



**Minutes of the Meeting of the  
Agri-Food and Biosciences Institute (AFBI) Board  
held at the Silverbirch Hotel, Omagh  
on Thursday 8 September 2016 at 10.00am**

**Present – Board Members**

Mr Colm McKenna, Chair	Mrs Fiona Hanna	Mr Ken Millar
Prof William McKelvey, Deputy Chair	Mrs Sarah Havlin	Prof Patrick Murphy
Mr Colin Coffey	Dr Richard Horton	Mrs Maureen McKeague
Dr Michelle Costello-Smith	Ms Joan Houston	Dr Cecil McMurray
Ms Theresa Cullen	Mr David Lindsay	Mr Richard Solomon

**In Attendance - AFBI Executive**

Prof Elaine Watson, Chief Executive Officer  
Mrs Mary Jackson, Interim Director of Finance and Corporate Affairs Division  
Dr Stanley McDowell, Director of Veterinary Sciences Division

Mrs Lynsey Cooper, AFBI Secretariat

**1. Welcome and Introduction**

**ACTION**

The Chair welcomed everyone to the meeting and advised that he wished to hold two closed sessions at the end of the meeting; initially as tabled with the Board and CEO, followed by a session with the Non-Executive Directors only.

**2. Apologies**

Apologies were received on behalf of AFBI Board Members Mrs Sharon Smyth and Mr Ian Buchanan. An apology was also received from Dr Sinclair Mayne, Director of Sustainable Agri-Food Sciences Division.

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

There were no new conflicts of interest declared, nor any changes to be made to Board members' Register of Interests.

**4. Draft Minutes of the AFBI Board Meeting held on 7 July 2016**

The draft minutes from the previous AFBI Board meeting held on 7 July 2016 were approved without amendment.

#### 4.1 Action Sheet from AFBI Board Meeting held on 7 July 2016

The Board noted the progress against actions as per the action sheet.

#### 4.2 Draft minutes of AFBI Open Meeting held on 2 June 2016

The Board approved the draft minutes of the AFBI Open Meeting held on 2 June 2016.

### 5. **Chair's Remarks**

In providing his remarks, the Chair acknowledged that the Board had been kept apprised of the restructuring proposals which were outlined in the CEO's "*Shaping the Future*" consultation document released on 8 August 2016. He advised that the CEO had visited a number of AFBI sites to discuss the proposals with staff and reassured the Board that there would be continuing engagement with the DAERA Minister and senior officials. The Chair expressed his satisfaction that the consultation process was being managed appropriately and informed members that he was continuing to closely liaise with the CEO and the Change Advisory Group during the consultation phase.

#### 5.1 Summary report on outcome of Board Members appraisals

The Chair provided his summary report on the outcome of the completed Board members' performance appraisals for 2015/16, noting that there were no significant issues raised. The summary and appraisals will be forwarded to AFBI Sponsor Branch to complete the process.

### 6. **Executive Report**

The CEO presented the "*Executive Report*" in which she outlined her vision for ensuring the sustainability of AFBI's future and provided details of various stakeholder meetings she and other staff members had participated in over the summer period. The Board verbalised their support for this vision, emphasising the support required from the political, educational and industry sectors in order for success. The Executive reassured the Board that AFBI was continuing to meet its obligations for daily business during this period of consultation.

At the end of the CEO's presentation of her Executive Report, the Deputy Chair requested permission from the Chair to express his congratulations to the AFBI staff involved in the recent 67<sup>th</sup> Annual Meeting of the European Federation of Animal Science (EAAP) conference which was attended by 1,500 global delegates, stating it had been a fantastic success for AFBI, Belfast and Northern Ireland.

### 7. **Finance**

#### 7.1 AFBI Budget Monitor Report – Position at 31 July 2016

Mrs Jackson presented AFBI's financial position as of 31 July 2016 which showed a forecasted deficit of £1,392k against the budget and advised that, in order to bring the deficit forecast to zero, potential savings had been identified and a bid made to DAERA for the October monitoring round to the value of £792k.

After careful scrutiny, the Board requested that the budget monitor table be amended to show the previous year's 'year to date' figures as a useful comparator and agreed that the Finance and Business Strategy Committee should convene prior to the October Board meeting to provide increased oversight.

**MJ**

## **7.2** Vaccine Royalties Update

Mrs Jackson reported the complexities in tracking the life of AFBI patents across multiple variations of vaccines being sold in several different countries, as each of these have their own rules for the governance of patents.

The Board requested that the Executive performs a scoping exercise to identify the additional resources required to definitively ascertain AFBI's future royalty income and the Chair suggested that Dr Costello-Smith could provide expertise if required.

**Exec**

## **8. Finance and Business Strategy Committee**

### **8.1** Draft minutes from Finance and Business Strategy Committee Meeting held on 21 June 2016

The Board noted the draft minutes from the Finance and Business Strategy Committee meeting held on 21 June 2016 and received assurance from the Executive that a new member of staff was now dedicated to the development of AFBI's Charging Policy.

### **8.2** Draft updated Finance and Business Strategy Committee Terms of Reference

The Board approved the draft Terms of Reference for the Finance and Business Strategy Committee which was updated to reflect its new member constitution in place since 5 May 2016.

## **9. Audit and Risk Assurance Committee**

### **9.1** Draft minutes from Audit and Risk Assurance Committee Meeting held on 4 July 2016

The Board noted the draft minutes from the Audit and Risk Assurance Committee meeting held on 4 July 2016 and the Board's attention was drawn to correspondence received from the DAERA Permanent Secretary outlining an assessment by the DAERA Internal Audit team of the status of NIAO and PAC recommendations, which is currently underway.

The Chair suggested that AFBI's Head of Governance and Performance liaise with the Chair of the Audit and Risk Assurance Committee in order to expedite the resolution of those PAC recommendations considered uncompleted.

**MJ**

**9.2** Draft Minutes from Audit and Risk Assurance Committee Self-Assessment Meeting held on 4 July 2016 **ACTION**

The Board noted the draft minutes of the annual Audit and Risk Assurance Committee Self-Assessment exercise and Ms Joan Houston, Chairman of the Audit and Risk Assurance Committee, reported that the process was completed with no significant issues raised.

**10. Governance Issues**

**10.1** Risk Management

**10.1.1** *Reports of New or Emerging Risks*

The Board noted that the Executive was not aware of any new or emerging risks to the organisation.

**10.1.2** *CR4 - The potential loss of future EU research and development funding, coupled with the end of royalty income, could create an uncontrollable pressure on AFBI's funding position, thus posing a risk to its medium to long term financial sustainability.*

The Board considered this risk thoroughly and noted the low short-term target score in the context of the recent mitigation measure promised by the UK Government concerning financial protection of those EU funded projects signed before the Autumn statement. The Executive provided assurance that AFBI is fully committed to working within this timeframe and that AFBI has a reduced risk exposure for Horizon 2020 project bids due to the shared risk amongst collaborators.

The Board suggested that the Executive consider whether this risk should be split into two distinct risks; one concerned with the impact of Brexit on European research funding and the other focusing on the potential loss of royalty income.

**Exec**

**10.2** Whistleblowing and Fraud

**10.2.1** *Reports of New or Ongoing Cases*

The Board was advised that that there were no new or emerging cases of Whistleblowing or Fraud to be reported.

**11. AFBI Business Plan 2016-17**

**11.1** Update on Progress Against KPIs as at 30 June 2016

Mrs Jackson presented the provisional outturns made against the 2016/2017 corporate KPIs as at 30 June 2016, describing the position as follows:

- 19 out of 25 are reported as 'green' (either achieved or on track for delivery)
- 1 is reported as 'amber/green' (level of progress is broadly on track with easily redeemable deviations from plans)
- 4 are reported as 'amber' (rate of progress is less than planned)

- 1 is yet to commence

## ACTION

Mrs Jackson advised the Board that the Executive are closely monitoring those KPIs which are amber and amber/green and outlined the mitigating measures being taken. The Board noted these and requested to be kept apprised of progress.

### 12. **Draft minutes from Science Strategy Committee Meeting held on 27 June 2016**

The Board was content to note the draft minutes of the Science Strategy Committee meeting held on 27 June 2016. In response to a query, Mr David Lindsay, Committee Chair, informed the Board that planning was underway for the third peer review due in early 2017.

### 13. **Any Other Business**

No further items of business were raised for discussion.

### 14. **Review of Board Meeting Effectiveness**

The Board considered that it had held an effective meeting.

### 15. **Date of Next AFBI Board Meeting – 6 October 2016**

The next AFBI Board meeting will be held on Thursday 6 October 2016 at AFBI Bushmills.

*The Board held a closed session following the meeting.*

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

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