

## VMD AUDIT & RISK ASSURANCE COMMITTEE

Minutes of meeting held on 15 December 2016

### **Members**

David Corner (Chair)  
Julia Drown  
Andrew Coulson

### **Present**

Pete Borriello – VMD  
Marie-Odile Hendrickx – VMD  
Paul Green - VMD  
Mike Griffiths – VMD  
Linda Simmons – VMD  
Chris Abbott – VMD  
Amy Manning – NAO  
Asif Malik – NAO  
Tamas Wood – KPMG

- 1. Apologies for absence**
  - 1.1 Nathan Paget sent apologies.
  
- 2. Declarations of interest in the matters to be discussed**
  - 2.1 None.
  
- 3. Minutes of the meeting held on 8 September 2016** **VMD ARC 16/38**
  - 3.1 Agreed.
  
- 4. Matters Arising/Actions** **VMD ARC 16/40**
  - 4.1 Members noted the actions table.
  
  - 4.2 The committee noted (ref 16/34) that the Management Board had decided that the impacts of leaving the EU did not need to be listed on the assurance map as the issues were covered elsewhere within the map.
  
  - 4.3 The committee noted that the managers updates (from below Director level) had disappeared from the audit committee agenda and the committee would like them re-instated so that the committee could engage with others within the VMD and learn more about the risks each area was facing.

## Financial Year 2015/16

### 5. Internal Audit

#### 5.1 Internal Audit progress report - KPMG **VMD ARC 16/41**

5.1.1 KPMG would need to aim to conclude their scoping studies by end of first week of January to meet their audit timetable. PG agreed this was achievable.

#### 5.2 Audit reports finalised since the September meeting **VMD ARC 16/42**

5.2.1 Members noted that recommendations from the recently completed Fees and Charges audit included the need for:

- clear audit trails that provide supporting evidence for setting fees;
- better guidelines, as some knowledge is held only by individuals;
- improvements in setting species fees and for
- better costing models.

5.2.3 The Committee agreed that the VMD should take the recommendations forward.

### 6. External Audit

#### 6.1 Audit planning report on the 2016-17 financial statement **VMD ARC 16/43**

6.1.1 The NAO reported that they will be carrying out initial audits in February, final audits in April and will report in August. They are content that they had been provided with all they need to progress.

#### 6.2 Audit reports finalised since the September meeting **VMD ARC 16/44**

6.2.1 The NAO provided an update on progress.

### 7. VMD Finance/Other

#### 7.1 Implementation of auditors' previous recommendations – progress report

**VMD ARC 16/45**

7.1.1 VMD provided an update. The Committee noted that the Head of IT will be retiring in March 2017 and that the VMD had advertised the post.

### **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

**VMD ARC 16/46**

9.1.1 The Committee noted the Register and the re-categorisation of risk against several items.

9.1.2 Members noted that the move to the new financial accounting system in April 2017 was a key risk and that the VMD had not included it in the register.

**Action:** MG will circulate an update paper (including Risks) on the new accounting system and include it in the Corporate Risk Register.

**10. Single Internal Audit Service for Government – Defra Internal Audit (IA)** **VMD ARC 16/47**

10.1 Members commented that they had received insufficient information about the new single audit service, which Defra/VMD will implement in April 2017; and they had not had an opportunity to discuss its effect. KPMG reported that their current involvement will extend to 31 May to enable a smooth transition.

**Action:** PB will write to Defra IA raising concerns and offer DC’s availability to be on the tender panel.

**12. Update on Data Handling Fraud and Corruption issues Major incidents/Near Misses** **VMD ARC 16/48**

12.1 The Committee noted that one suspected banking fraud incident had occurred since the last meeting and that the VMD had taken preventative action.

**13. Audit Committee work plan** **VMD ARC 16/49**

13.1 The Committee noted the work plan.

**14. First Draft of Governance Statement** **VMD ARC 16/50**

14.1 The Committee noted the VMD had recently produced the draft statement. The NAO will review it, and offer advice and help to the VMD.

**Action:** NAO to advise and send examples of “good” Governance Statements

**15. Year-end Timetable** **VMD ARC 16/51**

15.1 The Committee noted the timetable for production of the annual report and accounts. External auditors assured the committee that they would be able to meet this timetable.

**Action:** LS will send a draft of the report to Committee members by 21 April for comment.

**16. Items for Information**

16.1 Defra Shared Audit Service (DSAS) transition – impact assessment and options for migration to GIAA **VMD ARC 16/52**  
16.1.1 There were no comments on this item.

**17. Any Other Business**

17.1 There was no other business.

**18. Dates of future meetings:**

18.1 2017: 7 March, 25 May, 12 September, 14 December