

VMD AUDIT & RISK ASSURANCE COMMITTEE

Minutes of meeting held on 22 May 2018

Members

David Corner (Chair)

Julia Drown

Present

Pete Borriello – VMD

Paul Green – VMD

Abigail Seager – VMD

Mike Griffiths – VMD

Linda Simmons – VMD

David Lewsey – VMD

Carol Siwicka - VMD

Nikki Ajala – NAO

Stuart Hunter - NAO

Tamas Wood – KPMG

Chris Abbott – VMD (note taker)

1. Apologies for absence

1.1 Apologies were received from Andrew Coulson.

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2. Declarations of interest in the matters to be discussed

2.1 None.

3. Minutes of the meeting held on 15 March 2018

VMD ARC 18/18

3.1 The minutes were agreed.

4. Matters Arising/Actions

VMD ARC 18/19

4.1 Members noted that the IT disaster recovery test is planned for the weekend of 28-29 May but is dependent on Defra providing a link to their systems.

5. VMD preparation for GDPR

VMD ARC 18/20

5.1 VMD's data protection manager, David Lewsey, explained to the Committee the measures the VMD is taking to comply with the General Data Protection Regulations (GDPR). These come in to force on 25 May, although full compliance is not required until September 2018. The VMD has published three privacy notices on its web pages and is meeting requirements, although some areas still require clarifying, such as how to correctly repurpose information and the full responsibilities of a data protection manager; these will be discussed internally while awaiting further guidance from the Cabinet Office. The Committee agreed to add data protection to the VMD's business plan.

ACTION

Financial Year 2017/18 and 2018/19

5. VMD Finance and Year-end

- 5.1 Final draft Annual Report & Accounts **VMD ARC 18/21-23**
5.1.1 The Committee reviewed the final draft Annual Report & Accounts, which were noted to be more streamlined this year. Some minor amendments were requested and the addition of more information on fees and charges.
- 5.2 Year-end timetable **VMD ARC 18/24**
5.2.1 The timetable was noted.
- 5.3 Internal Audit progress report **VMD ARC 18/25**
5.3.1 The head of internal audit presented their progress report and informed members that the final opinion is pending a review of VMD's preparedness for EU Exit which will be concluded shortly. The audit plan for 2018/19 will be circulated when complete and adopted formally at the next meeting.
- ACTION**
- 5.4 External Audit Completion Report **VMD ARC 18/33**
5.4.1 The Committee reviewed the external audit completion report, which, subject to the resolution of some outstanding issues, certified the 2017-18 financial statements with an unqualified audit opinion with no modifications. Members welcomed the opinion.
- 5.5 The Committee recommended that the Chief Executive sign the Annual Report and Accounts subject to the above amendments being made and the audit reports for 2017/18 being finalised.

6. Internal Audit

- 6.1 Audit reports finalised since the March meeting **VMD ARC 18/34**
6.1.1 The Committee reviewed the report on how Organisational Knowledge is managed in the VMD and welcomed the substantial assurance it provided. It was noted that the VMD had already fulfilled one of its recommendations and would implement the other two this year.

7. Other

- 7.1 Implementation of auditors' previous recommendations – progress report **VMD ARC 18/26**
7.1.1 The Committee noted the progress made and recommended that the status of IT business continuity testing be changed to amber due to its completion being partly outside the VMD's control.

Audit & Risk Committee Procedural Items

8. Papers circulated to the Committee since the last meeting

- 8.1 EU Exit risk highlights reports for 4 and 18 April had been sent to members.

9. Risk and Assurance

9.1 Risk Register

VMD ARC 18/27

9.1.1 The Committee reviewed the Risk Register and noted that obtaining the appropriate staff skill mix to take on EU functions after Exit is a significant risk, but discussions are being held with Defra HR partners. Consultants and students may be recruited to deal with specific issues.

9.1.2 It was noted that Defra's corporate services had sometimes disappointed with the quality of their support and this could be raised at the next Chairs of ARACs meeting.

10. Update on data handling fraud and corruption issues **VMD ARC 18/28**

10.1 A virus in the Eudra network, not connected to the VMD network, had required a rebuild of the Eudra server leading to 144 hours of downtime. The unsecure software which caused the problem has been removed and alternative options are being investigated.

11. Annual committee evaluation of effectiveness **VMD ARC 18/29**

11.1 Members noted that the majority of respondents agreed that the Committee fulfilled its functions well, with 87% rating its performance as good.

12. Terms of Reference for ARAC and Management Board **VMD ARC 18/30**

12.1 Members reviewed and amended the terms of reference for the Committee and agreed the revised terms.

13. Audit Committee work plan **VMD ARC 18/32**

14.1 It was agreed to review risk policy at the next meeting and have an update on EU Exit progress.

ACTION

14. Any Other Business

14.1 There was no other business.

15. Dates of future meetings:

2018 4 September, 18 December