

**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Newforge
on Wednesday 13 November 2019 at 9.30am**

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		

In Attendance - AFBI Executive

Dr Stanley McDowell, Chief Executive Officer
Mrs Josephine Kelly, Director of Finance and Corporate Affairs Division
Dr Elizabeth Magowan, Director of Sustainable Agri-Food Sciences Division
Mr Conor O'Neill, Head of Finance (Item 13)
Mrs Fiona Campbell, Head of HR (Item 14)

Mr James Adams, AFBI Secretariat

AFBI Board Apprentice

Mr Alan Wilson

1. Welcome and Introduction ACTION

The Chair welcomed everyone to the meeting.

2. Apologies

Apologies were received on behalf of AFBI Board Members Mrs Roberta Brownlee and Mr Richard Solomon. An apology was also received from Dr Alastair Douglas, Acting Director of Veterinary Sciences Division.

3. Conflict of Interests/Register of Interests Declaration

Mrs Hanna informed the Board of a potential Conflict of Interest (COI) as a close relative works for a contractor firm which has been procured by the

Department of Agriculture, Environment and Rural Affairs (DAERA) and undertakes work on AFBI sites. The Board noted the COI declaration and Mrs Hanna agreed to abstain from discussion or remove herself from Board meetings should a potential COI arise. **ACTION**

4. Draft Minutes of the AFBI Board Meeting held on 12 September 2019

Following Board agreement to a number of minor tracked changes, the draft minutes from the AFBI Board meeting held on 12 September 2019 were approved as an accurate reflection of the business conducted at the meeting.

A revised final version will be provided to the Chair for signing.

Sec

4.1 Action Sheet from AFBI Board Meeting held on 12 September 2019

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

4.1.1 *Unit Costing and Benchmarking Reports (Item 7.1)*

The Executive confirmed that Unit Costing and Benchmarking Reports for 2018/19 had been provided to DAERA by 31 October 2019 deadline.

5. Chair's Remarks

The Chair updated the Board on recent engagements with a number of senior stakeholders including representatives from a number of agri-food companies, the Ulster's Farmers Union, and Ulster University. He also attended the inaugural Grand Challenge Lecture at Queen's University Belfast (QUB) on the 18 September 2019.

A key theme arising from the engagements is the focus on environmental challenges and the impact on food, diet and health. A number of representatives also talked about the desire for on-site and on-farm research and welcomed the development of the AFBI/QUB Alliance.

The Chair also met with the DAERA Permanent Secretary who is supportive of AFBI developing collaborations. The Chair felt that this subject warranted further strategic discussion by the Board and he will meet with the CEO to consider options to take this forward.

Chair

The Executive advised that a number of staff sit on a range of working groups and advisory panels, and that these form a significant part of AFBI's overall stakeholder engagement. Given the pace of change Board members were

keen to see progression of the Stakeholder Advisory Group. The Chair stated **ACTION** that he envisages this happening on two levels, a forum for exchange of knowledge and a forum for potential collaboration.

6. Executive Report

The CEO presented the Executive Report and a number of points were highlighted including the following:

- The InnoVar H2020 project was successfully launched and the CEO acknowledged the excellent work of Dr Lisa Black and Dr Elaine Groom for securing the award of this project;
- AFBI have 48 proposals in train to be submitted to 'DAERA's *Directed Research Call 2019/20*'. This represents a substantial increase in proposals, and dependant on award, the value of these projects could be in excess of £25m (over 3 years);
- The Animal Health Sciences Building (AHSB) new build project is currently at Royal Institute of British Architects (RIBA) Stage 1. A significant amount of staff input is currently being required to provide data and input to establishing the architectural requirements;
- The updated Outline Business Case (OBC) for the AFBI Research Vessel is with the Department of Finance (DoF) and it is hoped that final approval for it will be received shortly. The project board has agreed to proceed with the procurement of a naval architect up to tender release stage, with the release to tender conditional on DoF approval;
- The AFBI-CAFRE Beef Facilities OBC has been submitted to DoF with the appropriate paperwork having been completed by AFBI and CAFRE. Terms of Reference for the AFBI and CAFRE steering group has been agreed and a copy will be provided to the Board; **EM**
- CEO has received updates from key Establishment Licence Holders and discussions with the Department of Health's ASPA Inspector remain ongoing. A further update will be reported at the next Board meeting; **EM**
- AFBI have provided informal feedback on the draft DAERA Science Strategy and AFBI is represented on the Science Development Project Board;
- Internal Audit are progressing the Annual Plan 2019/20 with a further three final reports expected to be provided to the Audit & Risk Assurance Committee in January 2020.

In terms of the presentation of the report, the Board asked that some areas could be improved upon with more succinct wording focused at a strategic level. The Executive agreed to take this on board for future reports.

In noting that DAERA have indicated that there are further points of clarification required on the draft Directed Research Fund (DRF) Policy and

that no new commitments should be entered into until this is resolved, the Chair agreed to discuss the matter with the DAERA Deputy Secretary, Mr Brian Doherty as this has the potential to delay the launch of projects and cause reputational damage to the Institute.

ACTION
Chair

The Board noted that AFBI are on target for retention of ISO accreditation but enquired as to the impact in the delay of accreditation for plant health and environmental water until 2020. In response, the CEO advised that there was no immediate impact on our current work commitments in these areas and delays had mainly been due to staff pressures. The CEO advised that the role out of accreditation will be considered as part of the business planning process for 2020/21.

In relation to the Chair's question on Assigned Work Programme (AWP) Costing Information to DAERA, the Executive advised that EMT had carried out further work on overhead rates and proposals have been presented internally in October 2019. It is envisaged that upon approval of the internal position a further meeting will be arranged with AFBI Sponsor Branch.

7. Finance

7.1 Finance Update

The Executive presented the finance update which shows AFBI's 2019/20 forecast outturn position as a £45k underspend in operating costs, £200k underspend in recurrent capital costs and £700k in depreciation costs.

A rigorous analysis of figures took place at the six-month stage and with staff at Head of Branch and Project Lead level gaining an enhanced understanding of the process. In terms of the internal audit recommendation in relation to the star chamber process, Mrs Kelly informed the Board that an additional control had been agreed where the updated spreadsheets will be recirculated to ensure that all parties are content.

In commenting on the efforts undertaken to establish the financial position, variances in income are expected to be reduced in comparison with previous years but it is essential that AFBI Finance is made aware of variances at the earliest opportunity.

With regard to the royalty position Mrs Kelly informed the Board that, while outstanding sales reports have yet to be received by QUB, patent information was provided to QUB which would indicate that there is no material change to the current position.

The Executive also advised that Finance had undertaken a detailed look at accrued income including the age profile. In terms of the accruals position in 2019/20, it was noted that a number of options had been included in the January Monitoring round. **ACTION**

The contract for externally procured expertise in the area of corporation tax is drawing to a close and Mrs Kelly informed the board that that a procurement process for revised services is in the pipeline.

In relation to costing, DAERA have been provided with outturn costs in respect of the Assigned Work Programmes for 2017/18 and 2018/19. A fully costed AWP for 2019/20 is anticipated to be submitted to DAERA at the end of November 2019. This is seen as a significant step forward in the provision of detailed costing information to DAERA.

8. Governance

8.1 Risk Management

8.1.1 *Reports of New or Emerging Risks*

There were no reports of any new or emerging risks.

8.1.2 AFBI Corporate Risk Register – September 2019

The Board noted the updates to the AFBI Corporate Risk Register dated September 2019 and was content to approve.

8.2 Whistleblowing

8.2.1 Reports of New or Ongoing Cases

There were no new cases of whistleblowing to report.

With regard to the two whistleblowing cases highlighted previously to the Board, it was noted that the NIAO whistleblowing case was not substantiated and has now been closed. As regards the second case raised internally, this allegation was upheld following a review of the situation and appropriate actions have been put in place and will be robustly monitored.

In noting the conclusion and outcome of the second case, the Board felt that this evidenced the effectiveness of AFBI's Whistleblowing Policy and Procedures.

8.3 Fraud

ACTION

8.3.1 Reports of New or Ongoing Cases

There were no new cases of potential fraud to report.

9. **AFBI Business Plan 2019/20**

9.1 AFBI Corporate Key Performance Indicators 2019/20 - Position at 30 September 2019

The Executive presented the paper setting out the progress of AFBI Corporate Key Performance Indicators (KPIs) 2019/20 as at 30 September 2019. The current position was noted as follows:

- 14 are on track for delivery (Green);
- 5 are broadly on track (Amber/Green);
- 1 is less progressed than planned (Amber);
- 3 are not expected to be achieved (Red).

In relation to specific queries on current progress, the following points were noted :

- KPI 6 – *'At least 90% of research projects completed for DAERA and external funders within budget tolerances'* - the Executive was content with the progress of external contracts at this time;
- KPI 8 – *'Actions from the Review of Business Continuity Management (BCM) delivered in line with action plan'* - Approval has been granted by EMT for a temporary post to assist with taking forward the BCM actions. If an additional resource is not found the Executive will be looking at alternative options to take this forward.
- KPI 11 – *'Retain ISO17025 accreditation and ISO9001 certification, and extend ISO 17025 accreditation to include plant molecular tests and environment water analysis'* – The KPI will not be achieved as the planned extension of accreditation for plant health and environmental water has been delayed until 2020. However, AFBI remain on target for the retention of accreditation.

10. **Equality Scheme**

10.1 Revised 5 Year Review of AFBI's Equality Scheme 2013-18

The Board approved the Revised 5 Year Review of AFBI's Equality Scheme 2013-18.

11. Health & Safety

11.1 Reports of New or Ongoing Cases

The Board was made aware of two incidents which occurred recently and preliminary investigations are underway.

One incident that occurred on the VSD site is potentially similar to an incident that reported at the September Board meeting. Engineer reports are awaited to confirm details and it was agreed that a further update on the incident would be provided to the Science Strategy Committee Meeting in December 2019.

Exec

11.2 AFBI Health & Safety Policy

The Board discussed the revised AFBI Health & Safety Policy which had previously been presented at the September Board meeting. Some feedback had been received and during the discussions some further clarification around the roles and responsibilities for non-executive Board members and the Executive was requested.

Board members were asked to provide any further feedback via correspondence and the Executive will take forward revisions in conjunction with AFBI Health & Safety. It was also noted that AFBI Health and Safety will be included on the Board Agenda for December 2019 and that the Head of AFBI Health & Safety will be in attendance.

**Board/
Exec**

12. Board Sub-Committees

12.1 Draft minutes from the Science Strategy Committee Meeting held on 5 September 2019

The Board noted the draft minutes from the Science Strategy Committee Meeting held on 5 September 2019.

Ms Burns highlighted a number of points to be considered at the December meeting including an extended session on science strategy.

12.2 Draft Minutes from the Organisational Development & Human Resources Committee Meeting held on 3 September 2019

The Board noted the draft minutes from the Organisational Development & Human Resources Committee Meeting held on 3 September 2019.

12.3 Draft Minutes from the Oversight & Governance Committee Meeting held on 18 September 2019

The Board noted the draft minutes from the Oversight & Governance Committee Meeting held on 18 September 2019.

12.4 Minutes from the Audit and Risk Assurance Committee Meeting held on 8 October 2019

In noting the minutes from the Audit and Risk Assurance Committee Meeting held on 8 October 2019, the Chair asked that wording in the minutes around the fast track application process be revised to show that the increase of approvals to £50k for Heads of Branch represents in-house approvals to bid for work.

Sec

12.5 Draft Minutes on the Audit and Risk Assurance Committee Meeting held on 5 November 2019

In noting the draft minutes on the Audit and Risk Assurance Committee Meeting held on 5 November 2019, Ms Houston drew the Board's attention to the fact that the Committee had endorsed management's reasons for not adjusting the misstatements within the accounts and was recommending that the Board approve the AFBI Annual Report and Accounts 2018/19 as presented under Item 13.

12.6 Audit & Risk Assurance Committee Chairman Annual Report 2018/19

The Board noted the Audit & Risk Assurance Committee Chairman Annual Report 2018/19.

13. AFBI Annual Report and Accounts 2018 - 2019

13.1 Cover Report - AFBI Annual Report and Accounts 2018 - 2019

Mr O'Neill presented the covering report which provides the Committee with an update on the completion of the AFBI Annual Report and Accounts 2018 – 2019.

The Northern Ireland Audit Office (NIAO) currently intend to issue a qualified audit opinion on the AFBI Annual Report & Accounts 2018/19 on the basis of a limited scope due to the lack of evidence supporting the £7m royalty income should misstatements not be adjusted.

AFBI believe that the £7m royalty income and associated costs within the Accounts are correctly recognised for the reasons outlined in the management response to NIAO findings within the draft Report To Those Charged With Governance. **ACTION**

13.2 AFBI Annual Report and Accounts 2018 - 2019

The Executive presented the draft AFBI Annual Report and Accounts 2018 – 2019 which had been completed in line with current Government Financial Reporting Manual (FReM) guidance.

Following discussion and the Audit & Risk Assurance Committee's recommendation, the Board noted the current position and approved the draft AFBI Annual Report and Accounts 2018 – 2019.

Finance will undertake final pagination and proofing in order to provide a final version for signing by the AFBI Accounting Officer and the Chairman. A signed Annual Report and Accounts and Letter of Representation by CEO will then be provided to the Comptroller & Auditor General. **Exec**

13.3 NIAO Draft Report To Those Charged With Governance

The Board noted the NIAO's draft Report To Those Charged With Governance and the intention to issue a 'qualified' opinion as discussed under Item 13.1.

13.4 Draft Comptroller and Auditor General Report

The Board noted the draft Comptroller and Auditor General (C&AG) Report which includes management responses and conclusions.

14. AFBI People Strategy - Presentation

Mrs Campbell provided a high level overview of the ongoing development of the AFBI People Strategy which will provide an overarching framework that aims to positively impact upon people, culture and work practices.

The draft People Strategy incorporates feedback and themes from a number of staff outreach events. It also aligns with AFBI's Corporate Plan and actions arising from the strategy will be focused on a two year period.

Mrs Campbell informed the Board that 6 key areas have been identified within the strategy and highlighted a number of points under the following provisional headings:

- Health & Wellbeing
- Leadership & Management
- Talent Management
- Communications & Engagement
- Equality, Diversity & Inclusion
- Learning & Development

ACTION

Mrs Campbell confirmed that benchmarking with other organisations and the wider NICS had taken place. Ownership and support from EMT & the Heads of Branch, and all staff taking ownership for their own career development/progression are seen as keys to the success of the strategy. In response to a question on communications, it was also noted that AFBI HR will be meeting with Heads of Branch individually to discuss the strategy. The Chair also agreed to meet with Mrs Campbell to discuss specific elements of the strategy.

Chair

The Board thanked Mrs Campbell for updating the Board on the AFBI People Strategy and welcomed the proposal to have the strategy and action plan in place by 1 April 2020. The Board noted the next steps in the process including further discussion at the Organisational Development & Human Resources Committee on 15 November 2019 as well as consultation with staff and Trade Union Side.

15. Any Other Business

15.1 AFBI Sustainability Policy

Mrs Kelly informed the Board that a draft AFBI Sustainability Policy required approval. Given the timelines involved it was agreed that the Policy will be circulated to Board members for approval and it will be formally ratified at the next AFBI Board meeting.

Exec

15.2 Circulation of Board Documentation

The Board noted that documentation circulated to their mobile devices are in a pdf format meaning that completion of forms or alterations to minutes cannot be completed. The Secretary advised that the matter is being investigated with IT Assist.

Some Board members also requested refresher training in relation to MinutePad and the Secretary will arrange.

Sec

15.3 SAG Training from DAERA

ACTION

Board members informed the Executive that they had received a number of e-mails in relation to SAG training from DAERA which they have not been able to action. In response, the Board was advised that Mr Glenn Montgomery, Head of Governance & Performance had met with a representative from DAERA's Digital Services Division and bespoke Board training, using the 'My Compliance Cloud' is to be developed initially around Cyber and Information Security Training.

Board members will be informed when this training is available and the access to the cloud has been resolved.

Exec

15.4 Communications Update to AFBI Board

The Executive informed the Board that an update from the Head of Communications will be provided to the Board in early 2020.

Exec

16. **Review of Board Meeting Effectiveness**

The Board was content that the meeting had been effective.

17. **Date of next meeting – 9 December 2019**

The next AFBI Board meeting will take place on Monday 9 December 2019.

Signed: _____
(Chairperson)

Date: _____