

**Minutes of the Agri-Food and Biosciences Institute (AFBI)
Board Meeting held in AFBI Hillsborough and via WebEx
on Thursday 28 April 2022 at 10.00hrs**

Board Members

Mr Colin Coffey, Chair
Mrs Roberta Brownlee, Deputy Chair
Ms Kate Burns
Dr Michelle Costello-Smith
Ms Theresa Cullen
Mrs Fiona Hanna
Mr Richard Solomon
Dr Richard Horton
Ms Joan Houston
Mrs Sharon Smyth

Mr David Campbell
Mrs Daphne Johnston
Mr Alan Moore
Mr Ian Murphy
Mr Tim McClelland
Prof Sally Shortall
Mr Tom Tynan
Mr Tom Wright

Observers

Ms Therese Rafferty
Mr Martyn Blair

AFBI Board Apprentice

Mr Nigel Morris

AFBI Executive:

Dr Stanley McDowell, Chief Executive Officer
Mrs Josephine Kelly, Director of Finance & Corporate Affairs Division
Prof Elizabeth Magowan, Director of Sustainable Agri-Food Sciences Division
Dr Alastair Douglas, Director of Veterinary Sciences Division
Mr Pieter-Jan Schön, Director of Environment and Marine Sciences Division

In Attendance

Mr Glenn Montgomery, Head of Governance and Performance
Mr Conor O'Neill, Head of Finance (Item 7.1)
Ms Jacqueline Armstrong, AFBI Solicitor, Commercial Contracts and IP (Item 7.1)
Mr Dermot Tierney, Acting Head of IP & Commercialisation, Queen's University Belfast (Item 7.1)
Mr Fergal Cosgrove, Queen's University Belfast (Item 7.1)
Mr James Adams, AFBI Secretariat
Mrs Stephanie Robinson, AFBI Secretariat

1. Welcome and Introduction

The Chair welcomed everyone to the meeting. While it had been expected that the DAERA Deputy Secretary would join the Board for lunch, the Chair informed the Board that regrettably this has had to be postponed.

2. Apologies

There were no apologies to record.

3. Conflict of Interests Declaration

There were no Conflicts of Interest declared.

4. Draft Minutes of Extraordinary Board Meeting held on 23 March 2022 and the Previous Board Meeting held on 24 March 2022

The draft minutes of the Extraordinary Board Meeting held on 23 March 2022 and the draft minutes of the Board Meeting held on 24 March 2022 were accepted as an accurate and fair representation of the meetings.

4.1 Action Sheets from Extraordinary Board Meeting held on 23 March 2022 and the Previous Board Meeting held on 24 March 2022

The Board noted that the actions as per the Action Sheets of both meetings had been completed or included on the agenda for this meeting. The Executive also clarified that additional Information requested on estate overheads and site usage had been included in the Executive Report.

5. Governance**5.1 Risk Management****5.1.1 *Reports of new or Emerging Risks***

Other than the recently added corporate risk '*Failure in Corporate Governance, control and/or accountability leading to reputational*

damage, financial irregularity or fraud', Mr Montgomery advised that there were no other new or emerging risks to the organisation.

5.1.2 *Risk Management Update Report*

Mr Montgomery presented the '*Risk Management Update*' which provides a summary of the proposed changes to the Corporate Risk Register (CRR). It was noted that the paper had also been presented and discussed at the Audit & Risk Assurance Committee on 26 April 2022.

The Board discussed the proposals and the following was agreed:

- CR13 – '*Failure in Corporate Governance, control and/or accountability leading to reputational damage, financial irregularity or fraud*' - The Board was content with the addition.
- CR2 – '*Failure to deliver budget outturn within agreed budget tolerances*' – The Board was content that this 'in-year' risk be removed. It was noted that a new risk will require inclusion once the 2022-23 budget information is finalised;
- CR9 – '*Legal issues in relation to the significant royalties monies owed to the public purse could lead to significant financial and reputational impacts*' – While the risk to AFBI's financial position had been reduced, the Board agreed that the risk should remain on the CRR;
- CR5 – '*Failure to recruit, retain and develop AFBI's workforce and an over reliance on agency staff may result in AFBI being unable to deliver science needs and fulfil its business objectives*' – Given the difficulties in recruitment across the wider public sector it was agreed that the residual risk score be set at 15 (Impact 5 – Likelihood 3).

The Board noted that Risk and Risk Appetite will be discussed at the Board Workshop on 25 May 2022 and Mr Montgomery will provide the relevant documentation for discussion.

GM

5.2 Fraud and Whistleblowing

5.2.1 *Fraud and Whistleblowing / Raising Concerns Annual Report 2021-22*

The Board noted the "*Fraud and Whistleblowing / Raising Concerns Annual Report 2021-22*". Mrs Kelly also advised that the one open

investigation of potential fraud, linked to a closed Whistleblowing case, was with her for finalisation.

Mr Montgomery informed the Board of one emerging case of potential fraud raised in 2022-23 and that preliminary investigations are ongoing.

The Board discussed the need to ensure that AFBI takes note of any wider lessons learned and in particular from the recent high profile case within the NICS, as part of its ongoing review processes. In terms of the culture around whistleblowing and other wider matters, it was suggested that the results of the recent staff engagement survey may further provide the Executive with an insight into the culture within AFBI and willingness to raise concerns.

5.3 AFBI Corporate Key Performance Indicators (KPIs) 2021-22 – Provisional Outturn as at 31 March 2022

Mr Montgomery presented the Corporate Key Performance Indicators Report which detailed that provisional outturns at year-end show that eleven of the fifteen Corporate KPI's had been met or are expected to be met.

The Board noted that a substantial amount of work had been undertaken in relation to a number of the KPIs that were not fully achieved. However, the Board was disappointed to note the change in year-end outcomes in comparison with the forecast outturns reported to the Board at the end of Quarter 3.

The Executive was asked to ensure the assessment of KPIs is as robust as possible and the Chair also suggested that it would be a useful exercise to have each Director lead a short discussion on the challenges faced within their respective Divisions and any impacts on delivering their KPIs. It was agreed that this would form part of the Board Workshop in May.

Exec

5.4 CEO Assurance Statement Quarter 4 2021-22

The Board noted the CEO Assurance Statement for Quarter 4 of 2021-2022.

The Chair asked the Executive to keep him and relevant Committees informed at the earliest opportunity in relation to matters such as the recent issues experienced in upgrading the AFBI Financial Systems.

6. Health & Safety

6.1 Health & Safety Update

The Board noted the key points in the *“Health and Safety Update Report”*. Information on lost time over 7 days will be included, where appropriate, in future reports.

JK

In terms of recruitment, the Committee noted that the permanent post for a Head of Health & Safety and Compliance Branch will be re-advertised shortly. Further vacant posts within the unit are also being progressed on a permanent and temporary basis.

The Board was made aware of a Health & Safety discussion at the recent Audit & Risk Assurance meeting. While awaiting the completion of a number of estate surveys, which are undertaken on behalf of DAERA, the Committee had asked for assurances in respect of AFBI’s duty of care to its staff. The Executive will provide further information to the Committee in relation to this.

7. Finance & Business

7.1 Update on Royalties

Mr Tierney, the Acting Head of IP & Commercialisation at Queen’s University Belfast (QUB) gave a presentation to the Board on the latest Royalties position. Particularly for the newly appointed Board members, he provided detailed background and historical information in relation to the royalty position and how the dispute around the Royalties had arisen.

Mr Tierney also provided the Board with an update on recent negotiations between QUB and the pharmaceutical company representatives and that further correspondence and engagement will take place shortly.

The Board thanked Mr Tierney for his presentation and a detailed discussion was held on such matters as options available and potential timelines for progressing these options.

7.2 Green Growth Capital Investment Presentation

Mr Pieter-Jan Schön gave a presentation on AFBI's Green Growth Capital Projects. AFBI is involved in projects across five platforms relating to the overall aims of Green Growth and greenhouse gas reduction. He also emphasised the major role that AFBI will play in the recently launched Soil Nutrient Health Scheme.

Over a two year period AFBI has secured £15.6m in capital funding across the five platforms. However, Mr Schön did make the Board aware of the resource costs associated with the deploying, maintaining and utilising of the equipment. Other considerations include the timeline for related estate projects and IT Infrastructure upgrades.

LUNCH

Following a short break for Lunch the Chair took the opportunity to present certificates of service to Board members who were completing their Term of Office. Past Board members Mr Ian Buchanan and Mrs Maureen McKeague, had joined the Board for lunch and also received their certificates.

The Chair thanked all of the Board members for their dedication, support and contribution to AFBI.

7.3 Finance Update Report Including 2022-23 Budget Update

Mrs Kelly provided an overview of the "*Finance Update Report*" and highlighted the following:

2021-22 Financial Outturn

- She reported the provisional financial outturn position for 2021-22 on core AFBI activities was an underspend of £240k, which was within the budget tolerance levels. It was noted that these figures are subject to final confirmation over the coming weeks as part of the year end accounting processes and

represent the best estimate of the year end position based on current information. The provisional outturn had been reported to DAERA within the agreed timescales and reporting to DAERA Finance would continue throughout April if any variances arose. DAERA have advised that they will be assessing the overall Departmental position over the next few weeks and if AFBI identified any significant changes by the end of April to advise them as soon as possible.

- She added that that the provisional outturn did not include the NI Protocol of funding of £620k as this was ring-fenced funding. DAERA were aware of this position and AFBI had been in regular communication with the DAERA Brexit Readiness Team.

2022-23 Budget Update

In relation to the budget position, Mrs Kelly reported that:-

- She had met with DAERA Finance about the 2022-23 budget position. DAERA had advised that the current approach by the Department of Finance was to issue Departments with budgets on the basis of a Resource baseline roll forward from 2021-22. She added while AFBI had not yet received a formal budget notification, the working position being used was a draft opening budget for 2022-23 of a budget of circa £42m (Resource of £25k and R&D capital of £17k) and with a capital budget of c£11m. Based on this allocation AFBI will have to make further requests in the in-year monitoring rounds given the pressures on resource.
- An initial estimate of cost of living pressures of £3m in relation to increases in accommodation, utilities, farm, ship and laboratory costs had been provided to DAERA.
- The opening budget does not include any further funding for EU Exit activities however DAERA has asked that AFBI provide details on their requirements for 2022-23;
- The AFBI Assigned Work Programme (AWP) was currently being finalised and then would be costed by AFBI Finance. Until this work was finished then the calculation of the financial pressures would not be able to be completed.

The Board congratulated the Executive in the outturn position for 2021-22 and asked that their gratitude be passed on to all those involved in achieving the position.

The Board did express concern around the resource budget and in particular the projected funding gap in respect of cost of living increases and the potential impact on AFBI's ability to deliver work programmes should the funding gap not be provided for. Any additional funding for AFBI will be subject to ongoing dialogue with DAERA and the Board asked that they would be kept informed.

7.4 Action Plan to Address Northern Ireland Audit Office (NIAO) and Internal Audit Recommendations

The Board noted the presentation in relation to the NIAO recommendations from their recent Report To Those Charged With Governance (RTTCWG) and AFBI Internal Audit's recommendations arising from their Review of Non-DAERA Income.

A consolidated action plan on the recommendations was also noted by the Board. The consolidated plan aims to provide the Board with an assurance that recommendations are being actioned within agreed timescales and that there is an overall plan to deliver on them. An updated report will be provided to the Board on a regular basis and the recommendations will also be considered in detail within the Committee structure.

8. Update on Draft AFBI Corporate Plan 2022-2026 and Draft AFBI Business Plan 2022-23

The Board agreed that the presentation on the update on draft AFBI Corporate Plan 2022-2026 and draft AFBI Business Plan 2022-23 would be uploaded to Decision Time and discussed in more detail at the May workshop.

**GM/
Sec**

9. Executive Report

The CEO presented the "*Executive Report*" and highlighted a number of points including the following:-

- Staff turnover rates are relatively consistent with previous years with efforts in staff recruitment remain ongoing subject to affordability;
- The CEO also congratulated the Director of Sustainable Agri-Food Sciences Division on her recent honorary professorship;
- The Portfolio Project Management (PPM) system, CORA, went live on 1 April 2022 with timesheets and projects being input onto CORA.

10. Board Sub-Committees

10.1 Minutes of Board Sub-Committees

10.1.1 *Draft Minutes of the Oversight & Governance Committee held on 25 March 2022*

The Board noted the draft minutes of the Oversight & Governance Committee held on 25 March 2022.

The Chairman thanked the Committee Chair and the outgoing Committee members for their contribution to the work of the Committee.

10.1.2 *Draft Minutes of the Finance & Business Strategy Committee held on 31 March 2022*

The Board noted the draft minutes of the Finance & Business Strategy Committee held on 31 March 2022.

The Chairman thanked the Committee Chair and the outgoing Committee members for their contribution to the work of the Committee.

10.1.3 *Report on the Audit & Risk Assurance Committee held on 26 April 2022*

In reporting on the Audit & Risk Assurance Committee Meeting held on 26 April 2022, the Committee Chairman highlighted that the two Internal Audit reports presented to the Committee on Research and Development (including Evidence and Innovation projects) and Estates Management, had been provided with a satisfactory assurance.

The Chairman thanked the Committee Chair and the outgoing Committee members for their contribution to the work of the Committee.

10.1.4 *Report on the Science Strategy Committee Meeting held on 27 April 2022*

In reporting on the Science Strategy Committee Meeting held on 27 April 2022, the Committee Chair highlighted that there had been a very comprehensive update on the Research Support Office.

The Chair also highlighted an excellent presentation on Quality Assurance provided by AFBI's Quality Assurance Unit and asked that the Executive pass on the positive feedback to the Quality Assurance Manager.

The Chair thanked the outgoing Committee members for their contribution to the work of the Committee.

11. Chair's Remarks

The Chair reported briefly on a number of recent meetings he had attended including the Ulster Farmers Union, Katrina Godrey, the new DAERA Permanent Secretary and an industry meeting organised by QUB.

11.1 Announcement of Incoming Committee Chairs

The Chair announced the new Committee Chairs as follows:

- Audit and Risk Assurance Committee (Tom Wright)
- Finance and Business Strategy Committee (Tom Tynan)
- Organisational Development and Human Resources Committee (Daphne Johnston)
- Oversight and Governance Committee (Alan Moore)

It was noted that Ms Kate Burns would also remain as Chair of the Science Strategy Committee.

12. Any Other Business

There were no additional items of business.

13. Review of Board Meeting Effectiveness

The Board was content the meeting had been effective.

14. Date of Next Meeting

The AFBI Board Workshop will be held on Wednesday 25 May 2022