

**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Newforge
on Monday 9 December 2019 at 10.30am**

Present – Board Members

Mr Colin Coffey, Chair	Ms Theresa Cullen	Ms Joan Houston
Mr Ian Buchanan	Mrs Fiona Hanna	Mrs Maureen McKeague
Ms Kate Burns	Dr Richard Horton	Mrs Sharon Smyth
Dr Michelle Costello-Smith	Mr Richard Solomon	

In Attendance - AFBI Executive

Dr Stanley McDowell, Chief Executive Officer
Mrs Josephine Kelly, Director of Finance and Corporate Affairs Division
Mr Conor O'Neill, Head of Finance
Mr Shaun Henry, Head of Corporate Affairs (Item 7.4 & 7.5)
Mr Glenn Montgomery, Head of Governance & Performance (Item 10)
Dr Eileen Stewart, Head of Emergency Planning, Safety & Estates (Item 11)
Mr Conor McGimpsey, Head of Health & Safety Unit (Item 11)

Mr James Adams, AFBI Secretariat

1. Welcome and Introduction

ACTION

The Chair welcomed everyone to the meeting.

2. Apologies

Apologies were received on behalf of AFBI Board Member Mrs Roberta Brownlee, and the Boardroom Apprentice Mr Alan Wilson. Apologies were also received from Dr Elizabeth Magowan, Director of Sustainable Agri-Food Sciences Division and Dr Alastair Douglas, Acting Director of Veterinary Sciences Division.

3. Conflict of Interests/Register of Interests Declaration

There were no conflicts of interest declared.

4. Draft Minutes of the AFBI Board Meeting held on 13 November 2019 **ACTION**

Subject to two minor amendments, the draft minutes from the AFBI Board meeting held on 13 November 2019 were approved as an accurate reflection of the business conducted at the meeting.

Sec

4.1 Action Sheet from AFBI Board Meeting held on 13 November 2019

The Board noted the progress against actions as per the action sheet subject to the following:

4.1.1 *AFBI / CAFRE Steering Group Terms of Reference*

The AFBI / CAFRE Steering Group Terms of Reference are at an advanced stage of development and a copy will be circulated to Board members for information.

Exec

5. Chair's Remarks

The Chair updated the Board on a number of recent engagements with stakeholders including meetings with the Executive Director of the NI Food & Drink Association, Managing Director of ABP Foods NI and his attendance at the British Veterinary Association Northern Ireland Dinner on 26 November 2019. The Chair also plans to meet with a number of other food producers and associations in the near future and he intends to provide a summary paper on his stakeholder engagements in due course.

Chair

In terms of developing partnership working with DAERA which the Chair feels will aid in the development of AFBI's Science Strategy, the Chair highlighted the following:

- He will meet with the DAERA Deputy Secretary, Mr Brian Doherty in January 2020 to discuss concepts of partnership working;
- Board and Executive members have accepted the invitation from the DAERA Permanent Secretary, Dr Denis McMahon to attend an ALB engagement event which aims to facilitate discussion between DAERA's Senior Civil Service Group and all its ALBs regarding collaborative working. Hence the change to the date of the January 2020 Board meeting;
- As part of later discussions under Item 10.1, Board members had been provided with a link to the Department of Finance's '*Partnerships between Departments and Arm's Length Bodies: - NI Code of Good Practice*'.

6. Executive Report

ACTION

In presenting the Executive Report the CEO touched on the meeting with DAERA around the Directed Research Fund and progress of the Animal and Plant Health Building (APHB). In terms of APHB it was noted that the projected costs in the initial business cases had increased by circa £10m due to the additional level of ventilation and mechanical requirements needed for such a building. These costs had not been factored into the initial business case, so as a result, revised costings had been submitted and approved by the Department of Finance.

It was also highlighted that the project team while going through the project and building documentation had noted some areas that had not been included from the initial work carried out.

In addition EMT had been very supportive of a consideration to move Plant Health into the new building as there was many synergies within the science work streams. However it was agreed at the Animal Health Sciences Board on the 4th December that Plant Health would no longer be included within the scope of the new Veterinary Sciences Building on Stoney Road. Whilst it is recognised that plant and animal health sciences have areas of complementarity, recent discussions between DAERA and AFBI in relation to the project, noted that the Outline Business Case for the additional inclusion of plant health within the new build had not sufficiently progressed and recognising the tight timeframes and competing funding pressures, necessitated their withdrawal from inclusion in the new build.

However AFBI has indicated that options of the potential relocation of Plant Health staff members to the Stoney Road site should continue to be explored as a high priority given the potential benefits and synergies between the two disciplines.

The Board was content to note the report.

7. Finance & Business

7.1 AFBI Finance Update Report – Position at 31 October 2019

The Executive presented the finance update which shows AFBI's 2019/20 forecast outturn position as a £633k underspend. This position takes account of the budget bids and movement requests submitted as part of the January monitoring round. While the January monitoring round outcome is not yet confirmed, indications at this time are that AFBI's requests will be met.

In terms of costing, it was noted that the 2019/20 Assigned Work Programme (AWP) had been costed based on AFBI Bidding and Income System (ABIS) bids and submitted to DAERA. The Board was pleased to note that a fully costed AWP had been submitted in the agreed format which is a significant step forward in enhancing the costing information that AFBI supplies to DAERA.

A separate stream of work is being undertaken in relation to non-royalty accrued income which is mainly orientated around outstanding grant claims. This may result in alterations to the level of accrued income expected to be received.

Further scrutinising of staff recruitment schedules for 2019/20 was undertaken by the Executive which has seen a reduction in the number of posts expected to be filled in this financial year. A number of posts are currently filled on a temporary basis which reduces any short term impact on operations and the Executive will continue to work through the process with AFBI HR.

7.2 Royalties Update

The Board noted the paper on matters relating to the vaccine royalty income including scenario planning positions. Mrs Kelly informed the Board that she had met with representatives from Queen's University Belfast the previous week to discuss ways forward. It was noted that correspondence will be issued to inventors to keep them updated on the situation.

Exec

Ms Burns left the meeting

7.3 AFBI Annual Report and Accounts 2018/19 - Update

7.3.1 Cover Report – Update on AFBI Annual Report and Accounts 2018/19

The Executive presented a paper updating the Board on the events related to the AFBI Annual Report and Accounts 2018/19 since its last Board meeting on the 13 November 2019. The Board was also updated on the Audit & Risk Assurance Committee meeting, called to discuss events related to the AFBI Annual Report and Accounts 2018/19, which had directly preceded today's Board meeting.

In summary, the Board approved the AFBI Annual Report & Accounts 2018/19 on 13 November 2019 and at this time, the Northern Ireland Audit Office's intention was to issue a qualified audit opinion on the basis of "limitation of scope". The basis of the qualification was due to the fact that NIAO considered

that there was a lack of evidence supporting the accrued income of approximately £7m royalty income together with associated costs. Board approval was based on the Audit & Risk Assurance Committee endorsement of management's reasons for not adjusting this accrued income. **ACTION**

The NIAO then undertook a technical review as part of their internal processes and their opinion was that the original 'limitation of scope' audit qualification should be changed to an 'except for' qualification on the £7 million income and £2.7 million of related expenditure and an additional 'regulatory' qualification. The 'except for' qualification is because the NIAO technical team do not consider the estimates of accrued income meet accounting standard IFRS 15 and the 'regulatory' qualification is linked to the other qualification because if adjustments were made this would breach departmental budget approvals.

As a result of the latest qualifications AFBI have made a small amendment to the Governance Statement and this revised wording is highlighted as an annex within the Cover Report presented at today's meeting. The Executive has also updated management responses in the NIAO's Report to those Charged with Governance (RTTCWG).

In updating the Board on the Audit & Risk Assurance Committee meeting, held directly before today's Board meeting to discuss the AFBI Annual Report and Accounts 2018/19, the following additional points were noted:

- NIAO had informed the ARAC at its meeting on 5 November that it was content with the 'limitation of scope' qualification based on the audit information provided as part of the audit but however had not informed the ARAC that it had not carried out its technical review at the time they presented their opinion to Committee;
- Following the receipt of the signed Accounts, NIAO technical team undertook its internal review and their interpretation disagreed with the audit team's initial qualification which resulted in the change in position;
- NIAO interpretation is purely an accounting one and does not provide any legal test or interpretation;
- NIAO indicated that the wording of the RTTCWG presented at the Committee meeting would not be changed;
- The change in qualification does not require any changes to the 2018/19 accounts and the Audit & Risk Assurance Committee continues to support the Executive's position of not adjusting the accounts. In addition it supports their changes in the governance statement and the

management comments in the RTTCWG following the change in audit opinion; **ACTION**

- DAERA has also been kept fully informed of the situation and is supportive of the AFBI position.

Following further discussion it was agreed that the Board would hold an extraordinary meeting as soon as possible to fully consider the documentation including a full set of the AFBI Annual Report and Accounts 2018-2019.

**Exec/
Sec**

7.3.2 Report To Those Charged With Governance 2018/19

The Board noted the revised NIAO Report To Those Charged with Governance which included updated management responses as discussed under Item 7.3.1.

7.4 Directed Research Fund - Presentation

Mr Henry gave the Board a brief presentation on the current status of the Directed Research Fund (DRF).

DAERA is content with the DRF scientific outputs and that it is important to the delivery of a number of DAERA initiatives with DAFM, INTERREG, US-Ireland etc. However, more discussion is required with DAERA around level of utilisation and while a three year plan and a 2018/19 outturn report have been submitted to DAERA, additional assurances around governance of the DRF have been sought by the Department.

The Board thanked Mr Henry for the presentation and was keen for discussions on governance and future commitments under the DRF to be progressed.

Mr O'Neill left the meeting

7.5 Sustainability Policy

Mr Henry presented the Sustainability Policy which was approved by the AFBI Board via correspondence to facilitate the submission of key tender documentation by AFBI.

The Board noted the Sustainability Policy which incorporated Board member comments and that it would be presented to the Board for review in one year.

Exec

8. Governance

ACTION

8.1 Risk Management

8.1.1 *Reports of New or Emerging Risks*

There were no reports of any new or emerging risks.

8.2 Whistleblowing

8.2.1 Reports of New or Ongoing Cases

The Board noted the paper which outlined the process in relation to whistleblowing. While the paper stated that no new cases of whistleblowing have been reported, the Executive informed the Board that they had recently received correspondence referring to a potential incident of whistleblowing which is being investigated.

In terms of a previous case, the investigation has been completed and a report provided which upheld the concerns raised. A number of recommendations have been made and these will be closely monitored.

8.3 Fraud

8.3.1 Reports of New or Ongoing Cases

The Board was made aware of one potential incident of fraud relating to a missing piece of equipment. This is being investigated under the normal protocols as laid out in AFBI's Fraud Response Plan.

9. Board Sub-Committees

9.1 Draft Minutes from the Organisational Development & Human Resources Committee Meeting held on 15 November 2019

In noting the draft Minutes from the Organisational Development & Human Resources Committee Meeting held on 15 November 2019, Ms Cullen summarised some of the areas of discussion.

One minor query was raised in relation to the minutes and the wording will be reviewed by the Executive.

Exec

9.2 Draft Minutes from the Oversight & Governance Committee Meeting held on 21 November 2019 **ACTION**

The Board noted the draft Minutes from the Oversight & Governance Committee Meeting held on 21 November 2019. A minor change was agreed to the attendance list.

Sec

9.3 Report on the Finance & Business Strategy Committee Meeting held on 29 November 2019

In reporting on the Finance & Business Strategy Committee Meeting held on 29 November 2019, Dr Costello Smith noted that a number of topics discussed had been covered such as the Directed Research Fund and significant staff efforts around delivering costing information. In terms of the report on new business, the Committee had noted the challenges staff face in terms of available resources and prioritisation.

9.4 Report on the Science Strategy Committee Meeting held on 5 December 2019

In reporting on the Science Strategy Committee Meeting held on 5 December 2019, the Board noted that the Committee had discussed the basis for the development of the AFBI Science Strategy 2030. The Committee also agreed that it will avail of a series of presentations from science areas over the coming year.

10. AFBI Business Plan 2020/21

10.1 Initial Outline Corporate KPIs 2020/21 including partnership agreement proposals - Presentation

Mr Montgomery's presentation provided an overview of the Annual Business Planning 2020/21 and the timetable for 2020/21 Annual Business Plan.

Planning will be outcome focused and also aim to encapsulate the concept of partnership working by engaging with DAERA on a partnership agreement and engagement plan. Mr Montgomery also outlined the progress to date in achieving AFBI's 3 Strategic Outcomes.

The Board was also provided with initial Key Performance Indicators for 2020/21 and where appropriate, how they linked to recommendations from DAERA's Tailored Review of AFBI. In the discussions that followed a number of points were noted including the following:

- Given the spectrum of AFBI science it can prove difficult to encapsulate the impact of all the work undertaken; **ACTION**
- Executive should be mindful of KPIs which have a dependency on co-partners as this means elements are outside of AFBI's control;
- The review and testing of Business Continuity Plans (BCPs) will be prioritised during 2020/21;
- The Advertising Value Equivalent figure will be further considered in relation to raising the profile of the new AFBI brand image and corporate messages.

Any further Board comments on the initial KPIs was to be provided to Mr Montgomery and the Board noted that the draft Business Plan 2020/21 will be present to Board in February 2020. It was also noted that following refinement of the KPIs, relevant milestones will be included.

**Board/
Exec**

Mr Buchanan left the meeting

11. Health & Safety

11.1 Reports of New or Ongoing Cases

There were no reports of any new or ongoing risks.

11.2 AFBI Health & Safety Board Update

Mr McGimpsey provided the Board with a presentation on the ongoing work of the AFBI Health & Safety (H&S) Unit. A supplementary paper was also presented and noted by the Board.

The presentation highlighted the H&S risk profile, progress of the H&S Management Assessment Profile (HSMAP) recommendations, relevant policies as well as training & compliance. A number of specific points were also noted which included:

- An external Biological Safety Advisor (BSA) services procurement is in progress with the tender due to close on 10 January 2020.
- The Accident Incident Rate (AIR) & Accident Frequency Rate (AFR) have increased but there has been a significant decline in the Accident Severity Rate (ASR);
- A repeat audit programme is being undertaken for 2019/20 as well as facilities appraisals at AFBI Hillsborough and the VSD Animal Services Unit. The majority of the audits are closed out and no matters need raised at Board level thus far;

- Self-auditing of HASMAP recommendations has seen percentage improvements in all compliance categories but progress has been hampered due to complexity and resource issues; **ACTION**
- Significant work has been undertaken in the development of the Chemical Safety Policy. Dangerous goods audits have noted significant improvements in chemical safety compliance, which the Chemical Safety Policy will seek to consolidate;
- Output of H&S training matrix will be a comprehensive list of statutory and best practice courses.

The Board thanked Mr McGimpsey for his presentation and considerable efforts in progressing a range of H&S matters. In response to a query on a major audit non-conformance which is incomplete, Mr McGimpsey advised that this referred to edge protection railings on the roof at AFBI Newforge and the Board was assured that the area is restricted and a works request is in the system with contractors due on site shortly.

The Board also took the opportunity to congratulate Mr McGimpsey on his Institute of Safety in Technology & Research (ITSR) qualification which he was recently awarded.

11.3 AFBI Corporate Health & Safety Policy – 1.1 Statement of Intent

The Board approved the revised Corporate Health and Safety Policy - Statement of Intent' section.

11.4 AFBI Chemical Safety Policy

Following a discussion the Board approved the following:

- AFBI Chemical Safety Policy – Statement of Intent'.
- AFBI Chemical Safety Policy – Roles and Responsibilities'.
- AFBI Chemical Safety Policy – Guidance and Arrangements'.
- AFBI Chemical Safety Policy – Appendices'.

12. Dates of AFBI Board Meetings 2020/21

The Board noted the indicative meeting dates for 2020/21 and asked that the Executive consider the feasibility of moving the September meeting to late August. **Exec**

13. Any Other Business

ACTION

There were no additional items of business.

14. Review of Board Meeting Effectiveness

The Board was content that the meeting had been effective.

15. Date of next meeting

An AFBI Extraordinary Board meeting will take place on Tuesday 17 December 2019.

The next ordinary meeting of the AFBI Board will take place on 21 January 2020.

Signed: _____
(Chairperson)

Date: _____