



**Minutes of the Meeting of the Agri-Food and Biosciences Institute
(AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 24 June 2009 at 10.00 am**

Present – Board Members

Mr Sean Hogan, Chairperson
Dr Michael Hollywood
Dr Christine Kennedy
Mr John McKinley
Prof Stewart McNulty
Mr James Noble
Mr John Rankin
Mr Michael Walker
Mr Kieran Campbell
Mr Nicholas Mack

In Attendance - AFBI Executive

Dr George McIlroy, CEO
Dr Michael Camlin, DCEO
Dr Seamus Kennedy, DCEO
Dr Arthur Gilmour, DCEO (Acting)
Dr Robin Boyd, DCEO
Mr Joel Ferguson, AFBI Business Manager
Mr Stephen Cousins, AFBI Secretariat

Visitor - Mr Simon Parker, CPR Ltd

1. Welcome and Introduction

ACTION

Mr Hogan welcomed everyone present particularly Mr Simon Parker who would be facilitating the Board Effectiveness Review Workshop being held following today's Board meeting.

2. Apologies

Apologies were received on behalf of Professor Grace Mulcahy and Professor David McDowell, although it was noted that Professor McDowell was attending another event as a representative of the AFBI Board and would be in attendance later in the day.

3. Minutes of the Previous Meeting – 27 May 2009

It was proposed by Mr McKinley, seconded by Mr Noble that the minutes of the previous meeting held on 27 May 2009 be accepted without amendment.

4. Matters Arising from the Minutes of the Previous Meeting – 27 May 2009

4.1 Item 5.1.1 – AFBI Corporate Risk Register

The Secretary confirmed that all of the actions listed under this item had been completed and the comments of the Board had been reflected in the AFBI Corporate Risk Register.

It was also noted that the Executive would provide the Board with an update on HR Connect under Item 6 on today's agenda.

4.2 Item 5.2 – Fraud and Whistleblowing

The Executive informed the Board that the current independent investigation relating to an incident of whistleblowing was still ongoing and a report has not yet been received.

4.3 Item 5.3.1 – Health and Safety Briefing – (external assistance to undertake Risk Assessments)

The Executive reaffirmed that AFBI has the ability to undertake its own Risk Assessments but assured the Board that if it proved necessary to seek external input, the Executive would discuss this with members of the Board who may be in a position to advise.

4.4 Item 5.4 – Finance – (details relating to ring-fenced budget)

The Executive informed the Board that the details contained in the monthly Finance Report relating to Non-Food Crops represented funding that had been provided by an additional funding opportunity known as the Chancellor's Fund or the Innovation Fund and distributed through DFP.

The Executive advised that an opportunity to bid for this funding had presented itself during the course of the last financial year and AFBI along with DARD had put together a programme of research based on the extraction of high value products from grass. However, this research may also provide opportunities that could be extended to other crops. The Executive also advised that there may also be future potential to acquire European Funding under Framework programmes in respect of this research.

In terms of the financial report that is presented to the Board, the Executive advised that it was necessary to show this funding as being ring-fenced because it was not part of the DARD grant-in-aid and had to be accounted for separately.

The Board thanked the Executive for providing a report and congratulated the Executive on having obtained the funding for a very interesting area of research.

4.5 Item 5.5 – AFBI Business Plan 2009/10

4.5.1 *Information on derived income*

The Executive advised that the 2008/09 Accounts were still in the process of being finalised but agreed that as soon as these are complete the relevant information detailing the particular areas where income had been derived from would be made available to the Board as agreed.

4.5.2 *Copy of AFBI Business Plan 2009/10 to be circulated to the Board*

Confirmation of DFP approval is still awaited but as soon as this is received a copy of the AFBI Business Plan 2009/10 will be issued to Board members for their information.

Exec

4.6 Item 8.1 – AFBI Information Security Policy – (suggested use of encrypted memory sticks)

The Executive confirmed that AFBI was in the process of addressing this issue with a security review currently underway. The Executive acknowledged that this issue was particularly relevant in light of the recent theft of laptops from DFP and the Board's suggestion of using encrypted memory sticks would be taken into consideration whenever final security arrangements are being put in place.

4.7 Item 9 – Implementation of AFBI Strategies

The Board were asked to note that the presentation on the progress made to date on the implementation of the AFBI Strategies would be given at the start of the Board Effectiveness Review Workshop being held after today's Board meeting.

4.8 Item 11 – AFBI Board Effectiveness Review

The Chair advised the Board that both of the action points relating to this matter had been completed. Mr Parker has provided a copy of the agenda which has been circulated to the Board and the Chair and the Deputy Chair having already met with Mr Parker to consider proposals for a revised Board appraisal system.

4.9 Item 13 – Rewards and Recognition to Staff Scheme – (renaming of the Scheme)

A revised Business Case is currently in the process of being completed and the Executive confirmed that the renaming of the Scheme would be considered as part of the process.

4.10 Item 14.3 – Rolling Database of Issues Raised at Board Meetings

The Secretary confirmed that the Rolling Database had been updated to reflect the current position following the previous Board meeting held on 27 May 2009.

5. Report from Corporate Services Division

5.1 Risk Management

The Executive informed the Board that there were no new risks to the organisation that had arisen since the last date of meeting.

The Executive also informed the Board that they had held a recent meeting with AFBI Internal Audit on the subject of Risk Review and were happy to report that there were no major issues arising. A small number of suggested improvements have been made and when these are implemented they will enhance the current Corporate Risk Register and improve the management of the risks.

The Board acknowledged that having a good Risk Register is essential but recognised that it is more important to be proactive in managing the risks. The Chair of the Audit Committee, Dr Hollywood assured the Board that the Audit Committee monitors the actions to manage the risks on a regular basis and were satisfied that the Executive is proactive in this area.

In response the Executive stated that it was appreciative of the Board input into what is, a *“living document”*. The Executive also reported that the Corporate Risk Register would be reviewed formally by the AFBI Risk Management Co-ordination Committee on a six-monthly basis but given the fact it is a *“living document”*, it is constantly on the agenda at numerous meetings held at various levels throughout the organisation.

5.2 Whistleblowing and Fraud

The Executive informed the Board that there were no incidents of whistleblowing or fraud to report since the date of the previous Board meeting.

5.3 Health and Safety

The Executive informed the Board that there were no major Health and Safety related incidents to report since the date of the previous Board meeting. The monitoring of Health and Safety remains a high priority for AFBI and continues throughout the organisation.

5.4 Finance

The Board were asked to note that the figures presented in the finance report had not been derived exclusively from the Account NI system. This was due to the final accrual figures not yet being available for uplift but work is ongoing in this area and the Executive were confident that any outstanding issues would be addressed in time for the next Board meeting.

The Board acknowledged that payments made under the Account NI new system appear to be issued faster than they were under the previous DAISY/ORACLE finance system.

This was supported by the Executive but it was also noted that there was a need for AFBI to ensure that our debtors list does not increase and that invoices for work carried out by AFBI are issued and paid on time thereby maintaining an adequate cash flow.

5.5 AFBI Innovations

The Executive advised that a short paper relating to recent business developments had been completed. However, given the tight schedule for today's meeting it had been decided to issue this following the meeting. The Secretary was asked to take note and arrange accordingly.

Sec

5.6 AFBI Policies

Research Misconduct Policy and Procedures for Investigating Allegations of Research Misconduct

The Executive presented the Board with a copy of the AFBI Research Misconduct Policy for approval. The Executive advised that there was a need for AFBI to have such a policy in place in order that the Welcome Trust would accept AFBI as an eligible Institute.

The Executive confirmed that the policy had been subject to an Equality Impact Assessment and a legal opinion had also been given.

In light of these comments it was proposed by Mr Walker, seconded by Dr Christine Kennedy that the Board approve the implementation of the policy subject to the Executive reviewing paragraphs 4.4 and 4.5 as there was a need to provide further clarity on the wording.

Exec

6. **HR Connect**

The Executive stated that it was sorry to report that problems with HR Connect persist with most of the major Northern Ireland Civil Service

Departments and their respective Permanent Secretaries now being of the same opinion as AFBI.

In practical terms, it is clear that the system cannot cope with any changes in staff routine whether this be promotions, working patterns or leave and the unfortunate aspect of this is the impact it is having on the daily business of the organisation. For example, the Executive outlined a recent case involving the issue of a P60 that contained the wrong information. This in turn resulted in an application for a University grant being declined. Furthermore, whenever this matter was raised with HR Connect their response was totally unacceptable as they did not appear to understand the importance of a P60 and the significance of the information that it contains.

In the discussion that followed the Board expressed their support for the Executive and whatever action is required in order to mitigate the adverse impact the system is having on the organisation. However, it was noted that withdrawing from the system was not an option as AFBI is locked into HR Connect due to the reliance on the payroll element.

The Executive advised the Board that AFBI HR Branch retains a record of the problems that staff have encountered and another meeting with representatives of HR Connect has been arranged to discuss the ongoing problems. The Board suggested that in light of the report from the Executive, that it may be worthwhile inviting representatives from HR Connect to address the Board at a future Board meeting but were content to leave the final decision regarding this suggestion, to the Executive. In response the Executive agreed that it would give further consideration to the Board's suggestion but assured the Board that it would continue to press representatives from HR Connect on behalf of both the Board and the Executive.

The Board also suggested that it was important that the Head of the Northern Ireland Civil Service (NICS) is made aware of the difficulties arising from the implementation of the system therefore it was agreed that following the meeting with HR Connect, the Chair would write to the Head of the NICS and would also raise the issue at the forthcoming AFBI Review Meeting when the Minister would be in attendance.

The Chair of the AFBI Audit Committee, Dr Hollywood reported that the Northern Ireland Audit Office were also showing an interest in this matter and the Audit Committee would have an opportunity to discuss this with representatives from the NIAO during the forthcoming Audit Committee meeting being held this coming Friday (26 June 2009).

In concluding the discussion the Board indicated that they had a genuine concern for AFBI staff and offered to do all in their power to assist the Executive in alleviating the problems that are being encountered.

However, one element of HR Connect that the Executive did

acknowledge was presenting few problems was recruitment. This would appear to be due mainly to the staff working in this area who are more open and acceptable to change in comparison to those working in the other elements of HR Connect.

7. Account NI

The Executive reported that while the migration to Account NI was not seamless it did not cause any major problems and was not as difficult as the transition from DARD to AFBI.

Initial indications would show that AFBI now has a robust financial system that allows for more efficient auditing of the Accounts and a faster more accurate system in terms of closing the Accounts at the end of each month and at the end of the financial year. The system also provides the necessary financial and corporate governance assurances to the CEO in his role as Accounting Officer.

In terms of the two residual issues relating to hard charging and the contractual commitment, the Executive informed the Board that it had been agreed with DFP that AFBI would be charged notionally in line with other NICS Departments and the Executive were content that as long as the system is providing AFBI with the level of service that is required then it would be difficult to justify moving to another system.

The Board thanked the Executive for the positive report and were pleased to learn that Account NI was being embedded within the organisation without too many problems.

In the discussion that followed the Board enquired about the implementation of a costing system and how this would interact with Account NI.

The Executive advised that a Time and Task Recording System (TTRS) for AFBI staff has been in operation within AFBI for the past year and a software programme is currently being written that will provide a link between the TTRS and Account NI. The information that will then become available will enable AFBI to challenge the cost of the current work programme and provide some indication of how much scientific information/advice that DARD receive in comparison to what is actually paid for.

The CEO reassured the Board that the AFBI TTRS is as good as any in the public sector but acknowledged that it is only as good as the details that are entered. The Board thanked the Executive for this useful and informative report.

8. Pensions Issue

The Executive provided the Board with an update on the Pensions Issue. The Board were informed that the Business Case had been forwarded to DFP via DARD and there were some technical issues that now required further discussion. A meeting involving all of the relevant parties is now in the process of being arranged to help clear these final hurdles.

In the meantime the Government Actuary's Department (GAD) have been asked to provide the necessary details that will enable DARD to present a bid for the necessary funding to cover the bulk pensions transfer.

In terms of completion, the Executive stated that they were hopeful that this matter could be finally settled by the end of October or early November at the latest.

As well as the bulk transfer of funding in respect of the pensions, the Executive also advised that there was another issue relating to backdated pay for ex ARINI staff that is being addressed. This will require a separate Business Case that is currently being prepared but the Executive were confident that this would not be a major issue and result in any further delays.

During the discussion that followed the Executive assured the Board that no ex-ARINI staff have been disadvantaged due to the time it has taken in trying to resolve the Pensions Issue and in terms of the 2008/09 Accounts, the figures required from GAD should be available in line with the agreed timeframe.

9. Rewards and Recognition to Staff Scheme

As reported earlier in the meeting (see Item 4.9), the Executive confirmed that the Business Case was still in the process of being completed and the issue surrounding the name or title of the scheme had been carried forward for consideration as part of the overall process.

10. AFBI Strategies

The Executive informed the Board that a high level update would be provided on the progress made to date on the implementation of the AFBI Strategies. This update would be provided prior to the Board Effectiveness Review Workshop being held immediately after today's Board meeting.

11. Board Effectiveness Review

The Board acknowledged receipt of the agenda and timetable in respect

of the Board Effectiveness Review Workshop and the Secretary confirmed that all of the arrangements outlined by Mr Parker, had been made.

12. Any Other Business

12.1 Rolling Database of Issues Raised at Board Meetings

The Board noted the changes to the Rolling Database and signified that they were content.

The Secretary was asked to provide a further update following today's meeting.

Sec

13. Date of Next Meeting

The next meeting of the Board will be held on Wednesday 26 August 2009.

***Note:** The Board meeting ended at approximately 11.30 am and this was followed immediately by the Board Effectiveness Review Workshop which was Chaired by Mr Hogan and facilitated by Mr Parker.*

The proceedings were opened by the AFBI Chief Executive Officer, Dr McIlroy who gave a presentation on the progress made on the implementation of the AFBI Strategies.

Signed: _____
(Chairperson)

Date: _____