VMD AUDIT & RISK ASSURANCE COMMITTEE

Minutes of meeting held on 08 September 2016

Members
David Corner (Chair)
Julia Drown
Andrew Coulson

Present
Pete Borriello – VMD
Marie-Odile Hendrickx – VMD
Mike Griffiths – VMD
Linda Simmons – VMD
Jakki Steer – VMD (item 13 only)
Nina Dorian – VMD
Amy Manning – NAO
Asif Malik – NAO
Nick Stockell SEG-FCIA
Oliver Jones – KPMG

1. Apologies for absence
1.1 Apologies were received from Paul Green, Nathan Paget and Tamas Wood.

2. Declarations of interest in the matters to be discussed
2.1 None.

3. Minutes of the meeting held on 08 March 2016
3.1 Agreed.

4. Matters Arising/Actions
4.1 The actions table was noted with particular interest in item 48 – succession planning of the NEDs. Item 41 was amended to be not completed as the Chairs of the ARAC had not met.

Action: Head of Business Support to provide an update at the next meeting on the recruitment process overseen by the Public Appointments Team (PAT) in accordance with the recent CO reform.

Financial Year 2014/15 and 2015/16

5. Internal Audit
5.1 Internal Audit progress report - KPMG

Verbal Update
5.1.1 There were no immediate issues to discuss; a meeting will take place between KPMG and the VMD’s Head of Finance to discuss the 2016/17 Internal Audit programme; This task is on track.

5.2 Audit reports finalised since the May meeting
5.2.1 None.

6. External Audit
6.1 Update
6.1.1 The NAO reported that planning for next year’s audit is yet to begin. Last year the process ran smoothly. Britain’s exit from the EU was noted and the delay this had meant for getting the accounts signed off. An audit planning report will be presented at December’s meeting.

7. VMD Finance/Other
7.1 Implementation of auditors’ previous recommendations – progress report
7.1.2 One operational issue categorised as amber was IT resourcing issues. The committee was informed that recruitment activity is underway.

Audit & Risk Committee Procedural Items
8. Papers circulated to the Committee since the last meeting
8.1 The Secretary had not circulated any papers concerning procedural items since the last meeting.

9. Risk and Assurance
9.1 Risk Register
9.1.1 The committee noted the Register and the recategorisation of risk against several items.

9.2 Assurance Map
9.2.1 The committee noted the Assurance Map and asked whether the possible impact of Britain’s exit from the EU should be separately acknowledged as an issue over which the Committee will seek to gain assurance, possibly under ‘other internal fora’.

Action: Head of Business Support to consider possible value and use of including the impacts of leaving the EU in the Assurance Map.

10. Single Internal Audit Service for Government – Defra IA
10.1 The committee was informed about the continuing progress in establishing a cross-government internal audit service cases could be made in the future to appoint external contractors, but robust justifications would be needed.

11. Update on Data Handling Fraud and Corruption issues Major incidents/Near Misses

VMD ARC 16/35
11.1 Four incidents were recorded since the last A&RAC meeting; these were all minor with no major impact and have all been addressed. No fraud issues were recorded.

12. **Audit Committee work plan**

   12.1 The committee noted the work plan.

13. **Update on Cyber Security**

   13.1 The committee noted the paper circulated on Cyber Security. An IT manager attended the meeting and explained the measures in place to prevent theft and hacking within our systems and how information is backed up. The VMD has recently gained accreditation for the next three years under the ISO 27001 standard and, aside from the RPA, are the only agency within Defra to have achieved this.

14. **Any Other Business**

   14.1 There was no other business.

15. **Dates of future meetings:**

   2016  15 December
   2017  7 March, 25 May, 12 September, 14 December