

VMD Audit & Risk Assurance Committee

Minutes of meeting held on 1 July 2021

Members

David Corner (Chair)

Julia Drown

David Catlow

Present

Abigail Seager - VMD

Mike Griffiths – VMD

Linda Simmons – VMD

Marian Bos - VMD

Kim Nobbs – GIAA

Chloë Tyler-Young - GIAA

Emma Parkinson – NAO

Paula Stone – NAO

Timothy Riley – VMD non-executive director

Philippa Hardwick – VMD non-executive director

Chris Abbott – VMD (note taker)

1. Announcements and apologies for absence

1.1 Apologies were received from Peter Borriello. Head of Finance Linda Simmons was leaving the VMD and the committee thanked her for the dedication and commitment she had shown in the role.

1.2 Newly appointed non-executive directors Timothy Riley and Philippa Hardwick were welcomed as guests to the meeting.

2. Declarations of interest in the matters to be discussed

2.1 None.

3. Minutes of the meeting held on 18 March 2021

VMDARAC 21/24

3.1 The minutes were agreed.

4. Matters Arising/Actions

VMDARAC 21/25

4.1 VMD is still working with DDTS to resolve the ongoing internal communications problems and the next programme meeting would be held in July. It will also be considered under the Defra corporate services review. An update will be provided at the next meeting.

4.2 The restructuring of the Finance team was ongoing and a recruitment has been started to replace Linda Simmons.

Financial Year 2020/21 and 2021/22

5. VMD Finance and Year-end

5.1 ARAC annual report 2020/21

VMDARAC 21/39

5.1.1 The ARAC annual report was adopted subject to minor amendments.

5.2 Final Internal Audit Annual Report and Opinion

VMDARAC 21/27

5.2.1 The final Internal Audit report gave an overall moderate opinion of assurance. Its main findings were positive, but it recognised the significant risks VMD was facing in updating its legacy IT systems and the changes it was going through after leaving the EU and developing international work. The four

internal audit reports carried out during the year had given two substantial and two moderate opinions.

- 5.2.2 Some recommendations were yet to be completed and a final draft will be circulated before the report is finalised in December. The committee thanked the auditors for the work they had done and welcomed the level of assurance given and their confirmation that a substantial opinion was achievable in future years.
- 5.4 External Audit Report – NAO **VMDARAC 21/43**
- 5.4.1 The external auditor presented their current draft of the completion report on the 2020-2021 financial statement audit which was substantially complete. Four areas of significant risk had been identified but no serious concerns. The committee thanked the auditors for their work and noted their audit opinion and accepted management’s reasons for not adjusting the misstatements that had been found.
- 5.5 Year End Timetable **VMDARAC 21/26**
- 5.5.1 The timetable was noted.
- 5.6 Final draft Annual Report and Accounts 2020/21 **VMDARAC 21/42**
- 5.6.1 In light of the internal and external assurances given, the committee was happy to recommend to the Management Board that it in turn recommend the CEO sign the annual report and accounts subject to some text changes and any changes that might arise from the outstanding issues from external audit. Any changes subsequent to the meeting to be seen by the Chair.
- 6. Internal Audit**
- 6.1 Audit reports finalised since the March meeting **VMDARAC 21/28**
- 6.1.1 The committee welcomed the substantial assurance given by the report on Special Imports and Medicines Supply Issues.
- 6.2 Cross government insights **VMDARAC 21/29-34**
- 6.2.1 The committee noted the 6 reports provided by the internal auditor into its findings on issues of interest across government.
- 6.3 External Quality Assessment of GIAA **VMDARAC 21/35**
- 6.3.1 The internal auditor reported that GIAA had been assessed by the Chartered Institute of Internal Auditors which had given its highest rating to the Agency with some areas for improvement identified. The committee was grateful for the assurance provided by the review of an independent professional body.
- 7. Other**
- 7.1 Implementation of auditors’ previous recommendations **VMDARAC 21/36**
- 7.1.1 The committee reviewed progress against the auditors’ previous recommendations. It was noted that the Communications team had been restructured into the Information Coordination and Engagement (ICE) team which would be taking forward the development of VMD’s communication and engagement strategy.

Audit & Risk Committee Procedural Items

- 8. Papers circulated to the Committee since the last meeting**
- 8.1 None.

9. Risk and Assurance

9.1 Risk Register

VMDARAC 21/37

9.1.1 A new format risk register was presented. The committee welcomed the simplification and more straightforward categorisation it provided and also the wider opportunity to consider if everything is reflected fully. It was noted that it gives a strategic view and several operational reports sit behind it. It was agreed that VMD would present the most significant operational issues at the next meeting.

ACTION

10. Update on data handling, fraud and corruption issues

VMDARAC 21/38

10.1 The report was noted.

11. Audit Committee, Internal Audit and External Audit annual assessment

VMDARAC 21/40

11.1 The results of the annual performance assessment were noted and action had already been taken against those areas identified for improvement.

12. Audit Committee Workplan

VMDARAC 21/41

12.1 It was agreed to review Enforcement at the next meeting and the Business IT Enhancement (BITE) programme in December.

13. Any Other Business

13.1 VMD agreed to consider how to bring issues of reputational concern to the committee. These are dealt with within VMD as 'hot topics'.

ACTION

13.2 This was David Corner's last meeting before his term of appointment ends and he was thanked for the contribution he has made as Chair and the support he has given the other members.

14. Dates of future meetings

14.1 28 September, 15 December