VMD AUDIT & RISK ASSURANCE COMMITTEE

Minutes of meeting held on 21 March 2019

Members
David Corner (Chair)
Julia Drown
David Catlow

Present
Peter Borriello – VMD
Paul Green – VMD
Abigail Seager - VMD
Mike Griffiths – VMD
Linda Simmons – VMD
Peter Morland - NAO
Ian Livingstone - KPMG

Chris Abbott – VMD (note taker)

1. Announcements and apologies for absence
1.1 Apologies were received from CVO Christine Middlemiss and David Kennedy (Director General (FFAB)).
1.2 Peter Morland took part via teleconference.

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

3. Minutes of the meeting held on 18 December 2018 VMD ARC 19/02
3.1 The minutes were agreed.

4. Matters Arising/Actions VMD ARC 19/03
4.1 The connection from the VMD’s new disaster recovery site to Defra’s systems is in place and working. Members noted that the disaster recovery test will not run until the autumn due to EU Exit.
4.2 VMD’s Head of Compliance John Millward will come to the May meeting to give a report from the Inspections team.

Financial Year 2018/19

5. Internal Audit
5.1 Audit reports finalised since the December meeting VMD ARC 19/04 & 05
5.1.1 Members noted that the three recommendations in KPMG’s report on Data Protection - GDPR gave moderate assurance. VMD accepted that
there may be scope to minimise the risks of holding information relating to the public and companies and will take appropriate action.

5.1.2 Members welcomed the substantial assurance given by the report on the Management of International Projects and congratulated the VMD on achieving an impressive result in this new area of work. VMD confirmed they have found its recommendations useful and have already taken action on them.

5.1.3 Members welcomed the substantial assurance given by the report on Workforce Planning and noted that the VMD is developing a new science strategy which they look forward to reviewing at a future meeting of the Management Board once in place. The paper on workforce planning strategy and the VMD’s intention to monitor ongoing feedback and effectiveness of the new processes introduced were also noted.

5.2 Internal audit progress report – KPMG

5.2.1 The internal auditor presented their draft internal audit report for 2018-19 and reported that their overall opinion for the VMD is due to be one of substantial assurance, up from moderate last year, which was welcomed by the Committee. VMD reported that it has decided to use Defra Internal Audit next year and KPMG have agreed to provide a handover to the new auditor. Members asked that a senior representative from Defra governance be invited to attend the next meeting to provide reassurance.

*ACTION Secretary to invite Nathan Paget to the May meeting*

6. External Audit

6.1 External audit update - NAO

6.1.1 The external auditor reported that their 2018-19 audit was on track and had found nothing significant although a minor weakness in segregation of controls was found but is being rectified.

7. VMD Finance/Other

7.1 Annual Report and Accounts 2018/19

7.1.1 Members reviewed the draft annual report and agreed to send comments to the secretariat by 12th April.

*Year-End timetable*

7.2.1 The timetable was noted.

7.2 Implementation of auditors’ previous recommendations – progress report

7.2.1 The progress report was reviewed.
Audit & Risk Committee Procedural Items

8. Papers circulated to the Committee since the last meeting
8.1 No papers had been circulated. The members asked to be sent the latest EU Exit risks log.

9. Risk and Assurance
9.1 Risk Register
9.1.1 The Committee reviewed the risk register and noted that Defra funding to VMD will be reduced by 8% next year which will require challenging savings and efficiencies to be made; Directors confirmed that VMD has set a budget to achieve this. The recent change to core Defra email addresses had caused communication problems and VMD will raise this with the Head of Corporate Services and report back to the Committee.

ACTION

9.2 Risk Assurance Map
9.2.1 The Risk Assurance Map was reviewed.

10. Update on data handling, fraud and complaints
10.1 The Committee noted that no significant issues had been raised since the last meeting.

11. Audit Committee, Internal Audit and External Audit assessment
11.1 Members asked for a minor change to be made to the annual assessment form before it is circulated.

ACTION

12. Audit Committee work plan
12.1 The work plan was reviewed.

13. Any Other Business
13.1 There was no other business.

14. Dates of future meetings:
2019: 22 May, 12 September, 5 December