



**Minutes of the Meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 27 May 2009 at 10.00 am**

Present – Board Members

Mr Sean Hogan, Chairperson
Prof David McDowell, Deputy Chair
Dr Michael Hollywood
Dr Christine Kennedy
Mr John McKinley
Prof Stewart McNulty
Mr James Noble
Mr John Rankin
Mr Michael Walker
Mr Kieran Campbell
Mr Nicholas Mack

In Attendance - AFBI Executive

Dr George McIlroy, CEO
Dr Seamus Kennedy, DCEO
Dr Robin Boyd, DCEO (Acting)
Mr Joel Ferguson, AFBI Business Manager
Mr Stephen Cousins, AFBI Secretariat

1. Welcome and Introduction

ACTION

Mr Hogan opened the meeting with a word of welcome.

2. Apologies

An apology was received on behalf of Professor Grace Mulcahy.

3. Minutes of the Previous Meeting – 22 April 2009

On a proposal from Mr Rankin, seconded by Dr Hollywood the Board approved the draft minutes of the previous meeting held on 22 April 2009 subject to the following amendment –

Item 7 – AFBI Board Effectiveness Review

Last sentence – replace “...25 June 2009” with “...24 June 2009”.

4. Matters Arising from the Previous Meeting – 22 April 2009

The Chair proceeded on the basis that items mentioned under “*Matters Arising*” would be addressed during the course of the meeting except for the following items -

4.1 Item 4.1 – AFBI Audit Committee/Renewal of Membership

Members sought clarification on the makeup of a future AFBI Board and in particular the key areas that had been listed i.e. finance, commerce and environmental science.

The Chair assured the Board that the list recorded in the minutes was not a comprehensive one.

A meeting will be confirmed with DARD to discuss new appointments and further consideration will be given in relation to the skills and make up that will be required in respect of a future Board.

4.2 Item 11.2 – Rolling Database of Issues Raised at Board Meetings

The Secretary advised that the issue of “*Risk Management*” had been moved from “*ongoing*” to “*completed*” and that a note had been entered to the affect that the action had been completed on an ongoing basis. However, the Secretary advised that the issues relating to HR Connect and Account NI are still to be recorded.

4.3 Item 11.4 – AFBI Business Plan 2008/09

The Board acknowledged that the request for information and details relating to the outturns from the AFBI Business Plan 2008-09 had been provided by way of the AFBI Business Plan for 2009-10. The AFBI Business Plan for 2009–10 had been circulated to the Board by way of an e-mail issued on behalf of the Chair dated 30 April 2009. (See also 5.5, below.)

5. Report from CEO’s Office and Business Support Unit

5.1 AFBI Risk Management

5.1.1 *AFBI Corporate Risk Register (CRR)*

The Executive presented the Board with a revised and updated version of the AFBI Corporate Risk Register and asked the Board to take note of the changes.

In summary the changes highlighted that since the last review conducted by the AFBI Risk Management Co-ordination Group in November 2008, one risk rating had increased, one risk rating had decreased and two new risks have been added.

The Executive also advised the Board that the AFBI Risk Management Co-ordination Group will now meet formally on a six monthly basis and the next meeting is scheduled for October/November 2009.

In the discussion that followed the Board commended the Executive on the document and highlighted a number of issues that the Executive may wish to consider before finalising.

Risk No 2, *“Insufficient resource allocation for AFBI from DARD”* - the Board questioned if this risk related solely to DARD income and if so given the current financial climate would the Executive consider changing the likelihood to a “3” to reflect the very real possibility that DARD may have to reduce the budget during 2009/10. In response the Executive accepted the views of the Board and agreed that the risk rating in respect of *“likelihood”* should be changed to a “3”.

EXEC

Risk No 7, *“Failure to communicate effectively with AFBI customers and stakeholders”* - the Board were content that the current risk rating of 2:2 remain as is. In so doing, the Board recognised the work that is currently ongoing as part of the Board Effectiveness Review which is focused on improving relationships with our main customer - DARD.

Risk No 10, *“Failure to maintain adequate standards for site security, biosecurity, disease control and environmental protection”* – the Executive agreed that it would cross-reference matters relating to a SAPO4 facility with Risk No 6, *“Failure to respond to effectively to an emergency”*.

EXEC

Risk No 14, *“Failure of HR support services (HR Connect)”* - the CEO advised that the Executive continue to have major concerns regarding this system and the impact that it is having on both the business of the organisation and the staff. AFBI are also now aware that other organisations are expressing the same concerns and there appears to be an acceptance that the problems with the system will have to be resolved. The Executive have also met with the Head of HR Connect and the outcome of the discussions would indicate that HR Connect can not cope with change. The Board noted the concerns of the Executive and supported the view that this was indeed a legitimate risk and charged the CEO with providing the Board with a report at each Board meeting.

**EXEC/
CEO**

5.2 Fraud and Whistleblowing

The Executive reported that since the last date of meeting a whistleblowing incident had occurred relating to an allegation of fraud. The Executive have engaged the same consultant that had been employed in the last incident of whistleblowing to undertake an independent investigation. This investigation is in its early stages but as soon as a report has been completed the Executive assured the Board that it would be made available to Board members.

**EXEC/
CEO**

There were no reports of any other incidents of whistleblowing or fraud within the organisation.

5.3 Health and Safety

There were no reports of any health and safety related incidents within the organisation.

5.3.1 *Health and Safety Briefing*

The Executive gave a presentation to the Board that focused on the number and nature of Health and Safety related incidents that had occurred in AFBI during the period 1 April 2008 to 31 March 2009.

The Board were asked to note that there had been fifty-two minor incidents. The Executive assured the Board, that given the nature of the work and the number of staff within AFBI, they were content that this figure was within the bounds of reason and overall, this showed a minor downward trend when compared to previous years.

The briefing also highlighted the wide range of Health and Safety training that was on offer to staff and there was mention that e-learning would also be made available to staff as part of their induction process. This will be available online in the latter part of 2009.

The Executive also informed the Board that following a meeting with the Chair of the Northern Ireland Health and Safety Executive (NIHSE) it had initiated an independent review of Health and Safety within AFBI and a procurement competition was currently underway to secure the services of an independent assessor. Part of this review will also identify which organisation AFBI should benchmark against to help ensure a downward trend in the number of Health and Safety incidents occurring within the organisation.

The Executive also acknowledged that one of their major concerns was the area of farming which the Board was aware is a high risk area. Given that AFBI has two farms the Executive are conscious of the need for increased health and safety awareness in these areas and rely heavily upon the farm managers to ensure that significant incidents are avoided and risks eliminated or sufficiently controlled.

In the discussion that followed the Board raised the issue of insurance cover and there was a suggestion that AFBI should investigate the possibility of having its own policy. To do so, the Board recognised that AFBI may need to carry out a series of risk assessments and suggested that there are a number of organisations who would undertake this on behalf of AFBI, particularly in relation to the farming base. In response, the Executive advised the Board that AFBI has the ability to carry out its own risk assessments but accepted the Board's suggestion and agreed that it would give this due consideration.

EXEC

5.4 Finance

The Executive presented the Board with a financial summary for the period ending 30 April 2009. In commenting, the Executive advised the Board that during the month of April, AFBI was still accruing financial information for the financial year ending 31 March 2009. This exercise has heightened awareness for the need for financial transactions to be dealt with promptly and one of the main aims of the Executive during this current financial year (2009/10) will be to tighten the process so that all invoices and payments are cleared promptly.

The Executive also highlighted that the figures contained in the report had not been provided by Account NI but hopefully this will have changed by the end of June 09 when a new management reporting tool will be in place that is able to produce a more relevant and timely report for the Board.

In commenting on the finance report, the Board raised the issue of the capital funding provided under the heading of Non Food Crops that has to be tracked separately via a ring-fenced budget. The Executive agreed that it would provide the Board with more detail on this issue at the June Board meeting.

EXEC

5.5 AFBI Business Plan 2009/10

The Executive apologised to the Board for having to sign-off the draft Business Plan 2009/10 via communication but as the Board had been made aware, this was due to exceptional circumstances as DARD were keen that AFBI present this Plan to the DARD Departmental Management Board (DMB) which met in advance of the next AFBI Board meeting.

The Executive confirmed that this presentation to the DARD DMB had taken place on 11 May 2009 and it had been a very positive meeting. During the course of the meeting, the DMB recognised the work carried out by AFBI and showed their appreciation for it. The DARD Permanent Secretary had also taken the opportunity once again to thank AFBI for the support shown to DARD and other Departments during the recent dioxin crisis.

In accepting the AFBI Business Plan for 2009/10, the Board reiterated the need for the Executive to provide details of how the derived income to AFBI is generated in order that they can gain some understanding of what areas are proving to be successful at this particular time of economic downturn.

In response the Executive agreed that details would be provided as soon as the Accounts for 2008/09 have been completed and would note this for future action.

EXEC

The Executive also informed the Board that it would provide a copy of the final draft of the AFBI Business Plan for 2009/10 that is being presented to DFP thereby ensuring that the Executive and the Board have a copy of the current document.

EXEC

5.5.1 Business Opportunities

The Executive provided the Board with an update on a number of key developments and business opportunities.

This work has centred on a number of key areas such as -

- Development of Strategy, Systems and Procedures for the exploitation of AFBI IP and Commercial Opportunities.
- Targeting Strategic Funding for AFBI.
- Work to Advance Specific Commercial Opportunities Identified within AFBI.

In noting the various achievements, the Chair commended the Executive for providing a very positive and impressive report. In commenting the Board agreed that AFBI Innovations has proved to be one of the key success stories for the organisation and congratulated the Executive on the work carried out to date.

In answer to a query from the Board regarding future growth in the current economic climate, the Executive advised that the current situation still provides scope for a number of opportunities and it was confident that AFBI was in a good position to exploit these.

At the suggestion of the Board it was agreed that a short paper would be prepared in advance of the next Board meeting outlining the work being undertaken by AFBI Innovations and this would be circulated to the Board for information.

EXEC

6. HR Connect

As mentioned previously under the heading of Risk Management, the Executive assured the Board that it would continue to monitor the impact of this system on both staff and the organisation in general and provide the Board with regular updates.

7. Account NI

The Executive informed the Board that this system was still being embedded within the organisation but the initial signs were encouraging. The Executive assured the Board that it would continue to monitor the impact of the system and provide the Board with regular updates.

8. AFBI Policies

8.1 AFBI Information Security Policy (ISP)

On a proposal from Mr Walker, seconded by Dr Christine Kennedy, the Board approved the AFBI Information Security Policy and noted that the AFBI Software Licensing Policy now contained reference to the ISP as being the overarching policy.

As an additional point, the Board inquired if AFBI issue encrypted memory sticks. The Executive advised the Board that AFBI has restricted the use of normal memory sticks but would take note of the Board's comments and would consider the introduction of encrypted memory sticks.

EXEC

9. Implementation of AFBI Strategies – Progress Update

The Board noted that the Executive would be making a presentation on the progress made to date on the implementation of the AFBI Strategies as part of the Board Effectiveness Review Workshop being held on 24 June 2009.

EXEC

The Executive referred to the recent note that had been issued to staff as part of the People Strategy and the Board acknowledged having received a copy of this note. The Executive cross-referenced this initiative to Risk No 1, "Failure to recruit, retain and motivate staff with the right skills, experience and competencies" - on the Corporate Risk Register and the aim of the Executive would be to reduce this risk if not eliminate it altogether.

10. Report from Audit Committee – meeting held on 28 April 2009

Dr Hollywood, Chair of the AFBI Audit Committee presented a report of the Audit Committee meeting held on 28 April 2009 along with a draft copy of the minutes to the Board for noting and discussion.

Dr Hollywood took time to highlight a number of issues contained in the report:

- At the meeting there were a number of new faces particularly Ms Dorinna Carville, Audit Manager, Northern Ireland Audit Office.
- Reference to the HR Connect issue.
- Plans for the audit work to be carried out during this financial year (2009/10).
- Greater specification relating to the roles and responsibilities of the three audit teams.
- Confirmation that DARD Internal Audit will undertake an external overview and assessment of the AFBI Internal Auditors.

With regard to the audit plan for AFBI Internal Auditors, the Board were asked to note that this had been divided on a six-monthly basis. This is due to the fact that AFBI are currently in the process of procuring Internal Audit services for a further three-year period commencing in September 2009.

In the discussion that followed reference was made to the issue of procurement as mentioned in Item 7.2, *“Draft Operational Plan 2009/10”* of the draft minutes. The Board suggested that while it understood the need for AFBI to adhere to the procurement guidelines there was a need to be wary that any unnecessary bureaucracy could hamper the work that is carried out by scientists. It was suggested that the key was to find a system that catered for the scientists while at the same time providing an adequate audit trail.

In response the Executive informed the Board that early signs would indicate that the new Account NI system is more efficient and more auditable. The Board noted the comments and were fully supportive of the Executive’s approach to the issue of procurement.

In conclusion, the Chair thanked Dr Hollywood for a comprehensive report and the Executive echoed these comments. The Executive also took the opportunity to applaud the work carried out by the Audit Committee and stated that the Committee not only provides the necessary assurances to the Board but also to the Chief Executive Officer in his role as Accounting Officer.

11. AFBI Board Effectiveness Review

The Chair informed the Board that he had submitted a request for an agenda in respect of the forthcoming Workshop and that he would circulate this for consideration and comment before finalising with Mr Parker.

CHAIR

The Chair also advised the Board that as part of the Board Effectiveness Review, Mr Parker had also agreed to examine the current Board appraisal system and will meet with the Chair and the Deputy Chair on 23 June 2009 to consider his proposals. Following this meeting the Chair will aim to issue a draft of Mr Parker’s proposals for consideration before submitting a final draft to DARD for their consideration and comment.

CHAIR

12. Pensions Issue

The Executive confirmed that matters were going to plan with the draft Business Case currently being modified after which it will be returned to DARD for further consideration and onward transmission to the Department of Finance and Personnel (DFP) for approval.

13. Rewards and Recognition to Staff Scheme

The Executive advised the Board that it was still in the process of finalising a draft but once complete the document will be presented to the AFBI Remuneration Committee for consideration and comment.

In the discussion that followed the Board suggested a possible change in the title to reflect that this scheme is related to Intellectual Property and indeed is only triggered when royalty payments are received and is in no way linked to staff bonuses.

The Executive agreed that it would consider the comments of the Board and would re-name the scheme so that the title contained the word "*Innovation*" thereby helping to distinguish this scheme from the current staff bonus scheme. Despite the lengthy process and frustrations, the Board stated that it remained focused and determined to see this scheme implemented.

EXEC

14. Any Other Business

14.1 AFBI Emergency Response to Contaminated Feed Incident

The Executive informed the Board that it was currently in discussion with the Northern Ireland Environment Agency (NIEA) concerning a programme of soil sampling relating to some of the farms affected by this emergency with a view to assessing and monitoring any environmental impact.

AFBI staff will assist with the sampling programme and samples taken will be tested for both dioxins and PCBs with the NIEA footing the bill for the dioxin tests.

Once again the Board were asked to note the appreciation of the Department of Agriculture and Rural Development for the work undertaken by AFBI and furthermore, gratitude for the fact that AFBI had so far borne all costs relating to this matter.

14.2 Request for a SAPO4 Facility

The Executive reported that this was still a live issue but it would probably be the Autumn (2009) before further progress takes place.

However, the Board were asked to note that two meetings had taken place with representatives from DARD which may have an impact on AFBI's request for a SAPO4 facility.

The first meeting concerned the number of Animal Health and Welfare Research and Development Projects and the agreed understanding that no further project proposals should be submitted until DARD have agreed a suitable work programme that enables adequate finances to be provided. This may take six to nine months to complete. It was also noted that this is linked to the new Memorandum of Understanding being established between DARD and AFBI and highlights the fact that DARD has recognised the need to become an “*intelligent customer*”.

The second meeting related to the refurbishment of the Main Building at VSD that will necessitate re-wiring, re-roofing and new windows and this will undoubtedly impact on any new building proposals including a SAPO4 facility.

14.3 Rolling Database of Issues Raised at Board Meetings

The Board noted the content and details on the Rolling Database of Issues Raised at Board Meetings and asked the Secretary to update this to reflect the outcomes of today’s Board meeting.

SEC

14.4 Balmoral Show

The Chair thanked members of the Board for their support during the Show and was delighted that so many could attend.

The Chair also noted that the decision to use the AFBI trailer as well as remaining on the Government Stand had proved to be a success. It was noted that many high profile visitors including the EU Commissioner for Agriculture and Rural Development, Mariann Fischer Boel, the DARD Minister, Mrs Michelle Gildernew MP MLA, Ms Bairbre de Brún MEP and the DARD Permanent Secretary, Dr Malcolm McKibben had taken time to pay AFBI a visit.

Overall, the Board were content that AFBI should continue to have a place on the Government Stand at the Balmoral Show and were very supportive of the Executive’s plans to use the AFBI Promotional Trailer to target specific events and further promote the good work carried out by AFBI scientists.

14.5 AFBI Board Remuneration – Meeting with AFBI Sponsor Branch (ASB) on Tuesday 26 May 2009

At the request of the Chair, Dr Hollywood provided the Board with a report on a meeting that he had attended along with members of the AFBI Executive and AFBI Sponsor Branch.

The purpose of this meeting was to discuss the content of a memo that had been sent by Mrs Gaw, Head of AFBI Sponsor Branch in relation to the payments made to members of the AFBI Board who serve on sub committees of the AFBI Board and Board Remuneration in general.

During the course of the meeting it had become apparent that some of the detail contained in the memo was factually incorrect and that both issues had somehow become entwined.

However, following discussion Mrs Gaw accepted there was a need for her to issue a further note by way of clarification and explanation in respect of some of the points that she had made in her original memo.

In thanking Dr Hollywood for his report, the Chair stated that he was grateful to those who had attended the meeting and for the manner in which the matter had been dealt with.

The Chair also indicated that he was quite content to consider the Terms and Conditions of the Board if all aspects were open for discussion. However, the Chair advised that he would resist DARD's approach of introducing new Terms and Conditions if these resulted in members of the Board being employed on separate terms and conditions from others who were already serving on the Board.

15. Date of Next Meeting

The next meeting of the Board will be held on Wednesday 24 June 2009 at AFBI (HQ) Newforge.

Signed: _____
(Chairperson)

Date: _____