

# VMD Audit & Risk Assurance Committee

## Minutes of meeting held on 19 March 2020

### Members

David Corner (Chair)\*  
Julia Drown\*  
David Catlow\*

### Present

Peter Borriello – VMD  
Paul Green – VMD\*  
Abigail Seager - VMD  
Mike Griffiths – VMD\*  
Linda Simmons – VMD  
Nick Stokell – Defra\*  
Emma Parkinson – NAO\*  
Chris Abbott – VMD (note taker)

\*By teleconference

- 1. Announcements and apologies for absence**
  - 1.1 Apologies were received from Christine Middlemiss and David Kennedy.
- 2. Declarations of interest in the matters to be discussed**
  - 2.1 None.
- 3. Non-executive membership of the board**
  - 3.1 David Corner's membership has been extended until 30 November. A recruitment exercise to appoint his successor has begun.
- 4. Coronavirus implications**
  - 4.1 This was discussed under item 11.
- 5. Minutes of the meeting held on 5 December 2019** **VMDARAC 20/02**
  - 5.1 The minutes were agreed.
- 6. Matters Arising/Actions** **VMDARAC 20/03**
  - 6.1 In regards to having a single 24 hour point of contact for travellers to use in an emergency, VMD reported that they are still looking into options with services provided by travel companies and insurers and will report back at the next meeting.

### ACTION

#### Financial Year 2019/20

- 7. Internal Audit**
  - 7.1 Audit reports finalised since the December meeting **VMDARAC 20/04 & 20/05**
    - 7.1.1 GIAA had completed the report on Contract Management in December; it had been reviewed by correspondence and its recommendations accepted. It was noted that MoUs don't have a legal status and should

be replaced by SLAs where possible as these have a greater expectation of level of service. The internal auditor commented that Defra is looking into this issue as part of its program to transform the management of information.

- 7.1.2 Members reviewed the report on Veterinary Practice Premises inspections and assessments and the finding that the MoU between VMD and RCVS to inspect some premises is not working properly mainly because VMD has legal responsibility and it forms a small part of RCVS work. The audit recommendations were accepted, and it was noted that VMD has already discussed the findings with the RCVS and the MoU is being revised. The internal auditor will check the MoU is being complied with. VMD will report back to the committee when revisions are completed later in the year.

### **ACTION**

- 7.1.3 It was noted that the report on dealing with product defects had been completed a few days before the meeting and had offered substantial assurance but not been reviewed by the committee. It will be circulated. The Chair thanked the auditor for the clear and succinct format of the reports they had received. The auditor will circulate the overall annual opinion before the next meeting.

### **ACTION**

- 7.2 Internal Audit strategy and plan for 2020/21 **VMDARAC 20/06**  
7.2.1 The audit plan for next year was agreed. There were 9 days planned for each audit and 6 general administration days = 42 days in all.

## **8. External Audit **VMDARAC 20/07****

- 8.1 2019/20 Financial statement audit progress report  
8.1.1 The external auditor's progress report was reviewed. It was agreed to amend the statement on the international work undertaken by VMD to clarify that the primary purpose is to promote human and animal health and not only to provide an alternative revenue stream. VMD will discuss further with the auditor how the use of public money to fund this work should be represented. LS confirmed that the information required by external audit would be provided to them in time.

## **9. VMD Finance/Other**

- 9.1 First draft Annual Report & Accounts **VMDARAC 20/08**  
9.1.1 The draft annual report was reviewed, and some minor amendments agreed. It was proposed that VMD's involvement in launching the SMARt charity be included and this will be taken under consideration.
- 9.2 Year-End timetable **VMDARAC 20/09**  
9.2.1 This was noted.
- 9.3 Implementation of auditors' previous recommendations **VMDARAC 20/10**  
9.3.1 This was noted.

## **Audit & Risk Committee Procedural Items**

### **10. Papers circulated to the Committee since the last meeting**

- 10.1 Papers which have been circulated included the internal auditor's report on Contract Management and an SRO report from the Trade and Transition team.

### **11. Risk and Assurance**

#### **11.1 Risk Register**

#### **VMDARAC 20/11 & VMDARAC 20/12**

11.1.1 Due to the coronavirus outbreak, plans have been put in to place for VMD staff to work from home with 85% now able to do this and it is hoped that all will be able to by the beginning of next week. Staff health remains the priority. A few critical staff e.g. IT technicians will be designated as key workers so they can work on systems at the VMD. All international travel and meetings have been cancelled and are being replaced by teleconferences and video conferencing. No further physical inspections or field work will take place, but some virtual inspections will continue. The importance of trying to maintain social cohesion when staff are homeworking is recognised, and staff will have two team updates a day at fixed points. Information has been posted on Gov.uk to say that the VMD remains open for business, and a number of non-financial easements for industry have been identified. Staff who are not able to carry out their normal work, e.g. inspectors may go out on secondment to work on other projects.

11.1.2 VMD confirmed that they are still receiving applications from Industry. Around half of authorised products have a manufacturer in China and talks about supply issues are ongoing with NOAH. Distribution and supply issues across borders are also being considered. RCVS has recently issued guidance for vets about carrying out animal examinations.

11.1.3 It was noted that these issues will be reflected in the Risk Register.

### **12. Update on data handling, fraud and corruption issues VMDARAC 20/13**

- 12.1 VMD reported that a minor breach had occurred following one company's antibiotic sales data being sent to another company in error. This had been dealt with quickly and reported as a business non-conformity and procedures had been revised.

### **13. Revision to the principles of risk management in government**

#### **VMDARAC 20/14**

- 13.1 VMD had received a letter from HMT informing them about the revision of the Orange Book on the management of risks in government. VMD reported that the new approach would be incorporated into its risk practice.

### **14. Defra DPO review of implementation of GDPR in the VMD**

#### **VMDARAC 20/15, 20/16 and 20/17**

- 14.1 Defra DPO had carried out a review of VMD's implementation of GDPR and issued its Data Protection Review for 2019 which found that the regulations

are being complied with. The committee took assurance from the DPO's report and VMD's subsequent action plan.

**15. Audit Committee, Internal Audit and External Audit assessment form  
VMDARAC 20/18**

15.1 The form was agreed and would be circulated.

**16. Audit Committee Workplan**

16.1 The workplan was agreed.

**17. Any Other Business**

17.1 There was no other business.

**18. Dates of future meetings**

18.1 2020: 3 July, 24 September, 8 December