



**Minutes of the Meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Crossnacreevy, Belfast
on Wednesday 22 April 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
Prof Grace Mulcahy
Mr James Noble
Mr John Rankin
Mr Michael Walker
Mr Kieran Campbell

In Attendance - AFBI Executive

Dr George McIlroy, CEO
Dr Seamus Kennedy, DCEO
Dr Michael Camlin, DCEO
Dr Arthur Gilmour, DCEO (Acting)
Mr Venkat Deshpande, AFBI Head of Finance
Mr Joel Ferguson, AFBI Business Manager
Mr Stephen Cousins, AFBI Secretariat

1. Welcome and Introduction

ACTION

The Chair opened the meeting with a word of welcome and thanked Dr Camlin for hosting the Board meeting at Crossnacreevy and arranging a tour of the facilities that would enable the Board to obtain an insight into the work being carried out at Crossnacreevy.

2. Apologies

An apology was received on behalf of Mr Nicholas Mack.

The CEO also issued an apology on behalf of Dr Boyd who was absent due to illness. The Chair asked that the best wishes of the Board be conveyed to Dr Boyd.

3. Minutes of the Previous Meeting – 25 March 2009

It was proposed by Prof McNulty and seconded by Mr Rankin that the minutes of the previous meeting held on 25 March 2009 be accepted subject to the following amendment -

3.1 Item 4.4 – AFBI Audit Committee - Payment to Board Members who Serve on Board Sub- Committees

Second and third paragraphs insert the word “*increase*” after the word “*remuneration*”.

3.2 Item 14.1 – Update on Emergency Response to the Dioxins in Contaminated Feed

Replace the sixth paragraph with –

“In response the Board commented on the apparent ineffective and lack of joined up approach of the Northern Ireland Executive.”

4. Matters Arising from the Previous Meeting – 25 March 2009

4.1 Item 4.3 - AFBI Audit Committee/Renewal of Membership

The Chair informed the Board that he was content that Mr Rankin would provide continuity of service on the AFBI Audit Committee whenever Dr Hollywood and Mr Campbell relinquish their roles but had still to confirm who, from the current Board, would be willing to serve along with him.

The Chair also advised the Board that he had been in discussion with AFBI Sponsor Branch regarding the timetable for new Board appointments in respect of those current members whose term of office is due to expire at the end of the current financial year. During these discussions he had underlined the wish of the Board to see that future membership of the Board includes people with knowledge and skills in the areas of finance, commerce and environmental science.

AFBI Sponsor Branch (ASB) has indicated that the timetable for these appointments would see adverts appear in the press during September 2009. The Chair confirmed that he would circulate details of the ASB timetable as soon as he receives the details.

The Chair also made reference to a recent article that he had provided for the magazine “*Agenda NI*”. Mr Hogan stated that he had taken the opportunity during the interview to highlight AFBI’s commerciality and underline the fact that in today’s difficult financial climate AFBI was attracting funding through saleable science and some of this funding was obtained from sources outside Northern Ireland.

4.2 Item 4.4 – Payments to Board Members Serving on Board Sub-Committees

The Secretary advised the Board that AFBI Sponsor Branch (ASB) have been unable to locate any formal record of approval from DFP regarding the accumulative total of £5k that is used to pay Board members who serve on the Audit Committee and the Remuneration Committee.

In the discussion that followed the CEO suggested that a meeting with ASB maybe necessary in order to resolve this issue.

The Board were assured that all payments made to date were for the correct amounts and were justifiable.

The Chair was satisfied that having previously agreed the limits and the principles it was now a case of reviewing the ceiling and was content for the Executive to pursue the matter and provide a further update.

Exec

4.3 Item 4.6 – Draft AFBI Business Plan 2009/10

The CEO advised that the draft AFBI Business Plan for 2009/10 was currently with DARD for comment. A final draft has not yet been agreed but hopefully this will be arranged in time for the next AFBI Board meeting on the 27 May 2009.

**Exec/
CEO**

4.4 Item 7 – Account NI

CEO informed the Board that the Account NI system had gone live on 6 April 2009 and advised that the AFBI Senior Management Team were comfortable using the system even though there were still some outstanding issues centred on the cost of the service and the duration of the contract.

CEO advised that he had held a constructive meeting with Mr Gerry Lavery, Senior Finance Director, DARD and Mr David Thomson, DFP during which Mr Lavery had indicated that he was very supportive of AFBI's position particularly in relation to the issue of charging.

CEO advised the Board that the aim of the Executive would be to reach agreement on the charging issue and follow this up with further discussion on the contractual period. However, if AFBI can secure notional costs for the next two years then the Executive indicated that it was likely that they would proceed with the new system.

In terms of purchasing and ordering of goods, the feedback from AFBI staff would indicate that Account NI is more effective and the CEO advised the Board that there had been no adverse impact on receipt of goods or associated payments.

The Board signified that they were content with the approach taken by the AFBI Executive.

4.5 Item 9 – Report from Audit Committee

At the request of the Chair, Dr Hollywood provided the Board with a verbal report on the meeting he had held with Mr Donal Flanagan, Chair of the DARD Corporate Governance and Audit Committee. He informed the Board that the meeting had taken place as part of the outworkings of the Board's Effectiveness Review and was seen as one of the ways of enhancing the working relationship between the AFBI Board and DARD.

During the meeting three main areas of discussion had centred on –

- 1) Links between DARD and AFBI.
- 2) The role and responsibilities of DARD Internal Audit in respect of AFBI.
- 3) Best practice in Audit Committee.

In the discussions that had taken place Mr Flanagan expressed no desire and seen no need for a formal link to be established between both Audit Committees. With regard to DARD IA both parties agreed that DARD IA would provide a Quality Assurance role in respect of the reviews and work carried out by AFBI Internal Audit as well as providing a further interface between AFBI and DARD. In terms of best practice it was pleasing to note that the DARD Audit Committee was not performing any functions that were not also being carried out by the AFBI Audit Committee.

Dr Hollywood informed the Board that he had found the meeting beneficial and worthwhile and no concerns had been expressed by either party.

In response to Dr Hollywood's report, the AFBI Executive added that they were content with the outcome of the meeting and it was also noted that Dr Boyd and Mrs Gaw (AFBI Sponsor Branch) had also been in attendance.

The Board and the Executive acknowledged the role of Dr Hollywood and the excellent job that he was doing as Chair of the AFBI Audit Committee.

4.6 Item 10 – AFBI Board Effectiveness Review

The Chair reported that Mr Simon Parker had met recently with the AFBI Executive and following this meeting it had been agreed to hold another workshop which has been planned for the afternoon of Wednesday 24 June 2009 following the normal monthly meeting of the AFBI Board.

It was also noted that another aspect of the Effectiveness Review would be an examination of the Board appraisal system.

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

5.1 AFBI Risk Management

5.1.1 *AFBI Corporate Risk Register (CRR)*

The CEO advised the Board that the AFBI Risk Management Co-ordination Group had carried out a recent review of the Corporate Risk Register and in accordance with the agreed procedure a draft will be presented to the AFBI Audit Committee at its meeting on 28 April 2009. If agreed by the Audit Committee, the revised and updated CRR will then be presented to the Board at its next meeting on 27 May 2009.

5.2 Fraud and Whistleblowing

The Executive advised that there were no incidents of fraud or whistleblowing to report.

5.3 Health and Safety

The Executive advised that there were no Health and Safety incidents to report.

In the absence of Dr Boyd, the Executive advised that the Health and Safety report due to be presented at today's meeting would now be presented at the May Board meeting.

RB

5.4 Finance

The Executive presented the finance report for the year ending 31 March 2009 and highlighted a number of issues for the benefit of the Board.

In the discussion that followed, the Board noted that the income generated during the year had increased but this had been countered by an increase in expenditure. This increase in expenditure was due mainly to the steep rise in energy costs and to some extent the work that had to be carried out to meet AFBI's Emergency Response on the Dioxins in Contaminated Feed.

In commenting on the report the Board congratulated the Executive on balancing the budget as well as generating increased income in what are difficult times in the business world.

The Board suggested that it would be useful to see the areas where this increased income had been derived from. The Executive agreed that it would provide the required details as well as an outline of next year's (2009/10) income.

Exec

The Board also reflected on one of the main aims of the current Board Effectiveness Review which is to provide AFBI with a strategic direction and in response the Executive stated that it would gladly welcome the input of the Board on where the Board would see the organisation in five or ten years time.

Board Members were asked to consider the direction of the organisation in time for the Board Effectiveness Review Workshop being held in June 2009.

Board

The Executive were also reminded that they had agreed to provide the Board with a broad report on the work being carried out by the AFBI Strategy Implementation Teams at the Board Effectiveness Review Workshop.

Exec

6. AFBI Policies

6.1 AFBI Data Protection Policy

The Executive presented an AFBI Data Protection Policy to the Board for noting and approval. The Board were advised that this policy reflects current DARD and Northern Ireland Civil Service policies.

On a proposal from Prof McNulty, seconded by Mr Walker the Board approved the policy and accepted that this was a matter of good practice.

6.2 AFBI Software Licensing Policy

The Board were informed that the AFBI Software Licensing Policy was required in order to provide assurance to Network NI.

On a proposal from Dr Christine Kennedy, seconded by Mr Walker the Board approved the implementation of the policy on the basis that some additional information is added that makes reference to the overarching policy.

Exec

The Board also acknowledged that while AFBI has administrative restrictions in place the Executive may also wish to consider the implications and outcomes should pirate software appear on a Personal Computer.

7. AFBI Board Effectiveness Review

Further to the Chair's earlier comments, he reported that this was still a matter of work in progress and he would keep the Board informed of future developments. The Chair reminded the Board members that the next key date to note was the workshop on 24 June 2009.

8. Pensions Issue

A revised Business Case is currently with DARD for further consideration with the number of options listed being reduced to just two -

- 1) Do nothing.
- 2) Make arrangements to provide for the bulk transfer.

In the meantime revised Pensions Options Packs have been issued to a number of non-industrial staff due to an oversight relating to the Superannuation Compensatory Allowance.

A return date has been agreed that should still permit the process to be completed by the end of May 2009 but should this slip the Minister will have to be informed.

The Board were made aware that it is very unlikely that DFP will approve the Business Case until the final figures have been agreed but this will only be possible when the current consultation period is concluded.

The Executive agreed that it would keep the Board informed of developments as part of the standing agenda.

9. Rewards and Recognition to Staff Scheme

The Executive are currently drafting a Business Case which will be submitted to DARD for approval and forwarding to DFP. Given the role and input of the Remuneration Committee regarding this issue, the Board requested that the Remuneration Committee have sight of the final draft before it is submitted to ASB.

Exec

10. Proposal for a SAPO4 Facility

The Executive reported that work was continuing on the Business Case for a SAPO4 Facility and there were no significant milestones to report since the date of the last meeting.

Further meetings with DARD Facilities Management Branch regarding the infrastructure at VSD are planned for the coming months and the issue of a SAPO4 facility will undoubtedly be raised as part of the discussions.

11. Any Other Business

11.1 Update on AFBI Emergency Response to Contaminated Feed Incident

Dr Seamus Kennedy reported that since the last Board meeting the Forestry Group, Chaired by the CEO, had made some recommendations to the various Departments, in particular the Northern Ireland Environment Agency (NIEA). However, the Group were also aware that the NIEA were also taking advice from outside Northern Ireland and this has lead to a current stalemate in the process due to contradictory advice.

The Executive advised the Board that it still stands by the report and findings provided by the Scientific Working Group but acknowledged that the final decision rests with the NIEA.

The Board thanked Dr Seamus Kennedy for his report but expressed concern that this was still a live issue and were disheartened to learn that the NIEA were taking advice outside Northern Ireland whilst ignoring the local expertise that had been provided.

The Board also noted the potential this ongoing situation had in terms of portraying a negative effect on Northern Ireland given the comparative way that the issue had been handled by the Government in the Republic of Ireland.

A member of the Board advised that an inquiry would be held at Executive level into this issue and undoubtedly this will have a resource implication for AFBI in terms of having to participate in such an inquiry. Whilst the Executive acknowledged that this may indeed be the case it was content that AFBI had acted appropriately in all aspects of the Emergency and would continue to provide a local testing capability.

11.2 Rolling Database of Issues Arising from Previous Meetings

The Board noted that the Rolling Database had been revised and updated since the date of the last meeting.

At the suggestion of the Secretary, the Board agreed that reference to Risk Management could be moved from the “*ongoing*” section to the “*completed*” section and a note entered to the affect “*Action Completed on an Ongoing Basis*”. The Board also agreed that the issues of HR Connect and Account NI should be added to the database.

Sec

11.3 Balmoral Show

It was noted that information relating to the key areas that AFBI would be highlighting at the Balmoral Show for 2009 had been circulated to the Board.

The CEO informed the Board that AFBI would be making available the same arrangements to Board Members as last year i.e. tickets and transport from Newforge. A note for Board Members would be issued prior to the event.

Exec

The Board were advised that AFBI will have a position on the "Government Stand" and the AFBI Promotional Trailer will also be at the Show.

11.4 AFBI Business Plan 2008-09

At the request of the Board, the Executive agreed that it would provide information and details relating to the outturns from the AFBI Business Plan for 2008-09.

**Exec/
RB**

12. Date of Next Meeting

Before closing the meeting the Chair took the opportunity once again to thank Dr Camlin for the use of the Crossnacreevy facilities and indicated that the Board were looking forward to the tour of the site.

The next meeting of the Board will be held on Wednesday 27 May 2009 at AFBI (HQ) Newforge.

Signed: _____
(Chairperson)

Date: _____