



Minutes of the meeting of the Agri-Food and Biosciences Institute (AFBI) Board
held at
AFBI Newforge (Headquarters), Belfast
on Wednesday 26 November 2008 at 10.00 am

Present:

Board members

Mr Sean Hogan, Chairperson
Professor David McDowell, Deputy Chairperson
Mr Kieran Campbell
Dr Michael Hollywood
Dr Christine Kennedy
Professor Grace Mulcahy
Mr John McKinley
Professor Stewart McNulty
Mr Jim Noble
Mr John Rankin
Mr Michael Walker

In Attendance: Dr George McIlroy, Chief Executive Officer
Dr Robin Boyd, Head of Business Support Unit
Mr Paul Brennan, Head of Human Resources
Mr Joel Ferguson, AFBI Business Manager
Mr Stephen Cousins, AFBI Secretariat

Apologies: Mr Nicholas Mack, Board Member
Dr Michael Camlin, Deputy Chief Executive Officer
Dr Seamus Kennedy, Deputy Chief Executive Officer
Dr Arthur Gilmour, Acting Deputy Chief Executive Officer

Welcome and Introduction

The Chair opened the meeting and thanked all for attending. The Chair acknowledged that today's meeting was due to take place at AFBI Hillsborough but advised that the change of venue was necessary as construction work was ongoing at the Hillsborough site and to proceed with the original arrangements would have meant interrupting the work schedule.

However, the Chair gave an undertaking that the Board would hold a meeting at AFBI Hillsborough early in the New Year (2009).

1. Minutes of the previous meeting held on 22 October 2008

It was proposed by Mr Walker and seconded by Mr Rankin that the minutes of the previous meeting be accepted without amendment.

2. Matters Arising/Action Points from Minutes of 22 October 2008

The Chair addressed the matters arising/action points from the previous meeting that would not be covered during the course of the meeting.

2.1 Item 3.1 – Draft Corporate Plan 2008 to 2011

The Executive advised that the final signed copies of both the AFBI Corporate Plan 2008 to 2011 and the AFBI Business Plan for 2008/09 had not yet been received from DARD but as soon as both documents have been returned they will be circulated to members of the Board.

It was agreed that Dr Boyd would attend to this matter on behalf of the Executive.

Action: Dr Boyd to pursue this matter on behalf of the Executive.

2.2 Item 8 – Open Board Meeting

The Board agreed that it would wait until the Accounts for 2007/08 have been signed-off before finalising arrangements.

However, the Board did agree that it would aim to hold the Open Meeting in February 2009.

3. Report from Chief Executive's Office

3.1 Renewables Conference

Dr Boyd took the opportunity to provide the Board with some feedback and comments that had been received from participants and speakers all of which were very complimentary. The Executive advised that it would compile all of the responses and circulate them to Board members for information.

The Executive are also in the process of making a post conference DVD of the event and will forward this to Board members in draft to ascertain their views/comments before finalising. Hopefully this will attract others to future events.

Reference was also made to the role and participation of the Minister of Agriculture and Rural Development, Michelle Gildernew MP MLA and her colleagues Junior Minister Gerry Kelly MLA and Mrs Bairbre de Brún MEP. The Executive noted the commitment of the

Minister and wished to place on record a note of appreciation for her contribution in raising the profile of the event.

The Executive advised that the financial details relating to the Conference were not yet available as there were still some outstanding transactions to be finalised.

The Chair fully supported the comments that had been made and reported that all remarks and comments made to him both during and after the event had been very complimentary regarding all aspects of the Conference. This had been AFBI's first attempt at organising an International Conference and he was delighted that everything had gone extremely well. The Chair congratulated all those involved and thanked Board members for their attendance.

The Deputy Chair also took the opportunity to comment on the event and complimented the Executive on its choice of speakers and the use of information technology during the sessions. The Deputy Chair also added his congratulations to the AFBI speakers who he stated, were in the "*same league*" as the major international speakers and they should take great credit for their contribution to a very successful event.

With regard to business opportunities it was noted that a number of contacts had been made and these will be explored. It was suggested that the Board be given an update on progress say in six months time.

In conclusion, the CEO thanked the Chair and the Deputy Chair for their comments and the feedback from the Board and stated that this was much appreciated. The CEO also indicated his appreciation for the support of the Board particularly the agreement that the Executive take this event forward as a business opportunity and he is certain that this will be a success. The CEO confirmed that he had already conveyed the thanks of the Board and the Executive to the AFBI staff involved in the Conference.

3.2 Business Opportunities

The AFBI Business Manager, Mr Joel Ferguson provided the Board with an update on recent business developments.

The Board were informed that recent work has centred on three key areas of activity namely –

- Development of strategy, systems and procedures for the exploitation of AFBI IP and commercial opportunities.
- Targeting strategic funding for AFBI.
- Work to advance specific commercial opportunities identified with AFBI.

The Board were advised that AFBI had taken the opportunity during the International Renewable Energy Conference 2008 (IREC08) to launch "*AFBI Innovations*" and the emphasis was now on resourcing the office.

During this recent period AFBI had also received a delegation of fourteen representatives from Invest NI. This had provided an opportunity to consider ways in which both organisations could collaborate with the aim of securing further business opportunities.

The Director of the Invest NI office in Colorado had also visited AFBI separately and will return in January 2009 with a delegation from the US National Renewable Energy Laboratory.

Mr Ferguson also advised the Board that there were plans to host a Chinese delegation from the Chinese Academy of Agricultural Sciences (CAAS). During this visit AFBI will explore opportunities for collaboration as well as signing a Memorandum of Understanding creating a formal link between the CAAS and AFBI.

The Chair expressed his delight at this excellent news and was very impressed by these recent developments.

The Chair thanked Mr Ferguson on behalf of the Board for his report and looked forward to further updates in the near future.

3.3 Consultancy Reports

Work on the implementation of the recommendations contained in the three AFBI Strategy Reports is progressing with the various Project Teams about to commence work. The Executive agreed to provide the Board with regular progress reports as and when each project had met a significant milestone.

3.4 Opening of Environment and Renewable Energy Centre (EREC)

Plans for the official opening of the EREC are being finalised. Confirmation has been received that the Minister for Agriculture, Michelle Gildernew MP MLA will conduct the official opening.

The Executive agreed to circulate details to the Board as soon as the final arrangements/plans have been confirmed.

Action: Executive to circulate details to the Board as soon as the final arrangements/plans have been confirmed.

4. **Report from Business Support Unit**

4.1 Risk Management

The CEO informed the Board that there were no reports of any new risks to the organisation.

Confirmation was given that the AFBI Risk Management Co-ordination Group had met on 4 November 2008 and had undertaken a review of the Corporate Risk Register (CRR). The Group as well as Internal

Audit are content with the current format but the Group had decided to divide one of the risks in order that the risk could be managed better. As agreed at the October Board meeting, as soon as the changes have been finalised, the updated CRR will be forwarded to members of the Audit Committee and side copied to the Chair and will be presented to the Board at a future meeting.

The Board highlighted that one of the key issues raised in the Audit Committee was allocating specific ownership to each of the risks. The CEO reassured the Board that this had been discussed and addressed and was the main reason for dividing one of the risks.

The CEO also advised the Board that the process of appointing someone to co-ordinate and monitor the implementation of the audit recommendations was progressing and hopefully by the next Board meeting someone would be in post. This news was welcomed by the Board.

Action: Executive to finalise the updated CRR and forward to the Audit Committee for comment and side copy to the Chair for comment.

4.2 Fraud

The CEO informed the Board that there were no reports of fraud within AFBI.

The CEO provided the Board with an update on the current fraud investigation and advised that the investigation had finally drawn to a close. The investigation had found that –

1. This was an isolated incident.
2. No material loss had occurred.

The CEO had written to both the Comptroller General and the DARD Permanent Secretary to advise them of the outcome of the investigation and he would make the Audit Committee and the Board aware of their comments. The CEO took the opportunity to thank the Board for their unanimous support. The CEO stated that the overriding point throughout this issue was how the matter was dealt with by AFBI Management and he was content that this had been done in an exemplary fashion.

In commenting, the Chair informed the Board that he had met recently with DARD Internal Audit as part of a review into the Management Statement and Financial Memorandum and during the course of discussions DARD Internal Audit had been very complimentary on how the AFBI Executive had dealt with the situation and how this was an effective demonstration of AFBI's Corporate Governance arrangements.

Other members of the Board also congratulated the CEO and the Executive for the manner in which they had dealt with a difficult situation and it was agreed that the sentiments of the Board should be reflected in the minutes for future reference.

4.3 Health and Safety

The CEO advised the Board that there were no Health and Safety incidents to report.

The Executive gave the Board an assurance that Health and Safety is a continuing priority and an active item at all AFBI Senior Management Team meetings where all Divisions are represented.

The Executive informed the Board that if any Health and Safety issues did arise the Board would be notified immediately.

In response the Board asked the Executive to consider if there was a need for further training in relation to Health and Safety. If so the Board would encourage the Executive to ensure this was given priority and would be fully supportive of the Executive in making whatever arrangements were necessary.

The Board also stated that they were content with the regular reports provided by the CEO in relation to Health and Safety matters and noted the high reporting standard that had been set by the CEO in recent months. The Board requested that this be regarded as the “*norm*” no matter who becomes responsible for this issue in future.

The CEO thanked the Board for their comments and advised that they had been noted for future reference. The CEO also stated that AFBI could “*never do enough*” in terms of Health and Safety given the nature of the work and its ownership of two farms.

The Board suggested that in the same way that the Executive had agreed to provide more in-depth financial reports on a six-monthly basis, the Executive should also provide the same detail in respect of Health and Safety for example number of accidents that have occurred, training courses undertaken etc. The CEO stated that the Executive had no difficulty in accepting this suggestion and taking it forward.

Action: Executive to provide in-depth H&S reports on a six-monthly basis, commencing April 2009.

4.4 AFBI Annual Report & Statement of Accounts 2007/08

The Annual Report and Statement of Accounts for 2007/08 continue to reside with the Northern Ireland Audit Office. AFBI had provided all of the information requested to finalise the audit of the Accounts.

It would appear that there are three main reasons why the NIAO have not yet signed-off on the audit:

1. There was a need to re-examine the Actuary's figures in respect of the ex-ARINI Pensions Issue.
2. The lead auditor had transferred to another business area without completing the audit despite giving an assurance to the AFBI Audit Committee that the audit would be complete.
3. The newly appointed lead auditor has felt obliged to re-examine the Accounts and has not yet reached a point where these can be signed-off.

The Executive did indicate however that there should be no further reasons for delaying matters and hopefully the Accounts could be signed-off in the next few days.

Several Board members with an interest in accounting expressed severe frustration at the lack of progress and acknowledged that a commitment had been given to the Audit Committee and were content that the Executive had delivered on its obligations.

In the general discussion that followed the Board noted that although AFBI is a Public Sector Organisation it is expected to act as a commercial orientated body and delays such as this undoubtedly had an adverse impact. However, the Board is also conscious of the fact that the NIAO showed a great deal of patience with AFBI in respect of the previous year's audit and will await the Accounts being signed-off.

4.5 Finance

The Board were advised that AFBI is on target regarding financial spend with the majority of the budget lines currently showing year spend to date as 58% which reflects well.

With regard to annual income, the Board were informed that the target for this year would be met but for the 2009/10 financial year AFBI would be examining ways to enable this income to be generated in a more regular manner to reflect the work that is carried out during the year.

The Executive highlighted that the capital spend showing was 16% spend and acknowledged that this was disappointing given that it is now month seven of the current financial year. However the Executive assured the Board that AFBI will spend the allocation but if there was no improvement in the figure for percentage spend the CEO advised that he would re-allocate part of the budget to those Divisions who were in a position to spend immediately.

The Board noted that the Executive intend to change the manner in which the capital allocation is spent in future years. The plan would be to identify capital items in advance of the new financial year and initiate the procurement process prior to the budget allocation being declared. This would enable Divisions to have a head start and ensure that capital spend is accounted for earlier in the financial year.

The Board thanked the Executive for the financial update and discussed the format of the report. Following the discussion, the Executive agreed that a more detailed and revised report would be presented at the December Board meeting.

The CEO assured the Board that no increased risk existed from the time of Mr Dolan's resignation as another accountant has been recruited and additional management arrangements have been completed.

Action: Executive to provide a more detailed financial report to the Board at the December Board meeting.

5. Report from the Remuneration Committee

The minutes of the Remuneration Committee meeting held on 16 October 2008 were presented to the Board for noting.

Prof McDowell, Chair of the Remuneration Committee informed the Board that since the meeting on 16 October 2008 the Remuneration Committee had met again on 6 November 2008. This meeting had been attended by Mrs Averil Gaw (AFBI Sponsor Branch) and Prof McDowell was pleased to report that this had been very productive.

The Board were informed that the Remuneration Committee took the opportunity to explain the aims and objectives of the proposed "*Rewards and Recognition to Staff Scheme*" and conveyed the message that this was in line with similar organisations.

It was agreed that the Executive would re-draft the document and re-submit it to DARD.

Following consideration the Board agreed that the re-drafted document could be forwarded to Board members in advance of the December meeting for consideration and comment and a final decision could be taken at the December meeting.

Action: 1. AFBI Executive to re-draft "*Rewards and Recognition to Staff Scheme*" document and issue to Board members in advance of the December meeting.

2. Board members to consider/comment and finalise at the December meeting.

6. Pensions Issue

The Board were informed that the key stakeholders meeting scheduled for 24 October 2008 involving amongst others AFBI, DARD and DFP had taken place. Much of what has been agreed as a way of moving the issue forward is now on track. The Pension Options Packs were issued to all ex-ARINI staff affected by the issue on 31 October 2008

and plans are at an advanced stage for holding a Question and Answer Seminar at AFBI Hillsborough on 2 December 2008. The main aim now is to keep moving forward and have all outstanding matters resolved by the end of March 2009.

The Executive will keep the Board updated on progress at the monthly Board meetings and the item will remain as a standing item on the monthly agenda.

7. SAPO4

The CEO reminded the Board of the success of the AFBI presentation to the DARD Departmental Management Board and the undertaking to work with DARD in the completion of a Business Case.

DARD have indicated that they are content that such a facility would be beneficial but there is a need to bring all of the other Business Cases up to speed.

The Executive agreed to keep the Board apprised of developments but this was very much a case of work in progress and the item will remain as a standing item on the monthly agenda.

8. Any Other Business

8.1 Rolling Database of Issues Raised at Board Meetings

The details on the updated version of the Rolling Database were noted and agreed.

The Board inquired about the situation at Crossnacreevy following which it was agreed that this should remain as a standing item on the agenda for future Board meetings. The Executive advised that work was continuing in respect of the Business Case and that the Relocation Team were working with DARD and DFP to finalise the document. The Executive agreed that Dr Camlin would provide the Board with an update at the next meeting.

Action: 1. Secretariat to ensure that Crossnacreevy remains as a standing item on the Board meeting agenda for future meetings.
2. Dr Camlin to provide the Board with an update at the next meeting.

8.2 Proposed Dates for Board Meetings 2009

The Board noted and agreed the proposed dates for Board meetings during 2009.

8.3 Board Review

The Chair reminded Board members of the date for the forthcoming Board Effectiveness Review Workshop to be held on Friday 12 December 2008 in the AFBI Boardroom, AFBI (HQ) Newforge, commencing at 10.00 am and asked members to make a determined effort to be in attendance.

8.4 Intellectual Property (IP) Issue

The Executive alerted the Board to the fact that there had been an oversight in the legislation used by Government to create AFBI with the result that ownership of IP had not transferred to AFBI from DARD.

It had been suggested that a codicil be inserted into the current legislation but it has now transpired this will not suffice and the matter is presently being addressed by DARD. The Executive agreed to keep the Board updated on progress, and more importantly, how this issue may impact on the current court case relating to ownership of IP.

Action: Executive to provide the Board with an update on progress and how this may impact on the current court case relating to IP.

8.5 Publications Scheme

The Board were advised that there were new legal requirements coming into force from 1 January 2009 relating to the information that Non-Departmental Public Bodies such as AFBI, had to make available to the public. From an initial examination of the legislative requirements AFBI is already fulfilling a lot of what is required but the Board agreed that the Executive examine the requirements in more detail and update the Board at the next meeting. Dr Boyd was charged with taking this forward on behalf of the Executive.

Action: Dr Boyd to examine the papers and provide the Board with an update at the next meeting.

8.6 Request for Confidential Session

The Chair agreed to a formal request from the Board to meet in a confidential session approximately every six months. It was suggested that these confidential sessions could be held prior to a normal monthly Board meeting and a member of the Board could take a short note of the issues in place of the AFBI Secretariat.

Action: Chair to consider a suitable date and inform the Board.

8.7 Board Away Day

It was suggested that the Board arrange another “*Away Day*” similar to that held last year.

The Chair agreed to discuss the prospect of an AFBI Board “*Away Day*” at a future Board meeting early in the New Year and if agreed would aim to hold such an event in mid-year.

9. Date of the Next Meeting

The next meeting of the Board will be held on Wednesday 17 December 2008 at AFBI (HQ) Newforge.

Signed: _____
(Chairperson)

Date: _____