

Food Safety Promotion Board

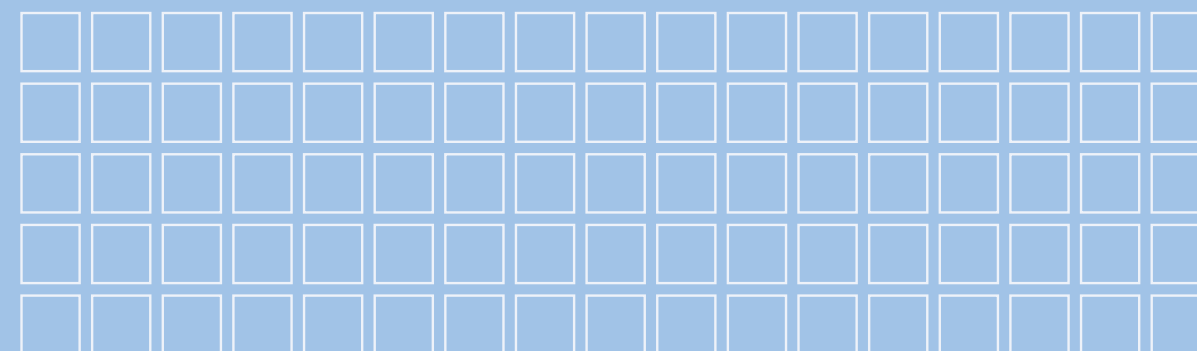




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Our mission - to foster and maintain confidence in the food supply in the island of Ireland by working in partnership with others to protect and improve the public's health.



Ministerial Foreword

The island of Ireland is characterised by many diverse traditions. But there is one great tradition we all share - the enjoyment of good wholesome food. A cornerstone of the hospitality industry throughout the island is well presented food of the highest quality. Given the importance of food both to ourselves and our visitors and, notwithstanding the economic benefits to be gained, the development of a food safety culture is fundamental to public health.



As health ministers, we are very pleased that this island is at the forefront of activity aimed at developing food safety structures. In this regard, the Food Safety Promotion Board is in a unique position to drive forward the establishment of a food safety culture throughout the whole of Ireland. In addition to promoting good hygiene practices, however, we must be mindful of the role of diet as part of a healthy lifestyle.

The Board has the key coordinating role in the area of scientific co-operation, and the development of appropriate linkages. It has already commissioned a number of research projects to enhance our collective knowledge on emerging food safety issues. The results of this research, together with the Board's role in scientific

assessment, will help policy makers develop food safety and nutritional interventions which benefit the population at large and vulnerable groups in particular.

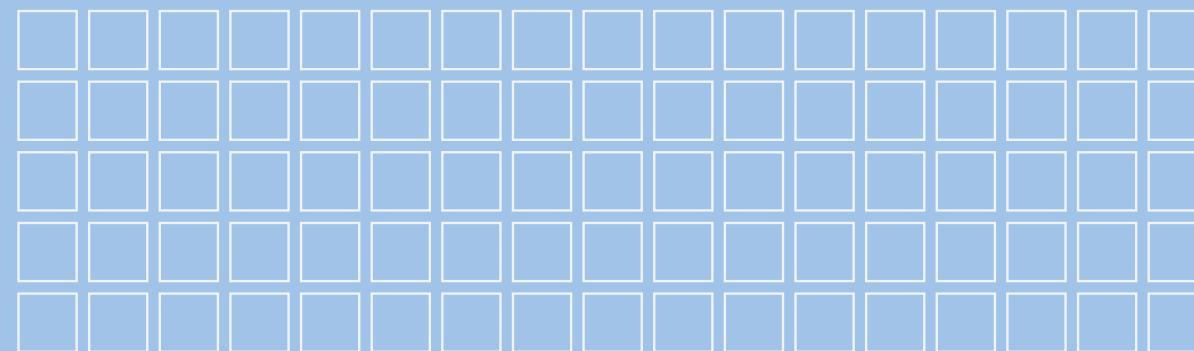
Promotion is the key to fostering a universal commitment to food safety and good diet. The Board has a wide remit to promote its messages to consumers, health professionals and industry, through a comprehensive communications strategy. As this report demonstrates, the Food Safety Promotion Board has already embarked on an ambitious programme to enhance public awareness and to make a major contribution to our fund of scientific knowledge. Working in partnership with legislators, academic institutions and other public and representative bodies, the Food Safety

Promotion Board will play a major role in efforts to improve the public health status of all the people on this island.

We commend it to you.

Bairbre de Brún MLA
Minister for Health, Social Services and Public Safety

Micheál Martin TD
Minister for Health and Children



Brollach ón Aire

Tá an iliomad tradisiún éagsúil mar threith ag oileán na hÉireann. Ach tá tradisiún amháin ann atá i gcoitinn againn go léir - taitneamha bhaint as bia maith atá folláin agus sábháilte. Cloch bhoinn den tionscal fáilteachais ar fud an oileáin is ea bia barrcháilíochta dea-ullmhaithe agus dea-churtha i láthair. Ainneoin na sochar geilleagrach atá le gnóthachtáil, tá forbairt cultúir sábháilteachta bia ina cuid bhunúsach de shláinte phoiblí.



Is mór againn mar airí sláinte go bhfuil an t-oileán seo ar thús cadhnaíochta sa ghníomhaíocht atá dírithe ar struchtúir shábháilteachta bia a fhorbairt. I dtaca leis sin, tá an Bord um Chur Chun Cinn Sábháilteachta Bia i staid uathúil chun bunú cultúir sábháilteachta bia a thabhairt chun cinn ar fud oileán na hÉireann ar fad. In éineacht le cleachtais dea-shláinteachais a chur chun cinn, áfach, ní mór dúinn cuimhneamh ar ról aiste bia mar chuid de chineál saoil shláintiúil.

Tá an príomhról comhordaithe ag an mbord sa réimse comhoibríthe eolaíoch agus i bhforbairt nascálacha oiriúnacha. Cheana féin tá sé tar éis roinnt tionscadal taighde a chomisiúnú chun ár gcomheolas ar shaincheisteanna nua-eascartha sábháilteachta bia a fheabhsú. Cabhróidh torthaí an taighde sin, in éineacht le ról



an Bhoird i measúnacht eolaíoch, le deántóirí polasaí chun idirghabhálacha cothaitheacha agus sábháilteacht bia a fhorbairt a théann chun sochar an phobail i gcoitinne agus grúpaí soghonta ach go háirithe.

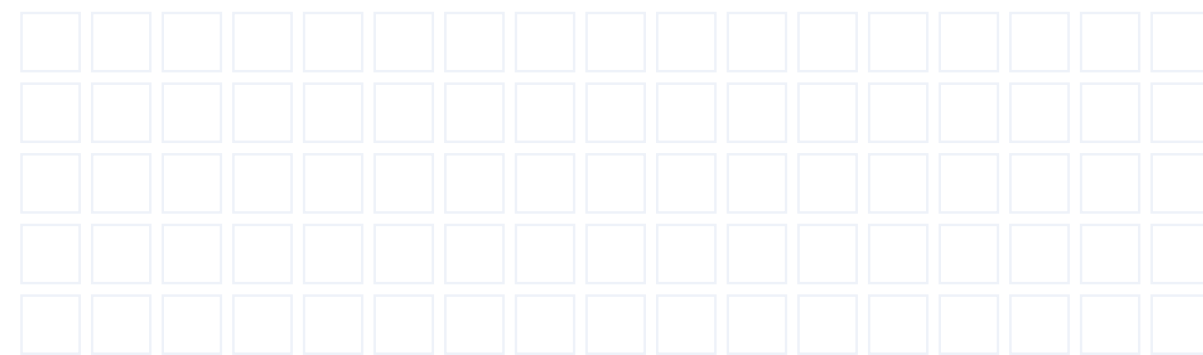
Is é cur chun cinn an réiteach maidir le tiomantas uileghabhálach don tsábháilteacht bia agus aiste bia maith a chothú. Tá raon leathan cúraimí ag an mBord i dtaca lena theachtairreachtaí a chur chun cinn i measc tomhaltóirí, gairmithe sláinte agus an tionscail sláinte, trí stratéis chuimsitheach cumarsáide. Mar a léirítear sa tuarascáil seo, tá an Bord um Chur Chun Cinn Sábháilteachta Bia tar éis tús a chur le clár uailmhianach cheana féin chun feacht an phobail a ardú agus mórchion a dhéanamh dar stór eolais eolaíoch. Trí obair a dhéanamh i

gcomhar le reactóirí, institiúidí acadúla agus comhlachtaí poiblí agus ionadaitheacha eile, glacfaidh an Bord um Chur Chun Cinn Sábháilteachta Bia mór-ról in iarrachtaí chun stádas sláinte poiblí an phobail go léir ar an oileán seo a fheabhsú.

Molaimid an Bord as an obair sin.

Bairbre de Brún MLA
Aire Sláinte, Seirbhíse Sóisialta agus Sábháilteachta Poiblí

Micheál Martin TD
Aire Sláinte agus Leanaí



Message from Interim Chief Executive

The Food Safety Promotion Board is one of the North South Implementation Bodies set up in December 1999. The Board was formally launched in November 2000. The twelve months since have presented some difficulties for the Board due to the political situation in Northern Ireland. We have, for example, been unable to appoint permanent staff and this has impacted on the development of the structures that allow us to meet fully our legislative obligations.

Notwithstanding the difficulties, we have made considerable progress. Although we are still a very young organisation, we have been proactively using every means at our disposal to communicate our messages to a variety of audiences. Advertising, media relations, education programmes and a very successful help-line have formed the basis of a sustained effort to raise public awareness of our role and functions. Along with the level of public recognition of our brand, *safe food*, another measure of our success to date is reflected in our success at fostering relationships with sister organisations, the food providers and other relevant bodies.

Our situation has been further complicated by the complex environment in which we operate. Factors that clearly affect our work include public perception of food production and an element of mistrust in the information provided by government about food safety. Much of the work carried out by ourselves and our sister organisations, the Food Safety Authority of Ireland (FSAI) and the Food Standards Agency Northern

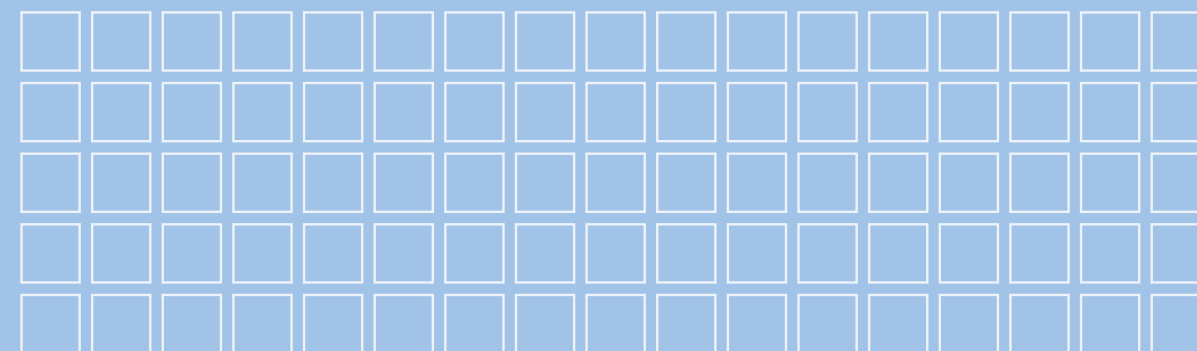
Ireland (FSANI), involves reinforcing public confidence in the food we produce. Inter-organisation co-operation and clear communication will aid the public and industry alike.

In addition to the broad programmes outlined above, we must also be active at community level, supporting initiatives on the ground. Such an approach not only ensures accurate dissemination of our messages, but also provides the two-way link that is at the core of effective communication. In the wake of BSE, the credibility of the food industry, academic institutions and government agencies has been seriously undermined. The communication of food safety and nutrition messages must therefore rely on solid scientific knowledge. The Food Safety Promotion Board has a major role to play in contributing to this knowledge base. Through our research programmes, scientific co-operation and assessment, laboratory linkage initiatives, the development of specialised testing services and our support of improved surveillance

of foodborne disease, we will work in partnership with others to advance specialist knowledge and to use this knowledge to target our communicative initiatives.

The Board has begun work on a three-year strategy to elaborate its functions and to develop realistic and achievable targets. With the resolution of the political difficulties we have been experiencing, we look forward to rapid progression and the implementation of this focused health and diet strategy, which will bring us closer to our aim of engendering a culture of food safety in our society at every level.

Martin Higgins
Interim Chief Executive



Message from Chairman of Advisory Board

The ambitious programme of work pursued by the Food Safety Promotion Board has been a great source of pride for me. Since the Body was launched last November, we have achieved much and credit is due to our Advisory Board, which has worked tirelessly to ensure that the aims of the FSPB are achieved.

It is an honour to work with this group of individuals, each of whom shows such strong commitment to the tasks we have undertaken. The Board is supported by an equally able body of scientific advisors and we are all grateful to the scientific community at large for its support.

The work of the FSPB, whether through scientific research or through communication with the general public, is in everyone's interest. Confidence in the food chain is central to our economy and our well-being. It is one of our key tasks to maintain this confidence.

The past year has, unfortunately, provided us with ample opportunity in this area, as we communicated with the public through the media and our helpline on issues surrounding the Foot and Mouth crisis. We believe, however, that our efforts did help to reassure the public that Foot and Mouth was not a human health issue, and were of assistance to our colleagues in the farming and health sectors.

As a farmer, I urge everyone involved at all levels of the food production sector to

consider the roles they play in reassuring consumers that we are working to produce food to the highest standards, and that the consumer's health and well-being are our key concerns. Each and every link in the food production chain must be completely sound. After all, the future of our industry depends on the support of consumers, both on this island and further afield.

With this approach on the part of all primary and secondary producers and suppliers of food, and the heightened level of knowledge amongst consumers resulting from our education campaigns, food safety and good nutrition and diet will become central to public health and well-being as well as forming a pillar of our economy.

Councillor Bertie Kerr
Chairman of Advisory Board



Food Safety Research

The Board's role is to identify priorities for research, to commission and fund research and to establish a database of research programmes through links with other bodies including international bodies. The FSPB will also disseminate research findings and recommend action arising from these findings. A critical success factor in ensuring that research funding is effectively applied, will be the establishment of efficient transparent protocols for the allocation of resources. A number of projects have been commissioned in this area.

Food Alerts

Rapid dissemination of accurate information is key to the management of food alerts. As such, alerts generally have a compliance dimension. The enforcement agencies will continue to manage the

operational aspects of such alerts. The role of the FSPB in this area is to liaise closely with the enforcement agencies to develop response protocols, particularly in relation to cross-border measures, and to promote appropriate training for personnel involved in managing alerts.

Surveillance of Foodborne Disease

The surveillance of foodborne disease is an essential element of our food safety strategy. Existing agencies north and south are already involved in the surveillance of a range of communicable diseases. The FSPB co-operates with these agencies and will access and analyse the relevant data held by them. The Board will publish this analysis and act as a forum for the exchange of information between relevant interests. It will also promote collaboration and harmonisation in the development of surveillance systems.

Laboratory Services

The FSPB has a general remit to promote scientific co-operation and linkages between laboratories on the island. In particular, it is developing a strategy for co-operation covering matters such as rapid reporting, network development and appropriate IT solutions. It will also act as a forum for sharing knowledge and experience on testing and surveillance methods.

The Board also has a role in the area of specialised laboratory services. Based on a cost-effectiveness study of a range of available options, it will make recommendations to the North South Ministerial Council (NSMC) on a specialised enteric reference strategy for the whole island.

Our Functions

The functions of the Board can be summarised as follows:-

Promotion of Food Safety

Through its key function, the promotion of food safety, the Board gives priority to bringing about acceptance that the provision of safe food is a responsibility shared by producers, processors, distributors at all levels, caterers and the general public. By strengthening links with key food safety organisations both

north and south, including those bodies responsible for enforcement of legislation and standards, we target the maximum number of relevant groups.

The FSPB continues to engage in public awareness campaigns and to provide advice and guidance in relation to food safety and nutrition. Notwithstanding

these campaigns, we must be guided by the principle that primary responsibility for food safety rests with food providers. Acceptance of this principle is essential to achieving a substantial improvement in food safety.

Our Environment

The development of food safety bodies at national and international levels has been largely in response to public concerns about safety and health. The environment is influenced by a variety of factors.

Factors Affecting Consumer Perceptions

Concern about the safety of food is nothing new. For many years we have been aware of the causes and effects of food poisoning and the need for hygiene.

However, BSE was a turning point. Its effect was to severely damage consumer confidence. It also marked a shift in

consumer trust in science and demonstrated our shortcomings in risk communication. Many other issues have also undermined consumer confidence, including the use of growth promoters, pesticide residues and the advent of new pathogens such as antibiotic-resistant salmonellas and *E. coli O157*. In addition, new technologies such as irradiation and, in particular, genetic modification have met with considerable resistance.

One of the greatest difficulties facing policy makers and scientists is what might be described as the "zero-risk" dilemma. The consumer demand for safety is often

expressed in a requirement that products are guaranteed as being risk free. This is something that the authorities simply cannot deliver. Apart from the risks inherent in any production process, the length of the food chain, methods of storage and distribution and hygiene practices in preparation, whether in a catering outlet or in the home, all add some element of risk. We find people less willing to take risks they feel they cannot avoid, even when risk can be quantified and adequately communicated. However, they are more willing to take risks of their own volition.

External Factors

A number of external factors impact on the food safety agenda. For example, environmental and animal welfare issues are major influences, as evidenced by the growing demand for organically produced products. The debate about genetic modification clearly illustrates the influence of external factors as environmental, ethical and political issues come into play.

The use of certain restrictive measures based on food safety considerations have, some would claim, been used as barriers to trade. The French ban on British beef and the EU's refusal to accept imports of hormone-treated beef are some examples of this.

Government Response

While the regulatory framework in Europe for food safety and hygiene is based predominantly on EU instruments and wider international standards, individual governments have also put in place, or have planned, new structures aimed at integrating food control systems.

In the south, the FSAI has been in place for a number of years, although it only recently assumed direct responsibility for the enforcement of the body of food legislation.

The year 2000 saw the launch of a Northern Ireland Directorate of the Food Standards Agency (FSANI). This trend is being followed throughout Europe and at EU level, with the proposed establishment of the European Food Safety Agency. While governments continue to strive to "get it right" on food safety, there is still the capacity to make mistakes. For example, during the dioxin scare in Belgium in recent years, the credibility of both the government and the food sector were severely undermined, yet there was no evidence of illness. The damage caused in this case stemmed from a reluctance to disclose the extent of the problem at an early stage.

Retail Sector

The retail sector, it can be argued, represents the most powerful force in driving the food safety agenda. It has long

been recognised that the regulatory system will never "police in" a food safety culture. The retail sector, however, in responding to consumers' concerns and preferences, can use its economic muscle to drive up standards and has the resources to ensure that they are maintained. Food retailing multiples and symbol groups very often have product specifications and production standards which significantly exceed legislative requirements. As consumer affluence increases, issues of safety and quality overtake price considerations as key influences in purchasing decisions.

The use of food safety issues as a competitive tool in retailing can also have negative effects. In order to gain competitive advantage, retailers may base their food safety policy on media-driven, rather than science-driven, considerations.

Producers

In response to general consumer concerns and specific retail pressures, producers - be they farmers, manufacturers or distributors - increasingly view food safety and hygiene practices as an economic imperative. There are, for example, opportunities to achieve premium prices through initiatives such as food safety and quality assurance schemes. There is, nevertheless, a challenge facing primary producers, in particular where the need for greater investment to ensure higher standards must be appraised against a climate of lower commodity prices. Their difficulties are greatly exacerbated by problems such as Foot and Mouth Disease.

The Public Health Dimension

The food safety environment is influenced greatly by perceptions and the responses they provoke from government, producers and retailers. And while perceptions cannot be ignored, we must also be aware of the realities in terms of foodborne illness and hazards. The number of reported foodborne infections has increased in recent years and, while some of this can be attributed to better reporting, the underlying trend is of some concern.

New pathogens are emerging that are resistant to previously successful treatments. Chemical hazards, such as residues in foods, continue to pose a potential health risk. Increased processing and packaging, combined with the length of the food chain, heighten the

opportunity for foreign objects to enter the supply. The trend towards eating out is also a contributory factor in the increase in outbreaks.

Finally, over-nutrition in an increasingly affluent society has become a significant contributor to morbidity and mortality. Indeed, chronic disease and obesity represent the most urgent challenge to nutritional health in the new century.

There is a considerable body of legislation already available to regulators and this legislation is constantly being updated and enhanced. However, no legislation, no matter how comprehensive, is effective unless there is sufficient will, skill and resources to implement it.

Towards the 'commitment' end of the continuum, health promotion agencies seek to achieve individual internalisation through interventions on lifestyle, personal hygiene and nutrition. While there have been interactions between the two approaches e.g. through Environmental Health Officers, there is also need for greater synergy through the development of an overall strategy. This strategy should focus on movement along the food safety continuum beyond compliance towards commitment.

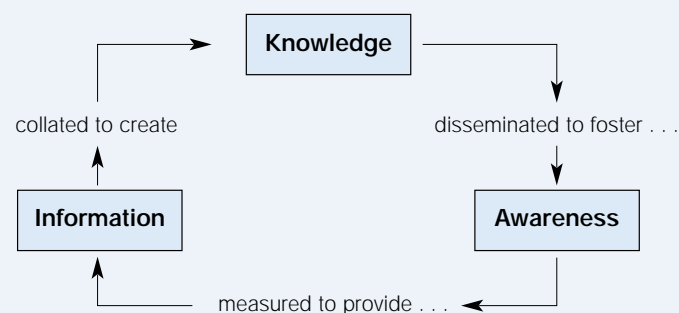
Our Objectives

Enforcement alone will not eliminate foodborne disease. We must instead strive to gain commitment from all interests - from feed manufacturers through to consumers - to the development of a food safety culture. This may be illustrated by the graphic below. The principal function of the enforcement agencies is to ensure that the point of compliance is reached, through the setting of standards and inspection against these standards.



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The FSPB's Role
 The functions of the Board, as set out in legislation, have been described on pages 10 and 11 of this report. At first glance it might seem that it comprises quite a 'mixed bag'. On the one hand, we have the promotion and awareness brief. To this has been added a range of technical and research functions. However, closer examination of the promotion function reveals a clear linkage between all six areas.

Our key and priority role is to promote awareness and knowledge. The knowledge created as a result of our technical and research functions is used to foster awareness through our promotional functions. In order to ensure that the organisation responds appropriately to the changing environment, this awareness must be measured to provide further information, thus completing the cycle.

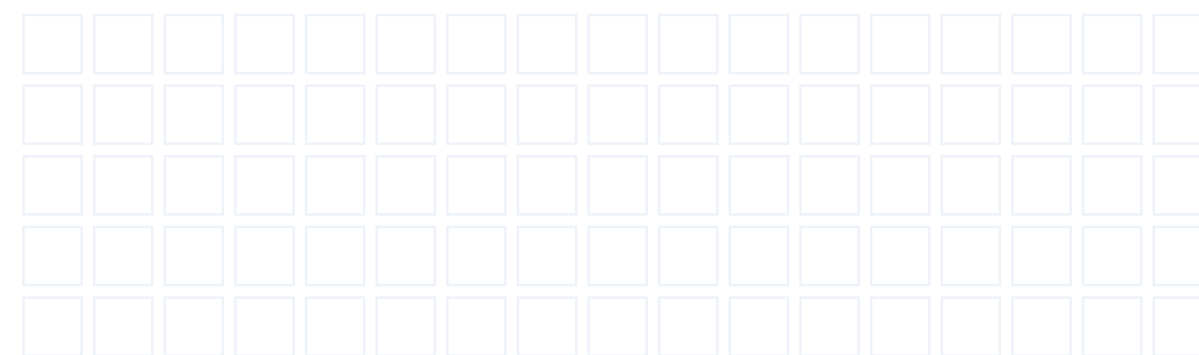
This concept is illustrated in the graphic above. While compliance with legislation underpins the enforcement role, compliance with best practice takes us a step further along the food safety continuum.

Based on our legislative remit, the analysis of our environment and our role within it, the Board sees its objectives as the following:

1. To contribute to safeguarding and improving food safety
2. To maintain a public health focus
3. To be vigilant and responsive to new and emerging food safety threats
4. To create and disseminate knowledge which is clear, relevant, accurate, timely and accessible
5. To gain acceptance as a credible and reliable source of food safety advice
6. To create and maintain effective partnerships with other agencies
7. To be efficient and effective.

Focused on these objectives, the Board has developed specific strategies in the areas of communications and scientific expertise.

An overview of activities is given in the following sections of this report.



Activities Review

Scientific & Technical January 2000 - September 2001

In order to assist in the elaboration of the FSPB functions, a series of functional groups were set up early in 2000. The groups comprised relevant experts from both jurisdictions. The four areas addressed were: scientific co-operation, surveillance of foodborne disease, research into food safety and enteric reference services. The functional groups produced extensive reports for the Interim Chief Executive to assist in the development of the corporate plan and to outline the immediate direction of the FSPB.



Stemming from the functional groups and our role in developing cost effective facilities for specialised laboratory testing, we are investigating how we can facilitate an all-island Enteric Reference Laboratory Service so that crucial scientific work on foodborne pathogens can be carried out in Ireland, making for earlier detection and more rapid control of outbreaks.

Co-ordination and dissemination of food safety information are the corner stones of our organisation. Through commissioning research and communicating the results to those in the health and food production industries, as well as directly to consumers, we are working to raise awareness of the importance of all aspects of food safety in relation to the end user - the consumer. The FSPB has developed a comprehensive research programme embracing a wide range of food safety issues to support protection of the consumer.

During 2000, eight research projects were commissioned. The areas under the FSPB's programme for research include; nutrition, toxicology, microbiology, risk assessment and risk communication. Projects will be completed within two to three years and are being carried out in various research centres and universities throughout the island. Cross-border collaboration is encouraged in all projects. The following projects were commissioned:

- Assessing the effectiveness of HACCP (Hazard Analysis Critical Control Point) implementation and maintenance in food production plants
- Detection and molecular characterization of selected pathogenic organisms isolated in unpasteurised milk using milk filters
- Poultry Meat: improving food safety by improving chemical residue surveillance
- Development of a harmonized system for approval and monitoring private laboratories testing foodborne pathogens
- Gastrointestinal symptoms in Ireland - a telephone survey
- Development of rapid tests for the detection of *Mycobacterium paratuberculosis* and their use to determine survival in food matrices
- A comparative study of thermophilic *Campylobacter* isolates of clinical and food origin using genotypic and antimicrobial characterisation techniques.

Disease does not respect territorial boundaries and, consequently, communication and liaison between key personnel in adjacent health board areas, including cross-border, is crucial. In our role in disease surveillance, we have assisted in strengthening the response of health professionals to major foodborne outbreaks. A two-day training programme for the control of cross-border food poisoning outbreaks was held in

Enniskillen in November 2000 and a follow-up in Cavan in August 2001.

In November 2000, the Department of Health and Children requested the FSPB to carry out an investigation into the health effects of 'stimulant drinks' following concern in a coroner's report on the death of a young man who had consumed a 'stimulant drink' before collapsing. A multidisciplinary committee, chaired by Professor Sean Strain, University of Ulster, was set up. The three main areas that the investigation is focusing on are:

- (i) physiological effects
- (ii) behavioural changes of individuals and
- (iii) marketing of the product.

The final report was released in March 2002.

Computerised Infectious Disease Reporting (CIDR) is an initiative undertaken by the NDSC (National Disease Surveillance Centre) in collaboration with other relevant bodies in the south. The aim is to link electronically clinical laboratories undertaking human disease surveillance so that information may be rapidly transferred between relevant health professionals. The FSPB has assisted in facilitating meetings and also giving expert advice in relation to this project.

Communications November 2000 - September 2001
 Since its launch in November 2000, the Food Safety Promotion Board has actively pursued its objectives through liaison and co-operation with a variety of groups such as the media, professional bodies, government agencies and direct contact with the public through its telephone helplines.



Timeliness has been of the essence to many of our media initiatives and, through joint advertising and PR strategies, we have managed to capitalise on several seasonal opportunities, including Christmas cooking and left-overs tips and a summer promotion dealing with out-door eating launched by Health Minister, Ms Bairbre de Brún, in Belfast. Relations with most of the large retail chains have also been established and campaign leaflets were successfully distributed through stores. Other initiatives included a joint project with the FSAI. The 'Vote with Your Feet' campaign encouraged consumers to take a stand against poor hygiene by giving their custom to establishments with good hygiene standards.

To confront the confusion consumers were experiencing regarding BSE, the FSPB worked closely with the FSANI and the FSAI in preparing consumer information. A booklet entitled 'Is Beef Safe To Eat? - BSE: The Facts', was made available through the *safefood* helpline and many of the major supermarkets and butcher shops. The booklet, which is presented in a very straightforward manner, covers the controls in place to protect public health and the measures used to ensure that the materials most likely to be at risk of carrying BSE are kept out of the food chain.

These were the strategies that we could plan ahead but issues pertaining to foodsafety are not always predictable and the public requires advice or reassurance

when these issues arise. 2001 witnessed an example of such a situation with the outbreak of Foot and Mouth Disease. Valid questions, such as 'Can I catch Foot and Mouth from eating food from infected animals?' and 'If the food is safe to eat, why are imports being stopped?', were being asked daily. In our role as a central, credible source of information on food safety, we were able to issue information through the media and our helpline reassuring consumers that their health would not be affected.

Research results were disseminated through the year and the interest in the North/South Ireland Food Consumption Survey was rewarding, with most major media outlets carrying the results in one form or another. Interest in the issue of food poisoning also remains strong and the interim results of the joint gastroenteritis survey, indicating that reported cases represent only a small fraction of the real incidence, met with high levels of interest, enabling the FSPB to reiterate its basic 'cook, clean, chill, separate' messages.

Advertising initiatives designed to increase public awareness of the risks of food poisoning and the preventative measures that can be taken in the home currently run on TV, radio and in the press. We have had very positive responses to our main TV advertising campaign. The informal cartoon style appeals to all ages. Indeed, the cartoon character, Harry Hat, was also a live-action success at a number of events throughout the year.

Our radio and press advertising campaign performed the dual purpose of raising public consciousness of the high incidence of food poisoning while advising people that they can prevent it in their own homes. It also serves the practical purpose of making the *safefood* helpline numbers widely known.

The combined effect of PR and advertising promotion of the helpline numbers has established the service as a reliable source of information for consumers. Queries are now typically 200 per month, though this figure rises dramatically during food scares. For example, during the first month of the Foot and Mouth outbreak, the number of calls rose by almost 50%.

Excellent media relations have been built up since our launch and progress continues to be very positive. We have now reached a stage where the media approach the FSPB, not only for information on scares or research, but to provide them with ongoing advice for their audience, for instance in the form of regular newspaper articles.



Foreword to the Accounts

a. Background Information

The Food Safety Promotion Board, or in the Irish language An Bord um Chur Chun Cinn Sabháilteachta Bia, is an Implementation Body established under the terms of the Belfast Agreement on 2nd December 1999 on the entry into force of the British-Irish Agreement which was signed by the British and Irish governments as part of the agreement reached in the multi-party negotiations in Belfast on Good Friday, 10th April 1998. The Board's governing legislation is the British-Irish Agreement Act 1999 and the North-South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999.

The governing legislation confers the following specific functions on the Board:-

- Promotion of food safety
- Research into food safety
- Communication of food alerts
- Surveillance of foodborne disease
- Promotion of scientific co-operation and laboratory linkages
- Development of cost effective facilities for specialised laboratory testing.

In addition to the specific functions set out above, the Board has a general remit to act as an independent source of scientific advice.

The accounts contained in this document refer to the period 2 December 1999 to 31 December 2000 inclusive.

The statements have been prepared in accordance with the following:

- The financial arrangements of Part 7 of the British-Irish Agreement establishing Implementation Bodies

- The format directed and approved by the Department of Health and Children and the Department of Health, Social Services and Public Safety, as provided for in the Board's Financial Memorandum

- The Annual Report and Accounts Guidance provided by the Department of Finance and Personnel and the Department of Finance.

b. Governance

The functions of the Board are discharged by the Chief Executive (or pending his/her appointment, the Interim Chief Executive), who reports to the North South Ministerial Council (NSMC). The Chief Executive is assisted by a twelve-member Advisory Board.

c. Financial Results

The financial results of the Food Safety Promotion Board are set out in detail on page 23. The deficit for the period was IR£267,348 (GBP£211,859).

d. Activities to Date

The Board submitted, in October 2000, a corporate strategy and annual plan for 2001, developed with the assistance of a number of informal working groups. A decision from the NSMC is awaited on this submission and on other submissions, including the appointment of permanent staff.

These were not approved as no Northern Ireland Ministers were nominated to attend NSMC meetings during this period.

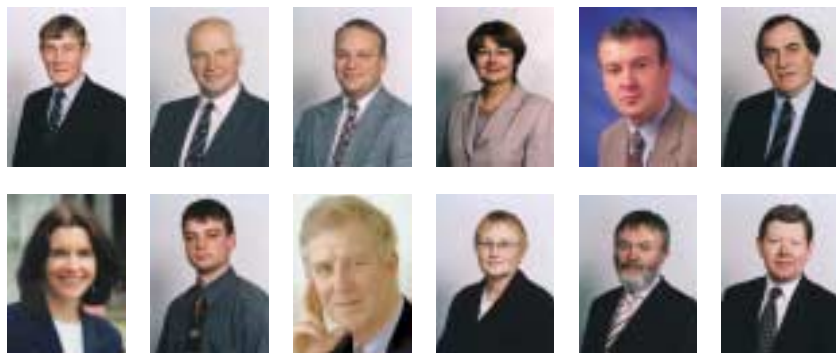
Following discussions with the health departments, it was agreed that the Board would commence a range of activities pending completion and approval of its initial strategy and plan. Using the brand name 'safefood' (in Irish 'baislán'), the Board began, in November 2000, a series of awareness-raising TV food safety advertisements, complemented by consumer leaflets.

A seasonal campaign was run at Christmas with leaflet distribution through supermarkets and butcher shops.

Since the Board's formal launch on 3rd November 2000, it has had a consumer helpline in place. A range of education and awareness initiatives was planned for commencement in 2000 but this was postponed pending a decision on the corporate strategy and annual plan. A research commissioning programme is underway (see 'Research' paragraph). During the period covered by the financial statements, the Board operated from a temporary location in Dublin. From November 2001, the Board's headquarters are in Cork, at new premises at Little Island on the city outskirts.

e. Fixed Assets

As a start-up operation the Board did not transfer fixed assets from other public bodies. Asset purchase amounted to IR£97,541 (GBP£77,296), mainly comprising computer and office equipment.



Our Advisory Board

<p>f. Research The Board issued a call for research proposals during 2000. Seven major projects were approved for funding. The projects are each characterised by north/south partnerships and are typically of three years duration. The following areas are covered by the research call:</p>	<p>2001, but full operational capability depends on approval of the strategy by the NSMC and the recruitment of appropriate staff.</p>	<p>equal opportunity and a draft Equality Scheme has been submitted to the NSMC for preliminary approval. The Board will consult widely on the draft before submitting a final scheme to the Equality Commission for Northern Ireland. Accessibility for employees and for members of the public who may have a disability was a key factor in selecting a premises for the Board.</p>
<ul style="list-style-type: none"> • A study to ascertain the degree of contamination of food by <i>Campylobacter</i>, a common pathogen 	<p>h. Post Balance Sheet Events There were no post balance sheet events.</p>	<p>i. Charitable Donations No charitable donations were received or made during the period.</p>
<ul style="list-style-type: none"> • The surveillance of the chemical contamination of poultry meat 	<p>j. Advisory Board The members of the Advisory Board are:</p>	<p>l. Provision of Information to and Consulting with Employees During the period, there was no formal process for the provision of information to and consultation with employees. The employees were not represented by a trade union or staff association. However, all employees were regularly advised of developments and consulted with on an informal basis. It is the Board's intention to develop appropriate consultative mechanisms in the future.</p>
<ul style="list-style-type: none"> • An assessment of the effectiveness of food safety systems in food production plants 	<p><i>Top Row - left to right</i> Councillor Bertie Kerr Mr. Don Anderson Mr. Leslie Craig Ms. Carmel Foley Mr. Ronan Garvey Prof. Michael Gibney</p>	<p>m. Prompt Payment Policy and its Performance The Board operates a creditor payment policy in accordance with the provisions of the Prompt Payment of Accounts Act 1997 and the UK Late Payment of Commercial Debts (Interest) Act 1998. The payments list for the period has been reviewed and all payments were in accordance with policy.</p>
<ul style="list-style-type: none"> • A study of domestic food safety practices and temperature of home fridges 	<p><i>Bottom Row - left to right</i> Prof. Cecily Kelleher Mr. Damien O'Dwyer Dr. Danny O'Hare Ms. Anne Speed Prof. Seán Strain Mr. Michael Walker</p>	<p>n. Health & Safety Policy A health and safety policy will be developed during 2001.</p>
<ul style="list-style-type: none"> • The development of rapid methods for the detection of <i>Mycobacterium paratuberculosis</i> in foods 	<p>An interim informal committee has been established by the Board to provide it with scientific and technical advice. A formal Advisory Committee will be put in place by the Board on the agreement of the NSMC and a decision in this matter is awaited.</p>	
<ul style="list-style-type: none"> • Study of pathogens in unpasteurised milk 		
<ul style="list-style-type: none"> • Development of a harmonised approval and monitoring system for laboratories. 		
<p>The Board also directly commissioned a number of small research studies.</p>		
<p>In total, the sum of IEP£1.320 million (GBP£1.020 million) is included in the accounts for research.</p>		
<p>g. Future Development The Board will continue to develop its interim programmes, including communications and research during</p>	<p>k. Disabled Employees There were no disabled employees of the Board during the period. The Board is committed to a policy of</p>	

Statement of Responsibilities

Food Safety Promotion Board's Responsibilities

The Department of Health and Children and the Department of Health, Social Services and Public Safety have directed the Food Safety Promotion Board to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction at the appendix to these accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the Body's state of affairs at the year end and of its income and expenditure, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Board is required to:

- Observe the accounts direction issued by the Department of Health and Children and the Department of Health, Social Services and Public Safety, including the relevant accounting and disclosure requirements, and apply accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements
- Prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Body will continue in operation.

Chief Executive's Responsibilities
The Chief Executive's responsibilities as the Accountable Person for the Food Safety Promotion Board include responsibility for the propriety and regularity of the public finances and for the keeping of proper records and are set out in the Financial Memorandum of the Board.

Statement on the System of Internal Financial Control

As accountable person, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Food Safety Promotion Board.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of Internal Financial Control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget
- procedures to review and agree the budgets
- the preparation of regular financial reports.

During the accounting period, the Food Safety Promotion Board had no internal audit function as required by the financial memorandum of the Board. However, the Food Safety Promotion Board will engage external consultants to develop and implement an internal audit in 2001.

Segregation of duties was implemented within the Food Safety Promotion Board in so far as this was possible with the limited staff complement. I, as Interim Chief Executive, countersigned all purchase orders and payment approvals and personally signed all cheques and other payment instruments.

I note the matters raised in the report of the Comptrollers and Auditors General. The weaknesses in tendering arrangements and the monitoring of expenditure identified are currently being addressed as part of a review of all internal controls in the body.

Martin Higgins
Interim Chief Executive

25th June 2001

The Certificate and Report of the Comptrollers and Auditors General

We have audited the accounts on pages 23 to 25. Our audit has been carried out pursuant to the provisions of the British-Irish Agreement Act 1999 and the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Board.

Respective responsibilities of the Chief Executive and the Auditors

The responsibilities of the Chief Executive, including those pertaining to the preparation of the accounts and the regularity of financial transactions are set out in the Statement of Responsibilities on page 21. It is our responsibility to audit the accounts. As a result of our audit we express an opinion on the accounts.

We review whether the statement on page 21 reflects the Board's compliance with applicable guidance on corporate governance and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the accounts. We also report if, in our opinion, the Foreword is not consistent with the accounts.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the accounts. It also includes an assessment of the significant estimates and judgments made by the Chief Executive in the preparation of the accounts, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Dáil Éireann and the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the accounts. We have obtained all the information and explanations which were necessary for the purposes of our audit.

Opinion

In our opinion

- proper accounting records have been kept by the Board and the accounts, which are in agreement with them, give a true and fair view of the state of the affairs of the Board at 31 December 2000 and of its transactions, total recognised gains and losses and cash flows for the period then ended and have been properly prepared in accordance with the accounts direction issued under the governing legislation

- in all material respects the expenditure and income have been applied to the purposes intended by Dáil Éireann and the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

See also our report in Appendix 3.



John Purcell
Irish Comptroller and Auditor General



J. M. Dowdall
Comptroller and Auditor General for Northern Ireland

Accounts

Income & Expenditure Account for the period ended 31 December 2000

	Notes	IR£	GBPE
Income			
Grant from Departments	2	1,952,459	1,509,779
Capital Grant Release	8	25,304	20,052
Total Income		1,977,763	1,529,831
Expenditure			
Staff Costs	3	228,467	176,667
Depreciation	5	25,304	20,052
Research Programme Expenditure	4	1,320,142	1,020,827
Other Operating Costs	4	671,198	524,144
Total Expenditure		2,245,111	1,741,690
Deficit for the period transferred to General Reserve		(267,348)	(211,859)
All amounts above relate to continuing activities			
The Board has no recognised gains or losses other than the results for the period as set out above			
The notes on pages 26 to 29 form part of these accounts			

Cash Flow Statement for the period ended 31 December 2000

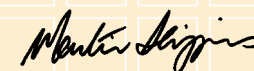
	Notes	IRE	GBPE
Net cash inflow from operating activities	9	312,541	247,671
Returns on investments and servicing of finance		0	0
Capital expenditure and financial investment	5	(97,541)	-77,296
Acquisitions and disposals		0	0
Management of liquid resources		0	0
Financing		0	0
Increase in cash		215,000	170,375

The notes on pages 26 to 29 form part of these accounts.

Balance Sheet as at 31 December 2000

	Notes	IRE	GBPE
Fixed Assets			
Tangible Assets	5	72,237	57,244
Current Assets			
Cash at bank and in hand		215,000	170,375
Current Liabilities			
Creditors - amounts falling due within one year	6	351,317	278,399
Net Current Liabilities		(136,317)	(108,024)
Total Assets less Current Liabilities		(64,080)	(50,780)
Creditors - amounts falling due after more than one year	7	131,031	103,835
		(195,111)	(154,615)
Financed by :			
Capital and Reserves			
General Reserve		(267,348)	(211,859)
Capital Grant Reserve	8	72,237	57,244
		(195,111)	(154,615)

The accounts on pages 23 to 25 were approved by the Interim Chief Executive on 25th June 2001



Martin Higgins
Interim Chief Executive

The notes on pages 26 to 29 form part of these accounts.

Notes to the Accounts for the period ended 31 December 2000

1 Accounting Policies

1.1 Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention.

Without limiting the information given, the financial statements are prepared on an accruals basis and comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the Republic of Ireland Companies Acts 1963 to 1999, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by the Department of Finance and Personnel, insofar as those requirements are appropriate.

1.2 Fixed Assets

a) Tangible Fixed Assets are included at cost to the Board.

b) Depreciation is calculated to write off the cost or revalued amounts of fixed assets within their useful lives. The methods adopted and rates used per annum are as follows:

Office Equipment	15% straight line
Computer Equipment	33.33% straight line

1.3 Value Added Tax

The Food Safety Promotion Board is not in a position to reclaim VAT. Therefore, VAT is included as expenditure and, where appropriate, capitalised in the value of Fixed Assets.

1.4 Pension Costs

During the period, all staff employed by the Board were on secondment from the Food Safety Authority of Ireland or under contract to the Board.

Secondees from the Food Safety Authority of Ireland continue to be members of the FSAI pension scheme.

Pension costs are paid by the Food Safety Promotion Board as charged by the Food Safety Authority of Ireland.

A pension scheme specifically for all of the North/South Implementation bodies is currently being developed by the Finance and Sponsor Departments. Any members of staff appointed directly by the Board will be eligible to join the new scheme.

1.5 Research Contracts

The full cost in relation to Research Contracts signed during the period, is charged to the accounts. This includes amounts included in *Creditors (amounts falling due within one year)* and *Creditors (amounts falling due after more than one year)*.

Parent Department guidance on the treatment of Research Contracts has been sought and is awaited.

1.6 Capital Grant Reserve

The Capital Grant Reserve Account represents the unamortised value of income used for capital purposes, by the Board.

2 Grant From Departments

IRE GBPE

Grant Received from the Department of Health and Children		
Credited to Income and Expenditure Account	1,952,459	1,509,779
Credited to Capital Grant Reserve	97,541	77,296
	2,050,000	1,587,075

100% of funding was received from the Department of Health and Children

3 Staff Costs

a) The average weekly number of employees (full time equivalent) was:

Chief Executive	1
Technical & Scientific	1
Administration	2
Total	4

b) The costs incurred in respect of these employees were:

	IRE	GBPE
Salary costs	167,360	129,416
Employer costs	12,361	9,558
Advisory Board Fees	48,746	37,693
	228,467	176,667

c) Number of employees at the end of the year whose emoluments (including pension contributions) fell within the following bands (this represents the annual emoluments):

IRE40,000 - 50,000	1	IRE50,000 - 60,000	1
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d) The Interim Chief Executive emoluments including pension scheme contributions were

59,020	45,638
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The Interim Chief Executive is a secondee from the Food Safety Authority of Ireland and remained a member of the FSAI pension scheme.

e) Number of Advisory Board members at the end of the year whose emoluments fell within the following bands:

IRE0 - 4,999	11	IRE5,000 - 10,000	1
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All Advisory Board members have fixed term contracts of 3 years.

f) Emoluments to the Chairman of the Advisory Board

8,277	6,400
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4 Other Operating Costs

	IRE	GBPE
Travel & Subsistence	28,853	23,438
Office Expenses	12,091	9,350
Postage & Stationery	8,569	6,626
Printing	13,319	10,299
Telephone	1,137	879
Training	1,896	1,466
Insurance	766	592
Meeting Costs	36,464	29,196
Subscriptions	3,106	2,402
Cleaning & Catering	2,843	2,199
Public Relations and Advertising	409,193	317,417
Website Development	305	236
Bank Charges	406	314
Recruitment Expenses	55,867	44,200
Reports & Literature	7,208	5,574
Auditors Remuneration	10,000	7,733
Scientific Support	32,367	25,028
Legal Fees	2,762	2,136
Consultancy Fees	11,243	8,694
Rent & Rates	31,764	25,562
Exchange Loss	1,039	803
	671,198	524,144

4a	Research Contracts			IRE	GBPE
	Research Contracts			1,320,142	1,020,827
	The amount charged in the financial statements in respect of Research Contracts represents the total contract fee.				
5	Fixed Assets				
		Office Equipment	Computer Equipment	Total	Total
	Cost or Valuation	IRE	IRE	IRE	GBPE
	At 2 December 1999	-	-	-	-
	Additions	39,314	58,227	97,541	77,296
	Disposals	-	-	-	-
	At 31 December 2000	39,314	58,227	97,541	77,296
		-	-	-	-
	Depreciation				
	At 2 December 1999	-	-	-	-
	Provision for year	5,897	19,407	25,304	20,052
	At 31 December 2000	5,897	19,407	25,304	20,052
		-	-	-	-
	Net Book Value at 31 December 2000	33,417	38,820	72,237	57,244
6	Creditors (amounts falling due within one year)			IRE	GBPE
	Food Safety Authority of Ireland			112,698	89,307
	Trade Creditors & Accruals			107,588	85,257
	Research Contracts			131,031	103,835
				<u>351,317</u>	<u>278,399</u>
7	Creditors (amounts falling due after more than one year)			IRE	GBPE
	Research Contracts			131,031	103,835
8	Capital Grant Reserve			IRE	GBPE
	At 1 January	-	-	-	-
	Transfer from/(to) Income and Expenditure Account				
	Capital Funding (Note 2)	97,541		77,296	
	Less Amount released to Income and Expenditure Account	(25,304)	72,237	(20,052)	57,244
	Balance at 31 December		72,237		57,244

9	Net Cash Inflow from Operating Activities	IRE	GBPE
	Deficit for the period	(267,348)	(211,859)
	Transfer from Capital Grant Reserve	(25,304)	(20,052)
	Capital Funding	97,541	77,296
	Depreciation Charges	25,304	20,052
	Increase in Creditors	482,348	382,234
		<u>312,541</u>	<u>247,671</u>
10	Performance against Key Financial Targets		
	The Food Safety Promotion Board did not agree Key Financial Targets with the sponsoring Departments for the period ended 31 December 2000.		
11	Related Party Transactions		
	The Food Safety Promotion Board had no Related Party Transactions during the period.		
12	Future Capital Expenditure		
	The Food Safety Promotion Board has no future capital expenditure which should be disclosed in the financial statements at 31 December 2000.		
13	Contingent Liabilities		
	There are no contingent liabilities for which disclosure is required at 31 December 2000.		
14	Food Safety Authority of Ireland		
	The Food Safety Authority of Ireland, in consultation with the Department of Health and Children, continued to discharge certain functions/promotions, which were due to be transferred to the Food Safety Promotion Board, pending the completion of the arrangements for the assumption of these functions by the Board. The related costs, which amounted to IRE372,128 (GBPE294,890), are not included in these financial statements.		
	The Authority also assisted the Board by making payments on its behalf until banking arrangements were put in place in January 2000. There was no net charge to the Board in this regard.		

Appendix 1

Income & Expenditure Account for the period ended 31 December 2000

	Euro
Income	
Grant from Departments	2,479,112
Capital Grant Release	32,129
Total Income	2,511,241
EXPENDITURE	
Depreciation	32,129
Staff Costs	290,093
Research Programme Expenditure	1,676,235
Other Operating Costs	852,246
Total Expenditure	2,850,703
Surplus/(Deficit) for the period transferred to General Reserve	(339,462)
Balance Sheet as at 31 December 2000	
Fixed Assets	
Tangible Assets	91,722
Current Assets	
Cash at bank and in hand	272,994
Current Liabilities	
Creditors - amounts falling due within one year	446,081
Net Current Liabilities	(173,087)
Total Assets less Current Liabilities	(81,365)
Creditors - amounts falling due after more than one year	166,375
	(247,740)
Financed by :	
Capital and Reserves	
General Reserve	(339,462)
Capital Grant Reserve	91,722
	(247,740)

Appendix 2

Accounts Direction

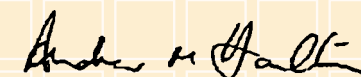
Food Safety Promotion Board

ACCOUNTS DIRECTION GIVEN BY THE NORTHERN DEPARTMENT OF HEALTH, SOCIAL SERVICES AND PUBLIC SAFETY AND THE SOUTHERN DEPARTMENT OF HEALTH AND CHILDREN, WITH THE APPROVAL OF THE FINANCE DEPARTMENTS NORTH AND SOUTH, IN ACCORDANCE WITH THE NORTH/SOUTH CO-OPERATION (IMPLEMENTATION BODIES) (NORTHERN IRELAND) ORDER 1999 AND THE SOUTHERN BRITISH/IRISH AGREEMENT ACT 1999.

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement, the Body shall prepare accounts for the financial period 2 December 1999 to 31 December 2000 and subsequent financial years in accordance with:

- A: the North/South Implementation Bodies Annual Reports and Accounts Guidance;
- B: other guidance which Finance Departments may issue from time to time in respect of accounts which are required to give a true and fair view;
- C: any other specific disclosures required by sponsoring departments except where agreed with Finance Departments, in which case the exception shall be described in the notes to the accounts.

Signed by the authority of



Department of Health, Social Services and Public Safety

Dated 18.06.01



Department of Health and Children

Dated 13.06.01

Appendix 3

Report of the Comptrollers and Auditors General

Introduction

1. In this report we draw attention to certain matters of internal financial control and management which arose from our audit of the financial statements of the Board for the period ended 31 December 2000. We recognise that, in this initial period of its operation, the Board was starting up and had not had the opportunity to fully establish its control procedures. There are, however, two areas of its activities where there are lessons to be learned.

Advertising Contract

- 2. Public relations and advertising expenditure in the period ended 31 December 2000 totalled IRE409,193 (stg£317,417).
- 3. In September 2000 the Food Safety Promotion Board (FSPB) commissioned Public Relations (PR) consultants to conduct a tender competition for the design and production of material for an advertising campaign. Six companies were invited to tender for the advertising contract, three from Northern Ireland and three from the Republic of Ireland.
- 4. Three companies submitted proposals and an agency was chosen by a panel made up of the Interim Chief Executive of the Board and a representative from the PR consultants.
- 5. During our audit we found that:
 - It was not possible to confirm that the control and monitoring of the process for the engagement of an advertising agency was adequate as the PR consultants were largely responsible for the process and had retained most of the relevant documentation.
 - In accordance with its Financial Memorandum, FSPB must follow best public sector practice in placing any contract. The application of such procedures was not evidenced by supporting documentation. In particular, in view of the size of the FSPB's advertising budget of IRE750,000 (stg£581,786), the tender should have been advertised in the Official Journal of the European Union and this did not happen.
 - No contract or other written agreement with the successful advertising agency was available to our staff. Total payments to the advertising agency to 7 June 2001 amount to IRE499,530 (stg£387,493).

6. In response to our enquiries, the Board's Interim Chief Executive told us that, given FSPB's promotional remit, it was important that an advertising campaign should be in place to coincide with the formal launch of the body in November 2000. He added that, as the Board did not have an in-house capability to do this, due to the suspension of the institutions earlier in 2000 and the resulting delay in having staffing arrangements approved, the Board appointed PR consultants to, inter alia, assist it in the management of the advertising campaign.

7. On the advice of the PR consultants, six advertising agencies were invited to submit proposals. Three did so and one was selected on the basis of presentations to the Interim Chief Executive and one of the PR consultants.

8. The Board's Interim Chief Executive told us that, given the consultants' expertise in PR and advertising and the public sector experience of their key personnel, it was expected that the PR consultants would observe the appropriate public sector procurement procedures, and the Board relied on the company in this regard.

9. He also told us that to enable monitoring of expenditure, the advertising agency submitted proposed monthly expenditure profiles to the Board and subsequently budget against actual expenditure reports. The company also submits detailed TV scheduling information.

10. The Board began direct employment of contract staff and seconded staff with PR and communications experience from the end of 2000 and terminated the contract with the PR consultants in April 2001. It now has an accountant in place who has been given the task of reviewing all procurement arrangements as a matter of urgency and developing robust procedures.

Research Contracts

11. The FSPB sought proposals for research projects during 2000. Major contracts totalling IRE1.32m (stg£1.02m) were awarded in late December 2000 for seven projects. In selecting these projects a detailed review process was carried out by the FSPB prior to awarding the contract. The projects are each characterised by north-south partnerships and are typically of three years duration.

- 12. Our examination of the procedures in selecting the research contracts highlighted the following weaknesses:
 - 80% of the funding was paid on the signing of the contracts in late December 2000. The balance of 20% is payable in 2001 and 2002.
 - The FSPB had not established any mechanism whereby it could satisfy itself that the costs expended on the research contracts are correct.

- 13. We asked the Interim Chief Executive:
 - (1) how the funding schedule minimises the exposure to a loss of funds in the event that the FSPB decides that it is not satisfied with the progress of the contract; and
 - (2) whether the Board is adequately protected in the event of non-performance of a contract.

14. He informed us that the early award of research contracts was considered important in order to improve the Board's scientific knowledge base and to establish appropriate scientific research networks. The timing of the Board's request for research projects fell outside the normal academic cycle and this created particular difficulties for the institutions in the sourcing of research staff. He added that in recognition of this, and in order to accelerate the finalisation of contracts, the Board decided to enhance the initial tranche of payments.

- 15. We were also told that:
 - (1) the contracts are all with respected research organisations, with experienced lead researchers with excellent credentials;
 - (2) the conditions contained in the contract provide for the submission of periodic and final reports with associated cost statements;
 - (3) the Board has already appointed a staff member to oversee and report on the conduct of each contract and will appoint an internal auditor to review these statements and to ensure that only eligible costs are charged to the project; and
 - (4) that the format of the contracts was modelled on that used by the EU for research funding.

16. In the absence of a Scientific Committee, the appointment of which requires the approval of the North South Ministerial Council (NSMC), the Board relied on an informal working group, established to assist the Board in the development of the research function, to choose which research projects to fund. The membership of this group was agreed with the sponsoring Departments.

- 17. We were also informed that in advance of the next round of contracts the systems were further enhanced as follows:
 - An interim Scientific Committee was appointed with the agreement of the sponsoring Departments;
 - The new Committee agreed the process of evaluation and a formal process for declaration of interests; and
 - A panel of external assessors, all based in the UK and none of whom were related parties to project proposers, was appointed.

18. Also, further contracts are under negotiation and these will be funded on a 50%: 30%: 20% basis. The contracts will require that the internal audit function within the contractor institutions provide adequate certification, and that the Board's internal auditor and the Comptrollers and Auditor General will have rights of access. The entire process will be kept under review to optimise transparency and accountability.

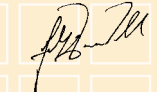
19. The Interim Chief Executive stated that many of the enhancements referred to by him above were put in hand in advance of our audit taking place. As Interim Chief Executive, he had been concerned for some time about accountability issues arising from the difficulties in obtaining formal NSMC decisions on permanent staffing and other issues. This has forced the Board to rely on external contractors to carry out tasks that could otherwise be more efficiently discharged internally. He had expressed these concerns in writing to the sponsoring departments in advance of the audit. He added that the Board remains committed to fully observing the accountability conditions set out in the Financial Memorandum and the governing legislation.

20. We will continue to monitor developments in these areas and report as appropriate.



John Purcell
Irish Comptroller and Auditor General
Dublin Castle
Dublin 2
Ireland

2nd August 2001



J. M. Dowdall
Comptroller and Auditor General for Northern Ireland
106 University Street
Belfast BT7 1EU
Northern Ireland

3rd August 2001



Food Safety Promotion Board
7 Eastgate Avenue, Little Island, Cork

An Bord um Chur Chun Cinn Sábháilteachta Bia
7 Ascaill Oirgheata, An t-Oilean Beag, Corcaigh

Food Safety Promotion Board
Abbey Court, Lower Abbey Street, Dublin 1

An Bord um Chur Chun Cinn Sábháilteachta Bia
Cuirt na Mainstreach, Sr na Mainstreach Loch, Baile Átha Cliath 1