



**Minutes of the Meeting of the  
Agri-Food and Biosciences Institute (AFBI) Board  
held at AFBI (HQ) Newforge  
on Tuesday 30 April 2013 at 10.00am**

**Present – Board Members**

Mr Sean Hogan, Chair  
Prof William McKelvey, Deputy Chair  
Mr Trevor Hinds  
Mr Seamus McCaffrey  
Mr Bob McCann  
Mrs Hilary McCartan  
Prof Patrick Murphy  
Mr Ken Millar  
Dr Cecil McMurray  
Mr David Lindsay  
Mrs Sarah Havlin

**In Attendance - AFBI Executive**

Prof Seamus Kennedy, Chief Executive Officer  
Mrs Lesley Hogg, Director of Finance and Corporate Affairs

**Visitors -**

Dr Eileen Stewart, Head of AFBI Emergency Planning, Safety and Estate Branch  
Mr Matt Brennan & Mr Walter Boyd, Department of Finance and Personnel, Central Procurement Directorate (CPD)  
Mrs Carol Moore, Department of Agriculture and Rural Development (DARD)  
Mr Darren Griffiths, AFBI Financial Improvement Project Leader  
Mr Joel Ferguson, Head of AFBI Innovations

Mr Stephen Cousins, AFBI Secretariat

**ACTION**

**1. Welcome and Introduction**

Mr Hogan opened the meeting and welcomed all present.

**2. Apologies**

Apologies were received on behalf of Board members Mr Alan McKeown and Mrs Hilda Stewart.

Following a brief update from the Deputy Chair following a recent conversation with Mr McKeown the Board accepted a recommendation that Mr Lindsay take over as interim Chair of the Science Strategy Sub-Committee with immediate effect.

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

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

**4. Presentation – Central Procurement Directorate / AFBI Stormont (VSD) Outline Business Case** **ACTION**

Dr Stewart opened proceedings and set the background for the development of an Outline Business Case (OBC) in respect of the Main Building at AFBI Stormont.

Following Dr Stewart's introduction Mr Boyd outlined the key objectives of the project and the two main options that have been identified in respect of the Main Building which are (1) renovation or (2) new build. Mr Boyd then went on to outline the pros and cons in respect of each option. Mr Boyd also advised that the sums quoted at this stage cover potential risks to the project but as matters progress and the risks are eliminated then the costs will hopefully decrease. Mr Boyd highlighted that on the basis of the costs and benefits produced so far the preferred option would be a new build of both the Main Building and the Post Mortem/Carcass Incinerator Suite.

During further discussion the Board asked how the decision had been made to build at AFBI Stormont rather than a new build in the centre of the province (serving the whole of Northern Ireland). In response the Executive confirmed that the various issues had been addressed and assured the Board that these will also be included in the OBC.

The target date for submission of the OBC is currently 31 December 2013 but following discussion the Executive agree to re-examine the target date. The Board also noted that the protocol for obtaining the necessary approvals will be via DARD and then the Department of Finance and Personnel.

The Board thanked Dr Stewart, Mr Boyd and Mr Brennan for giving of their time and for the manner in which they had addressed the difficult task of identifying the key issues and condensing these into a cohesive and easily understood presentation.

The Board noted that the Executive will provide further updates as and when progress is made.

*(Dr Stewart, Mr Brennan and Mr Boyd left the meeting)*

**5. Draft Minutes of the Previous AFBI Board Meeting held on 26 March 2013**

On a proposal from Mr Trevor Hinds, seconded by Dr Cecil McMurray the Board approved the draft minutes from the previous Board meeting subject to the following amendment-

Item 5.6 - DARD's Mid-Year Review of AFBI's Delivery of 2012/13 Assigned Work Programme – delete the second sentence and replace with *“However, the Executive emphasised the point that the least AFBI would expect in relation to future reports is to have sight of a draft prior to the final report being submitted to DARD's Top Management Group.”*

**Sec**

**6. Action Sheet from Previous AFBI Board Meeting held on 26 March 2013 ACTION**

Progress against actions was as noted in the Action Sheet subject to the further comments below:

**6.1 Item 5.1 – Defining AFBI’s Emergency Response Capability**

The Executive stated that a paper on this subject will be provided in time for the next Board meeting on 28 May 2013.

**CEO**

**6.2 Item 5.7 – Draft AFBI Business Plan 2013/14**

The Executive advised the Board that DARD had asked AFBI to produce a paper summarising the financial pressures in the 2013/14 budget which will be used to inform the development of a medium term financial plan.

**6.3 Item 9.1 – AFBI Budget Monitor Report (Use of Provisions)**

The Executive advised that the DARD Finance Director has agreed to hold a workshop to clarify the accounting treatment for provisions for both resource and annual accounts and this will take place shortly.

The Board stated that it would be beneficial if AFBI and DARD could clarify the issue so that any implications can be assessed.

**7. Draft Minutes from AFBI Open Meeting held on 26 March 2013**

The Chair took the opportunity to thank all of those who had attended the Open Meeting. The comments received have been very complimentary and the Chair and CEO acknowledged that this Open Meeting had been one of the more successful. On a proposal from Dr McMurray, seconded by Mr McCaffrey the Board approved the draft minutes from the Open Meeting without amendment.

**8. Chair’s Business**

The Chair advised that he had no major issues to report and any relevant matters would be considered as part of the agenda.

*(Mrs Moore entered the meeting)*

**9. Actions from Board Strategy Session held on 29 January 2013**

A report titled *AFBI Board Workshop Action Plan* dated 24 April 2013 was presented by Mrs Carol Moore, DARD. Mrs Moore stated that the report was self explanatory and takes account of both good practice and the comments made by Board members during the recent workshops.

A number of Board members reflected on the suggested changes contained in the report particularly the issues relating to monthly scientific presentations

and the Science Directors no longer being in attendance as a matter of routine. Following discussion the Board accepted that the Science Directors would attend Board Meetings on a quarterly basis and that scientific presentations would only be given when there is merit and added significance in having them.

**ACTION**

Overall the Board were content to accept the action plan on the basis that it is an evolving process and thanked Mrs Moore for the work that she had carried out during the workshops and in the development of the action plan.

*(Mrs Moore left the meeting)*

## **10. Executive Report**

The CEO presented the Executive Report in its revised format and highlighted a number of key items for the benefit of Board members.

### Head of Finance Branch

The person appointed to the position has now withdrawn from the process and in light of the risk to the organisation AFBI proposes to extend the terms of employment of the existing Interim Head of Finance subject to preparation and approval of the Business Case.

### Northern Ireland Audit Office Value for Money Audit

The final report on the Value for Money audit from the NIAO is expected to be published in mid-June 2013 and it is almost certain that the report will be published without agreement. The Executive advised the Board that the accompanying press release will be issued a number of days before the report is published and at that point the Executive and Board will need to consider a response.

### Format of the Executive Report

Overall the Board were impressed by the revised format of the Executive Report but suggested that it should also contain updates on the Key Performance Indicators (KPIs) for each Division. Following discussion the Board asked to see the list of KPIs and members will then agree a list of those KPIs that it would wish to have reported on a monthly basis.

The Executive advised that it intended to provide quarterly progress reports on the Corporate KPIs with the report for quarter one (1 April – 30 June 2013) being submitted to the Board in August 2013 as it will take some time to collate delivery against the Assigned Work Programme in particular.

## **11. Draft AFBI Business Plan 2013/14 - Update**

There is still some clarification required between AFBI and DARD regarding the wording of the Corporate KPIs before the Business Plan is agreed.

**LH**

*(Mr Griffiths entered the meeting)*

## 12. Finance

**ACTION**

### 12.1 AFBI Budget Monitor Report – Position at 31 March 2013

The Budget Monitor Report presented reflected the position as at the end of period 12 of the 2012/13 Financial Year and as such included a number of estimates in respect of accruals and prepayments. As a result it is an estimated outturn rather than a definitive position for the year end and the forecast is a surplus of £101k. The Board were content to note the Budget Monitor Report.

With regard to the recently advised change in the accounting treatment of provisions, the Executive informed the Board that the resource accounts had been produced in accordance with the guidance and as such no provisions had been charged to them. The Executive advised that the new accounting treatment could have budget implications. The Executive also advised that the annual accounts would however continue to be produced on the same basis as previous years with provisions charged as required and that it was meeting with DARD Finance to discuss the issue more fully.

The Board stated that it would be beneficial if AFBI and DARD could reach an understanding with regards this issue and asked the Executive to raise the issue with the DARD Permanent Secretary if required.

### 12.2 Finance Improvement Plan

An update on the Finance Improvement Plan was presented to the Board and a number of items highlighted –

#### Budgeting

The Strategic Cost Model has provided indicative costs for the 2013/14 assigned work programme but further work is needed to refine the process in order to cost the assigned work programme for 2014/15.

#### Project Approval Mechanisms

The Executive has approved in principle the establishment of a Research Support Office and is at present considering the issue of staff resources.

#### Pegasus

The review of the functionality of Pegasus is complete but before progressing any further the Executive need a systems map to assess linkages across key business areas.

#### Significant Issues

The only significant 2013/14 budget issue that remains outstanding is the DARD funding of pay progression costs. A paper has been drafted and will be presented to the DARD Top Management Group for consideration.

The Board congratulated the AFBI Finance Team on the progress it has made to date.

(Mr Joel Ferguson entered the meeting)

**ACTION**

**13. KPMG AFBI Operating Model Group**

**13.1 Report and Draft Minutes from KPMG AFBI Operating Model Working Group meeting held on 5 March 2013**

The draft minutes from the KPMG AFBI Operating Model Working Group meeting held on 5 March 2013 were circulated to the Board for information and the Chair highlighted some of the key issues.

A copy of the Terms of Reference were also presented and noted.

**13.2 Financial Flexibilities and Commercialisation Infrastructure**

The Board received a copy of a paper titled *Financial Flexibilities and Commercialisation Infrastructure* which had been presented by the Executive at the most recent meeting of the KPMG AFBI Operating Model Working Group. Commenting on the paper the Chair of the Working Group stated that he was keen for the Board to have sight of the paper and acknowledged that a conversation was still to be had with DARD regarding financial flexibilities.

Following discussion the Chair offered to take forward, if required, issues relating to financial flexibilities with the DARD Permanent Secretary.

**Chair**

**13.3 Equity Proposal**

Mr Ferguson presented a paper outlining an option which AFBI held to hold equity in a company and recommended that the Board approve the funding required in order to develop a business case which would explore the options and recommend a way forward.

The Board unanimously approved the development of the Business Case and suggested that the Executive should include a clearly defined timeframe which would enable AFBI to exercise the option in the required timescale if supported by the Business Case.

**LH**

(Mr Ferguson and Mr Griffiths left the meeting)

**14. Governance Issues**

**14.1 AFBI Risk Management**

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

**LH**

**14.2**      Whistle Blowing and Fraud      **ACTION**

The Board was content to note the status of the current whistleblowing investigation as outlined in the briefing paper presented by the Executive.

**14.3**      Health and Safety

A summary of the events reported during the year was presented in an Adverse Events Report for 2012/13. The Executive informed the Board that the key issue is to focus on the lessons learnt, be more proactive in addressing any recommendations and communicating the outcomes to staff.

In future Health and Safety will be reported as part of the Executive Report and the Board was content to note.

**LH**

**15. People Issues**

*(Mr Brennan entered the meeting)*

**15.1**      HR Annual Report 2012/13

A copy of the HR Annual Report 2012/13 Addendum Report was presented to the AFBI Board. The Executive advised that the report was designed to provide the AFBI Appointments and Remuneration Sub-Committee with an overview of the work and activities carried out by AFBI HR Branch during the year and establish a baseline position. Going forward the report will concentrate on trends within the organisation.

**15.2**      AFBI Morale and Motivation Survey & Stress in the Workplace – Implementation Plan

To enable members to have more time to consider the findings of the AFBI Morale and Motivation Survey and the Stress in the Workplace Implementation Plan, the Board decided to postpone its review and consideration of the reports until its meeting in June 2013. The Executive assured the Board that it would commence implementation of the relevant action plans and communication with AFBI staff.

**LH**

*(Mr Brennan left the meeting)*

**16. Appointments and Remuneration Sub-Committee**

**16.1**      Highlights and Draft Minutes from Appointments and Remuneration Sub-Committee meeting held on 5 March 2013

The Board was content to note the draft minutes from the meeting of the Appointments and Remuneration Sub-Committee held on 5 March 2013.

One of the issues highlighted was that relating to partial retirement and the potential risks that it poses to the organisation. The Executive assured the

Board that partial retirement requests were being robustly considered and that they would only be granted in those circumstances where the job could be reshaped without exposing AFBI to undue risk.

**ACTION**

## **16.2** Revised Terms of Reference (ToR)

In presenting the revised ToR Prof McKelvey, the Chair of the Sub-Committee advised the Board that the ToR do not delegate powers to the Sub-Committee and therefore the Sub-Committee remains an advisory body.

The Board sought clarification around Item 7.3 of the revised ToR which stated, "*The regular review of the appropriate application of Northern Ireland Civil Service (NICS) staff Terms and Conditions to AFBI staff*", Prof McKelvey informed the Board that this point was part of the original ToR and had been included to monitor the impact of NICS Terms and Conditions on for example external recruitment competitions.

Reflecting on Item 1 of the revised ToR which states, "*The primary role of this Committee will be to support the Board's programme of Change Management*", it was suggested that the purpose should also include a reference to HR.

Prof McKelvey asked Board members to consider the revised ToR and provide him with any further comments before a final draft is resubmitted for Board approval.

**BOARD**

## **17. Science Strategy Sub-Committee**

### **17.1** Highlights and Draft Minutes from Science Strategy Sub-Committee meeting held on 8 March 2013

In presenting a verbal report to the Board Mr Lindsay, acting Chair of the Science Strategy Sub-Committee advised members that the Committee is confident that the development of an AFBI Science Strategy can move forward now that the Science Directors have been appointed.

The next meeting of the Committee is scheduled for Thursday 9 May 2013 and the CEO assured the Board that the Executive will have a draft paper prepared in time for the meeting.

**CEO**

## **18. Highlights from Finance Sub-Committee Meeting held on 29 April 2013**

The Chair of the Finance Sub-Committee, Mrs Hilary McCartan provided the Board with a verbal report on the Finance Sub-Committee meeting held on 29 April 2013 and highlighted the following issues for the benefit of Board members –

- Terms of Reference for Finance Sub-Committee – the Committee carried out an annual review of the ToR and there are some small amendments to



- be made before a final version is presented to the Board for approval
- Strategic Cost Model – given the importance of this project the Committee have emphasised the need for the Executive to ensure that sufficient resources are available
  - AFBI Accounts 2012/13 – AFBI Finance are aiming to have a draft set of accounts available by the end of June 2013
  - Internal Audit Review – the Committee were pleased to note the satisfactory report on budgetary control and management information
  - DARD Risk Assessment – the Committee reviewed the DARD risk assessment of AFBI and the accompanying action plan which will come before the Board at a later meeting.

**ACTION**

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

The Board noted the recommendations as outlined by the Secretary in a paper presented to the meeting and were content to approve the changes.

**SEC**

**20. Any Other Business**

There was no further business.

**21. Review of Board Meeting Effectiveness**

The Chair informed members that this item had been included on the agenda as it was one of the actions arising from the Board Strategy Session in January. It is seen as an effective way for Board members to air their views on the proceedings and format of the meeting and suggest changes. The Board was content to note and accepted that the item will be included on future agendas.

**SEC**

**22. Date of Next Meeting**

The next AFBI Board meeting will take place on Tuesday 28 May 2013 at 10.00am in the Boardroom, Toome Eel Fishery (N.I.) Ltd, Toomebridge, Co. Antrim, BT41 3SB.

**23. Closed Session**

The Board met in closed session following the conclusion of business with Dr McMurray, the AFBI Executive other than Mrs Hogg and the Secretary all leaving the room.

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

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