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AQW 30384/17-22

**To ask the Minister of Agriculture, Environment and Rural Affairs, pursuant to AQW 29699/17-22, to provide a link to the code of conduct referenced in his answer.**

The AFBI Board Member's Code of Conduct is not published on the Internet. A PDF version of the Code is attached at Annex A.



**EDWIN POOTS MLA**  
**Minister of Agriculture, Environment and Rural Affairs**



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**AGRI-FOOD  
& BIOSCIENCES  
INSTITUTE**

AFBI Board Member  
Code of Conduct  
February 2021, version 1.2

**afbi**

**CODE OF CONDUCT  
FOR  
AFBI BOARD MEMBERS**

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**Version Control**

<b>Version</b>	<b>Change</b>	<b>Date</b>
V1.0	First issue of document	15 February 2016
V1.1	Removal of paragraphs 3.18 & 3.19 Inclusion of indemnities for personal liability (3.18)	4 April 2016
V1.2	Minor updates including AFBI logo and use of standard template	3 February 2021

# CODE OF CONDUCT FOR AFBI BOARD MEMBERS

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## **CODE OF CONDUCT FOR AFBI BOARD MEMBERS**

### **1. INTRODUCTION**

- 1.1 As a non-executive Board Member of the Agri-Food and Biosciences Institute (AFBI), your behaviour and actions must be governed by the principles set out in this Code of Conduct and the AFBI Board Operating Framework (Appendix 1). It is your responsibility to ensure that you are familiar with, and comply with, all the relevant provisions of the Code and Framework.
- 1.2 Members must sign a Code of Conduct Acceptance form (Appendix 2) upon appointment, prior to attendance at the first Board meeting.

### **2. KEY PRINCIPLES OF PUBLIC LIFE**

- 2.1 The key principles upon which this Code of Conduct is based are the Seven Principles of Public Life<sup>1</sup>. These are:

#### **Selflessness**

You should take decisions solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for yourself, your family or your friends.

#### **Integrity**

You should not place yourself under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence you in the performance of your official duties.

#### **Objectivity**

In carrying out public business, including awarding contracts and recommending individuals for rewards and benefits, you should make choices on merit.

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<sup>1</sup> *Standards in Public Life: First Report of the Committee on Standards in Public Life*. Volume 1: Report. CM 2850-I.

## **Accountability**

You are accountable for your decisions and actions to the public and must submit yourself to whatever scrutiny is appropriate for your office.

## **Openness**

You should be as open as possible about the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

## **Honesty**

You have a duty to declare any private interests relating to your public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

## **Leadership**

You should promote and support these principles by leadership and example.

- 2.2 These principles should inform your actions and decisions as a Board Member.

## **3. GENERAL CONDUCT**

- 3.1 The Board has corporate responsibility for ensuring that AFBI fulfils the aims and objectives set by its sponsor department, and approved by the DAERA Minister, and for promoting the efficient, economic and effective use of staff and other resources by the body.
- 3.2 To this end, and in pursuit of its wider corporate responsibilities, the Board and its Members shall:
- establish the overall strategic direction of AFBI within the policy and resources framework determined by the Minister and DAERA;

- constructively challenge and hold to account the AFBI's Executive Management Team in its planning, target setting and delivery of performance;
- ensure that DAERA is kept informed of any changes which are likely to impact on the strategic direction of AFBI or on the attainability of its targets, and in conjunction with AFBI's Executive Management Team and DAERA, determine the steps needed to deal with such changes;
- ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with DAERA, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account all relevant guidance issued by the Department of Finance and DAERA;
- ensure that the Board receives and reviews regular financial information concerning the management of AFBI; is informed in a timely manner of any concerns relating to the activities of AFBI; and provides positive assurance to DAERA that appropriate action has been taken to address such concerns;
- demonstrate high standards of corporate governance at all times, including using the Audit and Risk Assurance Committee to help the Board to address the key financial and other risks facing AFBI; and
- where applicable, appoint a Chief Executive to AFBI and, in consultation with DAERA, set performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use of public monies.

### **Use of Public Funds**

3.3 You have a duty to ensure the safeguarding of public funds<sup>2</sup> and the proper custody of assets which have been publicly funded.

3.4 You must carry out your fiduciary obligations responsibly – that is,

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<sup>2</sup> This should be taken to include all forms of receipts from fees, charges and other sources

take appropriate measures to ensure that AFBI uses resources efficiently, economically and effectively, avoiding waste and extravagance. It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby the Assembly, Ministers or political parties.

### **Allowances**

- 3.5 You must comply with the rules set by DAERA and AFBI regarding remuneration, allowances and expenses. Payment and taxation of these should be in line with relevant HM Revenue and Customs and DoF guidance. Ultimately, however it is your responsibility to ensure compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

### **Gifts and Hospitality**

- 3.6 You must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement or integrity or place you under an improper obligation.
- 3.7 You must never canvass or seek gifts or hospitality.
- 3.8 You must comply with the rules set by AFBI on the acceptance of gifts and hospitality which are in line with current DoF guidance. You should inform the Institute Secretariat of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in the public register in line with the rules set by AFBI.
- 3.9 You are responsible for your decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring AFBI into disrepute.

### **Use of Official Resources**

- 3.10 You must not misuse official resources<sup>3</sup> for personal gain or for

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<sup>3</sup> This includes facilities, equipment, stationery, telephony and other services.



political purposes. Use of such resources must be in line with the AFBI's rules on their usage.

### **Use of Official Information**

- 3.11 The provisions of the Official Secrets Act 1911 to 1989 apply to all Board members.
- 3.12 You must not misuse information gained in the course of your public service for personal gain or for political purpose<sup>4</sup>.
- 3.13 You must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after you have left the Board.

### **Political Activity**<sup>5</sup>

- 3.14 In your public role, you should be, and be seen to be, politically impartial. You should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party.
- 3.15 On matters directly related to the work of the AFBI, you should not make political statements or engage in any other political activity.
- 3.16 In your official capacity, you should be even-handed in all dealings with political parties.
- 3.17 Subject to the above, you may engage in political activity but should, at all times, remain conscious of your responsibilities as a Board Member and exercise proper discretion, particularly with regard to the work of AFBI. You should inform the Institute Secretariat and DAERA before undertaking any significant political activity.

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<sup>4</sup> Board members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation

<sup>5</sup> If you are an MP, Member of the House of Lords, Member of the NI Assembly or other devolved administration or Local Councillor, you are exempt from these requirements - although you should still exercise proper discretion on matters directly related to the work of the body and recognise that certain political activities may be incompatible with your role as a board member.

## **Indemnities for personal liability**

3.18 The Government has indicated that an individual board member who has acted honestly and in good faith will not have to meet out of his/her own pocket resources any personal civil liability which is incurred in the execution of his/her board function, save where the person has acted recklessly.

## **4. MEMBERS' INTERESTS**

4.1 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your public duties and your private interests – financial or otherwise. You should note that the appearance of a conflict of interest, in terms of public perception, can be every bit as damaging as an actual conflict - both should be avoided.

4.2 You must comply with the rules of the AFBI on handling conflicts of interests. As a minimum, these will require you to declare private interests which may, or may be perceived to, conflict with your public duties<sup>6</sup>.

Interests which may need to be declared can include:

- Remuneration from employment, self-employment, directorships, other public appointments etc;
- Related undertakings i.e. you must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary or parent of a company (or other undertaking) in which you hold a remunerated directorship;
- Contracts with AFBI;
- Houses, land and buildings that you own or have an interest in, which are of significance or relevance to, or bear upon the work and operation of AFBI;

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<sup>6</sup> In general, all financial interests should be declared. When considering what non-financial interests should be declared, you should ask yourself whether a member of the public, acting reasonably, would consider that the interest in question might influence your words, actions or decisions.

- Shares and securities – holdings in a company or organisation which are of significance to or relevance to, or bear upon the work and operation of AFBI.
- Relevant non-financial interests including membership or holding office in other public bodies, clubs, societies and organisations such as Trade Unions and voluntary organisations.
- Cases in which a close family members or persons living in the same household as the Board Member may have an interest<sup>7</sup>.

4.2 If you are in any doubt as to what you should or should not be registering / declaring you should discuss this with DAERA and/or the Chief Executive.

4.3 The rules will also require you to remove yourself from the discussion or determination of matters in which you have a financial interest. In matters in which you have a non-financial interest, you should not participate in the discussion or determination of a matter where the interest might suggest a danger of bias.

4.4 In certain situations, handling a conflict of interest properly may require much more than simply leaving a Board meeting while the matter is being discussed or voted upon. For example, Board Members who have a conflict of interest should:

- not get involved in the setting of criteria for the assessment of the grant, tender etc;
- not get involved in the actual preparation of the grant, tender, licence application (or subsequent presentations, interviews etc) if at all possible;
- not receive any relevant papers in advance of the meeting;
- not be present for the discussion or voting or receive any minutes relating to that part of the meeting; and

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<sup>7</sup> Close family members include personal partners, parents, children (adult and minor) brothers, sisters and the personal partners of any of these.

- not use their position as a Board Member to try and improperly influence a decision by lobbying any other Board Member(s) or by contacting another Board Member to represent their interests at the meeting.
- 4.5 It is extremely important that there should be a level playing field with no advantage (real or perceived) given to Board Members or to individuals or organisations with Board connections or representation.
- 4.6 It is your responsibility to ensure that you are familiar with DAERA and AFBI's rules on handling conflicts of interests, that you comply with these rules and that your entry in AFBI's public register of Members' interests is accurate and up-to-date.

**No Code can provide for all circumstances and if you are uncertain about how any aspect of the Code of Conduct applies, you should seek advice from the Head of Governance & Performance and/or the Chief Executive of AFBI who, in turn, may seek advice from DAERA.**

## **5 RESPONSIBILITIES AS A BOARD MEMBER**

- 5.1 You should play a full and active role in the work of AFBI. You should fulfil your duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of AFBI.
- 5.2 You should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability. You must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.
- 5.3 You must comply with any statutory or administrative requirements relating to your post.
- 5.4 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the Board has made a decision, you should support that decision.
- 5.5 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.

## **6. RESPONSIBILITIES TOWARDS EMPLOYEES**

- 6.1 You will treat any staff employed by AFBI with courtesy and respect. It is expected that employees will show you the same consideration in return.
- 6.2 You will not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

## **7. RESPONSIBILITIES IN RELATION TO CORPORATE COMPLAINTS**

- 7.1 Complaints handling is an Executive function, however on some occasions complaints may be received directly by Board Members. In all instances Members should forward the complaint to the Executive (Head of Governance & Performance) to take forward in line with the AFBI Complaints policy.

## **AFBI BOARD OPERATING FRAMEWORK**

### **Introduction**

#### *Board Operating Framework*

1. This Board Operating Framework document has been drawn up by the Department of Agriculture, Environment and Rural Affairs (DAERA) and sets out the broad governance structures within which the Board of the Agri-Food and Bio-Sciences Institute (AFBI) will operate. It defines the key roles and responsibilities which underpin the relationship between AFBI and DAERA.
2. This Board Operating Framework is distinct from, but linked to, the Management Statement and Financial Memorandum (MSFM) dated 27 November 2013. In the event of any conflicting provisions, legislation and the MSFM will take precedence, in that order. Any question regarding the interpretation of the document should be directed to AFBI Sponsor Branch (ASB).
3. The Board has been appointed by the Minister to deliver the following strategic goals and to ensure good governance within AFBI:
  - Successfully deliver the assigned work programme and thereby support DAERA in achieving its goals
  - Provide scientific support to DAERA and other government departments and agencies in managing the impact of animal and plant health, food and environmental emergencies
  - Actively manage and grow AFBI's commercial portfolio and in so doing build its reputation as a customer-first organisation
  - Sustain and develop AFBI's knowledge base and position AFBI as a leader in the delivery of innovation and scientific support to the agri-food sector
  - Invest in its people and ensure that the best systems and processes are in place to manage its organisation efficiently and effectively and

- Ensure the long-term financial sustainability of AFBI
4. The AFBI Corporate Plan describes how AFBI intends to carry out its functions in order to deliver these key Ministerial priorities. The AFBI Corporate Plan also sets out key performance and quality indicators (linked to these key strategic objectives) which will enable the Board to fulfil its strategic leadership role and oversee the successful delivery of the organisation's Corporate Plan.

#### *Relationship between DAERA and AFBI*

5. It is essential that DAERA and AFBI work together as effectively as possible to ensure that the Minister's key priorities are delivered and successful outcomes are achieved. Both DAERA and AFBI will take all necessary steps to ensure that a healthy sponsor-AFBI relationship is developed and operates effectively.

## **Statutory framework**

#### *Founding legislation*

6. AFBI is established as a body corporate under The Agriculture (Northern Ireland) Order 2004 (the Order).

#### *Statutory functions*

7. Under the Order, AFBI's function is to undertake scientific work in the fields of:
  - agriculture
  - animal health and welfare
  - food
  - fisheries
  - forestry
  - the natural environment and
  - rural development and enterprise
8. AFBI's work falls into two main categories:
  - Assigned work

Article 4 of the Order provides for AFBI to undertake "assigned work" - an agreed programme of work allocated to AFBI by DAERA annually.

The Order puts a statutory obligation on AFBI to carry out this work

DAERA and AFBI have entered into a Memorandum of Understanding which sets out the key principles upon which the DAERA and AFBI customer / provider relationship will operate including how both parties will work together to develop, deliver and monitor implementation of the Assigned Work Programme

- Other work

In addition to its assigned work, AFBI may carry out any scientific work for anybody (including DAERA or any other government department) on such terms and conditions as may be agreed between AFBI and that body, subject to compliance with the MSFM, the Order and the Department's Arm's Length Bodies Sponsorship Manual Whilst AFBI may undertake commercial work, this must not prejudice the delivery of its agreed assigned work programme for DAERA.

Work for other Government bodies may be accorded similar status to assigned work under a notice served by DAERA under Article 6(3) of the Order which states that "The functions of the Institute shall be exercised in accordance with such directions of a general or specific nature as the Department may give to the Institute in writing"

AFBI should ensure there is provision within commercial contracts for the suspension of commercial activities in the event of it being called upon to respond to an emergency situation.

#### *Composition of the AFBI Board*

9. Under the Order, the Board of AFBI shall comprise:

- A Chairman
- Deputy Chairman and
- Between 8 and 18 other Board members

The quorum for the Board shall be five members.

10. The AFBI Board, including the Chairman, consists of non-executives only, who are appointed by the Minister in line with the Code of Practice for Ministerial Public Appointments in Northern Ireland.



## **Roles and responsibilities**

### *The Minister*

11. The Minister is accountable to the Northern Ireland Assembly and ultimately to the public for the activities of AFBI and its use of resources. The Minister is not, however, responsible for day-to-day operational matters. The responsibilities of the Minister include:

- approving the strategic objectives for AFBI
- approving AFBI's Corporate Plan and Business Plan
- approving the performance framework within which AFBI operates, including the setting of key performance measures and targets
- agreeing the budget and the associated grant in aid requirement to be paid to AFBI and
- carrying out the functions specified in the Order, including appointments to the AFBI Board and approving the terms and conditions of Board members

### *The Board of AFBI*

12. The main purpose of the Board is to ensure that AFBI is successful in delivering the policies and priorities of DAERA (and the Minister) by providing strategic leadership to AFBI and ensuring effective performance management of AFBI.

13. To this end, and in pursuit of its wider corporate responsibilities, the Board shall:

- establish the overall strategic direction of AFBI within the policy and resources framework determined by the Minister and DAERA
- constructively challenge AFBI's Executive Management Team in its planning, target setting and delivery of performance
- ensure that the Board receives, reviews and acts upon regular financial information concerning the management of AFBI; is informed in a timely manner about any concerns relating to the

activities of AFBI; and provides positive assurance to DAERA that appropriate action has been taken on such concerns

- ensure that DAERA is kept informed of any changes which are likely to impact on the strategic direction of AFBI or on the attainability of its targets, and in conjunction with AFBI's Executive Management Team and DAERA, determine the steps needed to deal with such changes
- ensure that all statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with DAERA, and in accordance with all other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account all relevant guidance issued by DoF and DAERA
- ensure high standards of corporate governance at all times, and use the audit committee to provide the Board with assurance in relation to the management of key financial and other risks facing the organisation
- appoint a Chief Executive to AFBI and, in consultation with DAERA, set performance objectives and remuneration terms linked to those objectives for the Chief Executive, which gives due weight to the proper management and use of public monies

14. In performing its functions, the Board must also have regard to any directions from the Minister.

15. Board members of AFBI are personally and corporately accountable for the Board's actions and decisions.

16. DAERA shall have access to the minutes of all AFBI Board meetings. The draft minutes of each Board meeting shall be provided to AFBI Sponsor Branch (ASB) within 15 days of the date of the Board meeting. ASB shall also be copied in on the Action Plan/agreed outcomes arising from AFBI's annual review of Board and sub-committee effectiveness.

#### *The Chairman of AFBI*

17. The Chairman is personally responsible and accountable to the Minister for the performance of AFBI and for the strategic leadership and control of the Board. He or she is responsible for ensuring that AFBI's policies and actions support the Minister's (and DAERA's) wider strategic policies and that its affairs are conducted with probity.

18. The Chairman has a particular leadership responsibility on the following matters:

- formulating AFBI's strategy
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by DAERA
- promoting the efficient, economic and effective use of staff and other resources
- encouraging and delivering high standards of regularity and propriety, and ensuring that audit recommendations from the Public Accounts Committee and NIAO relating to AFBI are implemented
- representing the views of the Board to the general public and
- ensuring that the Board meets at regular intervals throughout the year and that the minutes of meetings accurately record the decisions taken and, where appropriate, the views of individual Board members
- If required, the meetings of the Board may be conducted, wholly or partially, on a remote basis using appropriate technological systems.

19. In leading the Board, the Chairman must also ensure that:

- the work of the Board is subject to regular self-assessment and that the Board is working effectively
- the Board has a balance of skills appropriate to directing AFBI's business in accordance with recognised good practice in corporate governance
- DAERA is advised of AFBI's needs when Board vacancies arise and
- there is a Code of Conduct for Board Members in place, approved by DAERA. The Code shall commit the Chairman and other Board members to the Nolan Principles and shall include a requirement for a comprehensive and publicly available register of Board members' interests

20. The Chairman shall also:

- in conjunction with DAERA, ensure that all Board members, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction (and subsequently on-going) training. Such training will include the financial management and reporting requirements of public bodies, the practical application of the Nolan Principles and any other differences which may exist between private and public sector practice
  - assess the performance of individual Board members annually in accordance with an appraisal process agreed with DAERA
  - in consultation with the Board as a whole and DAERA, undertake an annual appraisal of the performance of the Chief Executive
21. Communications between the Board, the Minister and DAERA shall normally be through the Chairman. The Chairman shall ensure that the other Board members are kept informed of such communications on a timely basis.
22. The performance of the Chairman will be appraised on an annual basis by the DAERA Permanent Secretary or a senior DAERA official acting on his or her behalf.

*AFBI Board members*

23. All Board members<sup>8</sup> should act in accordance with the responsibilities of the Board as a whole and comply at all times with the Code of Practice adopted by AFBI and the rules relating to the use of public funds and conflicts of interest. (In this context, “public funds” means not only any funds provided to AFBI by DAERA but also any other funds falling within the stewardship of AFBI including income from commercial and other activities, gifts etc.)
24. Individual Board members<sup>1</sup> should accept collective responsibility for decisions of the AFBI Board, the implementation of those decisions and appropriate standards of corporate governance in the work of AFBI and AFBI employees. The On Board Guide<sup>9</sup> states that the primary role of a Board member involves bringing an independent judgement to bear on four key areas:

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<sup>8</sup> Including the Chairman

<sup>9</sup> On Board 4: A Guide for Board Members of Public Bodies in Northern Ireland (Department of Finance and Personnel, 2010)

Strategy	To contribute to the development of strategy and decision-making and to commit to these
Performance	To ensure that effective management arrangements and an effective team are in place at the top level of the organisation
	To determine and keep under review the information needs of the Board and its committees
	To help to clarify which decisions are reserved for the Board and then ensure that the rest are clearly delegated
	To hold management to account for its performance in meeting agreed goals and objectives through purposeful challenge and scrutiny; and to monitor the reporting of performance
Risk	To ensure 'risk' is a constant consideration in Board and sub-committee discussions and decisions; participate in the development and review of the corporate risk register; ensure that financial and other information coming to the Board is accurate and that controls and systems of risk management are robust and defensible
Behaviour	To live up to the highest ethical standards and comply fully with the Code of Practice. Board members should also demonstrate through their behaviour that they are focusing on their responsibilities to DAERA and the Minister as well as the organisation and its stakeholders

25. Board members will also be expected to:

- attend<sup>10</sup> Board meetings on a regular basis and be well prepared by reading relevant papers in advance and, if necessary, seeking further information
- contribute to the work of any committees that have been established by the Board

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<sup>10</sup> This may be in person or virtually using an appropriate technological system.

- offer constructive challenge in Board and sub-committee discussions, and contribute to decision-making
- make decisions together and take joint responsibility for them [the core principle is that a Board member accepts and supports the decision of the Board or resigns. A Board member can ask that his/her dissention on a particular matter is recorded but must thereafter support the Board decision]
- exercise independent judgement and a healthy scepticism in relation to decision making and scrutiny of proposals from the Executive
- maintain a focus on strategy and performance and not be distracted by detail
- operate as an effective team member and strive to build consensus within the Board
- act as an effective ambassador for AFBI
- actively promote the policies of AFBI inside and outside the organisation
- not criticise other public bodies or air personal grievances
- represent the Board at meetings and events when required
- ensure that any public comments made about DAERA, AFBI, a Board decision etc. are in line with AFBI's media/communications policy and
- act with propriety and in good faith at all times

#### *Chief Executive of AFBI*

26. The Chief Executive is accountable to the Board for the performance, management and staffing of AFBI, and for ensuring that its functions are fulfilled and targets met through effective and properly controlled executive action.

27. The Chief Executive's specific responsibilities to the Board include:

- advising the Board on the discharge of its responsibilities

- implementing the decisions of the Board (subject to the provisions of Section 3.8 of Managing Public Money Northern Ireland [MPMNI] – see paragraph 30)
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that appropriate procurement and financial appraisal and evaluation techniques, consistent with MPMNI, are followed
- having robust performance and risk management arrangements in place that support the achievement of AFBI's aims and objectives and that facilitate comprehensive reporting to the Board, DAERA and the wider public
- ensuring that adequate systems of internal control are maintained by AFBI, including effective measures against fraud and theft
- advising the Board on the performance of AFBI compared with its strategic priorities and objectives
- developing plans that reflect the longer-term corporate objectives and priorities established by the Board
- preparing the Corporate and annual business plan for the Board's approval
- ensuring that timely forecasts and monitoring information on performance and finance are provided to DAERA; that DAERA is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to DAERA in a timely fashion
- ensuring effective relationships with DAERA officials

#### *Chief Executive as Accounting Officer*

28. The Permanent Secretary of DAERA is the Principal Accounting Officer for the Department and all of its Arm's Length Bodies. The Principal Accounting Officer is accountable to the Northern Ireland Assembly for the public funds issued to AFBI. He/she designates the Chief Executive of AFBI as AFBI's Accounting Officer, and may withdraw the Accounting Officer designation if he/she believes that the incumbent is no longer suitable for the role.

29. The responsibilities of the Chief Executive as AFBI Accounting Officer are set out in an Accounting Officer Memorandum. It is incumbent on the Chief Executive to combine his/her Accounting Officer responsibilities to the Northern Ireland Assembly with his/her wider responsibilities to AFBI.
30. The Board and Chairman should be fully aware of, and have regard to, the Accounting Officer responsibilities placed upon the Chief Executive, including the requirement to:

*“take action in line with Section 3.8 of MPMNI if the Board, or its Chairman, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration, efficiency or effectiveness”*

#### *AFBI Sponsor Branch (ASB)*

31. Within DAERA, ASB, part of Corporate Services Division, is the primary source of advice to the Minister on the discharge of his/her responsibilities in respect of AFBI, and the primary point of contact for AFBI in dealing with DAERA.

#### *Minister*

32. As per paragraph 11, the Minister is accountable to the Northern Ireland Assembly and ultimately to the public for the activities of AFBI and its use of resources. ASB has a key role in advising the Minister on:
- an appropriate framework of objectives and targets for AFBI in the light of DAERA’s wider strategic aims and commitments within the Programme for Government
  - an appropriate budget for AFBI in the light of DAERA’s overall public expenditure priorities and
  - how well AFBI is achieving strategic objectives and whether it is delivering value for money

#### *Permanent Secretary/DAERA Principal Accounting Officer*

33. The Permanent Secretary of DAERA, as departmental Accounting Officer, is accountable to the Northern Ireland Assembly for the public funding



issued to AFBI. In supporting the departmental Accounting Officer in discharging his/her responsibilities, ASB shall:

- monitor AFBI's activities on a continuing basis through an adequate and timely flow of information from AFBI on performance, budgeting, control, and risk management, including early sight of AFBI's Annual Governance Statement
- address any significant problems arising in AFBI, financial or otherwise and, if necessary, intervene to address such problems in any way it sees fit
- bring significant concerns about the activities of AFBI to the attention of the AFBI Board and require explanations and assurances from the Board that appropriate action has been taken
- periodically carry out a risk assessment of AFBI's activities to inform DAERA's oversight of AFBI. This risk assessment shall take into account the nature of AFBI's activities; the public monies at stake; AFBI's corporate governance arrangements; its financial performance; internal and external auditor's reports; the openness of communications between AFBI and DAERA; and any other relevant matters
- inform AFBI of relevant Executive/government policy in a timely manner and advise AFBI on the interpretation of that policy and/or issue specific guidance to AFBI as necessary

## **Managing key relationships**

### *Board and management*

34. It is essential that the Board and executive management in AFBI work together as an effective team. This involves having clarity about roles and responsibilities and having an atmosphere of mutual respect for each other's position. In particular, the working relationship between the Chairman and Chief Executive is key to the successful conduct of business.
35. There are two main risks to achieving a healthy relationship between the Board and management. The first danger is where the Board and/or Board members become involved in operational areas. It is important that the Board maintains a focus on strategy, performance and governance and is not diverted by detail which is the responsibility of the

Chief Executive and staff. In cases where Boards become involved in operational issues, good governance, good management and clear accountability are likely to suffer.

36. The second danger is that the Chief Executive (and managers) starts making Board-level decisions. This manifests itself in a number of ways, such as the Board:

- rubber stamping strategy proposals or a draft corporate plan put forward by the Chief Executive
- being unable to take a decision without the Chief Executive's recommendation and/or
- allowing the Chief Executive to dictate the agenda for Board meetings

37. A good Board/executive relationship recognises that the roles of the Board and executives are quite separate. Boards govern; executives manage. Both are part of the same team but discharging different roles within that team.

#### *Chairman and Chief Executive*

38. It is of paramount importance that the Chairman develops an effective working relationship with the Chief Executive. On the one hand, the Chairman needs to make the time available to listen to the concerns of the Chief Executive, to provide constructive advice and even act as a confidant(e) if, for example, the Chief Executive is having difficulties with one of his/her senior managers.

39. In times of difficulty, the Chairman can often provide a shield to protect the Chief Executive (and executive team) so that operational duties are not neglected in the process.

40. The Chairman should also talk through with the Chief Executive at an early stage 'who does what' in relation to a number of leadership responsibilities such as representing AFBI with the media and the Chief Executive would be expected to share any Accounting Officer concerns with the Chairman. The relationship needs to be characterised by openness, transparency and honesty.

41. However, the Chairman is also responsible for leading the Board in effective challenge and scrutiny of executive performance, ensuring effective implementation of Board decisions and leading the

performance assessment process in relation to the Chief Executive. Consequently, an effective working relationship should not become an unduly cosy relationship.

42. One of the Chairman's roles is to manage the performance of the Chief Executive and, if necessary, remove an under-performing Chief Executive and so there must always be a degree of objective detachment in the relationship.

#### *Relationship with stakeholders*

43. It is useful for the Board to review from time to time who AFBI's key stakeholders are and actively manage its relationships with them. The Chairman, in particular, should ensure that AFBI is well connected with its stakeholders.
44. One of AFBI's most critical stakeholder relationships is with the Minister and DAERA and it is incumbent on the Board, and the Chairman in particular, to ensure that AFBI develops and maintains a positive relationship with both. Where the Board becomes aware of any problems in that relationship, it must ensure that urgent action is taken to rectify the situation.
45. Critically, the Chairman and Board must remember that they have been appointed by the Minister to ensure the delivery of, or advise upon, the Minister's and DAERA's policies and priorities. The representation of AFBI's views to the Minister by the Board is of course perfectly legitimate and acceptable, but the Chairman and Board should remember this wider context and remain independent from the Executive Management Team.

## **Delegation**

#### *Committees*

47. The Board of AFBI is free to establish its own sub-committee structure and delegate responsibilities to such sub-committees as it considers fit. However, the Board should ensure that there are terms of reference drawn up in respect of each sub-committee and clear lines of reporting and accountability established.

#### *Scheme of Delegation*

48. The Board of AFBI shall develop and maintain a document setting out the decisions and powers reserved to the Board of AFBI and the matters delegated to the Board's sub-committees and the Chief Executive. This document is normally referred to as the 'Scheme of Delegation'.
49. It should be noted that the Board of AFBI remains accountable for all of its functions, even those delegated to the Chief Executive (and sub-committees), and should therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.
50. The Board will review the effectiveness of the Scheme of Delegation each year and make amendments as required.

*Compliance with MSFM and Managing Public Money Northern Ireland (MPMNI)*

51. AFBI shall ensure that it complies with the various requirements of the MSFM and MPMNI to seek the approval of DAERA (and DoF) in relation to certain key matters. A list of such matters should be maintained by the organisation and all senior officers made aware of their compliance responsibilities in this regard.
52. AFBI's specific delegated financial authorities are set out in the Financial Memorandum. AFBI must obtain DAERA's prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations.
53. AFBI must also comply with any requirements for prior DAERA or DoF approval included in MPMNI and the Financial Memorandum. Prior DAERA/DoF approval must always be obtained before incurring expenditure, including within delegations, for any purpose that is or might be considered novel, contentious or repercussive, or which has, or could have, significant future cost implications.



## CODE OF CONDUCT FOR BOARD MEMBERS

### Confirmation of Acceptance of Code of Conduct

I can confirm that I have read the Code of Conduct and I agree to operate under this code during my tenure as a member of the AFBI Board.

Name: \_\_\_\_\_  
(Print)

Signature: \_\_\_\_\_

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