

## **MINUTES OF THE ANNUAL VISITATION BY THE BOARD OF GOVERNORS HELD IN THE BOARD ROOM, ARMAGH OBSERVATORY AT 10.30AM ON 28 MARCH 2014**

Present: His Grace, the Most Reverend R. Clarke (Chair), The Very Reverend Dean G. Dunstan, The Venerable Archdeacon R. G. Hoey, Canon J.N.T. Campbell, Canon A. Dawson, Canon C.F. Moore, Canon R.J.N. Porteus, Professor S. Smartt, Professor R. Oudmaijer (video link) and Mr W.G.H. Berry

Apologies: Canon W.M. Adair, Canon R. Boyd, Canon T. Scott and Dr T. Mason

In attendance: Professor M. Bailey, Professor A. Hibbert, Mr M. Cory (DCAL), Mrs E.J. Kennedy (Operations Manager) and Mrs K. McLoughlin (temporary Accountant)

### **1. WELCOME**

The Chairman welcomed everyone to the meeting. He expressed his condolences to the family of Lord Ballyedmond on his passing and asked for a letter to be sent from the Board of governors to the family.

### **2. CONFLICTS OF INTEREST**

No conflicts of interest were declared.

### **3. MINUTES OF THE ANNUAL VISITATION OF 22 MARCH 2013**

The minutes of the Annual Visitation of the Board of Governors of 22 March 2013 were reviewed, approved as a true and accurate record of the meeting and signed by the Chair.

### **4. MATTERS ARISING FROM THE MINUTES**

**4.1. Update on Employees' Pension Contribution Issue** (Para 4.2.1) - The issue relating to the payment by the Armagh Planetarium of an element of employee's superannuation contribution to the Northern Ireland Local Government Officers' Superannuation Committee had been resolved. Her Majesty's Revenue and Customs identified the amount required to settle the matter and payment was made by the Planetarium.

**4.2. Update on Equal Pay Issue** (Para 4.2.1) - Following the outcome of the Court Case (associated with the Northern Ireland Office and the Police Service of Northern Ireland) in March 2013 the Department of Culture, Arts and Leisure considered the Equal Pay issue to be closed. The NICS considered that the Equal Pay terms of settlement apply only to those working in a NICS department at 1 February 2009. Staff in Non-Departmental Public Bodies were excluded from the settlement payments and assimilation terms.

**4.3. Update on Internal Auditors** (Para 4.3.1) – The contract for Internal Audit was extended for 12 months to cover 2013/14. ASM carried out the Internal Audit of the Observatory and Planetarium in October/November 2013. A tender exercise was carried out for Internal Audit services for 2014 – 2017. RSM McClure Watters had been appointed and the organizations would be engaging with them shortly to agree the Audit Strategy.

**4.4. Update on Upgrade of Fire Detection and Alarm System** (Para 4.4.2) – DCAL provided funding for the upgrade of the system. Work commenced early in 2014 and would be completed by April 2014.

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**4.5. Update on absence of member of staff** (Para 5.1) – Professor Hibbert provided a brief update. The Joint Administrator had resigned on 10 February 2014 with no notice. The Chair expressed gratitude to those involved in dealing with the matter, particularly Professor Hibbert and DCAL for its assistance. Professor Oudmaijer queried if a new Joint Administrator could be appointed soon and the Chair confirmed that DCAL approval would have to be sought on the way forward.

**4.6. DCAL Review of ALBs** (Para 5.2) – The result of the review had not been published yet.

## 5. CHAIRMAN'S BUSINESS

**5.1.** The Chair expressed thanks to all staff in the Observatory and Planetarium for the work they do in continuing to develop the organizations. He recognised the historic importance of the Armagh Observatory and Planetarium. He stated that the Board is very conscious of the heritage bestowed by Archbishop Robinson to Armagh and that the Chapter of the Church of Ireland Cathedral in Armagh take their responsibility as trustees of the Armagh Observatory and Planetarium seriously. He thanked Professor Bailey and especially the scientific and administrative staff for their work in the Observatory, and in his absence Dr Mason for his work in the Planetarium. He also thanked Mrs Kennedy for the speed in which she had gained an understanding of the organizations since joining in October 2013. He conveyed his thanks to Professor Hibbert for assisting him in the role of Deputy Chair of the Management Committee. The commitment of the members of the Management Committee was also noted. He also spoke of the good relationship with DCAL who are the main funder of the organizations.

**5.2.** The Chair updated the Board of a valuable meeting which he and Professor Hibbert had attended with the DCAL Minister in autumn 2013. This was a useful opportunity to share an understanding of the role of the Armagh Observatory and Planetarium and their role in increasing access for those who were socially excluded or living in poverty. He took the opportunity to discuss innovation and cross border activities and confirmed that the Armagh Observatory and Planetarium were interested in expanding their work in these areas if resources were made available. Professor Bailey provided a brief summary of the Minister's visit to the Armagh Observatory and Planetarium in February 2014.

**5.3.** Mr Cory provided the Board with more detailed information about the Minister's priority 'To Promote Equality, and Tackle Poverty and Social Exclusion' (PETPSE), also noting the importance of north-south links.

## 6. MATTERS FOR REPORT AND APPROVAL

### 6.1. 2013/14 Business Plan (for report)

Professor Bailey presented the revised Business Plan for 2013/14 which was submitted to DCAL in February 2014 in the format requested by them. Earlier versions of separate Observatory and Planetarium Business Plans had been returned by DCAL as they did not address the department's objectives sufficiently. This was the first time a combined Business Plan covering both the Observatory and Planetarium had been developed. The Minister had approved the Business Plan subject to a minor amendment. Throughout the year the organizations had been working to targets agreed by the department, despite a Business Plan not being in place. Quarterly updates had been provided on progress towards the targets. **The Chair thanked the staff for preparing the Business Plan and it was endorsed by the Board.**

### 6.2. Minutes of the meetings of the Management Committee (for report)

6.2.1. The Chair reminded members of the Board that they had received copies of the minutes and the associated papers for each Management Committee meeting throughout the year. The meetings were held on 10 April 2013, 21 June 2013, 18 October 2013 and 23 January 2014.

6.2.2. Professor Hibbert drew the Board's attention to the discussion about a submission to the Research Excellence Framework (REF) in October 2013. Every 5-6 years all universities have to submit research to an independent panel for consideration as part of the REF. The results of the current REF are due to be published in December 2014. The Management Committee had felt that

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insufficient preparatory work had been carried out in Armagh Observatory compared to that in university departments to produce a good submission. Moreover, whereas results of the REF govern the funding provided to universities the Observatory is not included in this element. In summary, the Management Committee's view was that it was better for the Observatory to be assessed in a way similar to the Dublin Institute for Advanced Studies. This could provide DCAL with the necessary assurances. In addition to the Review of the Organisation and Management of the Armagh Observatory and Planetarium (considered at paragraph 6.10), a separate review panel will be appointed to consider the scientific research and outreach of the Observatory (an Academic Review). It will produce a report for the organization and will also be forwarded to the DCAL. The Chair reminded the Board that a review is necessary, but not because the quantity and quality of research is under question. The quantity and quality of research and other outputs from the Observatory is high.

6.2.3. The Chair expressed his thanks to the membership of the Management Committee, some of whom travel from mainland Europe to attend the meetings.

## 6.3. Minutes of the meetings of the Audit and Risk Assurance Committee (for report)

6.3.1. Professor Hibbert provided an update from the Audit and Risk Assurance meetings which were held on 17 May 2013, 21 June 2013, 18 October 2013, 20 January 2014 and 25 March 2014 (not included in papers). The Committee focused on the content of Quarterly Assurance Statements produced for DCAL and Risk Registers. There was a risk of too few members of the Committee as vacancies had arisen for a number of reasons. He stated that DCAL were to appoint new members to the Management Committee which will result in new appointments to the Audit and Risk Assurance Committee. The Chair expressed thanks to Mr Hannam for his work as Chair of the Audit and Risk Assurance Committee and to the other members of the Committee.

6.3.2. Mr Berry queried how many vacancies existed on the Management Committee. Professor Hibbert confirmed that more people had been interviewed than there were posts available. The DCAL Minister would consider the applicants who passed the interview and make appointments. Mr Cory stated that applicants had to meet three broad criteria which included an interest in the Arm's Length Body, experience in corporate governance and experience in community or voluntary work. He assured the Board that those appointed would have a variety of skills that would be useful to the Committee.

## 6.4. NIAO Audit Strategy for 2013/14 Financial Statements (for approval)

The Audit Strategy had been presented to the Audit and Risk Assurance Committee on 25 March 2014. Professor Hibbert presented the Committee's views. The Strategy was approved subject to minor changes of wording. **The Board approved the Strategy.**

## 6.5. Annual Board Assurance Statement and Governance Statements (for approval)

6.5.1. Professor Bailey presented the draft Annual Board Assurance Statement. The document is designed to record the collective corporate responsibility of the Board to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. The draft Annual Board Assurance Statement was presented to the Audit and Risk Assurance Committee on 25 March 2014. Professor Bailey drew attention to Responsibilities of the Chair - Point 4 "... the efficient, economic and effective use of staff and other resources has been considered and promoted where appropriate". This was recorded as partial compliance owing to additional costs incurred during the period of suspension on full pay of a member of staff. He also noted (Points 14 & 15) "... the Board has completed a self-assessment of its performance, including an assessment of its effectiveness" and "... the Board has completed an assessment of its compliance with the Corporate Governance Code, including explanations of any departures". These too had been recorded as partial compliance as this is work in progress, particularly while so many reviews of the organization are underway. **The Board approved the draft Annual Board Assurance Statement for 2013/14.**

6.5.2. The Chair reminded the Board that Governance Statements are a key feature of the Annual Report and Accounts and provide a comprehensive explanation on the Armagh Observatory and

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Planetarium's approach to governance, risk management, internal control and how it operates in practice. This was the second year the Governance Statement had been produced. The draft Statements were presented to the Audit and Risk Assurance Committee on 25 March 2014. The Chair of the Audit and Risk Assurance Committee had asked for a little more work to be done to refine these draft Statements. It was proposed that an updated version of the Statements would be presented to DCAL by 4 April 2014. Revised drafts would be considered by the Management Committee and the Audit and Risk Assurance Committee when they next meet in June 2014. **It was agreed that the Board would consider the Governance Statements by email after they had been considered by DCAL.**

### 6.6. Review of the most recent Risk Registers and Quarterly Assurance Statements (for report):

#### 6.6.1. Observatory

Professor Bailey presented the most recent Risk Register and Quarterly Assurance Statement for the Observatory. The Statement was presented to the Audit and Risk Assurance Committee on 25 March 2014.

- *Risk Management* – no new risks had arisen during the period.
- *Governance* – a number of vacancies remained on the Management Committee. Professor Hibbert confirmed that these were likely to be filled in May 2014.
- *Business Planning* – A revised draft Business Plan for 2013/14 had been submitted in February with a greater focus on the department's requirements to Promote Equality and Tackle Poverty and Social Exclusion (PETPSE). The Minister had approved the Business Plan subject to a minor amendment. A Business Plan for 2014/15 was submitted to DCAL.
- *Financial Planning and Monitoring* – It was difficult to accurately predict cash requirements with precision; however the Observatory staff work hard to minimize variances between forecast and actual cash requirements.
- *Economic Appraisal, Post Project Evaluation and Consultancy* – A number of PPE's remained outstanding but would be completed by end April 2014. Professor Smartt asked for examples of projects and how they are evaluated. Professor Bailey explained how creativity month activities had been evaluated by considering the number of people who attended events as one criterion. Another example would be evaluating how a high specification PC had helped staff carry out their work.
- *Procurement* – The Observatory complied with procurement requirements.
- *Policy Implementation* – Safeguarding training had been completed.
- *Fraud, Whistleblowing and Bribery Act* - The Observatory complied with requirements associated with Fraud, Whistleblowing and Bribery.
- *Internal and External Audit Reports* – RSM McClure Watters had been appointed as Internal Auditor for 2014-17. Work continued on the upgrade to the Fire Detection and Alarm system following a recommendation from a Fire Risk Assessment in 2012. This had proceeded with minimal disruption to staff and work in the main building would be completed by end March 2014. Professor Bailey complimented the Operations Manager and all those involved in this work for their efforts.
- *Data Management* - The Observatory complied with data management requirements.
- *Other Issues* – There remained a need to eliminate single point failures throughout the organization.

**The Board approved the QAS.**

#### 6.6.2. Risk register

Professor Bailey presented the Observatory's Risk Register drawing attention to the Risk Appetite and Treated Risk rating for each risk. All risks were considered and he highlighted three risks in particular:

2) Lack of funding – funding was always a concern. The Observatory continued to try to attract external funding from a variety of sources.

6) Loss of key personnel – He noted that absences in a small organization always have a big impact.

- 7) Inability to recruit and retain staff – Professor Bailey stated that the treatment of this risk was related to the culture of the organization and the provision of appropriate working arrangements. The ability to attract and retain high-quality staff was key to the future of the organization. The reviews that were ongoing and/or planned had contributed to uncertainty among the staff. It was the role of the Director and Board to reassure staff that the organization was not under threat. Professor Bailey reminded the Board that whereas the quality of staff in the Observatory was very high, astronomy was a relatively mobile occupation.

**The Board noted the content of the Risk Register.**

#### **6.6.3. Planetarium**

Mrs Kennedy presented the Quarterly Assurance Statement for the Planetarium for the period January – March 2014 in Dr Mason's absence. There were many similarities to the Statement produced for the Observatory and the detail was not repeated.

- *Risk Management* - no new risks had arisen in the period.
- *Economic Appraisal, Post Project Evaluation and Consultancy* – The PPE that had been outstanding had been completed. The Planetarium fully complied with the requirement to complete PPEs.
- *Procurement* – A single tender action proforma for Building Cleaning Services for 2013/14 had been sent to DCAL for consideration. As a result points one and three in this section indicated partial compliance. A tendering exercise had been carried out for cleaning services for 2014/15.
- *Internal and External Audit Reports* – The Priority 1 recommendations arising from the Internal Audit of the Planetarium in November 2013 were recorded on the Statement. Work was underway to implement the recommendations in full.

**The Board approved the QAS.**

#### **6.6.4. Risk register**

Mrs Kennedy presented the Planetarium's Risk Register in Dr Mason's absence. Mrs Kennedy highlighted the Risk Appetite for Risk 4) Loss of income as this had been defined as 'Hungry'. This demonstrated that the Planetarium was prepared to invest for the best possible reward and accept the possibility of financial loss. However she confirmed that the performance of any new approaches was closely monitored and would only continue if it demonstrated a positive return on investment. **The Board noted the content of the Risk Register.**

#### **6.7. Board Operating Framework (for approval)**

The draft Board Operating Framework had been presented to the Management Committee in January 2014. The document summarised the responsibilities of the Board and its Committees. A few minor amendments had been made since the Management Committee meeting to update the membership of Committees. Professor Bailey highlighted paragraph 3.5 that a review of effectiveness should be carried out but recommended that this be carried out after the Review of the Organisation and Management of the Armagh Observatory and Planetarium had concluded. The Dean requested several minor amendments to the document. **The Board approved the Framework subject to these amendments.**

#### **6.8. Updated Safeguarding Policy (for approval)**

Mrs Kennedy presented the updated Safeguarding Policy. It had been updated following the publication of the findings from the Culture, Arts and Leisure Committee Investigation in October 2013 and clarification on Regulated Posts from Volunteer Now (providers of Safeguarding Training). **The Board approved the updated Policy.**

#### **6.9. 2014/15 Business Plan (for report)**

Professor Bailey presented the Business Plan for 2014/15 which was submitted to DCAL in February 2014. It was similar to 2013/14 and was a combined Business Plan for both the Observatory and the Planetarium. Professor Bailey highlighted the differences, for instance a new DCAL mission statement and key priorities, key performance indicators and the results of a DCAL Zero Based Budgeting exercise which demonstrated 92% is expended on statutory obligations. Professor Bailey also highlighted the independent review of the

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Observatory's research function which is to be carried out in 2014/15. The organizations are awaiting feedback from DCAL on this draft Plan. **The Board noted the Business Plan.**

### **6.10. Terms of Reference of the Review of Organisation and Management of Armagh Observatory and Planetarium (for approval)**

- 6.10.1. Professor Hibbert provided the background to this proposal. In October 2013, the Management Committee set up a Strategic Planning Sub-Committee to consider how best to review the organisation and management of Armagh Observatory and Planetarium. The Sub-Committee held a day-long meeting on 4 December 2013 to examine how that might best be taken forward. As a result, the Sub-Committee proposed the establishment of a small team of expert reviewers which in due course would report back to the Sub-Committee, which in turn would bring the report and any proposals contained to the Management Committee in the first instance and then to the Board of Governors. Proposed Terms of Reference of the review team had been presented to the Management Committee in January 2014 and, after some modifications, these were now being presented to the Board of Governors. The Review team had not yet been formed, but it was hoped that the Review would be concluded by June 2014. Professor Hibbert clarified the distinction between two reviews reported during the meeting – a review of the scientific research and other outputs of the Observatory, to replace the role previously played by the Observatory's involvement in the Research Excellence Framework; and the Review of the Organisation and Management of the corporation, to provide confidence and assurance to the Board of Governors and Management Committee, and the DCAL, that the structure and management of the organization is fit for purpose going forward.
- 6.10.2. Mr Cory provided some background information to the review process including the DCAL initiated review of Arm's Length Bodies. A number of issues had been highlighted in that review, including the structure of the organization and the role of the Board and Management Committee. He confirmed the department was supportive of the Review of the Organisation and Management and would commission the Strategic Investment Board to carry this out if the Board agreed to the Terms of Reference.
- 6.10.3. The Archdeacon stated he did not want the role of the Board of Governors to be diluted in any way whatsoever through the Review of the Organisation and Management, given the heritage of the organization. The Chair suggested it would be important to achieve a balance between the guardianship of the respective organizations and the expertise needed to govern them. Amendments were suggested to the order of stakeholders at paragraph 15. Mr Berry queried the standing of the assumptions listed in the note of the Strategy Seminar on 4 December 2013. Professor Hibbert confirmed his understanding that these areas would not be subject to change through the Review.
- 6.10.4. The Board approved these amended Terms of Reference and agreed that Professor Hibbert should take this forward and that a letter should be sent to DCAL requesting the Strategic Investment Board be commissioned to initiate the Review. It was proposed that the Management Committee should consider the findings of the Review in the first instance and that the Board of Governors would meet on 29 September 2014 to consider the report and the view of the Management Committee.

## **7. DIRECTORS' REPORTS 2013/14**

- 7.1. Professor Bailey presented his draft annual report to the Board. He highlighted the key performance indicators for 2013, collaboration with the Institute of Astronomy in Bulgaria, use of the Armagh Robotic Telescope throughout the year, changes to staff and students throughout the year and in particular the extra burden carried by administration and grounds staff as a result of vacancies and absences. He continued by drawing attention to the Science in the Community and the public benefit of the Observatory to Northern Ireland. Section 2 of the report provided highlights of the research carried out by Observatory staff and students, details of visitors to the Observatory during 2013, and a report on Meteorology and Environmental Science. Section 3 of the report contained details on the Museum,

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Library and Archives and particularly the collaboration with Armagh Public Library. Further tabular information was provided in Appendices to the report.

7.2. Mrs Kennedy presented a brief update on the work of the Planetarium in 2013/14. She highlighted the key performance indicators for 2013/14 – around 47,000 visitors were likely to have visited by 31 March 2014. Most of the targets had been exceeded. The Planetarium had realigned its business plan more closely with DCAL priorities. She drew attention to the new way in which outreach was being delivered by the Planetarium through identifying venues to perform shows in areas with high levels of deprivation. Local schools were invited to attend, rather than driving to Armagh to visit the Planetarium. The cost of a week of outreach was estimated to be £6,000 for actors and technical staff. Over 30 events had been delivered by the Planetarium throughout the year. Free evening events were much better attended than when there was a charge. It is likely that visitor figures would be boosted if there was no entrance charge. Astronomy adult education courses continued to be delivered at Queen's University. The display areas of the Planetarium need to be updated as they were over 8 years old.

## 8. ANY OTHER BUSINESS

### 8.1. Appointment of Legal Representative for EU grant applications

Professor Bailey provided the background to the appointment of the organization's Legal Representative and the Legal Entity Appointed Representative (LEAR) for the Armagh Observatory. **The Board approved the appointment of Mrs Kennedy as the Legal Representative with the authority to appoint the LEAR.**

### 8.2. Quality of Data presented to the Board

Professor Bailey explained that as part of the Governance Statement it was necessary for the Board to demonstrate that it was content with the quality of data presented to the Board and Management Committee throughout the year. **Members of the Board confirmed it was acceptable.**

### 8.3. Appointments to Board of Governors

The Chair informed the Board that due to the untimely death of Lord Ballyedmond, there was another vacancy on the Board of Governors. The Archdeacon suggested that Professor Hibbert should be nominated to join the Board. This was seconded by Professor Smartt. One vacancy remained on the Board. It was agreed that membership of the Board of Governors and the Management Committee would be considered at the next meeting.

## 9. DATE OF THE NEXT MEETING

The next meeting will be on Monday 29<sup>th</sup> September 2014 at 10.30 am. The next Annual Visitation of the Board of Governors will take place on Thursday 19<sup>th</sup> March 2015.

The meeting ended at 1.25pm

Signed as a true record of the Meeting

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(Chairman)

Dated: