

BOARD OF TRUSTEES

Friday 11 December 2015

Cultra Manor

Trustees Present:

Mr Miceal McCoy - Chairman
Dr Rosemary Kelly - Vice-Chairman
Professor Michael Catto
Professor Karen Fleming
Mrs Hazel Francey
Dr Leon Litvack
Mr Alan McFarland
Dr George McIlroy
Mrs Catherine Molloy
Mr Joseph Rice - (Items 1 - 7.8)
Dr Margaret Ward

In Attendance:

Mrs Jude Helliker - (Acting Chief Executive)
Mrs Gillian McLean - (Director of Marketing, Communications & Trading)
Mr Paddy Gilmore – (Director of Learning & Partnership)
Ms Sinead McCartan - (Acting Director of Collections & Interpretation)
Mr Paul Sheridan - (Acting Director of Finance)
Ms Pamela Baird – (Head of Strategic Research & Planning)
Ms Eileen Boyle - (Business Support Assistant)
Mrs Anne-Marie McCafferty - (Committee Secretary)

1. APOLOGIES

Apologies were received from Mrs Daphne Harshaw, Mrs Annette Moor and Professor Garth Earls.

2. CONFLICTS OF INTEREST

The Chairman asked members to report any conflicts of interest in relation to the business to be discussed. Mr Joe Rice stated that he would absent himself from Item 8.1.3.

3. APPROVAL OF MINUTES OF 25 September 2015

Trustees approved the minutes of the above meeting of the Board subject to the following amendment:

Ref: Item 9.5 Managing Trading Activities – Mr Alan McFarland to be included as a member of the Working Group to review trading activities across the organisation.

Proposed by: Dr George McIlroy
Seconded by: Mrs Catherine Molloy

4. MATTERS ARISING

Item 13.3 Silent Testimony Exhibition

Professor Catto proposed that a letter of congratulations be sent to Colin Davidson re Angela Merkel portrait. Trustees supported Professor Catto's proposal.

5. BUSINESS OF CHAIRMAN

5.1 CEO Recruitment

The Chairman updated members in relation to the current stage of the recruitment process to appoint a Director & Chief Executive. He hoped to be in a position to announce an appointment to the post within the next couple of weeks.

5.2 Governance Working Group

5.2.1 Meeting of Governance Working Group 27 November 2015

Dr Kelly reviewed discussion which had taken place at the above meeting of the Governance Working Group. She made specific reference to the following:

- The draft Standing Orders had been approved and were recommended for approval to the Board, subject to resolution of three minor issues to be dealt with under Item 5.2.2.
- A template for Terms of References for all Working Groups had been agreed and would go for approval to the next meeting of the Board.
- The Governance Working Group had agreed that the work of the Group was complete and that a review of governance documentation would in future become part of Board planning for the General Purposes & Finance Committee.

5.2.2 Draft Standing Orders

Trustees reviewed the draft Standing Orders noting and debating the minor issues in need of resolution.

The Board approved the Standing Orders which would now be presented to the Department.

It was also agreed that the following matters would be presented to the January meeting of the General Purposes & Finance Committee for further discussion:-

- The need for further examination of the protocols in relation to closed sessions of the Board.
- Reference within the Standing Orders as to the Board's authority for the establishment of Working Groups and how those Groups were constituted in accordance with the Terms of Reference.

Trustees recorded their appreciation to the Governance Working Group for the work undertaken in relation to completion of the Standing Orders.

5.2.3 Draft Terms of Reference for Remuneration Committee

The Board agreed the Terms of Reference for the Remuneration Committee, which had gone through the Governance Working Group, subject to the following amendment: -

The Remuneration Committee would be Chaired by the Vice-Chairman of the Board, Dr Rosemary Kelly, given that the Chairman of the Board would be conducting appraisals of the Director & Chief Executive.

Dr Kelly noted that the minutes of the Remuneration Committee, held on 13 November 2015, had been tabled.

5.3 Estates Working Group

5.3.1 Minutes of meeting of 2 December 2015

The Chairman reviewed discussion which had taken place at the above meeting of the Estates Working Group which had not been quorate. This raised the issue of quorums in respect of all Working Groups.

The Chairman asked if Trustees would be content that in the event of lack of a quorum, that the business proceeds in terms of information and noting. He noted that, essentially, Working Groups did not take decisions. Recommendations from the Working Groups go through the General Purposes & Finance Committee and ultimately to the Board for final approval.

The Board agreed that, in exceptional circumstances, it would be content with this arrangement, given the robustness of the process thereafter.

Malone Buildings/Landseer Street

The Chairman referred to the decision taken by the Board at its September meeting in relation to Malone Buildings and Landseer Street – (Item 7.3.3 /September minutes) and the Board’s position in relation to the retention of receipts from the sale of the Malone Building.

The Acting Director of Finance advised that the Department was aware of that position and had apprised the Department of Finance & Personnel on same. There was no schedule as yet in respect of this matter.

The Acting Chief Executive informed Trustees of correspondence which had been received, the previous day, from Land & Property Services in relation to the purchase of the Ulster Museum car park from Belfast City Council. She advised Trustees on the content and background to the issue in question.

The Acting Director of Finance advised Trustees on the proposal from Land & Property Services. Given the additional capital funding, (£882,000), received as a result of the June monitoring exercise, a portion of which (£100,000) to be ring-fenced for Ulster Museum development, Trustees approved the proposal put forward by LPS. Mr Sheridan to update Trustees as the matter progressed.

5.4 Patrons' Fundraising Events

The Director of Learning & Partnership reviewed the events to date in respect of above. He advised Trustees that the proposal would be to launch the next stage of the project at the Rembrandt opening on 15 January 2016. A detailed paper would then be presented to the March meeting of the Board outlining the structure and different phases in the development of a Patrons' Scheme. He noted a number of suggestions put forward by Trustees.

The Chairman stated that it would be a matter for the Board as to how these potential resources would be utilised.

6. Loans for Approval by Board of Trustees

The Acting Chief Executive noted that, on this occasion, there were no loans for submission to the Board.

7. BUSINESS OF EXECUTIVE

7.1 Business Performance 2015/16

7.1.1 Business Performance RAG Report – Quarter 2 - 2015/16

The Acting Chief Executive reviewed the above report in discussion with Trustees. She noted that all KPIs were either on or above target. It was anticipated that the visitor target of 665,000 for the current year would be exceeded. An outturn of 725,000 visitors was presently predicted. This was unexpected at the start of the year given funding levels and no advertising budget.

In response to questions from the Chairman, the Acting Chief Executive stated, as per previous presentations to the Board, that quite a scientific approach was adopted in terms of forecasting. A target is identified which is used to develop financial planning throughout the year. Contingency planning is also a key factor to meet any changes to the grant-in-aid allocation. Mrs Helliker also clarified the rationale behind the current position in relation to risk indicators.

The Acting Director of Collections & Interpretation elaborated on the current position in relation to North-South and East-West collaboration and outlined plans for further co-operation going forward.

7.1.2 Visitor Performance Report

The Director of Marketing, Communications & Trading reviewed the above report outlining visitor and digital performance for the period ended 31 October 2015, and answered points of clarification pertaining thereto.

The Director of Learning & Partnership informed Trustees –

- That work had been continuing with a number of partners in relation to the social inclusion programme. This had brought in £45,000 in funding.
- Further substantial funding was anticipated through the Urban Villages' initiative he was working on along with the Acting Director of Collections & Interpretation.
- 52 community groups had been involved in summer activities. The target had been 30. Work was continuing on building further relationships.

Trustees said that this was very encouraging and extended congratulations to the teams involved.

7.2.1 Management Accounts to 31 October 2015

The Acting Director of Finance reviewed the above report outlining the organisation's financial position for the period ended 31 October 2015, and answered points of clarification pertaining thereto.

7.2.2 Capital Programme

The Acting Director of Finance reported that bids made to the November monitoring exercise had been unsuccessful. It was anticipated that the outcome of the January monitoring exercise would be signalled in January or early February. Bids had been made on the premise that notification of the outcome of the monitoring exercise would be received in time for the projects to be completed within the financial year. The projects submitted were specifically chosen in that they could be completed within a three month period.

7.2.3 Savings Delivery Plans – Quarter 2

The Acting Director of Finance said that Trustees would be aware that, due to the Voluntary Exit Scheme not having been initiated in-year, it had been necessary to redraft the Savings Delivery Plans. He reviewed the revised SDPs, in discussion with Trustees and stated that the organisation was on target to produce a balanced budget.

7.3 Planning 2016/17

7.3.1 Savings Delivery Plans 2016/17

The Acting Chief Executive referred to the previously circulated SDPs 2016/17 which were based on 5% below baseline as currently indicated by the Department. It was also the basis on which the draft Business Plan had been prepared. A 5% cut equates to £912,000 the majority of which would relate to a reduction in the staffing level, (35 staff), through a Voluntary Exit Scheme. It is currently anticipated that the Scheme will be launched in April with exits in August. Discussions were continuing with the Department in relation to this matter.

The organisation would open the new financial year with a balanced budget with mitigations in place in the event of the Scheme not being launched in the timeframe presently outlined. The organisation would also continue to bid for additional funding.

The Chairman referred to a radio report earlier that morning emanating from a meeting of the Culture, Arts & Leisure Committee. The Acting Chief Executive, having spoken with the Department, clarified the position and the context in which the situation had arisen. She was mindful of the need to address the internal aspect of the matter.

Mr McFarland raised the issue of charging admission to the Ulster Museum examining all possible revenue perspectives. It was agreed that this should be a matter for future debate by the Board.

7.3.2 Draft Business Plan 2016/17

The Acting Chief Executive reviewed the Draft Business Plan 2016/17 which was still work in progress. She advised Trustees that a first draft would be presented to the Department by 22nd January 2016. It would then go through the General Purposes & Finance Committee at its meeting on 29 January. The normal process thereafter was that the G P & F Committee would be asked to approve the draft Business Plan on behalf of the Board and submit to the Department by 31 January 2016.

Trustees put forward a number of suggestions which were noted by the Executive for inclusion in a further draft.

The Chairman noted that Trustees were content with the approach being taken. He asked that any further comments be forwarded to the Acting Chief Executive.

7.4 Voluntary Exit Scheme

The Acting Chief Executive informed Trustees that the delay in implementing the Voluntary Exit Scheme in-year had been two-fold, firstly, funding would have had to be spent within the financial year and the timeframe had not allowed for that, and secondly, Civil Service Pensions did not have the capacity to deliver the Scheme in-year. As a result, the funding had, (in conjunction with DCAL), been surrendered back into the Department on the basis that National Museums would be considered a priority organisation for the next financial year. The Department is in support of the above approach.

The Acting Director of Finance advised that, because of the way the target had been set at the beginning of the year, the organisation was on track to break even on its budget.

7.5 HR Policies

- (a) Equal Opportunities Policy
- (b) Dignity at Work Policy & Procedures

The Acting Chief Executive informed Trustees that the above policies had been considered by the General Purposes & Finance Committee at its meeting on 23 October 2015. The Committee had recommended that they go forward for approval to the Board.

The Board approved the above policies.

7.6 Physical Verification of Collections – 2014/15

The Acting Director of Collections & Interpretation reviewed the above document in discussion with Trustees. The report had been through the Audit & Risk Assurance Committee and was being presented for information to the Board. It summarised the results of the eighth annual verification of collections. A 97% success rate had been achieved in 2014/15. As a result of a previous recommendation from ARAC, the methodology behind the selection of items for audit had been inserted in the report. Work was currently ongoing in relation to the 2015/16 audit. Ms McCartan highlighted two areas of continuing concern, Entomology and Botany. This was due to the specialist nature of those collections and the lack of curatorial cover in those areas.

Noting the report, the Board extended its congratulations to staff on the improvement achieved but also wished to underline the lack of curatorial cover in Entomology and Botany.

Mr McFarland asked as to the possibility of engaging external expertise to assist in these areas, possibly on a one off basis.

Ms McCartan advised that this had been done in the past but funding for such an approach was not currently available and did not resolve staffing capacity issues within curatorial.

The Chairman asked that this matter be brought forward to the General Purposes & Finance Committee for further debate.

7.7 Annual Safeguarding Report

Trustees noted the Annual Safeguarding Report.

7.8 Ulster American Folk Park

The Acting Chief Executive explained that, at its meeting on 23 October 2015, the General Purposes & Finance Committee had reviewed the results of Monday opening at the Ulster American Folk Park in summer 2015 and had agreed to recommend to the Board, for its approval, that this be continued during Summer 2016.

The Board considered the previously circulated paper detailing the results of the pilot project in summer 2015 and approved the recommendation from the General Purposes & Finance Committee.

8. BOARD OF TRUSTEES' COMMITTEES

8.1 Audit & risk Assurance Committee

8.1.1 Adoption of Minutes of Meeting held on 18 September

The Board agreed to adopt the above minutes.

8.1.2 Draft Minutes of meeting held on 27 November 2015

As the minutes for the Audit & Risk Assurance Committee of 27 November were not yet available, the Vice-Chairman of the Audit & Risk Assurance Committee, Dr Litvack, briefly reported the discussion which had taken place at the above meeting. The minutes of the meeting would be circulated in due course.

He updated members on a matter in relation to the Internal Auditors KPMG and that Mr John Poole had taken over as the National Museums point of contact, thus assuming the responsibilities of Head of Internal Audit in the short term while ongoing arrangements were considered.

The Chairman referred to draft Minutes of a closed session of the Audit & Risk Assurance Committee held on 27 November 2015, which had been tabled. The Chairman noted that closed meetings of members of the Audit & Risk Assurance Committee form part of the governance arrangements of National Museums, and their occurrence and outcomes are reported to the Board and the Chairman. The Chairman recognised the recommendations coming forward as Audit & Risk Assurance Committee Advice to the Board.

The Chairman reviewed the process to date and mindful that this recommendation is focused on the needs of the Board, the Board agreed that any further advice provided by the Accounting Officer and Executive is both encouraged and duly considered in order to ensure the needs of the Accounting Officer are also met. The Board noted this would thus be taken forward with the full involvement of the Accounting Officer, the Acting Director of Finance, the Chairman and Vice-Chairman of the Board and the Chairman and Vice-Chairman of the Audit & Risk Assurance Committee. It was also noted that there might be overlap with the work currently under the consideration of the Procurement Working Group.

Following discussions, the Board accepted the minute and Advice to the Board and that further to the letter received from KPMG on 28 August, in principle, the Board welcome and accepts the KPMG recommendations in relation to the rotation of the Internal Audit Team as proposed by KPMG.

8.1.3 Update on recommendations emanating from DCAL Internal Audit Report & KPMG report

The Acting Director of Finance stated that the above report had been reviewed by the Audit & Risk Assurance Committee at its meeting on 27 November 2015. The purpose of the report was to give assurance to the Board that all recommendations emanating from both reports had been dealt with.

Trustees noted the above report.

8.1.4 Annual Report of the Audit & Risk Assurance Committee

Dr Litvak reviewed the above report drawing Trustees' attention to the Overall Conclusion on page 9.

The Board approved the Annual Report of the Audit & Risk Assurance Committee.

8.1.5 Draft National Museums NI Risk Management Framework

The Acting Director of Finance reviewed the above document in discussion with Trustees drawing specific attention to page 8 – NMNI's Risk Management Process – Initial Risk Identification. The document had been conditionally endorsed by the Audit & Risk Assurance Committee at its meeting on 27 November 2015. The Committee had recommended it go forward for approval to the Board. The Framework had also been forwarded to the Department for its review and comment.

It was also noted that, following the elevation of the declared risk in relation to National Museums' compliance with governance and accountability requirements to a red risk, this had become of increasing concern to the Audit & Risk Assurance Committee, the Board and the Department.

The Board noted the work of the Governance Working Group at National Museums and their considerable effort over the previous year, undertaken to provide necessary revision of the Governance arrangements.

Trustees emphasised their commitment to proportionate, legitimate and obligatory governance, including recognising the changing demands of the external risk environment.

It was agreed to refer this to the General Purposes & Finance Committee for their further consideration.

8.2 General Purposes & Finance Committee

8.2.1 Adoption of Minutes of meeting held on 11 September 2015

The Board agreed to adopt the above minutes.

8.2.2 Draft minutes of meeting held on 23 October 2015

The Chairman of the General Purposes & Finance Committee briefly reviewed discussion that had taken place at the above meeting, the minutes of which would be circulated in due course.

9. MINUTES OF REMUNERATION COMMITTEE HELD ON 13 NOVEMBER 2015

The minutes of the meeting of the Remuneration Committee, held on 13 November 2015, were tabled, and noted.

10. ASSEMBLY QUESTIONS


Trustees noted attached Assembly Question and management's response in respect of same.

11. ANY OTHER BUSINESS

The Acting Director of Finance informed Trustees that the content of their individual Registers of Interest would be circulated, for purposes of accuracy, prior to being placed on the internet.

15. DATE, TIME & VENUE OF NEXT MEETING

The next meeting of the Board of Trustees will take place on Friday 5 February 2016 in Cultra Manor, Ulster Folk & Transport Museum.



SIGNED: _____
CHAIRMAN

DATE: 5th February 2016