



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Newforge
on Thursday 3 July 2014 at 10.00am**

Present – Board Members

Mr Colm McKenna, Chair
Prof William McKelvey, Deputy
Chair
Prof Patrick Murphy
Dr Cecil McMurray
Mr Bob McCann
Mrs Hilary McCartan
Mr Ken Millar

In Attendance - AFBI Executive

Prof S Kennedy, Chief Executive Officer
Mrs L Hogg, Director of Finance and Corporate Affairs Division
Dr S McDowell, Director of Veterinary Sciences Division
Mr C Berry, Head of AFBI Finance Branch (Item 12.1)
Mr J Ferguson, Head of AFBI Innovations
Mr J Adams, AFBI Secretariat

Visitor - Mr Ray Atkinson, Business Development Executive – North America

1. Welcome and Introduction

ACTION

The Chair opened the meeting and welcomed all present especially Mr Atkinson, USA Business Development Executive and Mr Ferguson, Head of Innovations.

2. Apologies

Apologies were received on behalf of AFBI Board members Mr David Lindsay, Mrs Hilda Stewart and Mrs Sarah Havlin. The Executive also submitted an apology on behalf of Dr Sinclair Mayne, Director of Sustainable Agri-Food Sciences Division.

3. Conflict of Interests / Register of Interests Declaration

There were no conflicts of interest declared nor any changes to be made to Board members' Register of Interests.

4. Presentation

Mr Ferguson provided some background and set the context for the decision to work with the Northern Ireland Bureau in Washington D.C. and the creation of the Business Development Executive position. He also took the opportunity to highlight the commonalities and benefits associated with establishing collaborations with the North American market. Mr Ferguson then introduced Mr Ray Atkinson, North America Business Development Executive, who presented a two-year overview of his time in post.

During his presentation Mr Atkinson informed the Board of his efforts to

engage with major stakeholders, the success of the AFBI-Led Scientific Forum held in Washington D.C. in November 2013 and strategically important international collaborations with the United States Department of Agriculture – Agricultural Research Service and Genome Canada. Going forward Mr Atkinson also highlighted the need to agree a programme of strategic transatlantic agri-food research and to work with DARD and Invest NI to secure funding.

The Board congratulated Mr Atkinson on the excellent progress to date and following a question and answer session thanked him for his very comprehensive presentation.

(Mr Atkinson and Mr Ferguson left the meeting.)

5. Draft Minutes of the Previous AFBI Board Meeting held on 9 June 2014

The draft minutes from the previous AFBI Board meeting held 9 June 2014 were approved without amendment.

6. Action Sheet from Previous AFBI Board Meeting held on 9 June 2014

Progress against actions was noted as per the Action Sheet.

7. Report from Newforge Rationalisation Presentation held on 1 July 2014

The Chair informed the Board that he had found the meeting with DARD and the Strategic Investment Board (SIB) regarding the overview of Newforge rationalisation and relocation proposals on Tuesday 1 July 2014 very useful and that SIB stated that it is optimistic that the proposals will meet *Spend to Save* criteria thus allowing SIB to commit to providing ongoing support.

Once Hamilton Architects has finalised its detailed work on accommodation requirements and consultation with AFBI staff has been completed, it was agreed that work would commence on a single outline business case (OBC) in respect of the options for AFBI HQ rationalisation which would include the creation of a Plant Science Centre at AFBI Loughgall. A smaller business case will also be developed in respect of the animal accommodation at AFBI Hillsborough. DARD and SIB highlighted that the OBC would need to be completed by December 2014.

The Board acknowledged the efforts of SIB and the AFBI team but raised concern given the workload, tight deadlines and limited window of opportunity involved. The Executive informed the Board that it will be meeting later that afternoon and would consider the resources needed to progress the projects.

Exec

8. Chairman's Remarks

The Chair informed the Board that he has almost completed his visits of the AFBI sites which he has found to be very worthwhile and rewarding. The Chair stated that he has been fascinated to discover the scope of activities and the quality of the scientific work undertaken by AFBI. In addition, the Chair noted many examples of opportunities for AFBI to expand its commercial portfolio and encouraged Board members to take every

networking opportunity to promote the good work of AFBI.

ACTION

The Executive commended the Chair on his eagerness to meet the staff on the ground which has been very positive for staff morale. In response, the Chair stated that he was pleased to see a number of outreach activities being undertaken by the Executive.

9. DARD/AFBI Strategic Working Group - Update

The CEO updated the Board on the recent DARD/AFBI Strategic Working Group meeting held on 10 June 2014.

A key point from the meeting was the agreement that a high level paper, setting out the Working Group's thinking to date, will be presented at the joint meeting of the AFBI/DARD Boards to be held 20 August 2014. The Executive agreed that the paper will be circulated to Board members prior to the meeting. The Board also noted that commissioning of R&D by DARD, an AFBI Directed Research Fund, and AFBI's Costing and Charging Policy were discussed. DARD had invited AFBI to present proposals on a pragmatic charging policy for DARD and DFP consideration.

Exec

Overall the Board was pleased with the progress made in the months since the publication of the Public Accounts Committee's (PAC) report but recognised that ongoing work is at an early stage.

10. Executive Report

While the Executive Report was taken as read, the CEO took the opportunity to highlight his attendance at a breakfast event on EU opportunities and priorities held at the European Commission Office in Belfast. The event was attended by the three re-elected NI Members of the European Parliament.

The CEO also informed the Board that he and Dr Mayne had attended a Teagasc and RDS lecture on "*Ireland's Response to Global Grand Challenges in Agriculture and Food*" presented by Mr Simon Coveney, Minister for Agriculture Food and the Marine. At the event, they had an opportunity to meet members of Teagasc's international advisory panel. The Board was content to note.

In response to queries in relation to the AFBI Estate Strategy, the Executive confirmed that all parties are aware of potential resource issues within CPD and noted that the design and construction of specialised buildings will require appropriate technical expertise.

11. Report from Finance Sub-Committee Meeting held on 23 June 2014

In presenting the report on the Finance Sub-committee meeting held 23 June 2014, Mrs McCartan highlighted following:

- A draft surplus of £500k, excluding depreciation, (1.3%) represents a satisfactory year-end performance outcome.
- The latest iteration of the Strategic Cost Model (SCM) identifies a shortfall of £2.7m with additional resource bids made in the June

Monitoring to meet this.

- Quarter one outputs from the SCM will be considered at the Finance Sub-committee meeting scheduled September 2014.

The Board was content to note.

(Mr Berry entered the meeting)

12. Finance

12.1 AFBI Budget Monitor Report – Position at 31 May 2014

The AFBI Budget Monitor Report was presented by Mr Berry. It was noted that programme bids can only be met in full if the Business Plan income target of £19.1m is achieved along with the June Monitoring bids. Monthly *Star Chamber* meetings with divisions are also used to monitor non-GiA income projections during the year.

In response to a query regarding AFBI's Costing and Charging Policy, the Executive advised that DARD wish to revisit this after the joint AFBI/DARD Board meeting in August 2014.

Although there is inherent uncertainty with royalty income, the Executive advised the Board that it had no reason to believe that the budgeted income would not be achievable at this stage.

(Mr Berry left the meeting)

12.2 Feedback on 2014/15 and 2015/16 Financial Savings Plans

Mrs Hogg presented the feedback on the 2014/15 & 2015/16 Financial Savings Plans received from DARD.

The Board noted that DARD has accepted AFBI's 2014/15 Financial Savings Plan; subject to the resolution of a few outstanding queries and that the 2015/16 Financial Savings Plan has been partially accepted at this stage.

The Chair queried whether it was wise to implement savings proposals in FCAD given the PAC and Northern Ireland Audit Office (NIAO) recommendations and the fact that corporate services had not been properly invested in the past. The CEO concurred with this view and it was agreed that the proposed FCAD savings should be revisited. Prof McKelvey also stated that DARD and AFBI needed to discuss increasing charges for some services.

Exec

13. Report from Audit Committee Meeting held on 24 June 2014

Mr McCann, Chair of the Audit Committee, gave the Board a brief report on the proceedings. The Board was content to note that two Internal Audit reviews, covering HR Management (Equality Scheme) and Corporate Governance, were received with a "*Satisfactory*" level of assurance and that the draft AFBI Accounts are with the NIAO for review with final accounts expected to be presented to the AFBI Board in November 2014.

14. Report from Audit Committee Self Assessment Review Meeting held on 2 July 2014

Mr McCann informed the Board that the Audit Committee had conducted a self assessment exercise using the National Audit Office's "*Audit Committee self-assessment checklist*".

The Committee also took time to refer to the revised DFP guidance entitled "*Audit and Risk Assurance Committee Handbook (NI) – March 2014*" and made a number of changes to the Terms of Reference, most notably is the change of the Committee's title to the "*Audit and Risk Assurance Committee*". A revised Terms of Reference will be presented to the Board in September 2014 and the Board was content to note.

Exec

15. Science Strategy Sub-Committee

15.1 Report from Science Strategy Sub-Committee Meeting held on 10 June 2014

Dr McMurray provided a verbal update on the topics discussed at the Science Strategy Sub-Committee meeting held 10 June 2014. The CEO also advised the Board that the Science Strategy is available on the AFBI website.

The Board was content to note and that the minutes of the aforementioned meeting would be presented at the next Board meeting.

Exec

15.2 AFBI Research Programme Peer Review

The CEO presented the draft Terms of Reference for the "*AFBI Research Programme Peer Review 2014-15*" outlining the purpose of the review process and a proposed three year-cycle on account of the diverse nature of AFBI's research.

The Board recognised the value of such a review and following a brief discussion surrounding the selection of the peer review panel members and potential consistency over the proposed three year programme, the Board was content to approve the Terms of Reference.

15.3 AFBI Publications Policy (draft)

Dr McMurray presented the draft "*AFBI Publications Policy*" for Board consideration.

In the discussions that followed the Board accepted that assessing the quality of scientific publications will enhance the reputation of AFBI's work amongst multinational consortia. The Chair also highlighted that, through his meetings with staff, he has come to realise how important scientific publications are to staff and entry to research consortia.

The Board was content to endorse the policy.

- 15.4** Annual Review of Terms of Reference for the Science Strategy Sub-Committee **ACTION**
- The Board reviewed the Terms of Reference for the Science Strategy Sub-Committee and proposed a number of changes including a reference to peer review and the insertion wording around the ability to co-opt members, should the need arise.
- The Executive agreed to provide a revised Terms of Reference at the next Board meeting. **Exec**
- 16. Corporate Risk No. 4 – “If AFBI fails to identify and plan to mitigate financial risks and pressures this will pose a risk to its sustainability and impact negatively on its reputation.”**
- The Executive provided an overview of Corporate Risk 4 including the controls in place and the additional actions required to help manage the risk. It was also noted that the subject of income generation is covered separately under Corporate Risk 3 *“If AFBI fails to achieve its targets for non-GiA income...”*.
- After a brief discussion on the colour coding system, the Board was content to note the overall position in respect of Corporate Risk 4 and that a target risk score of 9 was an acceptable level given the inherent risk score of 25.
- 17. Governance Issues**
- 17.1** Risk Management
- The Executive confirmed that there were no new or emerging risks to the organisation.
- 17.2** Whistleblowing and Fraud
- The Whistleblowing and Fraud paper was taken as read and the Board was content to note the status of ongoing investigations.
- 17.3** Internal Audit Report on Corporate Governance
- The Executive presented the Internal Audit report on the *“Review of Corporate Governance”* and highlighted that a *“Satisfactory”* assurance rating had been awarded. The Board was content to note the findings of the review and the recommendations made.
- In response to a query on Recommendation A8, *“We recommend that the Board Operation Framework be completed and finalised as soon as possible”*, the Executive advised that AFBI Sponsor Branch (ASB) is looking at three Board related actions arising from the Arms Length Body Risk Assessment. Once work has been completed on the three strands of Induction, Board Operating Framework and Performance Appraisal, ASB has advised that they will be forwarded to the Board for consideration.

18. Any Other Business

ACTION

18.1 AFBI Open Meeting – 4 September 2014

The Board noted that the AFBI Open Meeting will be held at AFBI Hillsborough on Thursday 4 September 2014. It is envisaged that the programme of events will last for a substantial part of the day and the Secretary was asked to issue electronic invites to Board members to reflect the timing of the meeting.

Sec

18.2 Circulation of AFBI Board Papers

In response to a question on whether Board papers could be issued earlier than the normal week in advance, the Chair indicated that he was content to continue to maintain the one week target although the Executive stated that it will endeavour to issue the business papers earlier if possible.

18.3 AFBI Dairy Conference

The CEO informed the Board that AFBI intends to host a Dairy Conference in conjunction with Teagasc during November 2014 as well as AFBI's Beef Conference. The latter was being organised to coincide with the second "Fall Forum" to be attended by delegates from USA, Canada, Teagasc and AFBI.

19. Review of Board Effectiveness

The Board was satisfied that an effective meeting had been conducted.

20. Date of Next AFBI Board Meeting – 4 September 2014

The next AFBI Board meeting will be held in AFBI Hillsborough on Thursday 4 September 2014.

Signed: _____
(Chairperson)

Date: _____