

MEETING OF BOARD OF TRUSTEES

Friday 10 March 2017

Board Room, Cultra

Trustees Present:

Mr Miceal McCoy – Chairman
Mrs Hazel Francey – Vice-Chairman
Professor Michael Catto
Professor Garth Earls
Dr Rosemary Kelly
Dr Leon Litvack
Mr Alan McFarland
Dr George McIlroy
Mrs Annette Moor

In Attendance:

Ms Kathryn Thomson, Chief Executive
Mr William Blair, Director of Collections
Ms Pamela Baird, Head of Strategic Research & Planning
Mrs Anne-Marie McCafferty, Committee Secretary

1. WELCOME & APOLOGIES

Apologies were received from Professor Karen Fleming, Mrs Daphne Harshaw, Mrs Catherine Molloy, Mr Joseph Rice and Dr Margaret Ward.

2. CONFLICTS OF INTEREST

The Chairman ascertained that there were no conflicts of interest in relation to the business as set out on the agenda.

3. APPROVAL OF MINUTES OF 2 December 2016

Trustees approved the Minutes of the above meeting of the Board.

Proposed by: Professor Michael Catto
Seconded by: Mrs Hazel Francey

4. MATTERS ARISING

4.1 Update on Actions from previous meetings

The Chief Executive updated Trustees on the summary of actions emanating from previous meetings of the Board and made particular reference to the following ongoing issues:

- **Collections Development Policy:** Dr Litvack advised that he had been liaising with other museums on this matter and would prepare a paper for the next meeting of G P & F in May, the outcome of which would be reported to the Board at its meeting in June.
- **Trading Company Working Group:** The Interim Head of Finance had provided a paper to the February meeting of G P & F outlining recommendations for the development of the TCWG. The Committee had given its approval to these recommendations. Proposals would be progressed and brought through to the next cycle of Board/Sub-Committee meetings.
- **Overall Review of Opening Hours:** This will be included in the Business Plan for 2017/18.
- **Trustees' Awareness Sessions 2017:** These sessions would be ongoing throughout the Board/Sub-Committee cycle in 2017 as previously agreed.
- **Lifetime Memberships:** The Chief Executive advised that, as agreed at the December Board, she and the Chairman had given further consideration to the views raised by Trustees and concluded that lifetime memberships would no longer be offered.
- **Asset Management Strategy:** An Asset Management Strategy is currently being developed and will be presented to the next G P & F Committee meeting.

4.2 Lessons Learned – Reflection by Board

None noted on this occasion.

5. BUSINESS OF CHAIRMAN

5.1 Trustees' Attendance Record

Trustees noted the above Attendance Record.

5.2 Bi-Annual Assurance Statement

The Chairman of ARAC stressed the importance of the above Statement being revised in order to reflect the assurance needs of the Board of Trustees, including its status as a registered charity. The Chief Executive noted that the Statement indicated that a review of all Charity Commission Regulations and guidance had commenced in order to ensure compliance as applicable.

The Chairman of ARAC also asked for a minor amendment under Para. 3 – Risk Management - Actions to be taken.

The Chief Executive advised Trustees that the Statement was due to be submitted to the Department by 31st March.

The Chairman noted the importance of adhering to the Department's timeframe for submission. He asked if Trustees would be content for the Chief Executive and himself to sign the Statement

after 31st March on the basis outlined, subject to anything significant arising before that date that requires inclusion. The Trustees approved.

5.3 Register of Interests

Trustees were advised that the Register of Interests form would be forwarded to them by the Interim Head of Finance for completion and return.

5.4 Board Standing Orders

Dr Kelly, Chairman of G P & F, informed Trustees that the Chairman had asked her to Chair a meeting of the Governance Working Group on 16 February 2017 as he was unable to attend.

Dr Kelly reported that the Group had reviewed and updated its Terms of Reference, discussed and agreed a way forward in terms of closed sessions of the Board and its Sub-Committees along with a process for the election of the position of Vice-Chairman of the Board. The Group now recommended amendments to the Standing Orders for adoption by the Board.

Trustees approved the recommendations as set out in the previously circulated document.

Dr Kelly extended her thanks to Ms Pamela Baird, Head of Strategic Research and Planning for her input to the process. She advised that she, along with Dr McIlroy and Ms Baird had reviewed all of the governance documentation and would do so again in the near future.

5.5 Response to Whistleblowing Recommendations

The Chief Executive reminded Trustees that the Department Internal Audit Team had conducted a review of the Board and Audit & Risk Assurance Committee minutes on the basis of a whistleblowing allegation that they had received. The Department had written to the Chairman setting out a number of recommendations as a result of the above review.

The Governance Working Group had reviewed the recommendations and had asked for a copy of the full report from the Department however, this was not provided. The Action Plan in response to the recommendations was noted and approved by Trustees.

Trustees, whilst accepting the recommendations as set out by the Department, raised a number of concerns which they unanimously agreed was incumbent upon the Board to reflect in the Chairman's response to the Department.

5.6 Board Annual Work Plan

Trustees endorsed the above Work Plan 2017/18 and noted that it was compatible with that of ARAC and G P & F.

5.7 Provision of Internal Audit Service

The Chairman invited the Chairman of ARAC to speak to this item.

Mrs Moor informed Trustees that, following what had been a very robust process, the contract for the provision of an Internal Audit Service for NMNI had been awarded to CAPITA. She paid tribute to the panel which comprised of the Chairman, Professor Earls, Dr Litvack and the Chief

Executive/Accounting Officer. She, along with the Chairman had met with the Head of Internal Audit, Ms Pauline Poots (Director of Internal Audit Assurance, Risk & Governance Practice, CAPITA Transformation) and her colleague Mr Alan Davidson, (Principal Consultant, Audit, Risk & Governance), under the bilateral meeting requirement, in order to discuss development of an audit plan for approval at the next ARAC meeting in June. The Chief Executive/Accounting Officer later joined the meeting.

The Chief Executive advised that she had agreed to meet with Ms Poots and Mr Davidson who would also meet with the new Directors and the Interim Head of Finance to inform development of the Annual Audit Plan which would be provided to ARAC prior to its meeting in June.

The Board paid tribute to KPMG for their long and valuable service to National Museums NI. The Chairman agreed to write to KPMG on behalf of the Board.

6. Loans for Approval by the Board of Trustees

Trustees approved the Schedule of Loans dated 10th March 2017. Trustees noted the importance of valuations in respect of loans and agreed that a review of this should be conducted.

7. Business of Chief Executive

7.1 Chief Executive's Report

The Chief Executive reviewed the above report in discussion with Trustees. She made specific reference to the following:

- **Strategy – Master Planning**

Ulster American Folk Park: work on the feasibility study was ongoing and a number of meetings with both stakeholders and partners had taken place. The Chief Executive noted that she had also presented to the Fermanagh and Omagh District Council and the Fermanagh & Omagh Tourism Forum and the project was recognised as being significant for the region. The feasibility study, undertaken by SIB, was due to be completed by 31st March in line with the funding deadline. Following this a Strategic Outline Case will be prepared for submission to the Department. This work will be presented to the Board at its meeting in June for consideration and approval.

In response to questions from Trustees as to the role of the Board as the process developed, the Chief Executive stressed that the Strategic Outline Case would give the Board the opportunity to decide if there was a case to proceed to invest further in developing the project in line with the vision the Board had agreed on at the strategy workshop in May of last year. Trustees would be updated as the matter progressed.

The Chairman noted the importance of Trustees having oversight as matters developed. He had spoken with the Chief Executive in relation to meeting with stakeholders in Omagh in June to coincide with the meeting of the Board which was scheduled to take place at UAFP.

Ulster Folk & Transport Museum: The Department had advised that bids could be made in the 2017/18 monitoring rounds in order to begin the master planning process and scope options for the future development of the site for which there are three elements, folk museum, transport museum and storage.

Trustees noted the excellent presentation given by Siobhan Stephenson, Head of Collections Care, at the February meeting of ARAC. The presentation would be placed on MinutePad.

Ulster Museum: Engagement with Belfast City Council and relevant partners was ongoing regarding the development of a new Destination Hub in the city centre, an element of which would include a new visitor attraction referred to as "The Belfast Story".

- **Governance** – Trustees noted the additional resources which had been allocated to NMNI from The Department since the last Board meeting and the priorities against which they had been aligned. Subsequent to the report that was presented, a further £260,000 revenue money had been allocated. All monies would be spent by the deadline of 31st March 2017.
- **Stakeholder Engagement** – Minister Kris Hopkins, MP, Under Secretary of State for Northern Ireland had visited the Ulster Museum. The visit included a tour of the 1916 Exhibition and the Modern History gallery with William Blair. The Minister had subsequently visited the Ulster Folk & Transport Museum on 1st March 2017.
- **European Capital of Culture for 2023** – The Chief Executive referred to a joint letter she had received from Derry City & Strabane District Council (DCSDC) and Belfast City Council (BCC) to advise National Museums NI that they would be presenting reports to their respective Committees in February, regarding a joint bid to become the UK nominated European Capital of Culture for 2023. They were currently working on outline proposals which will require input from Government Departments, Agencies and Partners from across Northern Ireland and will be in contact with NMNI in due course to arrange a briefing on behalf of both Councils. Trustees were unanimous in their support for such a bid.
- **Organisational Structure** – the Chief Executive referred to the presentation she had given to the Board at its meeting in June 2016 outlining proposals for Phase I of the restructuring process. Phase 1 had been initiated on the basis of the Board's approval and three new Directors had been appointed. Trustees had been informed accordingly.

The Chief Executive reviewed the structure under Phase 2 of the process which had been presented to the Board at its meeting in December. Consultation on this phase was now complete and implementation has begun in line with the Staff Protocol. It was now proposed to initiate consultation on Phase 3 of the process which are the posts reporting to the Director of Collections.

Mr William Blair, Director of Collections, gave Trustees a detailed presentation on the proposals for Phase 3 of the restructure. He explained the rationale behind the proposals and how such a structure would be much more aligned against the strategy going forward. Having sought clarification on a number of aspects of the Phase 3 proposals, Trustees were unanimous in giving their approval to the structure as presented.

The Chief Executive stated that, throughout all phases of the consultation, there had been a very strong communication strategy in place both with staff and with the Trade Union Side. She noted a number of points raised by Trustees including the establishment of a Register of Experts.

8. BUSINESS OF EXECUTIVE

8.1 Strategy

8.1.1 Draft Corporate Plan 2016-21

The Chief Executive noted that the Draft Corporate Plan 2016-21 had evolved from both Board and senior management workshops in the last year. She noted the difficulty in developing a Corporate Plan given the absence of a budget and an unconfirmed Programme for Government. She drew specific attention to updated sections 3, 4 and 5. The intention would be to take the Plan forward under a balanced score card approach with the annual Business Plan being developed on that basis.

Trustees approved the draft document and the direction of travel contained therein.

8.1.2 Draft Business Plan 2017-18

Trustees approved the direction of travel outlined in the draft Business Plan 2017-18.

The Chairman noted that submission of the plan was later than normal, due to the fact that no budget has yet been approved. It is hoped that this would not be the case going forward.

8.1.3 NMNI Draft Response to Industrial Strategy Economy 2030

Trustees approved the above response.

8.1.4 NMNI Response to ALB Review

The Chief Executive advised Trustees that the Department for Communities was currently undertaking a review of its ALBs and a Transformational Programme Team had been created within the Department to progress this matter. She, along with the Chairman had met with the review team in January in order to discuss the Terms of Reference and the methodology to be adopted in order to conduct the review. The review team had suggested that NMNI provide them with an initial response to the three questions they had posed under the methodology for the review with the expectation that further discussions would ensue thereafter.

Trustees approved the draft response.

8.2 Business Performance

8.2.1 Business Performance RAG Report Q3 (2016/17)

Trustees noted the above report which had been reviewed by G P & F. No further questions were raised.

8.2.2 Visitor Performance Report (April 2016 - January 2017)

Trustees noted the above report which had been reviewed by G P & F. No further questions were raised.

8.3 Financial Performance – 2016/17

Trustees noted the above report which had been reviewed by G P & F. No further questions were raised.

9. BOARD OF TRUSTEES' COMMITTEES

9.1 Audit & Risk Assurance Committee

9.1.1 Adoption of Minutes of Meeting held on 25 November 2016

Trustees adopted the above Minutes of ARAC.

9.1.2 Verbal Update of meeting held on 3 March 2017

Mrs Moor, Chairman of ARAC reviewed discussion which had taken place at the above meeting of ARAC and made specific reference to the following:

- **Presentation by Head of Collections Care** – Mrs Moor gave Trustees a brief resume of the content of the above presentation and reiterated the Chairman's views on the beneficial content of the presentation.
- **Gifts & Hospitality Policy and Register** – ARAC reviewed the above Policy and Register and sought clarification on a number of points, including the date when the Policy had last been reviewed and the grades of staff permitted to approve hospitality. The registers for 2016/17 would be provided to the June meeting of ARAC.
- **Internal Audit Reviews** – Mrs Moor updated Trustees on the following reports which had been undertaken by KPMG. She noted a number of issues in need of addressing going forward.

Safeguarding Arrangements	-	'overall satisfactory opinion'
Human Resources	-	"
Risk Management	-	"
Payment to Creditors	-	"
Income Generation	-	'limited opinion rating'

9.1.3 NIAO Audit Strategy

Mrs Moor stated that the above Strategy had been reviewed by ARAC and was now recommended for approval to the Board. She drew Trustees' attention to matters of particular importance in relation to preparation of the accounts.

Trustees approved the above Strategy.

Proposed by: Dr George McIlroy

Seconded by: Professor Michael Catto

9.1.4 Legacy Financial Issues

Mrs Moor advised that there were three emerging issues which had been brought to the attention of ARAC. ARAC had requested that a written report be provided to Trustees on the areas concerned.

The Chief Executive reviewed the previously circulated report which gave the background to the issues in question and the current status in respect of the action taken against same. The following were noted:

- **Pensions** – in addition to the action already taken, she noted that it is intended that Annual Benefits Statements would be issued to all staff at the end of the financial year.
- **Payroll** – following the conclusion of an ongoing review on the implementation of a new payroll system, a proposal would be brought to the Board as to the way forward on this matter.
- **Procurement** – the Procurement Policy had been updated and approved by The Department. It had been approved by the G P & F Committee and was recommended for Board approval under Item 9.2.3 below.
- **Accruals** – the Chief Executive updated Trustees on the recommendations for resolution of a number of accruals outstanding in the accounts. Following discussion, the Chairman asked that all associated documentation be made available to the Board prior to any decision.

9.2 General Purposes & Finance Committee

9.2.1 Adoption of Minutes of Meeting held on 11 November 2016

Trustees adopted the minutes of the above meeting.

Proposed by: Mrs Hazel Francey

Seconded by: Professor Michael Catto

9.2.2 Draft Minutes of Meeting held on 17 February 2017

Dr Kelly, Chairman of G P & F advised that the above Minutes were for noting at this point and would be brought for adoption to the June meeting of the Board.

9.2.3 Recommended Procurement Policy for approval

The above Policy had been reviewed by the G P & F Committee and was now recommended for approval by the Board.

Trustees approved the above policy.

Proposed by: Dr Leon Litvack

Seconded by: Mrs Hazel Francey

10. ASSEMBLY QUESTIONS WRITTEN & ORAL

Trustees noted the above report.

10. (a) FOI Request

The Board was advised of a complaint to the Trustees under the Data Protection Act. The Board noted NMNI's handling of the request and agreed that next steps for the Complainant is referral to the Independent Commissioner's Office.

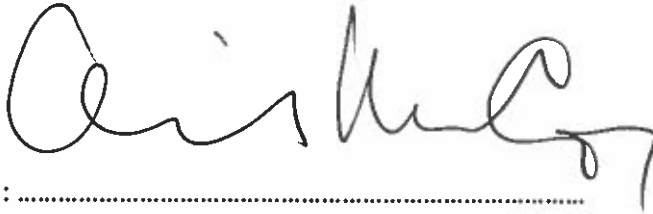
11. ANY OTHER BUSINESS

There were two items raised:

- **Board Effectiveness: Good Practice Guide 2016** – the Chairman asked if hard copies of the above publication which has been placed on MinutePad could be acquired from NIAO.
- **Opening Lines of Thought – Exhibition Opening 9th March 2017** – the Chairman referred to the Opening of Lines of Thought exhibition which had taken place the previous evening. He said he wished, on behalf of himself and the Board, to extend congratulations to all involved in what was an excellent opening of a superb exhibition.

12. DATE OF NEXT MEETING

The next meeting of the Board will take place on Friday 23 June 2017 at the Ulster American Folk Park.



Signed:

Date: 23/06/17

Copies to: Trustees, File.