

Report by the Comptroller and Auditor General to the Northern Ireland Assembly

Agri-Food and Biosciences Institute 2017-18

Introduction

1. This report highlights significant matters arising from my audit of the Agri Food and Biosciences Institute's (AFBI) financial statements for 2017-18. These matters reflect a failure in governance and involve the re-hiring of former staff who left AFBI under its Voluntary Exit Scheme (VES).

Background

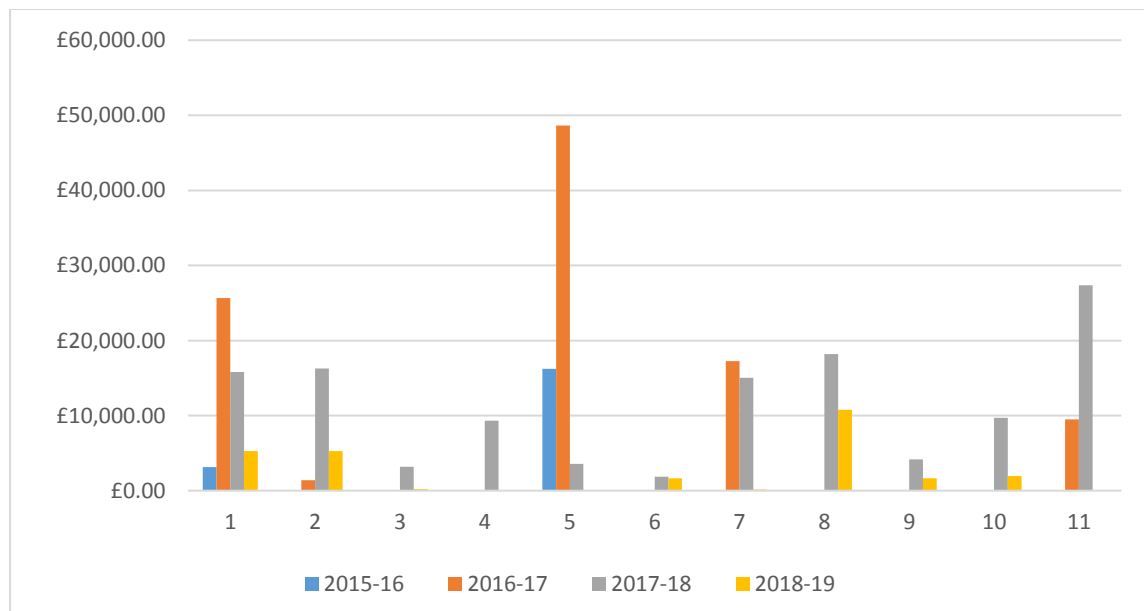
2. The Voluntary Exit Scheme was launched in 2015 by AFBI. Under its terms, 152 staff left the organisation, almost 20 per cent of the permanent workforce, and in return received a sum of compensation based on their salary and length of service. The scheme cost AFBI £4.8 million. In the course of my audit I became aware that a small number of staff who left under the scheme had subsequently been re-engaged by AFBI on an agency basis at an overall cost of more than £270,000.

Summary of findings

3. During my audit I received information from an anonymous source. Subsequently, my auditors identified 11 individuals who left AFBI under the VES and later returned as temporary agency workers (Figure 1).

Figure 1: VES and agency workers

AFBI spent £126,000 to re-engage 11 former staff members in 2017-18



Source: AFBI

4. The time between voluntary exit and re-engagement by AFBI varies from 28 months to one week. Individual earnings from these engagements vary between £3,363 and £68,436. While some appointments were to posts requiring scientific skills, others were of a general nature which did not require

any particular specialism.

5. Re-engaging former staff on agency contracts is not against the rules of the VES. While the scheme included some restrictions on the re-employment of staff within certain timeframes, these restrictions did not apply to those engaged through an agency or as a consultant. Nevertheless, 'retiring and re-hiring' in the public sector has been the subject of sustained criticism from the Public Accounts Committee over a number of years:

Previous PAC sessions at Westminster have recommended stricter controls over the re-employment of [staff] who have benefited from premature retirement terms. However, attempts to curb the practice have met with little success... The Committee believes that fundamental changes will be required in regulating the circumstances under which prematurely retired [staff] can be re-engaged ... if the Department is to finally get to grips with this issue.¹

6. There is little evidence that AFBI considered the Committee's view when the decisions to re-engage these individuals were taken, although in one case reservations were expressed by an interim head of human resources. It is particularly concerning that the voluntary exit and rehiring of this individual appears to have been sanctioned by a former Accounting Officer in his previous role as a Director.

AFBI's response

7. AFBI told me that it requires a diverse workforce with a range of specialist scientific and other skills to deliver its programmes of scientific work to DAERA and other external funders. In the years following the VES, AFBI has been successful in securing a number of new, externally funded scientific projects for the purposes of protecting animal, plant and human health; improving sustainable agri-food production systems; and protecting the natural and marine environments. A number of these contracts are short-term and create short term staffing demands which have required, on occasion, the engagement of agency workers. Furthermore, in the period following the VES AFBI identified a number of gaps between existing in-house skills and those required to deliver on its work commitments. In some cases, AFBI sought to extend the date on which staff were due to leave under the VES and also used a small number of agency workers to fill specific gaps or to ensure that projects were completed.
8. Through the 2015 scheme 152 staff left AFBI over a period of around a year. Since then, eight former staff who left under VES and met the criteria for a post were re-engaged through recruitment agencies for scientific projects. In addition, three non-scientific posts were filled by former staff who had left under the scheme, engaged through agency contracts for short to medium term business requirements. AFBI has, in the main, utilised the Northern Ireland Civil Service protocol for engaging agency workers.
9. AFBI acknowledges the criticism from the Public Accounts Committee of re-

¹ *The Management of Substitution Cover for Teachers: Follow-Up Report*, Public Accounts Committee, November 2010

engaging former staff within a short period of their leaving permanent employment and accepts the fact that three individuals were re-engaged through agency contracts within six months of leaving under the VES. It agrees that tighter controls and processes should have been established at that time.

10. While there are no plans to use another VES at this time AFBI contends that, should it do so, it would ensure that it not only met the full requirements of the scheme, but also that it would put in place procedures to address any of the issues raised by the PAC.

Conclusions

11. This is the second report that I have made on AFBI's annual financial statements within the last six months.² My report raises a significant issue of governance within AFBI. Re-hiring former staff in these circumstances, in some cases only shortly after their departure under the VES, is not good practice and presents a very poor picture of AFBI's ethics and employment practices. The role played by a former Accounting Officer in at least one of these decisions is particularly concerning given his part in the events described in my earlier report.
12. AFBI has identified action to ensure that such a situation as this does not re-occur in the future. I will keep this under review in the coming year.

K J Donnelly
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² Report by the Comptroller and Auditor General to the Northern Ireland Assembly: Agri-Food and Biosciences Institute 2016-17