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
Is mór againn mar airí sláinte go bhfuil an t-oileán seo ar thús cadhnaíochta saghníomhaíochta atá dírithe ar struchtúrshábháilte bia a fhorbairt. I dtaca leis anobair, tá an Bord um Chur Chun Cinn Sábháilteacha Bia i stair caithí chun bunsó cultúir sábháilteacha bia a thabhairt chuig cinn ar fud an oileáin na hÉireann ar fáil. In dainseacht le teacht do sábháilteacha a chur chuimhneachtaí, ní mór duine chumhachtach ar roil aiste bia mar chuili do chinneal an phobail.

Tá an príomhról comhordaithe ag an mbord sa réimse comhoibrithe eolaíochas i bhforbairt nascálacha oiriúnacha. Cheana féin tá sé tar éis roinnt bainteamhacha chun bunsó cultúir sábháilteacha a chur i láthair, ní mór duine cuimhneachtaí ar roil aiste bia mar chuili do chinneal an phobail.

Is é cur chuimhneachtaí an tréimhse maidir le tiomantas uileghabhálach don teaghlachtais agus aiste bia mhóra mór a chur in ar chuid bheaganna cultúr sábháilteacha bia a fháil. Tá an chumhoirtacht agus an cheannródaíocht eolaíochta in ann aiste bia a taispeáin chun an bhean aiste bia a chothú.

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

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 follán agus sábháilte. Cloch bhoinn den tionscal fáilteachais ar fuad an oileáin is ea bia barrcháilíocht dea-ullmhaithe agus dea-churtha i láthair. Ainneoin na sochar geilleagrach atá le gnóthachtáil, tá forbairt cultúir sábháilteacha bia ina cuid bhunúsach de sláinte phoiblí.
Food Safety Promotion Board


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 helpline 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 diseases, 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 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.
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
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.

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 at home, all add some element of risk. We find people 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.

The Public Health Dimension
The food safety environment is influenced greatly by perceptions and the responses they provoke from government, producers and retailers. And whilst 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 possibility 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.

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 influence 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, nonetheless, 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.

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Food Safety Continuum

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. 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.

Chaos Compliance Commitment
The Food Safety Continuum
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-Ireland 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 Flu: 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 NISC (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.
In accordance with the following:
The statements have been prepared in
The accounts contained in this document
out above, the Board has a general remit to act as an independent source of scientific advice.

In addition to the specific functions set
for specialised laboratory testing.

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
and many of the major supermarkets andbutcher shops. The booklet, which is
presented in a very straightforward
manner, ... 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.

Helpline
safefood

was made
Safe To Eat? - BSE: The Facts',
- Research into food safety
- Communication of food alerts
- Surveillance of foodborne disease
- Promotion of scientific co-operation

To confront the confusion consumers
were experiencing regarding BSE, theFSPB worked closely with the FSANI and
the FSAI in preparing consumer
information. A booklet entitled 'Is Beef
Is Beef
and Mouth from eating food from
infected animals?'

and Mouth from eating food from
infected animals?'

Could I catch Foot

and

could be eaten 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 covering 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
messages.

Excellent media relations have been built
up among our staff and partners
continue 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 in the form of
regular newspaper articles.

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%.

The governance 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
as outlined 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:

a. Background Information

The Food Safety Promotion Board, or in the Irish language An Bord um Chur Chun Chinn Sahalaitteacha Bhais, is an Implementation Body established under the terms of the British-Irish Agreement of 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, 18th 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 on the Board the following specific functions:

• The financial arrangements of Part 7 of the
British-Irish Agreement establishing
Implementation Bodies.
• The formal 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 Personal and the
Department of Finance.

b. Governance

The functions of the Board are
discharged by the Chief Executive
or pending his 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.

The annual report submitted to the
North South Ministerial Council (NSMC) was on 23rd November 2000.

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 (€267,348) (€240,711, 1999).

The accounts 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:

1. The financial arrangements of Part 7 of the
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Implementation Bodies.

2. The formal 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.

3. The Annual Report and Accounts
Guidance provided by the Department
of Finance and Personal and the
Department of Finance.

There were no approvals 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'
(HR36: ‘Safefood’), the Board began,
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
2001 but this was postponed pending
a decision on the corporate strategy
and annual plan. A research communications
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.

d. Activities to Date

As a start-up operation the Board did not
transfer fixed assets from other public
bodies. Asset purchase
amounted to €19,979.34, (€87,773.94),
mainly comprising computer and
office equipment.
### 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.

#### Statement on the System of Internal Financial Control

As an 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. It includes:

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

#### On Current Issues

- The Board will continue to develop its interim programmes, including communications and research during 2001, but full operational capability depends on approval of the strategy by the NSMC and the recruitment of appropriate staff.

#### Research

- The Board issued a call for research proposals during 2000. Seven major projects were approved for funding. The projects are each characterised by northsouth partnerships and are typically of three years duration. The following areas are covered by the research call:
  - A study to ascertain the degree of contamination of food by Campylobacter, a common pathogen in foods
  - The surveillance of the chemical contamination of poultry meat
  - An assessment of the effectiveness of food safety systems in food production plants
  - A study of domestic food safety practices and temperature of home fridge
  - The development of rapid methods for the detection of M. tuberculosis in milk
  - Study of pathogens in unpasteurised milk
  - Development of a harmonised approval and monitoring system for laboratories

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.

#### Advisory Board

The members of the Advisory Board are:

- Top Row - left to right: Councilor Bernie Keer, Mr. Don Anderson, Mr. Leslie Craig, Ms. Carmel Foley, Mr. Ronan Garvey
- Bottom Row - left to right: Prof. Michael Gilmore, Mr. Damien O’Dwyer, Dr. Danny O'Wane, Ms. Anna Speed, Prof. Seán Strain, Mr. Michael Walker

#### Charitable Donations

No charitable donations were received or made during the period.

#### Health & Safety Policy

A health and safety policy will be developed during 2001.

### Our Advisory Board

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<th>Name</th>
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<td>Prof. Cecily Kelleher</td>
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<td>Mr. Damien O’Dwyer</td>
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<td>Dr. Danny O’Wane</td>
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#### 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.

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 the results of the year then ended.
- 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.
- the financial statements are prepared in accordance with the accounts direction issued under the governing legislation.

See also our report in Appendix 3.

John Purcell J. M. Dowdall
Irish Comptroller and Comptroller and Auditor General Auditors for Northern Ireland

Accounts

Income & Expenditure Account for the period ended 31 December 2000

<table>
<thead>
<tr>
<th>Notes</th>
<th>IRE</th>
<th>GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant from Departments</td>
<td>2</td>
<td>1,952,459</td>
</tr>
<tr>
<td>Capital Grant Release</td>
<td>8</td>
<td>25,304</td>
</tr>
<tr>
<td>Total Income</td>
<td>1,977,763</td>
<td>1,529,831</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Costs</td>
<td>3</td>
<td>228,467</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5</td>
<td>25,304</td>
</tr>
<tr>
<td>Research Programme Expenditure</td>
<td>4</td>
<td>1,320,142</td>
</tr>
<tr>
<td>Other Operating Costs</td>
<td>4</td>
<td>671,198</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>2,245,111</td>
<td>1,745,690</td>
</tr>
<tr>
<td>Deficit for the period transferred to General Reserve</td>
<td>(267,348)</td>
<td>(215,859)</td>
</tr>
</tbody>
</table>

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.

Food Safety Promotion Board
Cash Flow Statement
for the period ended 31 December 2000

<table>
<thead>
<tr>
<th>Notes</th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>312,541</td>
<td>247,671</td>
</tr>
<tr>
<td>6</td>
<td>131,031</td>
<td>103,835</td>
</tr>
<tr>
<td>7</td>
<td>130,001</td>
<td>103,835</td>
</tr>
<tr>
<td>5</td>
<td>(97,541)</td>
<td>(77,296)</td>
</tr>
<tr>
<td></td>
<td>215,000</td>
<td>170,375</td>
</tr>
</tbody>
</table>

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

Balance Sheet as at 31 December 2000

<table>
<thead>
<tr>
<th>Notes</th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>72,237</td>
<td>57,244</td>
</tr>
<tr>
<td>6</td>
<td>353,317</td>
<td>278,399</td>
</tr>
<tr>
<td>7</td>
<td>(195,111)</td>
<td>(154,615)</td>
</tr>
<tr>
<td>8</td>
<td>72,237</td>
<td>57,244</td>
</tr>
<tr>
<td></td>
<td>(195,111)</td>
<td>(154,615)</td>
</tr>
</tbody>
</table>

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

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

Martin Higgins
Interim Chief Executive
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.  
Secondments 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  
<table>
<thead>
<tr>
<th></th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Received from the Department of Health and Children Credited to Income and Expenditure Account</td>
<td>1,952,459</td>
<td>1,509,779</td>
</tr>
<tr>
<td>Credited to Capital Grant Reserve</td>
<td>97,541</td>
<td>77,296</td>
</tr>
<tr>
<td>Total</td>
<td>2,050,000</td>
<td>1,587,075</td>
</tr>
</tbody>
</table>
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:  
<table>
<thead>
<tr>
<th></th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary costs</td>
<td>167,360</td>
<td>129,416</td>
</tr>
<tr>
<td>Employer costs</td>
<td>12,361</td>
<td>9,558</td>
</tr>
<tr>
<td>Advisory Board Fees</td>
<td>48,746</td>
<td>37,693</td>
</tr>
<tr>
<td>Total</td>
<td>228,467</td>
<td>176,667</td>
</tr>
</tbody>
</table>
c) Number of employees at the end of the year whose emoluments (including pension contributions) fell within the following bands:  
IR£40,000 - 50,000 1  
IR£50,000 - 60,000 1  
d) The Interim Chief Executive emoluments including pension scheme contributions were 59,020 45,638  
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:  
IR£0 - 4,999 11  
IR£5,000 - 10,000 1  
All Advisory Board members have fixed term contracts of 3 years.
f) Emoluments to the Chairman of the Advisory Board 8,277 6,400

4 Other Operating Costs  
<table>
<thead>
<tr>
<th></th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel &amp; Subsistence</td>
<td>28,853</td>
<td>23,438</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>12,091</td>
<td>9,350</td>
</tr>
<tr>
<td>Postage &amp; Stationery</td>
<td>8,569</td>
<td>6,626</td>
</tr>
<tr>
<td>Printing</td>
<td>13,729</td>
<td>10,299</td>
</tr>
<tr>
<td>Telephone</td>
<td>1,137</td>
<td>879</td>
</tr>
<tr>
<td>Travel</td>
<td>1,896</td>
<td>1,466</td>
</tr>
<tr>
<td>Insurance</td>
<td>766</td>
<td>582</td>
</tr>
<tr>
<td>Meeting Costs</td>
<td>36,464</td>
<td>29,196</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>3,196</td>
<td>2,402</td>
</tr>
<tr>
<td>Catering</td>
<td>2,843</td>
<td>2,199</td>
</tr>
<tr>
<td>Public Relations and Advertising</td>
<td>499,193</td>
<td>371,417</td>
</tr>
<tr>
<td>Website Development</td>
<td>305</td>
<td>236</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>406</td>
<td>314</td>
</tr>
<tr>
<td>Recruitment Expenses</td>
<td>55,867</td>
<td>44,200</td>
</tr>
<tr>
<td>Reports &amp; Literature</td>
<td>7,298</td>
<td>5,574</td>
</tr>
<tr>
<td>Auditors Remuneration</td>
<td>10,080</td>
<td>7,733</td>
</tr>
<tr>
<td>Scientific Support</td>
<td>32,367</td>
<td>25,028</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>2,762</td>
<td>2,136</td>
</tr>
<tr>
<td>Consultancy Fees</td>
<td>12,413</td>
<td>8,984</td>
</tr>
<tr>
<td>Rent &amp; Rates</td>
<td>31,764</td>
<td>25,562</td>
</tr>
<tr>
<td>Exchange Loss</td>
<td>1,059</td>
<td>853</td>
</tr>
<tr>
<td>Total</td>
<td>671,198</td>
<td>524,144</td>
</tr>
</tbody>
</table>
Food Safety Promotion Board


Net Cash Inflow from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficit for the period</td>
<td>(267,348)</td>
<td>(211,859)</td>
</tr>
<tr>
<td>Transfer from Capital Grant Reserve</td>
<td>(25,304)</td>
<td>(20,052)</td>
</tr>
<tr>
<td>Capital Funding</td>
<td>97,541</td>
<td>77,296</td>
</tr>
<tr>
<td>Depreciation Charges</td>
<td>25,304</td>
<td>20,052</td>
</tr>
<tr>
<td>Increase in Creditors</td>
<td>482,348</td>
<td>382,234</td>
</tr>
<tr>
<td></td>
<td>312,541</td>
<td>247,671</td>
</tr>
</tbody>
</table>

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 IR£372,128 (GBP£294,890), 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.

4a Research Contracts

<table>
<thead>
<tr>
<th>Description</th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Contracts</td>
<td>1,320,142</td>
<td>1,020,827</td>
</tr>
</tbody>
</table>

The amount charged in the financial statements in respect of Research Contracts represents the total contract fee.

5 Fixed Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Office Equipment</th>
<th>Computer Equipment</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or Valuation 2 December 1999</td>
<td>IR£</td>
<td>GBP£</td>
<td>IR£</td>
<td>GBP£</td>
</tr>
<tr>
<td>Additions</td>
<td>39,314</td>
<td>58,227</td>
<td>97,541</td>
<td>77,296</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,897</td>
<td>19,407</td>
<td>25,304</td>
<td>20,052</td>
</tr>
<tr>
<td>At 31 December 2000</td>
<td>35,417</td>
<td>38,820</td>
<td>73,237</td>
<td>57,244</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Book Value at 31 December 2000</td>
<td>35,417</td>
<td>38,820</td>
</tr>
</tbody>
</table>

6 Creditors (amounts falling due within one year)

<table>
<thead>
<tr>
<th>Description</th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Safety Authority of Ireland</td>
<td>112,698</td>
<td>89,307</td>
</tr>
<tr>
<td>Trade Creditors &amp; Accounts</td>
<td>107,588</td>
<td>85,257</td>
</tr>
<tr>
<td>Research Contracts</td>
<td>131,031</td>
<td>105,835</td>
</tr>
<tr>
<td></td>
<td>351,317</td>
<td>278,399</td>
</tr>
</tbody>
</table>

7 Creditors (amounts falling due after more than one year)

<table>
<thead>
<tr>
<th>Description</th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Contracts</td>
<td>131,031</td>
<td>105,835</td>
</tr>
</tbody>
</table>

8 Capital Grant Reserve

<table>
<thead>
<tr>
<th>Description</th>
<th>IR£</th>
<th>GBP£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from In/Ex Income and Expenditure Account</td>
<td>97,541</td>
<td>77,296</td>
</tr>
<tr>
<td>Capital Funding (Note 2)</td>
<td>97,541</td>
<td>77,296</td>
</tr>
<tr>
<td>Less Amount released to In/Ex Account</td>
<td>(25,304)</td>
<td>(20,052)</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>72,237</td>
<td>57,244</td>
</tr>
</tbody>
</table>
Appendix 2

Accounts Direction


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 1

Income & Expenditure Account
for the period ended 31 December 2000

<table>
<thead>
<tr>
<th>Description</th>
<th>Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
</tr>
<tr>
<td>Grant from Departments</td>
<td>2,479,112</td>
</tr>
<tr>
<td>Capital Grant Release</td>
<td>32,129</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>2,511,241</strong></td>
</tr>
<tr>
<td>EXPENDITURE</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>32,129</td>
</tr>
<tr>
<td>Staff Costs</td>
<td>250,093</td>
</tr>
<tr>
<td>Research Programme Expenditure</td>
<td>1,676,235</td>
</tr>
<tr>
<td>Other Operating Costs</td>
<td>852,246</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>2,850,703</strong></td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) for the period transferred to General Reserve</strong></td>
<td><strong>(339,462)</strong></td>
</tr>
</tbody>
</table>

Balance Sheet as at 31 December 2000

<table>
<thead>
<tr>
<th>Description</th>
<th>Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td></td>
</tr>
<tr>
<td>Tangible Assets</td>
<td>91,722</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>272,994</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
</tr>
<tr>
<td>Credits - amounts falling due within one year</td>
<td>446,881</td>
</tr>
<tr>
<td>Net Current Liabilities</td>
<td>(173,087)</td>
</tr>
<tr>
<td><strong>Total Assets less Current Liabilities</strong></td>
<td>(81,365)</td>
</tr>
<tr>
<td>Credits - amounts falling due after more than one year</td>
<td>168,375</td>
</tr>
<tr>
<td><strong>(247,740)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Financed by</strong></td>
<td></td>
</tr>
<tr>
<td>Capital and Reserves</td>
<td>(339,462)</td>
</tr>
<tr>
<td>General Reserve</td>
<td>91,722</td>
</tr>
<tr>
<td><strong>Capital Grant Reserve</strong></td>
<td><strong>(247,740)</strong></td>
</tr>
</tbody>
</table>
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 processes. There are, however, two areas of its activities where there are lessons to be learned.

### Advertising Contract

1. In accordance with its Financial Memorandum, FSPB must follow best public sector practice in placing any contract. The tender should have been advertised in the Official Journal of the European Union and this did not happen.

2. Public relations and advertising expenditure in the period ended 31 December 2000 totalled IR£499,530 (stg£387,493).

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 advertising budget of IR£288,000 (stg£215,876), 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 amounted to IR£241,849.530 (stg£187,493).

### Research Contracts

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 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 submitted 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.

### 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 processes. There are, however, two areas of its activities where there are lessons to be learned.

2. Public relations and advertising expenditure in the period ended 31 December 2000 totalled IR£499,530 (stg£387,493).

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 advertising budget of IR£288,000 (stg£215,876), 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 amounted to IR£241,849.530 (stg£187,493).

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 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 submitted 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.

11. The FSPB sought proposals for research projects during 2000.

5. During our audit we found that:

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 PR consultant did not have 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 minimizes the risk of 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 timeliness 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 make quarterly 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 advise it in this regard.

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 conflicts of interest.
   - 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 place 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.