



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI (HQ) Newforge
on Tuesday 29 January 2013 at 2.00pm**

Present – Board Members

Mr Sean Hogan, Chair
Prof William McKelvey, Deputy Chair
Mrs Hilda Stewart
Mr Trevor Hinds
Prof Patrick Murphy
Mr David Lindsay
Mrs Hilary McCartan
Dr Cecil McMurray
Mr Alan McKeown
Mrs Sarah Havlin
Mr Bob McCann

In Attendance - AFBI Executive

Prof Seamus Kennedy, CEO
Dr Walter Crozier, DCEO (Acting)– Agri-Food and Environmental Science Division (AFESD)
Mrs Lesley Hogg, Director of Finance and Corporate Affairs
Mr Darren Griffiths, Financial Improvement Project Leader
Mr Joel Ferguson, Head of AFBI Innovations

Mr Stephen Cousins, AFBI Secretariat

1. Welcome and Introduction

ACTION

The Chair opened the meeting and welcomed all in attendance. A particular welcome was given to Mrs Lesley Hogg, the newly appointed Director of Finance and Corporate Affairs.

2. Apologies

Apologies were received on behalf of Board members Mr Ken Millar and Mr Seamus McCaffrey. Mr McCaffrey had been in attendance during the Board strategy session in the morning but had to leave due to another business commitment. The Executive also submitted apologies on behalf of Dr Michael Camlin DCEO APSBD (Applied Plant Science and Biometrics Division), Prof Glenn Kennedy DCEO (Acting) VSD (Veterinary Sciences Division) and Mr Paul Brennan, Head of AFBI Human Resources (HR) Branch.

3. Conflict of Interests / Register of Interests Declaration

Mr Bob McCann declared a change to his register of interests and agreed to forward details to the Secretariat in order that the details published on the AFBI website could be updated.

BMcC

4. Draft Minutes of the Previous AFBI Board Meeting held on 18 December 2012 **ACTION**

On a proposal from Mr Trevor Hinds, seconded by Mrs Hilda Stewart, the Board approved the draft minutes of the previous Board meeting subject to the following amendment –

Sec

Item 14.1.2 - Focus on Corporate Risk No2 – second paragraph, insert the words “*public sector*” before “*organisations and also advised that*”.

5. Matters Arising/Action Points from Previous AFBI Board Meeting held on 18 December 2012

5.1 Chair’s Business - Report on Meeting with the Department of Agriculture and Rural Development (DARD) Minister – Item 7

The Chair informed members that he would have a report issued by the end of the week ending Friday 1 February 2013.

Chair

5.2 Report from APSBD / Emergency Response Capability – Item 9.1

The CEO has formally asked DARD to clarify the scale of the emergency response capability that it would envisage for AFBI. The CEO advised that AFBI will provide a further response to DARD reflecting various scenarios and as requested will bring a paper to the next meeting of the AFBI Board detailing AFBI’s capacity in respect of emergency response capability.

Exec

5.3 Health and Safety Executive (HSE) (Northern Ireland) Report on the Findings from the Stress in the Workplace Risk Assessment – Item 11.2

The Executive stated that the compilation of an executive summary and the development of an implementation / action plan was a still a matter of work in progress but acknowledged the urgency in having this completed as quickly as possible.

Exec

6. Chair’s Business

The Chair made reference to two items –

1. DARD Arms Length Bodies (ALB) Sponsorship Manual

DARD have requested that the draft minutes from AFBI Board meetings be sent to the Department within 15 days from the date of the meeting. While the Chair acknowledged that the matter had been discussed at a previous Board meeting, he informed the Board that he didn’t foresee a disadvantage in conforming to this request. However, in order to comply with the request it was suggested that Board members should have sight of the draft minutes 7 days in advance of the draft being forwarded to DARD.

2. Joint DARD / AFBI Board Meeting on 6 February 2013 **ACTION**

Following discussion, the Chair and Deputy Chair agreed that they would consider the key issues/themes and circulate a paper to the Board in advance of the meeting as well as reviewing the list of attendees which would be restricted to the Chairs of the four AFBI Sub-Committees. **Chair / Deputy Chair**

The CEO was also asked to prepare a brief paper highlighting the challenges facing AFBI and circulate to the Board in advance of the meeting. **CEO**

7. CEO's Report

The CEO presented his report and in so doing highlighted a number of key issues such as –

1. Equal Pay Deal – following approval from the Department of Finance and Personnel, the Head of AFBI HR has met with Trade Union Side and the Labour Relations Agency. Both meetings were highly constructive but there is still a considerable amount of work to be completed if AFBI are to meet the target payment date in March 2013.
2. AFBI Risk Assessment – AFBI has not yet received the action plan produced by DARD in response to the recent risk assessment of the institute.
3. KPMG Review – interviews for the G6 Head of Finance post were held during the week commencing 7 January 2013. The first meeting of the AFBI/DARD/Strategic Investment Board Working group that has been setup to take forward the outstanding issues relating to the KPMG recommendations on “commercialisation”, and to explore potential solutions to the problems associated with lack of end-of-year flexibility, is scheduled to take place on 1 February 2013. **CEO/ Deputy Chair**
4. Brucella Test-Positive Cattle at AFBI Hillsborough – six animals in a group of yearling cattle tested positive at a check test for brucellosis undertaken in December 2012. The affected cattle have subsequently been slaughtered and the tissues sent to AFBI Stormont for confirmatory testing. It will be several weeks before a negative result can be declared.
5. AFBI Estate – the CEO attended a meeting of the VSD Main Building project group on 11 January 2013 when staff from DFP's Central Procurement Directorate (CPD) presented the main findings from their draft feasibility study on the options for refurbishment or replacement of the VSD Main Building. The preferred option is construction of a new building near the recently constructed *Lamont Building* followed by demolition of the existing Main Building. CPD staff have been invited to give the presentation on the feasibility study to the AFBI Board.
6. The CEO also reported that he, along with several senior staff, made an informal visit to the Maze/Long Kesh site at the invitation of the Chief Executive of the Maze/Long Kesh Development Corporation. This is a very exciting development and the Corporation are keen to have AFBI involved as they recognise the potential to create an agri-food centre of excellence.

7. Northern Ireland Audit Office Value for Money Review – AFBI has responded to queries from the NIAO in relation to the second draft of the NIAO report that was received on 30 November 2012. While AFBI and DARD were more content with the second draft report, a considerable number of remaining concerns still exist and were set out in the management response. **ACTION**
8. Badger Setts Survey – training of a pool of staff allocated to work on DARD’s proposed survey of badger setts has been completed. In the absence of a study design or confirmation of the area to be surveyed from DARD, the pool of staff allocated is based on a best estimate of the resource required to carry out the project.
9. Agricultural and Rural Development (ARD) Committee – following AFBI’s presentation on TB research to the ARD Committee earlier this year and the recent publication of its report on bovine TB, the ARD Committee has expressed an interest in visiting AFBI Veterinary Sciences Division and a suitable date for early 2013 is being arranged.

Commenting on AFBI’s involvement in the badger sett survey the Board again expressed concerns at the continued delay in DARD providing details of the survey to AFBI as contractor and the potential negative impact on AFBI’s reputation if the required information is not received immediately.

8. Reports from Divisions

8.1 Report from Agriculture, Food and Environmental Science Division (AFESD)

In presenting the AFESD divisional report, Dr Crozier highlighted the involvement of AFBI staff in a number of events and various bodies and made reference to the first ever sea-bed map for Strangford Lough.

Dr Crozier also referred to the recent EU fisheries meeting and the positive comments from the DARD Minister in respect of the support and information that she had received from AFBI scientists which had been very helpful during negotiations.

In response the Board congratulated the division on its overall financial position.

8.2 Report from Veterinary Sciences Division (VSD)

In the absence of Prof Glenn Kennedy the VSD report was taken as read.

Commenting on the report the Board referred to the change in TSE testing that comes into effect from March 2013 and inquired about the likely impact that this will have on the division. In response the Executive confirmed that there would be a significant decrease in the number of samples tested and this would have an impact on the current working routine of some staff.

8.3 Report from Applied Plant Science and Biometrics Division (APSBD) **ACTION**

In the absence of Dr Camlin the divisional report from APSBD was taken as read.

The Board expressed concern at the reported decrease in divisional income and queried the situation whereby the division has indicated that it is not able to meet its income target but is planning to spend the entire allocated expenditure budget. In the absence of Dr Camlin the Executive informed the Board that it would seek an explanation from the division and provide an update at the next AFBI Board meeting.

Exec

8.4 Report from Corporate Services Division (CSD)

Mr Ferguson presented the divisional report on behalf of Corporate Services Division and highlighted a number of topics for the benefit of Board members. Amongst the topics highlighted were Performance and Accountability, Workforce and Succession Planning, AFBI-DARD lease and the AFBI staff newsletter.

8.5 Board Comments / Observations following presentation of the Divisional Reports

The Board commented on the standard of reporting in respect of the divisional key performance indicators. Where a target is not achieved, the Board should be informed and an explanation provided. The report should not read "*achieved past target date*".

On the issue of HR Connect the Deputy Chair confirmed that, in view of the very significant dissatisfaction with the service currently provided to AFBI, he had raised the need for a review to be undertaken by AFBI Internal Audit. He suggested that it was for the Audit Committee to decide where this review would reside on the Internal Auditor's operational plan. Following discussion it was agreed by the Board that the Executive re-examine its position on the issue of HR Connect and prepare an outline action plan for consideration and discussion at the AFBI Board meeting in March 2013.

Exec

The Chair of the Audit Committee alerted the Board to an AFBI Internal Audit report on a Review of HR Management which the Audit Committee had received recently. This review has received a "*limited*" level of assurance with the main issues focusing on the employment of agency staff and the long periods of some temporary promotions. This report will be considered in more detail during the Audit Committee meeting to be held on Thursday 31 January 2013. An update will be provided at the next AFBI Board meeting on 26 February 2013.

**Audit
Comm**

9. Finance

ACTION

9.1 AFBI Budget Monitor (Three-Quarterly) Report

The report presented highlighted the financial position at the end of December 2013 and gave an overall forecast outturn for 2012/13 as a surplus of £145k. This amount includes an estimate of the liability in relation to the rateable revaluation of the Hillsborough site of £400k. (Land and Property Services has not yet informed AFBI of the actual amount.)

During the discussion that followed the Board sought a possible explanation for the decrease in income from diagnostic testing in VSD. In response the Executive advised that this may be due to the current financial climate combined with an overall drop in cattle numbers.

The Board made reference to the debtors report and welcomed the overall improvement in the current position. However, the Board recognised that the one area of concern remains the uncertainty relating to the profiling of royalty income. The Executive confirmed that the figure quoted in the report is an accrued figure for the current financial year.

On a presentational issue the Board asked for a summary to be added to the existing report that would help to easily identify the changing variances from one month to the next.

Exec

9.2 Finance Improvement Plan

The Finance Improvement Plan was presented to the Board on the basis that the updates were only provided in respect of actions taken since the date of the previous meeting. Some of the areas highlighted included financial reporting, budgeting, income, audit etc.

Reflecting on the report the Board noted that the reconfiguration of the financial reporting system had been completed successfully. The Executive reported that the functionality of the current system is adequate to cover the needs of AFBI but that this should not preclude a future review and consideration of the new generation of financial reporting systems. The Board was content to accept this suggestion. It also agreed that, as in the move away from Account NI, any future system should fulfil AFBI's needs, as well as ensuring that AFBI's accounts could be consolidated with those of DARD in a timely manner under the "Clear Line of Sight" project.

10. **AFBI Finance Sub-Committee – Report from Meeting held on 24 January 2012**

Mrs McCartan, Chair of the Finance Sub-Committee, provided the Board with a verbal report on the recent Finance Sub-Committee meeting. Going forward the Chair advised the Board that the committee would see the main issues as being –

1. The need for accurate profiling
2. Monitoring of divisional performance

3. Key performance indicators
4. The out-workings of the Strategic Cost Model

ACTION

Commenting on the Strategic Cost Model, the committee noted that DARD have agreed to it in principle which means that there is an agreed basis upon which to cost the annual work programme and refine the overhead rate. The Executive advised that it will now proceed on the understanding that 2013/14 will be a shadow year during which the model will be fully developed prior to full application in 2014/15.

11. Governance Issues

11.1 AFBI Risk Management

There are no new or emerging risks to the organisation. The Executive are drawing out the estates issues to create a separate risk and this will be done in time for it to be reviewed as part of the overall review of the Corporate Risk Register at the forthcoming Audit Committee meeting on 31 January 2013.

11.2 Whistle blowing and Fraud

A quantity of heating oil has been stolen from premises at AFBI Loughgall. The PSNI have been informed as have the Principal Accounting officer and Comptroller and Auditor General. A general review of security at AFBI Loughgall is taking place and it is hoped that the recommendations arising from this review will help prevent future thefts.

11.3 Health and Safety

No significant health and safety were reported.

12. Rolling Database of Issues Raised at AFBI Board meetings

12.1 Future of Rolling Database

The Board considered the usefulness of the rolling database and it was agreed that it should be re-examined, and any issues still remaining as incomplete at the end of the year, should be transferred to the AFBI Business Plan.

13. Date of Next Meeting

The next meeting of the AFBI Board will be held in the AFBI Boardroom, AFBI (HQ), Newforge on Tuesday 26 February 2013.

Signed: _____
(Chairperson)

Date: _____