



**Minutes of the Meeting of the  
Agri-Food and Biosciences Institute (AFBI) Board  
held at Toome Eel Fishery (NI) Ltd, Toomebridge, Co Antrim  
on Tuesday 28 May 2013 at 10.00am**

**Present – Board Members**

Mr Sean Hogan  
Mr Trevor Hinds  
Mr Seamus McCaffrey  
Mrs Hilary McCartan  
Prof Patrick Murphy  
Mr Ken Millar  
Dr Cecil McMurray  
Mr David Lindsay  
Mrs Hilda Stewart

**In Attendance - AFBI Executive**

Prof Seamus Kennedy, Chief Executive Officer  
Mrs Lesley Hogg, Director of Finance and Corporate Affairs  
Mr Stephen Cousins, AFBI Secretariat

**1. Welcome and Introduction**

**ACTION**

Mr Pat Close, Company Secretary/General Manager, Toome Eel Fishery (NI) Ltd welcomed everyone present and gave a brief introduction to the work that takes place at the Fishery and the connection with AFBI.

**2. Apologies**

Apologies were received on behalf of the Deputy Chair, Prof William McKelvey and Board members Mr Alan McKeown, Mr Bob McCann and Mrs Sarah Havlin.

**3. Conflict of Interests / Register of Interests Declaration**

There were no conflict of interests declared and no note of any changes to Board member's register of interests.

**4. Draft Minutes of the Previous AFBI Board Meeting held on 30 April 2013**

On a proposal from Mr Trevor Hinds, seconded by Mr David Lindsay the draft minutes from the previous AFBI Board meeting held on 30 April 2013 were approved without amendment.

**5. Action Sheet from Previous AFBI Board Meeting held on 30 April 2013**

Progress against actions was as noted in the Action Sheet subject to the following –

**5.1**      Item 13.2 – Financial Flexibilities and Commercialisation Infrastructure

**ACTION**

In light of discussions held during the previous meeting of the KPMG AFBI-DARD-SIB Operating Model Working Group held on 30 April 2013 during which the issues surrounding financial flexibilities were considered, the Chair's offer to address this issue with the DARD Permanent Secretary was accepted as no longer being relevant.

**6.            Chair's Business**

The Chair advised that he had no major issues to report and any other comments that he would wish to make would be tabled under the various agenda items.

**7.            Executive Report**

The CEO presented the Executive report and highlighted a number of items not already covered on the agenda.

**7.1          Northern Ireland Audit Office (NIAO) Value for Money (VFM) Review**

Having received a fourth draft of the NIAO VFM report on 10 May 2013 some concerns still remain. The DARD Permanent Secretary responded with a strong rebuttal on 24 May 2013.

The Board was also informed that the NIAO has stated its intention to publish its report before the end of June 2013 with the Public Accounts Committee (PAC) hearing scheduled for 23 October 2013. The DARD Permanent Secretary, CEO and up to two others will attend.

**7.2          Head of Finance Branch**

The successful candidate has informally indicated that he would be available to take up the post of Head of Finance Branch following the July holidays. The pre-employment process is ongoing.

**7.3          Corporation Tax Liability**

Agreement has been reached with Her Majesty's Revenue and Customs (HMRC) in respect of the basis upon which AFBI's Corporation Tax liability will be calculated. A payment on account covering the estimated tax due from 2006 is now being processed and will be covered by DARD from the Annually Managed Expenditure Budget. While the basis for calculating the liability has been reached, there is still a need to confirm the amount payable. Clarity is also required concerning the type of contract that attracts Corporation Tax so that AFBI can take account of this in future.

#### 7.4 Emergency Planning, Safety and Estates

**ACTION**

Three Health and Safety incidents were recorded during April 2013. The Executive acknowledged the importance of implementing any matters arising from lessons learnt.

#### 7.5 Potential Relocation of Newforge Services

AFBI is currently examining the scope for relocation of some business functions from AFBI Newforge to other AFBI sites to minimise the footprint required at a future relocation site. This exercise is due to be completed by mid-June. The Strategic Investment Board is also investigating the possibility of engaging a specialist to review AFBI's accommodation requirements.

#### 7.6 AFBI Stormont (VSD) Outline Business Case

A further meeting of the VSD Outline Business Case (OBC) Board has taken place, primarily to discuss the timetable for the delivery of the OBC and to agree assumptions.

The Board was advised that both the potential relocation of Newforge services and the outline business case for VSD are being taken forward in parallel with DARD's own overall estate plan. AFBI has received an assurance from DARD that both items will be afforded priority status within DARD's overall estate strategy.

#### 7.7 AFBI Loughgall

There is a proposal from Armagh City Council to acquire the Manor House at Loughgall and build AFBI a new Dingwall Building in return. A presentation is due to be given and the CEO has been invited to attend.

*(Prof Patrick Murphy declared his position as an independent member of Armagh City Council's Audit Committee and the meeting was content to note).*

#### 7.8 Workforce / Succession Planning

A breakdown of external and internal recruitment competitions was provided and the Executive underlined the pressures on a number of key business areas. The Executive Management Team has considered the position but there is still work to be done before agreement is reached on how all required posts can be accommodated with the existing budget.

#### 7.9 Biometrics and Information Systems

Independent security tests of AFBI's IT systems have identified ten critical internal vulnerabilities. The Board was advised that no external systems were affected. The Executive agreed to provide the Board with a plan outlining timescales and costs to address these issues.

**LH**

**7.10**      AFBI Representation

A number of Board members who had attended the recent Balmoral Show expressed disappointment at the location of the AFBI trailer, although recognised that it was the first time at the new venue and that AFBI's location was no worse than a number of other government stands. Following discussion on the wider topic of Public Relations (PR) the Executive agreed to develop a (PR) plan and bring this forward to the Board at a later date.

**LH****7.11**      Food Science Branch

The Chair agreed to send a letter of congratulations to Food Microbiology in recognition of the Branch having just passed a landmark ISO17025 assessment marking its 20<sup>th</sup> year of UKAS accreditation.

**Chair****7.12**      Retirement

In light of Dr Danny Todd's decision to retire, the Chair agreed to write to him in acknowledgement of the contribution that he has made to AFBI.

**Chair**

This prompted a wider discussion on how to recognise the contribution/successes of staff. The Executive noted that the Organisational Development and Human Resources Sub-Committee had also had a lengthy discussion on this matter at its last meeting. Mr Millar indicated that he had some knowledge of approaches in other organisations and that he would be happy to share these with the Executive.

**LH****8.            Final Position on 2012/13 Implementation of Business Plan Targets**

The Executive presented a paper setting out the draft outturn of the 2012/13 Business Plan targets and in so doing advised the Board that the outturns are still subject to validation by AFBI's Internal Auditors.

In considering the content of the report the Board focused on the targets which were not achieved and made a number of comments about the wording and appropriateness of the targets. The Board agreed that the report should be used to consider lessons learned for the 2013/14 targets around areas such as:

- Appropriateness of the targets
- What the report says about systems and structures within AFBI
- Has AFBI got the right people with the right skills in the right positions

The Executive acknowledged that lessons had been learnt in respect of setting targets and that these had been incorporated in the 2013/14 targets.

## 9. AFBI 2013/14 Business Plan – Final Key Performance Indicators

A copy of the proposed final Key Performance Indicators for 2013/14 was presented to the Board for noting and approval. In presenting the paper the Executive highlighted a number of targets that have been amended and added following a number of iterations with DARD. All had been agreed with Sponsor Branch other than that relating to badger ecology which was still being considered by DARD.

Following discussion the Board informed the Executive that it would not accept a more specific target on this proposed project until such time as the scope, standards and timescales as mentioned in the target had been agreed with DARD. The Board also requested that the wording of any other KPIs that had a dependency on DARD be altered so that delivery was not dependent on DARD.

LH

The Executive noted the Board's approval for the paper and its support for the Executive's position in the ongoing discussions with DARD.

## 10. Finance

### 10.1 AFBI Budget Monitor Report – Position at 30 April 2013

In presenting the AFBI Budget Monitor Report the Executive advised the Board that it was a high level estimation of the current position given that this was the first month of the 2013/14 financial year and that Divisional budgets have not yet been rolled out. The Executive informed the Board that a full Budget Monitor Report covering April and May 2013 would be presented at the next Board meeting in June 2013. The Executive noted that the Budget Monitor stated that the 2013/14 DFP budget would be realigned to equate to the AFBI Business Plan version following the June Monitoring Round. However, it had since been advised by DARD that it would not be submitted until the October Monitoring Round.

At present AFBI Finance is in the process of closing down the 2012/13 financial year and early predictions would indicate a small surplus.

### 10.2 Finance Improvement Plan (FIP)

The Board was content to note the progress outlined in the FIP and accepted a suggestion from the Executive that it would remove those actions that had been completed.

## 11. Governance Issues

### 11.1 AFBI Risk Management

The Executive advised the Board that there were no new risks to report.

The Executive informed the Board that the AFBI Risk Management and Business Planning Group had met recently and proposed to make significant changes to the AFBI Corporate Risk Register following which the revised CRR will be presented to the AFBI Board at its next meeting in June 2013.

**ACTION  
LH**

## **11.2** Whistle Blowing and Fraud

The Board was advised that there were no reports of any new whistle blowing cases. With regard to the ongoing case concerning the misuse of AFBI vehicles the Executive informed the Board that an appeal had not been upheld.

## **11.3** Annual Governance Statement

A paper on the Annual Governance Statement was presented by the Executive and a number of key points highlighted for the benefit of Board members. In particular, Board members were asked to note the items which focus on the role and performance of the Board.

The Executive agreed that it would draft the Annual Governance Statement, but given the information needed in respect of the Board, it was suggested that the Chair of the Board, the Chair of the Audit Committee and the Chair of the Finance Committee provide input.

The Board signified that it was content to work with the Executive with the aim of bringing a draft to the next Board meeting in June 2013.

**LH**

## **11.4** Other Governance Issues

### **11.4.1** Entry to Republic of Ireland Waters

The Executive informed the Board that it was reviewing the RV Corystes permissions for entering Republic of Ireland waters and would provide the Board with an update at its next meeting.

**CEO**

### **11.4.2** BVD Data

There has been an information loss in relation to the reporting of cattle BVD test results to two herd owners. These tests were carried out by AFBI under Animal Health and Welfare Northern Ireland's (AHWNI) Voluntary BVD Eradication Scheme. The information loss has been risk assessed as minor as it did not involve any personal or otherwise sensitive data.

## **12. Procedure for Approval of AFBI Board and CEO's Expenses**

In presenting the paper the Executive advised the Board that the AFBI Audit Committee had reviewed the proposals contained therein at its recent meeting on 2 May 2013 and it was recommending these to the Board for formal approval.

Having considered the procedure the Board, on a proposal from Prof Patrick Murphy, seconded by Mr David Lindsay, approved the procedure. **ACTION**

### **13. AFBI's Emergency Response Capability**

The Board was asked to note the contents of a paper on Emergency Response Capability prepared by the CEO.

Following consideration the Board expressed concerns over the level of support that AFBI could realistically expect to receive from the Animal Health and Veterinary Laboratories Agency (AHVLA) in the event of an emergency due to the volume of work in Great Britain that AHVLA might be required to deliver. Experience of the 2001 FMD outbreak was that VSD had to set up a local emergency response capability due to the then Veterinary Laboratory Agency's inability to deliver.

The Board suggested that if support from the AHVLA has to be included in AFBI's Emergency Response plans then it should be regarded as a risk and that this risk is reflected in AFBI's plans. However, the preferred option for the Board is for AFBI to rely on its own capabilities.

### **14. DARD Risk Assessment of AFBI – Final Action Log and Timescales**

The Executive provided a final draft of the action log and timescales relating to the DARD Risk Assessment of AFBI for final comment and approval. It was noted that most of the actions rest with DARD and Mrs Hogg as Director of Finance and Corporate Affairs.

With there being no additional comments, the Board signified that it was content.

### **15. AFBI Audit Committee**

In the absence of a report on the highlights of the AFBI Audit Committee meeting held on 2 May 2013 due to the absence of the Chair of the Committee, the Board was content to note the draft minutes from the meeting.

### **16. KPMG AFBI Operating Model Working Group (OMWG)**

#### **16.1 Highlights from KPMG AFBI OMWG meeting held on 30 April 2013**

In the absence of the Chair of the KPMG AFBI-DARD-SIB OMWG, the CEO provided the Board with a report on the highlights from the meeting.

- *End of Year Flexibility* – the Group have accepted on advice from DARD, that this will not be achievable and will not be pursuing further.
- *Commercial Arm* –the Group has agreed to pursue the development of a Business Case to explore AFBI's current option for entering into a joint venture with a local company. The Strategic Investment Board is

exploring the possibility of providing a business specialist to assist AFBI in this task. **ACTION**

In the discussion that followed the Board declared its support for the development of the Business Case and expressed its desire to see a positive outcome.

**16.2** Draft Minutes from KPMG AFBI-DARD-SIB Operating Model Working Group held on 30 April 2013

The Board was content to note the draft minutes from the previous Group meeting held on 30 April 2013.

**16.3** KPMG Implementation Plan

A copy of the KPMG Implementation Plan showing progress as at 21 May 2013 was presented to the Board for information and noting. The Executive reported that it would be refreshing the Implementation Plan by removing the completed actions.

**17. Appointments and Remuneration (A&R) Sub-Committee**

**17.1** Revised Terms of Reference

The Board were content to approve the revised Terms of Reference as presented. In future the A&R Sub-Committee will be known as the Organisational Development and Human Resources Sub-Committee.

**18. Draft Minutes from Finance Sub-committee meeting held on 29 April 2013**

Having already received a report on the highlights of the Finance Sub-Committee meeting held on 29 April 2013 the Board were content to note the draft minutes from the meeting. The next meeting of the Finance Sub-Committee will take place on Monday 24 June 2013.

**19. Rolling Database of Issues Raised at AFBI Board Meetings**

The Board were content to note the updates to the rolling database.

**20. Any Other Business**

**20.1** Agri-Food Strategy Board

Reference was made to the recent launch of the “*Going for Growth*” report of the Agri-Food Strategy Board and there was an acknowledgement that there may be some opportunities for AFBI in respect of the recommendations contained in the publication. The Board suggested considering whether the Chair of the Agri-Food Strategy Board should be invited to present its findings to the Board.

**Chair/  
CEO**



**21. Review of Board Meeting Effectiveness**

**ACTION**

The Board expressed its satisfaction with the way the Board meeting had been conducted, the discussion that had taken place and the decisions that had been taken.

The Chair informed the Board that Mrs Moore would finish her term of appointment at the end of May 2013 but that he would hold a “*wash-up meeting*” with Mrs Moore prior to her departure.

The Board suggested that an examination of the action plan prepared by Mrs Moore be undertaken and a quarterly progress report presented to the Board.

**CEO /  
LH**

**22. Date of Next Meeting**

The next AFBI Board meeting will be held in the AFBI Boardroom, AFBI HQ, Newforge Lane at 10.00am on Tuesday 25 June 2013.

Signed: \_\_\_\_\_  
(Chairperson)

Date: \_\_\_\_\_