

## VMD AUDIT &amp; RISK ASSURANCE COMMITTEE

Minutes of meeting held on 10 December 2015

<b>Members</b>	<b>Present</b>
David Corner (Chair) Julia Drown Andrew Coulson	Pete Borriello - VMD Marie-Odile Hendrickx - VMD David Rayner – VMD
<b>Observers</b>	Linda Simmons - VMD Amy Manning – NAO Stuart Hunter - NAO Charlotte Goodrich – KPMG Tamas Wood – KPMG Michael Noakes – Defra IA Simon Hack – VMD John Millward – VMD Matthew Isted – VMD (Presentation only)

**1. Apologies for absence and welcome.**

Apologies were received from Paul Green, Nigel Gibbens and Philip Hall.

The Secretary explained that Philip Hall (or alternative Defra finance colleagues) would not attend as a matter of routine in the future as financial governance changes has rendered their attendance of little value. They would of course attend on an ad-hoc basis if the agenda required.

**2. Declaration of Interests in the Matters to be Discussed**

None.

**3. Minutes of the meeting held on 7 October 2015****VMD ARC 15/39**

Agreed with one change, Andrew Coulson had sent apologies rather than being present.

**4. Matters Arising/Actions****VMD ARC 15/41**

Line 18 – It was noted that HMRC are working on the VAT issue, resolution awaited.

Line 27 – Paper effectiveness survey examples provided at meeting.

**Action:** Comments to Secretary by end Jan '16.

## Financial Year 2014/15 and 2015/16

### 5. Internal Audit

#### 5.1 Internal Audit progress report - KPMG

**VMD ARC 15/42**

The meeting noted the report. On page 1, the Workforce report will go to the March '16 meeting of ARC and not as shown.

#### 5.2 Audit reports finalised since the October meeting – Digital by Default

**VMD ARC 15/43**

The meeting noted:

- The excellent level of retrospective work resulting in a very high proportion of digital activity
- That many areas of good practice were seen
- That KPMG consider there is a need to document a strategic route map to clarify what the future should look like, together with suitable deliverables and KPIs

#### Data Quality

**VMD ARC 15/44**

The meeting noted:

- That the report aims to give clarity of how MB/ARC get assurance about the quality of reports tabled
- That whilst the audit carries an “amber” opinion this should not detract from the strength of the findings and that only one medium recommendation was made
- That the CEO proposes to take this issue to the VMD Senior Staff Forum for discussion and will consider whether papers should be cleared by EMB before issue

#### Budgetary Control

**VMD ARC 15/45**

The meeting welcomed the substantial assurance and raised no questions.

### 6. External Audit

#### 6.1 Draft Audit Plan – NAO.

**VMD ARC 15/46**

The Plan was introduced by the NAO who highlighted the key risks shown on page 5. These are the same as for 2014/15 when no issues were identified. The Chair highlighted the actions required of the Audit Committee on page 3. No issues were raised.

### 7. VMD Finance/Other

#### 7.1 First draft Governance Statement – David Rayner

**VMD ARC 15/47**

The paper was noted as a starting point for development of the 2015/16 Governance Statement based on the 2014/15 version.

**Action:** Comments changes for 2015/16 to Secretary by end Jan '16

7.2 Year-end timetable – Linda Simmons

**VMD ARC 15/48**

The meeting noted:

- That the timetable is provisional
- That Defra intend to lay their AR&A on 7 July so the VMD have to lay at least one week before
- That the ISA 260 will be circulated electronically to the committee when received

7.3 Implementation of auditors' previous recommendations – progress report David Rayner/Linda Simmons

**VMD ARC 15/49**

The meeting agreed:

- That the “Partnership Governance” RCVS action should now be treated as “Complete” as this had now moved into business as usual.
- That the “AMR Review” second outstanding action “Progress Tracker Delivery Dates” should be treated as complete as the implementation plan forms the progress tracker, and that review an updating is now business as usual.

**Audit & Risk Committee Procedural Items**

**8. Papers circulated to the Committee since the last meeting:**

- None

**9. Risk and Assurance**

9.1 Heads of Team Update (a strict 5 minute max update on key operational risks within their team plus questions)

- Simon Hack – Enforcement
- John Millward – Post Authorisation Surveillance Unit

Simon and John were thanked for their presentations. The meeting particularly welcomed the robust actions being taken re e-crime.

9.2 Risk Register

**VMD ARC 15/50**

The paper was noted.

9.3 Assurance Map

**VMD ARC 15/51**

The meeting noted that the changes agreed at the last meeting had been made.

**10. ISO9001:2008 Minutes of Quarterly Management Review 14 October 2015 (for information)**

**VMD ARC 15/52**

10.1 High Level Overview of the VMD Quality System – Matthew Isted

The meeting thanked Matthew for his informative presentation that provided an understanding of the context within which that minutes of the QMR were prepared. The meeting asked Matthew to remember when preparing minutes that context is important to others who may read them.

**11. Update on Data Handling Fraud and Corruption issues Major incidents/Near Misses (if any) and lessons learnt and complaints VMD ARC 15/53**

The paper was noted, and now includes the new section on complaints. The meeting was pleased to see that only one complaint had been received since June and that this was related to statutory fees and not VMD procedures.

**12. Audit committee work plan VMD ARC 15/54**

The updated and reformatted plan was noted and agreed.

**13. Any Other Business**

None.

**14. Dates of future meetings:**

2016 8 March  
2016 25 May  
2016 8 September  
2016 15 December

**Veterinary Medicines Directorate  
December 2015**