



**Minutes of the Meeting of the
Agri-Food and Biosciences Institute (AFBI) Board
held at AFBI Newforge
on Tuesday 25 February 2014 at 10.00am**

Present – Board Members

Mr Sean Hogan, Chair
Mr Trevor Hinds
Mr Bob McCann
Mrs Hilary McCartan
Prof Patrick Murphy
Mr Ken Millar
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 Colin Berry, Head of AFBI Finance Branch
Mr Stephen Cousins, AFBI Secretariat

- 1. Welcome and Introduction** **ACTION**

Mr Hogan opened the meeting and welcomed all in attendance.
- 2. Apologies**

Apologies were received on behalf of the Deputy Chair, Prof William McKelvey and Board Members, Mr Seamus McCaffrey, Mrs Sarah Havlin and Dr Cecil McMurray.
- 3. Conflict of Interests / Register of Interests Declaration**

There were no declarations in respect of a conflict of interest or changes to the Board members Register of Interests.
- 4. Draft Minutes of the Previous AFBI Board Meeting held on 28 January 2014**

On a proposal from Mr Trevor Hinds, seconded by Mr Ken Millar, the Board accepted the draft minutes from the previous AFBI Board meeting held on 28 January 2014 without amendment.
- 5. Action Sheet from Previous AFBI Board Meeting held on 28 January 2014**

Progress against actions was noted as per the Action Sheet with the majority of actions having been completed or on the agenda for today's meeting.

6. Chairman's Remarks

ACTION

6.1 Joint DARD / AFBI Board Meeting

The Chair gave a report on the recent joint DARD / AFBI Board meeting held on 10 February 2014. During the course of the joint meeting a number of items had been considered including –

- AFBI's budget position
- AFBI's Risk Appetite
- The costing of the 2014/15 DARD Assigned Work Programme
- The potential review of AFBI

The Chair stated that it had been a very useful meeting and Board members who had been present concurred with the Chair's assessment.

6.2 Visit to AFBI Hillsborough

The Chair informed the Board that he had the pleasure of hosting the Chair and Director of TEAGASC during a recent visit to AFBI Hillsborough. The Chair also highlighted the potential to further develop the relationship between AFBI and TEAGASC and this should be actively encouraged.

6.3 Recruitment of AFBI Chair

The recruitment competition for the Chair's post is now closed, interviews have been held and a list of names will be submitted to the Minister with the aim of having someone in post by 1 April 2014.

6.4 Joint AFBI / AFSB Meeting

Reference was made to the recent meeting with the Agri-Food Strategy Board (AFSB). The Board congratulated the Executive on the presentations given to AFSB that highlighted the wide range of work carried out by AFBI. The Board agreed that the meeting was a useful step in developing a closer working relationship with AFSB.

7. Executive Report

The Board thanked the CEO for providing a comprehensive overview of the work being carried out across the organisation.

Comments were made in relation to a number of items such as –

- The Public Accounts Committee (PAC) hearing in November 2013 - the PAC report is due to be published on 26 March 2014.
- The potential review of AFBI - a working group comprising DARD and AFBI officials has been established to consider medium term budgetary pressures and the Terms of Reference for the potential review.
- Meeting with Sir Mark Walport, UK Government Chief Scientific Advisor – the CEO and Prof Patterson met with Sir Mark Walport ahead of his public lecture in Belfast on 11 February 2014. During the meeting the CEO presented an overview of the work carried out by AFBI as well as discussion on the wider issues relating to scientific

quality and the provision of scientific evidence and advice to government. **ACTION**

8. **AFBI Business Plan 2014/15 (draft)**

A copy of the draft AFBI Business Plan 2014/15 was presented by the Executive for consideration and approval. The Executive confirmed that the Plan had been considered by the AFBI Board Finance Sub-Committee during its meeting on 24 February 2014 and that a copy had also been sent to AFBI Sponsor Branch for comments.

The Executive stated that the target increase in AFBI's Non Grant-in-Aid income would be very challenging particularly since the EU's Seventh Framework Programme (FP7) was coming to an end and the first call under Horizon 2020 had only recently been launched. The Board also noted that it may be more difficult to secure work from other public sector organisations as they too would be facing budget pressures. The Board asked that these factors be included in the Plan, along with mitigating actions.

The Board also considered the draft Key Performance Indicators in detail and noted the Executive's response to a number of the KPIs –

- An AFBI Marketing and Customer Engagement Strategy will be presented to the Board in March 2014 (*Item 14 also refers*)
- Work is ongoing in respect of a Capability Review which will hopefully be completed by the end of March 2014.

In welcoming any further comments from AFBI Board members, the Executive outlined the timeframe involved. The Executive advised that the draft AFBI Business Plan 2014/15 is to be presented to the DARD Board at its meeting on 12 March 2014 and that further comments should be submitted to the Executive by Friday 28 February 2014 as the draft Plan is due with DARD by 3 March 2014.

Board

9. **AFBI Finance Sub-Committee**

9.1 Draft Minutes from Finance Sub-Committee Meeting held on 23 January 2014

The Board noted the draft minutes from the Finance Sub-Committee meeting held on 23 January 2014.

9.2 Report from Finance Sub-Committee Meeting held on 24 February 2014

The Chair of the Finance Sub-Committee Mrs Hilary McCartan, presented a report on the Finance Sub-Committee meeting held on 24 February 2014 summarising the key items considered during the course of the meeting.

Amongst the items on the agenda was the development of the Strategic Cost Model, an update on the Public Accounts Committee hearing held in November 2013, the draft AFBI Business Plan 2014/15 and the AFBI Budget Update for 2015/16.

On a query from the Board in relation to procurement, the Executive advised that consideration of a centralised procurement function is one of AFBI's

Finance Improvement Plan actions. While the main focus of this exercise is to improve the efficiency and effectiveness of the process of procuring goods and services, the Executive stated that it may also lead to likely savings but it is unclear what the quantum may be.

ACTION

(Mr Berry entered the meeting)

10. Finance

10.1 AFBI Budget Monitor Report – Position at 31 January 2014

The latest AFBI Budget Monitor Report forecasts a surplus of £336k for 2013/14. This figure reflects reductions in income, salary costs, rates and programme expenditure. The Executive also highlighted that £300k additional capital funding had been allocated by DARD.

The Board signified that it was content to note the report and expressed its appreciation for the amount of detail included as this provides the Board with an understanding of the financial position and the implications for the organisation in the event of any changes.

10.2 AFBI Medium Term Financial Plan (MTFP) - Update

In presenting the MTFP the Executive stated that the key point that Board members should note was the information contained in the tabular summary. This table shows the effect of the best and worst case scenario for each of the five assumptions listed.

The Board was content to note.

10.3 AFBI Budget 2015/16

A paper setting out the detail of the proposed savings and associated risks relating to the AFBI Budget for 2015/16 was presented by the Executive. The Executive stated that the Savings Plan had been presented to DARD and that it would be holding further discussions with DARD on the matter. The Executive will keep the Board informed of progress.

11. Travel and Subsistence Expenses for Non Executive Directors

The Executive tabled a paper detailing recent guidance from the Department of Finance and Personnel on the payment of travel and subsistence to Board members.

The Board was asked to note the proposed changes to travel claims.

(Mr Berry left the meeting)

12. Arm's Length Body (ALB) Sponsorship Risk Assessment Action Plan

The Executive presented a summary of the eighteen AFBI and DARD improvement actions generated during the 2012 AFBI Sponsor Branch risk assessment of DARD's sponsorship, governance and oversight arrangements for AFBI.

Of the eighteen improvement actions five have been completed, five are partially completed or in progress, one is slightly overdue and seven are not yet due for completion. **ACTION**

The Board was content to note the status of the plan.

13. KPMG Implementation Plan

The Executive presented an update on the KPMG Implementation Plan and asked the Board to note the status of the recommendations. In summary fourteen out of the nineteen recommendations have been closed or consolidated and, out of the five remaining, two are currently on hold and three are in progress.

In the discussion that followed the Board was assured that the functions associated with the post of Business Manager are being undertaken but further consideration needs to be given before a decision is taken on whether or not a further resource is required.

14. Board Workshop Action Plan - Update

The Executive presented a paper detailing the current position of the actions identified at the AFBI Board Strategy Workshop held on 29 January 2013. In summary twenty-one actions were agreed and out of these seventeen have been completed and four are in progress or ongoing.

With regard to the four actions still in progress, one relates to the consideration for the establishment of a Commercialisation Sub-Committee, two relate to a Communication and Marketing Plan which will be presented to the Board in March and the other relates to a formal review of the Board Workshop Action Plan which is ongoing.

The Board agreed to defer a decision on the establishment of a Commercialisation Sub-Committee until the Board Workshop on 3 April 2014 and that this should be included on the agenda. **Sec**

15. Governance Issues

15.1 AFBI Risk Management

15.1.1 Reports of New or Emerging Risks

There were no reports of any new or emerging risks to the organisation.

15.1.2 Risk Appetite

Following discussion the Board approved the risk appetite classifications without any changes. The Board did however propose a minor change to the wording of the comment included for new business development.

15.2 Whistleblowing and Fraud

The Board noted the status of the ongoing whistleblowing and fraud cases.

16. Draft Minutes from the Organisational Development & Human Resources Sub-Committee (OD&HR) Meeting held on 22 January 2014 **ACTION**

Mr Millar, Committee member, acting in the absence of Prof McKelvey, Chair of the Committee, presented a copy of the draft minutes and the Board was content to note.

17. Report and Draft Minutes from the Audit Committee Meeting held on 30 January 2014

Mr McCann, Chair of the Audit Committee presented a copy of the draft minutes from the previous meeting and gave the Board a brief report on the proceedings.

Mr McCann referred to the receipt of final reports in respect of two Internal Audit reviews. The first was a Follow-up Review of Human Resource Management. Mr McCann welcomed the findings of the review and the Committee was pleased to note the progress that has been made since the initial review was completed.

The second was a report on the Annual Validation of Business Plan Targets. Mr McCann suggested that going forward the validation exercise should be completed before the Executive presents its end of year report on business targets to the Board.

The Board was content to note the draft minutes.

18. Report and Draft Minutes from Science Strategy Sub-Committee Meeting held on 6 February 2014

In presenting the draft minutes from the Science Strategy Sub-Committee Mr David Lindsay, Chair of the Committee highlighted a number of items –

- Draft AFBI Science Strategy – this has now been with DARD since December and to date there has been no reply. AFBI intend to proceed with publication if comments are not received as a matter of urgency.
- AFBI US Representative – Given Mr Atkinson's decision to relinquish the post in June 2014, the Committee proposed inviting him to address the AFBI Board before he departs and the Board agreed.
- Impact Factors – Dr McMurray had produced a short paper assessing the impact of the scientific publications produced by AFBI. The Committee will examine the impact assessment model used by Dr McMurray to ascertain if this is the most suitable one for AFBI to adopt.
- AFBI Recognition Policy – the Committee supported the need for an AFBI Recognition Policy and acknowledged that this is being taken forward by the Organisational Development and Human Resources Sub-Committee.
- Postgraduate Fellowship Scheme – the Executive has agreed that AFBI should have its own Postgraduate Fellowship Scheme and is considering the proposal in more detail prior to further discussion at the next Committee meeting.

Exec

- Capacity and Growth Potential – the Executive and the Committee discussed a number of issues in advance of the forthcoming Board workshop to be held on 3 April 2014. **ACTION**

19. Rolling Database of Issues Raised at AFBI Board Meetings

The Board was content to note the updates to the Rolling Database.

20. Any Other Business

20.1 Annual Board Effectiveness Review

The CEO reminded the Board that it was obligated to carry out an annual Board Effectiveness Review with the previous one having been conducted in February 2013. The Board decided that the format for this review would be best considered during the Board Workshop on 3 April 2014 and the Secretary was asked to add this to the agenda.

Sec

20.2 Dairy Conference 2014

The AFBI Dairy Conference will be held on 20 March 2014 and Board members were invited to attend.

21. Review of Board Meeting Effectiveness

Commenting on the meeting Board members agreed that these were challenging times for the organisation and the discussions held during today's meeting were both constructive and strategic.

22. Date and Venue for Next AFBI Board Meeting

The next AFBI Board meeting will be held in AFBI HQ, Newforge at 10.00am on Tuesday 25 March 2014.

Signed: _____
(Chairperson)

Date: _____