The company Articles of Association specify that the scope of the Audit and Risk Management Committee extends to all JNCC business whether delegated to the company or reserved by the Joint Committee. In this way it will account to the company Board and to the Joint Committee. The Chair of the Audit and Risk Management Committee will also have direct access to the Joint Committee for any concerns regarding the company.

2. Role and purpose

2.1 The Audit and Risk Management Committee has been established to support the company Board and the Joint Committee in its responsibilities for issues of risk, control and governance and associated assurance.

2.2 The Audit and Risk Management Committee is an advisory and commissioning Committee established to:

- i. promote a climate of financial discipline and internal control and oversee arrangements to attain value for money, regularity and propriety, and reduce the risks of financial or other mismanagement;
- ii. approve long-term and annual plans for internal audit and commission audits of specific projects and value for money audits as required.
- iii. advise, by means of a written annual report and any other means considered appropriate, the company Board and Chief Executive on *inter alia*:
 - strategic policies and processes for risk, control and governance and related assurances including the Statement on Internal Control;
 - accounting policies and processes, including the process for review of the accounts prior to submission to the company Board.
 - the accounts, the letter of management representation, and the pre-certification report and audit completion report including levels of error identified;
 - internal audit plans, findings and results;
 - environmental audit issues;
- iv. ensure that a process operates effectively to enable matters involving significant risk to the JNCC's, UK Government's or devolved administrations' reputation, legal standing or financial position to be identified and referred to the Joint Committee.

3. Membership

3.1 Membership comprises between four and six members as follows:

- i. Independent member(s) of the Joint Committee (excluding the Chair); Member(s) from the UK conservation bodies (excluding Chairs); and external member(s) as appropriate;
- ii. the Audit and Risk Management Committee will be chaired by an independent member, appointed by the company Board.

3.2 Three members must be present for the meeting to be deemed quorate.

4. Process

Meetings

4.1 The Audit and Risk Management Committee will normally meet four times per year. The Chair of the Audit and Risk Management Committee may convene additional meetings as he or she deems necessary.

4.2 Audit and Risk Management Committee meetings will normally be attended by the Chief Executive, the Director of Corporate Services or a delegated officer, the Head of Internal Audit, the Deputy Head of Defra's internal audit & assurance team and a representative of external audit.

4.3 The Audit and Risk Management Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.

4.4 The Audit and Risk Management Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

4.5 The company Board, and the Chief Executive, may ask the Audit and Risk Management Committee to convene further meetings to discuss particular issues on which they would like the Committee's advice.

4.6 A lead representative of the internal audit company and a representative from JNCC will, if required, attend Defra's Audit Committee to report on JNCC audit and risk management business.

4.7 Any member(s) or attendees having a potential conflict of interest in any of the agenda items at a given meeting will be required to declare it at the commencement of the meeting. In the event of a member not appreciating at the outset of a meeting that an interest exists, the member should declare such an interest as soon as (s)he becomes aware of it. The Chairman will rule on whether any interest was such as to prevent the member participating in discussion or determination of the matter. Members are expected to keep themselves informed of prevailing requirements, standards and good practice in relation to the conduct of audit and risk management business.

4.8 The Committee will normally reach decisions by consensus. Where agreement cannot be reached by consensus, a vote will be taken on recommendations to the Committee, once all issues relating to them have been discussed.

- 4.9 Each Committee member is entitled to one vote.
- 4.10 A majority vote is required for a decision to be agreed. If a majority vote is not reached and the issue must be decided at the meeting, the Chairman has a second or 'casting' vote. If any member(s) disagree(s) with the final decision he/she may have their views noted in the minutes. If a vote is not taken then the issue(s) may be deferred so that additional information or options can be provided.
- 4.11 Once a vote has been taken and the outcome determined, the Chairman will state the decision made and this will be recorded for the minutes.
- 4.12 Apologies should always be submitted prior to the meeting. If a member of the Committee is absent for more than three meetings without good cause, then that member may be asked to stand down. The Chair shall determine what constitutes 'good cause' in any given case.
- 4.13 All meetings of the JNCC Audit and Risk Management Committee are closed sessions, although members may invite other officers of the company to the meeting as necessary to provide information and advice. Members of the company Board or Joint Committee may also attend as observers at the discretion of the Chair.
- 4.14 The lead representative of the internal audit company and the representative of JNCC's external audit will have free and confidential access to the Chair of the Audit and Risk Management Committee. The Chair of Defra's Audit and Risk Committee will also have direct access to the Chair of the Audit and Risk Management Committee to discuss significant control, governance or risk issues that are emerging and have been identified in the minutes of the Audit and Risk Management Committee.
- 4.15 Minutes will be taken by a member of staff. Taken in conjunction with the papers presented to the meeting, the minutes should provide a correct record of the meeting, in sufficient detail to comprise an audit trail of issues discussed and decisions taken by the Audit and Risk Management Committee. Unconfirmed minutes will be produced and circulated no later than six weeks after the meeting to which they relate.

Reporting

- 5.1 In addition to an annual report, the Audit and Risk Management Committee will formally report in writing to the company Board after each meeting. Minutes of each meeting will also be circulated to regular attendees, Company Board members and Defra's internal audit & assurance team and maintained at Monkstone House for inspection. The Joint Committee will be informed of the existence of the Audit and Risk Management Committee's annual report via the matters arising paper for the June Joint Committee meeting.

TERMS OF REFERENCE FOR THE EXECUTIVE MANAGEMENT BOARD

1. Background

- 1.1 In March 2005, the Joint Committee formally delegated to its support company many of its responsibilities relating to delivery of its statutory functions. In turn, the Company Board delegated to the Executive Management Board responsibility for directing and managing the affairs of the company to deliver the Joint Committee's corporate and annual business plans within a framework of effective controls.

2. Role and responsibilities

- 2.1 The Executive Management Board is responsible for:
- i. planning JNCC's work in support of the Joint Committee, producing corporate and business plans and putting in place appropriate mechanisms and staff and financial resources for the delivery of these plans;
 - ii. delivering the Joint Committee's corporate and business plans. This includes the provision of any advice, information or other services necessary to fulfil the plan on behalf of the Joint Committee including that delivered through the GB country conservation bodies and Northern Ireland Environment Agency;
 - iii. providing advice and information to the Joint Committee to enable them to deliver the matters reserved to them;
 - iv. monitoring and advising the Company Board on the company's performance and resource (staff and financial) position against the JNCC's corporate and business plans, and deciding on remedial action where necessary;
 - v. maintaining a system of risk management to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
 - vi. ensuring that all funds held by the company on the Joint Committee's behalf are used for the purpose intended by Parliament, and that such monies, together with assets, equipment and staff held/ employed by the company on the Joint Committee's behalf, are used economically, efficiently and effectively;
 - vii. ensuring that adequate internal management and financial controls are maintained by the JNCC, including programme, project and contract management and measures against fraud and theft;
 - viii. being responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared, and presented in accordance with any directions issued by the Secretary of State;
 - ix. signing the accounts and a Statement on Internal Control regarding the JNCC's system of internal control (Chief Executive);
 - x. producing an annual report for approval by the Chairman;

- xi. paying on time the proper amounts of tax, VAT and National Insurance;
- xii. ensuring that effective personnel management policies are maintained that meet the requirements of employment law and ensure the health and safety of staff;
- xiii. appointing, removing and remunerating staff (except for the Chief Executive , who is appointed by the Joint Committee);
- xiv. ensuring compliance with information legislation;
- xv. appointing, re-appointing or removing internal auditors and determining their remuneration;
- xvi. maintaining a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations.

3. Membership

- 3.1 Membership will comprise the Chief Executive and up to three other Executive Directors. Executive Directors who are not company directors, exceptionally, may be members of EMB.
- 3.2 The Executive Management Board will be chaired by the Chief Executive to reflect both the Government accounting lines and Companies Acts requirements.
- 3.3 Two members of the Executive Management Board must be present for the meeting to be deemed quorate.

4. Process

- 4.1 Meetings will normally be held once every calendar month. The Chair may convene additional meetings as he or she deems necessary.
- 4.2 Meetings will be in closed session although EMB may invite others to the meeting as necessary to provide information and advice.
- 4.3 Minutes of meetings will be produced and will be provided to members of the Joint Committee and Company Board on request.
- 4.4 Agendas will focus on those matters reserved for EMB consideration as determined by EMB in the schedule of delegations and summarised in Appendix A.
- 4.5 A written report on EMB's decisions on performance management, resource management and governance matters, and any matters associated with Companies Acts requirements, will be provided to the Company Board each quarter.
- 4.6 A written report on other substantive decisions made by EMB will be provided to the Joint Committee each quarter.
- 4.7 EMB will take into account advice and information provided by the GB country conservation bodies and Northern Ireland Environment Agency in taking decisions that substantially affect them. Where EMB is unable to reach agreement with the GB

conservation bodies and Northern Ireland Environment Agency, decisions will be referred to the Joint Committee.

APPENDIX A. MATTERS RESERVED FOR EMB

Planning

- Determining strategic priorities based on guidance from Committee and providing guidance on future direction for programmes of work.
- Determining resource allocations for programmes.
- Agreeing policies, strategies and approaches for key work areas especially where these cut across programmes.
- Determining implementing mechanisms for substantial or potentially contentious work areas, in conjunction with the GB country conservation bodies and Northern Ireland Environment Agency where necessary. Mechanisms may include company delivery, collaboration between company and GB conservation bodies and Northern Ireland Environment Agency, collaboration between GB conservation bodies and Northern Ireland Environment Agency, or delivery by a designated conservation body.
- Approving draft corporate and business plans before submission to the Joint Committee.

Advice, information and service delivery

- Agreeing advice where this is novel or potentially contentious or has any other significant implications for the JNCC but is not considered by EMB to be sufficiently high-risk to require Committee approval.
- Agreeing a position/policy on complex issues that cut across programmes.
- To facilitate the above, reviewing key decisions to be considered by Directors and the position reached by them.

Advice to Joint Committee

- Approving papers prior to them being submitted to Committee.
- Agreeing a provisional forward programme for the Joint Committee including work on major cross-cutting strategic issues.

Performance and Resource monitoring

- Addressing any major risks to JNCC's overall performance/resource position referred to EMB by Directors.
- Addressing any major variances to planned progress against performance measures and resource allocations, or other variances where these affect more than one Directorate.

Risk Management

- Monitoring risks on the corporate risk register.

Governance and Resource management (staff, assets and funds)

- Approving policies and procedures where these have significant legal, financial or reputational implications or require major changes in working practices.
- Approving delegated financial limits to Programme Leaders and Project Managers.
- Approving contracts over £300k where commitment is for more than one year.
- Approving the pay remit as a draft for submission to the Remuneration Committee.
- Signing off the annual report before submission to the Chairman for approval.

ANNEX 5

Governance Document	Key changes
JNCC Schedule of Delegations	<ol style="list-style-type: none"> 1 References to Managing Director changed to Chief Executive. 2 Delegations updated in line with Committee streamlining arrangements. 3 References to Head of Corporate Governance changed to Director of Corporate Services.
Standing Orders for the Company Board	<ol style="list-style-type: none"> 1 References to Managing Director changed to Chief Executive. 2 Frequency of meetings and timings changed to reflect streamlining arrangements.
Terms of reference for the Executive Management Board	<ol style="list-style-type: none"> 1 References to Managing Director changed to Chief Executive. 2 Delegations updated in line with Committee streamlining arrangements.
Terms of reference for the Audit & Risk Management Committee	<ol style="list-style-type: none"> 1 References to Managing Director changed to Chief Executive. 2 Updated to reflect Chief Executive's role as Accounting Officer. 3 Additional paragraph added to state procedure for members declaring an interest. 4 Updated to comply with Defra's Network Assurance Strategy and to give the Chair of Defra's Audit & Risk Committee direct access to the Chair of JNCC's Audit and Risk Management Committee to discuss significant control, governance or risk issues. 5 Updated to offer the opportunity to members to invite other officers of the company to the meeting to provide information and advice and for the Chair to invite members of the company Board or Joint Committee to

Governance Document	Key changes
	<p>attend as observers.</p> <p>6 Updated to include a lead representative of the internal audit company and a representative from JNCC to attend Defra's Audit Committee to report on JNCC audit and risk management business.</p> <p>7 Arrangements for the minuting of meetings stated, in line with those of the Committee and Company Board.</p>

Decisions following September meeting for streamlining Joint Committee and Company Board arrangements

Component	Re-stated role	Agreed operational changes	Caveats
The Board	Focus on high-level financial and accounting responsibilities of the company.	<ol style="list-style-type: none"> 1. One meeting per year in June back to back with the Joint Committee meeting from April 2011. Decision kept open to review to ensure that ongoing governance arrangements are sufficient. 2. Quarterly information/reports emailed intersessionally to members to bridge the gap between meetings. Other items delegated to EMB and ARMC and escalated to Board members by correspondence as necessary. 3. Balance between independent and country members should follow any changes made to Committee membership (see below). Reduce executive director membership to Managing Director only - on hold for the time being. 	<ul style="list-style-type: none"> • Wales and NI invited to have a seat on the ARMC, subject to changes arising from CLOS. • Membership to remain the same but this will be kept under review.
The Committee	Focus on strategic governance and advisory responsibilities of the Committee.	<ol style="list-style-type: none"> 1. Three meetings per year (March, June and late November). 2. Two meetings with standing items (strategy and corporate/ business 	<ul style="list-style-type: none"> • Current membership and balance of independent and country conservation body members on Committee to be maintained, but this to be kept under review. • A review of the Marine Protected Areas sub-group to be undertaken in April to inform decisions on

Component	Re-stated role	Agreed operational changes	Caveats
		<p>plan), the others to discuss and agree major changes to governance, controversial advice, new approaches and issues and intersessional items that members/Chair refer to meetings.</p> <p>3. June meeting to be held in a country on a rotational basis. No field trip, unless this is necessary to support business, but time set aside for meeting and building relationships with country conservation body Board/Council members who are not directly involved with the Joint Committee, e.g. evening presentations the night before.</p> <p>4. Membership. Three options were proposed:</p> <ul style="list-style-type: none"> i. Chair, four independent members and four named country conservation body members with a named alternate. Attendees at country bodies' discretion. ii. Four independent members (including the Chair) and four country conservation body members. iii. No change. Option 3 agreed but this would be kept under review. 	<p>future arrangements.</p>

Component	Re-stated role	Agreed operational changes	Caveats
		<ol style="list-style-type: none"> 5. Combination of <ol style="list-style-type: none"> i. Delegation of non-contentious issues to EMB with input from relevant inter-agency groups as appropriate. ii. Decisions taken by correspondence. iii. Delegation to standing or time limited sub-groups of Joint Committee comprising relevant mix of members. 6. Protocol to enable members to require items provided inter-sessionally to be deferred until a meeting if they consider this necessary. 7. Standing agenda item on governance issues to maintain strong role and fill any gaps left by reducing the number of Board meetings. 	
Strategy seminar	To prepare for annual strategy session of full Committee.	<ol style="list-style-type: none"> 1. One seminar per year in March (back to back with Joint Committee meeting) to consider strategy in preparation for the June meeting. 2. Seminar to involve staff and independent members. Optional attendance by country conservation 	<ul style="list-style-type: none"> • To begin in March 2011. Optional attendance by country conservation body members.

Component	Re-stated role	Agreed operational changes	Caveats
		body members.	
JNCC Chair	Current role but with greater delegated limits for final sign-off of issues previously considered by Committee and to determine how individual items of business are dealt with.	<ol style="list-style-type: none"> 1. A general delegation to form time-limited sub-groups on behalf of the Joint Committee where a clear need is demonstrated and to determine how individual items of business are dealt with. 2. Delegated sign-off of: <ol style="list-style-type: none"> i. corporate and business plans; ii. non-contentious advice; iii. reserved items that are of little relevance to country conservation body members. 	
Audit and Risk Management Committee (ARMC)	An advisory and commissioning sub-committee of the Company Board with responsibilities for issues of risk, control, governance and associated assurance.	<ol style="list-style-type: none"> 1. Four meetings per year with current membership and role (dependent on Wales and NI wishing to join). 2. Some streamlining of activity: <ol style="list-style-type: none"> i. some items dealt with intersessionally, e.g. Report on Fraud in Government Departments and the timetable for auditing annual accounts; ii. some items delegated to EMB, e.g. appointment of internal auditors and promoting internal audit in the organisation. iii. 	

Component	Re-stated role	Agreed operational changes	Caveats
Marine Protected Areas sub-group	Maintain an overview of UK MPA work and possibly wider marine issues. Provide a steer on contentious issues and/or those for which there is no clear recommendation. Review progress and report to Joint Committee.	<ol style="list-style-type: none"> 1. Could expand role to include wider marine issues, e.g. surveillance. <p>NB. As a relatively new group, a review of role and effectiveness is recommended to inform decisions on future arrangements.</p>	<ul style="list-style-type: none"> • Review of governance arrangements to be undertaken in April, presented to the Joint Committee in June.
Remuneration Committee	A sub-committee of the Joint Committee which sets the pay remit for staff, and the pay (including bonus) and performance objectives of the Managing Director.	<ol style="list-style-type: none"> 1. Formalise arrangements that have evolved over past few years 2. Annual meeting (piggyback on June Committee meeting) to discuss Chief Executive's performance for previous year, agree size of any performance bonus and agree objectives for next year. 3. Additional meeting(s) as necessary to 	

Component	Re-stated role	Agreed operational changes	Caveats
		<p>discuss /endorse JNCC pay remit prior to submission to Defra. Unlikely to need more than one meeting/year. Timing depends on how pay discussions progress each year. May be possible to hold meeting in margins of June Committee or to tele-conference.</p>	
Sub-groups on thematic work areas	To address specific issues on behalf of Committee.	1. Standing and/or time limited sub-groups established as necessary.	
Intersessional decision-making	Increased level of business dealt with inter-sessionally.	1. Items to be dealt with intersessionally: <ol style="list-style-type: none"> i. Non-contentious issues. Escalation process to Chair or Committee where a member feels this is necessary. ii. Non-controversial advice. iii. Minor changes to corporate governance arrangements. iv. Corporate and task-specific performance and progress reports. 	
Delegation		1. Increased delegations: <ol style="list-style-type: none"> i. Committee to Chair ii. Committee (direct or through Chair) to sub-groups 	

Component	Re-stated role	Agreed operational changes	Caveats
		iii. Committee/Board/ARMC to EMB.	
Effectiveness monitoring		<ol style="list-style-type: none"> 1. One to one meetings between Chair and independent members to review contributions. 2. A set of success measures to monitor Committee effectiveness. 	
Values and operating style	<ol style="list-style-type: none"> 1. An effective forum which brings together views and opinions from the four countries and independent views in decision-taking. 2. Open and constructive discussion. 3. Effective and productive meetings and operating practices with efficient organisation. 		

Component	Re-stated role	Agreed operational changes	Caveats
	<p>4. Transparency.</p> <p>5. High ethical standards.</p> <p>6. High standards of environmental sustainability.</p> <p>7. Having regard to issues of balance in terms of geographical coverage, cultural diversity and gender equality.</p>		

Annex 2. Streamlined framework for Joint Committee business

Area	Dealt with by	Examples
<p>1(a) Proposals for JNCC's role in reserved work. Proposals formed by JNCC Support Co.</p> <p>(b) Proposals for JNCC's role in UK co-ordination work. Proposals formed by JNCC Support Co with input from relevant inter-agency groups.</p> <p>2. Corporate strategy/ forward planning discussions</p> <p>3. Corporate and business plans</p>	<p>1a and b). Proposals for JNCC role in particular work areas sent inter-sessionally to Committee for comment.</p> <p>2) Proposals/ revised proposals fed into strategy/ forward planning discussions at Committee.</p> <p>3) Agreed proposals reflected in Corporate plan/business plan – discussed and approved by Committee at advanced draft stage with sign-off of final draft delegated to Chair.</p>	<ul style="list-style-type: none"> • Influencing strategy for the 2012 review of the Common Fisheries Policy. • Priorities for JNCC's work on non-native invasive species. • The role of JNCC in UK BAP implementation, reporting and research co-ordination. • Ecosystem services: a tool for nature conservation.
<p>4 (a) Major changes to corporate governance arrangements</p> <p>(b) Minor changes to Corporate Governance arrangements.</p>	<p>a) Paper to Joint Committee meetings</p> <p>b) Intersessionally to Joint Committee for comment/ approval</p>	<p>Major changes</p> <ul style="list-style-type: none"> • Strategy implementation – changes to corporate governance arrangements. • Governance arrangements for MPA sub-group. <p>Minor changes</p> <ul style="list-style-type: none"> • Standing orders
<p>5 (a) advice, including site proposals (non-controversial)</p> <p>(b) advice including site proposals (controversial)</p>	<p>a) Inter-sessionally for comment/ approval and sign-off delegated to Chair.</p> <p>b) MPA sub-group (or other appropriate group) then Committee meeting for final sign-off.</p>	<p>Non-controversial</p> <ul style="list-style-type: none"> • Bassurelle Bank SAC <p>Controversial</p> <ul style="list-style-type: none"> • Dogger Bank SAC

Area	Dealt with by	Examples
<p>6. Corporate and task-specific performance and progress reports.</p>	<p>All sent intersessionally.</p>	<p>Corporate</p> <ul style="list-style-type: none"> • Quarterly Monitoring reports • Reports from the MPA sub-group. • Reports from EMB <p>Task-specific</p> <ul style="list-style-type: none"> • Progress towards completing the UK network of marine SACs for Annex 1 habitats.
<p>7. New approaches and issues</p>	<p>Committee discussion</p>	<ul style="list-style-type: none"> • More holistic landscape-scale approaches to monitoring • Improving the science-policy interface