

VMD AUDIT & RISK ASSURANCE COMMITTEE

Minutes of meeting held on 15 December 2021

Members

Timothy Riley (Chair)
Julia Drown
David Catlow
Philippa Hardwick

Present

Abi Seager – VMD
Gavin Hall - VMD
Mike Griffiths – VMD
Julian Flexman – VMD
Karl Harman – VMD
Luke Wakefield – VMD
Suzanne Eckford – VMD
Kim Nobbs – GIAA
Emma Parkinson – NAO
Paula Stone – NAO
Andy Hamer - NAO
Chris Abbott – VMD (note taker)

1. Announcements and apologies for absence

1.1 No apologies had been received. David Catlow declared a change to his interests.

2. Declarations of interest in the matters to be discussed

2.1 None.

3. Minutes of the meeting held on 28 September 2021

VMDARAC 21/63

3.1 The minutes were agreed.

4. Matters Arising/Actions

VMDARAC 21/64

4.1 With the current Defra Group Corporate Services Transformation review underway further work on integrating VMD with their communication systems has been paused awaiting the final outcome of the relationship with DDTS. In the meantime, a request for VMD staff to be included in Defra's email address book and calendar sharing facility has been submitted and are expected to be resolved soon.

4.2 The Head of Finance role will be advertised at G6 and will be recruited for with support from the Head of FFaB system Finance.

4.3 It was agreed that the procedure for Management Board to review the process for awarding high value contracts was adequately covered in the terms of reference. New contracts would be added as a standing item to the Board agenda and VMD would also provide information on the delegated sign off level and any relevant recent contracts.

ACTION

4.4 A draft of the updated Enforcement strategy was reviewed and it was agreed that some revisions were needed and it would be reviewed again at the next Board meeting.

ACTION

- 5. Focus topic: Business IT Enhancement (BITE) programme**
- 5.1 VMD's Head of Digital Services Delivery, Karl Harman, and Head of IT, Luke Wakefield, gave an update on progress with the BITE programme which was established to develop the new systems required following Brexit and to replace VMD's legacy systems with ones aligned with the Government Digital Service (GDS) standard. This is seen as a good opportunity to make improvements. Systems are being developed for secure messaging, dealing with special import applications and for pharmacovigilance recording of adverse events in a way which is compatible with VICH. A number of supporting operational changes have been introduced including a move to cloud hosting which has significant advantages but requires constant security monitoring. It was noted that the introduction of Gov.UK Pay was not a high priority as it wouldn't necessarily help reduce bad debt.
- 5.2 A number of contractors are being employed to carry out this work and SR21 funding will be approved depending on other departments. Members were assured by the actions being taken and that the programme has been cost benefit assessed.

Financial Year 2021/22

- 6. Internal Audit progress report – GIAA** **VMDARAC 21/66 & 67**
- 6.1 There were no new audit reports presented for this meeting as the remaining three audits are in field work and will be shared once finalised. Defra wide audits of equality, diversity and inclusion and payroll are ongoing. GIAA had provided a supplementary report on portfolio management, insider fraud and new functional standards and in future will circulate these bulletins for comment when they become available. Members noted that GIAA's training day had been informative about the new types of assurance it uses.
- 7. External Audit** **VMDARAC 21/74**
- 7.1 The external auditor presented the NAO's proposed approach for the audit of the 2021/22 financial statement and the significant risks it will be focusing on. The auditor noted that although their fee had increased they do not pass on any costs caused by inefficiencies. Members were content with the audit's scope.
- 8. VMD Finance/Other** **VMDARAC 21/68, 69 & 70**
- 8.1 The first draft of the Governance Statement was reviewed and some minor amendments requested.
- 8.2 The year-end timetable was agreed.
- 8.3 The committee reviewed the VMD's implementation of auditors' previous recommendations and accepted the current position and the planned ways forward.
- 9. Risk and Assurance**
- 9.1 Risk Register **VMDARAC 21/71**
- 9.1.1 The Risk Register was reviewed and it was noted that all contractors were now inside IR35 although it was still being discussed with Defra how this should be funded. The relationship with EMA could be improved and there was the potential for divergent positions arising.
- 10. Update on data handling, fraud and corruption issues** **VMDARAC 21/72**
- 10.1 A near miss security incident had arisen due to an email containing product data being sent to the wrong recipient but it had been resolved satisfactorily.
- 11. Audit Committee Workplan** **VMDARAC 21/73**

- 11.1 It was agreed that members' interests would be circulated at the next meeting in March and that changes to the Veterinary Medicines Regulations would be reviewed as a focus topic.

ACTION

12. Any Other Business

- 12.1 There was no other business.

13. Dates of future meetings

- 13.1 2022: 23 March, 5 July, 27 September and 2 December.