



**Minutes of the Meeting of the Agri-Food and Biosciences Institute
(AFBI) Board
held in
the Boardroom of the
Belfast Harbour Commissioners,
Harbour Office, Corporation Square, Belfast
on Tuesday 24 April 2012 at 10.00am**

Present – Board Members

Mr Sean Hogan, Chair
Mr Seamus McCaffrey
Mr Alan McKeown
Mrs Hilda Stewart
Mr Bob McCann
Mrs Hilary McCartan
Mr Trevor Hinds

In Attendance - AFBI Executive

Prof Seamus Kennedy, CEO
Dr Michael Camlin, DCEO
Prof John Davis, DCEO (Acting)
Mr Joel Ferguson, Head of Corporate Services Division (Acting)
Mr Paul Brennan, Head of AFBI HR
Mr Venkat Deshpande, Head of AFBI Finance

Mr Stephen Cousins, AFBI Secretariat

Observers

Prof Bill McKelvey
Dr Cecil McMurray
Mr Ken Millar
Mrs Sarah Havlin
Mr David Lindsay
Prof Patrick Murphy

1. Welcome and Introduction

ACTION

In his opening comments the Chair welcomed all present, especially those who were again attending the Board meeting as observers given that DARD have not yet issued confirmation of appointments.

In his opening comments the Chair also made reference to the meeting being held in the offices of the Belfast Harbour Commissioners which was chosen because of its close proximity to the berth of the AFBI ship, RV Corystes which would be hosting a tour for the Board following the conclusion of today's meeting.

The Chair asked that a vote of thanks be forwarded to all involved in making the necessary arrangements for today's meeting and the Secretary to forward a letter of thanks to the Harbour Commissioners on behalf of the AFBI Board.

SEC

2. Apologies

An apology was received on behalf of Dr Glenn Kennedy, Acting DCEO who was unable to attend due to other AFBI business commitments.

3. Conflict of Interests Declaration

There were no conflicts of interest declared.

4. Draft Minutes of the Previous Board Meeting held on 27 March 2012

On a proposal from Mr Seamus McCaffrey, seconded by Mrs Hilda Stewart, the Board approved the draft minutes from the previous Board meeting held on 27 March 2012 without amendment.

5. Matters Arising/Action Points from Previous AFBI Board Meeting held on 27 March 2012

5.1 Development of an AFBI Non-Solicitation and Protection of AFBI Intellectual Property Policy – Item 5.1

A draft policy is in the process of being finalised and should be available in time for the AFBI Board meeting on 22 May 2012.

EXEC

5.3 Sharing of Financial Awards – Item 5.4

The Board accepted that this matter would be the subject of further discussions between the Chair of the AFBI Board Remuneration Committee, once his appointment has been confirmed, and the CEO and a meeting would be arranged as soon as the new members have received confirmation of their appointments.

CEO

5.4 AFBI Invoicing Processes – Item 5.5

The Chair of the Finance Committee confirmed that this matter had been discussed in the context of the AFBI Debtors Report and the Chair of the Finance Committee informed the Board that she accepted that the Executive are aware of the importance of having invoices issued promptly and that AFBI have been proactive in addressing the issue of outstanding payments.

(Mr McKeown entered the meeting)

5.5 Appointment of Non-DARD Business Manager – Item 5.7

Interviews were held recently for the post of Intellectual Property (IP) Manager. However, despite having advertised the post externally AFBI were not successful in finding a suitable person for the post.

On the foot of this competition the Executive informed the Board that it

would now be reviewing the job description for the Non-DARD Business Manager with a view to incorporating some elements of the IP Manager's post. Two competitions will now be run in parallel and it is anticipated that appointments will be made in approximately 4-months.

In the meantime the existing arrangements in respect of the IP Manager's post will continue.

5.6 Equal Pay Deal – Item 7.2

The Executive reported that it was working with DARD to clarify outstanding issues in relation to the business case that it had submitted to DARD

EXEC

In response, the Chair underlined the Board's growing disappointment at the lengthening delay in resolving this matter.

5.7 AFBI Estate Strategy – Item 7.6

The Executive informed the Board that a joint AFBI / DARD working group has been established to take forward the various elements of the AFBI Estate Strategy. The first priority to be considered is the future of the main building at AFBI Stormont and as a first step in this process AFBI have been asked to identify which functions may be transferred to AFBI Stormont from other AFBI sites.

This initial exercise is due for completion by the end of June 2012 but the Executive are keen to have Board input and with this in mind the Executive will present a paper to the Board at the next Board meeting on the 22 May 2012.

EXEC

The Executive also advised the Board that the plan for a SAPO4 facility now appears less likely given the current financial climate and the immediate need to concentrate on the VSD main building.

6. Chair's Business

6.1 Temporary Appointment - Head of Corporate Services Division

The Chair gave a report on a meeting that had been held on 2 April 2012 with the DARD Permanent Secretary to discuss an offer from DARD to appoint someone as interim Head of AFBI Corporate Services Division.

The Chair confirmed that AFBI were willing to accept this offer but he was disappointed to find, that since the date of the meeting there have been no further developments.

The Chair agreed to pursue the matter and keep the Board informed but he also assured the Board that this interim arrangement, if it proceeds, would not have any adverse impact on AFBI's plans to have this position filled on a permanent basis.

CHAIR

6.2 Draft AFBI Business Plan for 2012/13

The Chair informed the Board that the Executive has prepared a draft AFBI Business Plan for 2012/13 but given that the AFBI Board is still awaiting for new Board members to be appointed he advised that it would be inappropriate for the Business Plan to be approved without new members having had an opportunity to comment.

The DARD Permanent Secretary has been made aware of the Board's position and has been informed that it is highly unlikely that the 2012/13 AFBI Business Plan will be presented to the DARD Board at its meeting on 14 May 2012.

The Board expressed its support for the position taken by the Chair and the Executive agreed to circulate the draft Business Plan to Board members in advance of the next Board meeting and accept comments via email.

EXEC

(Dr David Armstrong entered the meeting)

7. Draft AFBI Records Management Policy and Strategy

A draft AFBI Records Management Policy and Strategy was presented to the Board on behalf of the Executive by Dr Armstrong Head of AFBI Information Systems.

Following a lengthy discussion the Board endorsed this initiative and accepted the document as an overarching Records Management Policy. However, the Board decided that some additional work is required before it would be in a position to formally approve the policy and requested sight of a subsidiary paper detailing the various options that have been evaluated and an implementation plan.

The Executive agreed to undertake the additional work requested and will aim to have a subsidiary paper for presentation to the Board in September or October 2012.

EXEC

(Dr David Armstrong left the meeting)

8. CEO's Report to the Board

The CEO presented his report to the Board and highlighted a number of issues for the benefit of Board members.

The main point of discussion centred on the issue of *Business Development* and AFBI's applications for Stimulus Funding. Given that the Stimulus Fund permits the payment of only 30% overheads, if all of the AFBI applications are successful, this would result in AFBI incurring an actual shortfall.

This again raises the issue for the need for AFBI to have a top-up fund and the Board acknowledged that this is a very important issue and one that the

Board would be very keen to discuss with DARD.

ACTION

The CEO reminded Board members that AFBI is due to meet with the DARD Board on 14 May 2012 and this may provide an opportunity to raise issues such as this.

9. Organisational Review of AFBI

Following the previous Board meeting on 24 April 2012 the Executive confirmed that the KPMG Report on the Organisational Review of AFBI had been forwarded to Trade Union Side (TUS) and initial comments have now been received.

The CEO will now convene a meeting of the AFBI Senior Management Team and AFBI Branch Heads following which he will then write to all AFBI staff and publish the report on the intranet.

TUS have requested a period of time to allow for staff consultation; the Executive have yet to agree a time period for this consultation and until AFBI receives a formal TUS response the Executive has been informed that the paper must remain in draft.

The Executive confirmed that the recommendations contained in the report will also be encompassed in the 2012/13 AFBI Business Plan to be approved by the AFBI Board and at the request of the Board an implementation plan will remain as a standing item on the Board agenda.

SEC

10. Report from AFBI Board Finance Committee Meeting held on 23 April 2012

The Chair of the AFBI Board Finance Committee gave a report on the items discussed during the Finance Committee meeting held on 23 April 2012.

Amongst the items discussed was the content and presentation of the financial information provided to the Board and the Chair of the Finance Committee confirmed the need for further discussion with the Executive in relation to this matter.

The review of overheads was also discussed and the Executive have been asked to provide a paper in time for the next AFBI Board meeting in May 2012.

EXEC

The development of a Strategic Cost Model was also on the agenda and the Executive advised that it should be in a position to provide an update at the next AFBI Board meeting in May 2012.

EXEC

A report was also received on behalf of the AFBI Rationalisation Group and the Finance Committee has recommended to the Executive that it would be beneficial if the Board received a report on the work being carried out by this Group at a future Board meeting.

EXEC

However, the priority for the Board must be the closing of the 2011/12 AFBI Accounts and while the Finance Committee were disappointed to find that the Northern Ireland Audit Office have not supplied a timetable it accepted

ACTION

that this does not prevent AFBI from doing so and the Board recommended that the Executive proceed with the closure of the accounts for 2011/12.

EXEC

11. Finance

11.1 Draft AFBI Budget for 2012/13

Details of the draft AFBI Budget for 2012/13 were presented to the Board and a number of important issues were highlighted including a decrease in the DARD Grant-in-Aid and a forecasted increase in the Non-Grant-in-Aid which is due to an increase in Divisional income.

The Board were asked to note that the Capital Allocation for 2012/13 had also witnessed a significant decrease in comparison to 2011/12 and the Executive advised that it would be holding the 2012/13 allocation solely for emergency purposes.

In the discussion that followed the Board queried a number of items and in response the Executive advised that these were initial figures as not all of the financial information relating to the end of year accounts for 2011/12 is available at this stage and further work would be required as soon as all of the accruals had been taken into account.

The Executive advised the Board that this is due mainly to the lack of resources within AFBI Finance but this situation is being addressed with interviews having been completed recently for the recruitment of two new accountants.

The Board accepted that a further update would be provided in time for the May Board meeting.

EXEC

11.2 Cash Flow Report

In presenting the Cash Flow Report for 2011/12, the Executive confirmed that the cash flow had not been a problem for AFBI during 2011/12 and the Board were content to note.

12. Report from Audit Committee Meeting held on 29 March 2012

12.1 Draft Minutes from Audit Committee Meeting held on 29 March 2012

The draft minutes from the Audit Committee meeting held on 29 March 2012 were presented by the Chair of the Audit Committee and duly noted by the Board.

One of the issues arising from the minutes was uncertainty over *Director's Liability Insurance* and whether or not this insurance is in place for AFBI

EXEC

Board members. The Board asked the Executive to check the current position and provide a response at the next AFBI Board meeting.

ACTION

12.2 Draft Terms of Reference for AFBI Audit Committee revised following the Audit Committee meeting held on 29 March 2012

The Board approved the revised Terms of Reference for the AFBI Audit Committee as amended at its meeting held on 29 March 2012.

13. Report from AFBI Board Strategy Committee Meeting held on 27 March 2012

13.1 Draft Minutes from Strategy Committee Meeting held on 27 March 2012

The draft minutes from the previous Strategy Committee meeting held on 27 March 2012 were presented to the Board and duly noted.

The Board were informed that the draft strategy paper from VSD had been completed by Dr Bryson prior to his retirement and the Committee would now move forward on the basis of the initial statements provided by each of the AFBI Divisions.

13.2 Former Chair's Hand Over Paper

The Board were provided with a copy of the *Hand Over Paper* prepared by the former Chair of the Strategy Committee, Mr Michael Walker and were content to note.

14. Draft AFBI Board Scheme of Delegation and Standing Orders

The Board accepted the draft AFBI Board Scheme of Delegation and Standing Orders for noting rather than approval at this stage given that not all members of the Board have had sight of the paper.

The Chair asked that an electronic copy of both papers be circulated to all present and any comments be forwarded to the Secretary in advance of the next AFBI Board meeting when the Board would hope to be in a position to approve.

EXEC

15. Draft AFBI Counter Fraud Policy

The Board were presented with a draft copy of the AFBI Counter Fraud Policy and agreed to note rather than approve on the basis that not all of the Board members were in a position to do so.

The Chair asked that a copy of the draft policy be circulated to those in attendance and any comments be forwarded to the Secretary in advance of the next AFBI Board meeting when the Board would hope to be in a position to approve.

EXEC

One point was noted in relation to the UK Bribery Act and a suggestion that

this Act should also be referred to in the AFBI Counter Fraud Policy. The Executive advised the Board that it was in the process of developing a separate policy in relation to the UK Bribery Act but would ensure that the AFBI Counter Fraud Policy would also contain reference to it.

ACTION

EXEC

16. Governance Issues

16.1 AFBI Risk Management

16.1.1 New or Emerging Risks

The Executive reported that no new or emerging risks to the organisation had occurred since the date of the previous meeting.

16.1.2 Emergence of a Financial Risk - Update

The Executive provided an update on the emergence of a finance risk as reported at the previous Board meeting and confirmed that a substantial income payment had only been received at the end of the last financial year 2011/12.

The Executive made the Board aware of the implications that this would have for the 2011/12 accounts and assured the Board that it was currently examining ways to avoid a future reoccurrence.

EXEC

16.2 Whistleblowing and Fraud

The Board were notified of an accusation that had been made against a member of AFBI staff who had allegedly used an AFBI vehicle for private use.

Following a referral to the DARD Central Investigation Unit, it was determined that no fraud had been committed but grounds may exist for disciplinary action to be taken.

The matter now rests with AFBI management to consider an appropriate course of action.

16.3 Health and Safety

The Executive informed the Board that since the date of the previous meeting a problem had occurred with the incinerator at AFBI Stormont. The Executive confirmed that it was satisfied that the incident posed no major threat to the environment but under current legislation the matter would have to be treated as a reportable incident.

17. AFBI Personnel

17.1 AFBI Starters and Leavers Report

The Executive presented the AFBI Starters and Leavers Report to the Board

and highlighted the fact that there had been 49 leavers and 15 new starts during the course of the 2011/12 Financial Year.

ACTION

The Executive also underlined the constant tension that exists in determining which vacancies are filled but confirmed that AFBI do have a business critical scheme in operation to assist management in its deliberations.

On examination of the report the Board queried the apparent increase in the use of agency staff during the course of 2011/12 but on the foot of an explanation from the Executive the Board were willing to accept that this was a peak rather than an upward trend.

17.2 AFBI Staff Headcount and Full Time Equivalent (FTE) Figures at 21 April 2012

The Executive presented the Board with a draft report showing the breakdown of staff across the organisation.

In welcoming the report the Board expressed a desire for the Executive to include the following information in future reports –

EXEC

- A breakdown of admin grades
- The current status of Branch Heads and AFBI Senior Management in terms of temporary promotions and acting-up
- The number of post-grads/research students in AFBI

18. Reports from AFBI Divisions

The reports from each of the AFBI Divisions outlining the work being undertaken and some of the key issues arising were presented to the Board for noting and discussion.

In response the Board expressed its appreciation for each of the reports received as it help members gain an understanding of the nature and depth of work being carried out across the organisation.

18.1 Matters Arising from the Reports from AFBI Divisions

18.1.1 Veterinary Sciences Division

The Board were informed that Dr Glenn Kennedy has been appointed as Acting Head of Veterinary Sciences Division.

18.1.2 Corporate Services Division

The Executive provided the Board with an update on the negotiations taking place with a commercial company to form a new venture in the animal health sector from which AFBI would receive a benefit.

The Board were made aware that the Executive was experiencing difficulties in developing a commercial agreement that could be approved by

the Department within the timescales required.

ACTION

This example highlights the difficulties experienced by AFBI in its attempts to enter into commercial arrangements.

19. Any Other Business

19.1 Rolling Database of Issues Raised at AFBI Board Meetings

The Board was content to note the updates made to the Rolling Database to reflect the position at the date of the previous meeting.

19.2 Balmoral Show

Board members were reminded of the Balmoral Show being held from 16 to 18 May 2012.

20. Date of Next Meeting

The next AFBI Board meeting will take place on Tuesday 22 May 2012 in AFBI Loughgall.

Signed: _____
(Chairperson)

Date: _____