

VMD AUDIT & RISK ASSURANCE COMMITTEE

Minutes of meeting held on 28 September 2021

Members

Timothy Riley (Chair)
Julia Drown
David Catlow
Philippa Hardwick

Present

Abigail Seager – VMD
Gavin Hall - VMD
Mike Griffiths – VMD
Julian Flexman – VMD
Marian Bos – VMD
Simon Hack – VMD
John Millward - VMD
Kim Nobbs – GIAA
Emma Parkinson – NAO
Paula Stone – NAO
Chris Abbott – VMD (note taker)

1. Announcements and apologies for absence

1.1 No apologies had been received.

2. Declarations of interest in the matters to be discussed

2.1 None.

3. Minutes of the meeting held on 1 July 2021

VMDARAC 21/45

3.1 The minutes were agreed.

4. Matters Arising/Actions

VMDARAC 21/46

4.1 As a temporary solution for the ongoing internal communications issues with Defra, address books were being shared on a monthly basis and access to sharepoint was now possible. Finding a permanent solution was a low priority for DDTS and VMD would need to find a way to escalate effectively.

4.2 Julian Flexman has joined VMD as the interim Head of Finance while the recruitment of a permanent appointee is ongoing.

4.3 It was confirmed that the Business IT Enhancement (BITE) programme will be reviewed at the December meeting.

5. Focus topic: The Enforcement team

5.1 VMD's Head of Enforcement, Simon Hack, reported on the work of his team and the way it is promoted through publishing regular newsletters and case results on Gov.uk. They are not able to comment on live cases, which can give the impression of a lack of engagement and create reputational risk, but all requests are acknowledged and given a case number. Following restructuring and rebadging of the team, members have undertaken level 5 investigator qualifications in order to develop their skillsets. The adoption of a new intelligence platform, CLUE, has allowed the team to capture and disseminate information in a confidential way. These improvements have increased the willingness of other enforcement bodies to share information and relationships have been developed with new intelligence networks in the UK and

abroad. This has resulted in cost savings as new partners can take the lead in investigations while VMD monitors their progress, however it has also created an increased caseload which has to be managed. In Northern Ireland, responsibility for enforcement is devolved to DAERA and their Department of Health, but VMD advises and has been closely involved in cases there. The team holds regular meetings with NOAH to review industry compliance and requirements and is also setting up meetings with individual pharmaceutical teams. Lines of communication are in place with online retailers such as Ebay, Amazon and Facebook and they have been promptly complying with requests to remove illegal adverts for veterinary medicines.

- 5.2 The recent audit of the Enforcement section had stated the need for clear strategy and policy documents and it was agreed that these would be provided to the committee for review when completed.

ACTION

6. Financial Year 2020/21

- 6.1 Draft Defra Annual Opinion 2020/21 **VMDARAC 21/47**

6.1.1 It was noted that the draft Defra internal annual opinion report reflected well on the VMD. The extent to which communal partnership working with Defra would be engaged with from next year was being considered, as currently VMD only shares their HR systems. The need to replace legacy IT systems was a Defra wide one and VMD was bidding for CSR funding to continue work in this area. Depending on the outcome, VMD would be looking to use a service framework to award contracts.

ACTION: ARAC oversight of awarding contracts process to be reviewed at December meeting.

Financial Year 2021/22

7. Internal Audit

- 7.1 Internal audit progress report – GIAA **VMDARAC 21/48, 49 & 50**

7.1.1 The internal auditor reported that good progress had been made since the last meeting. The Enforcement Process audit had been completed and gave limited assurance as it found that better ways of working and KPIs need to be formalised and that there were staff resource issues. VMD said that these issues were being addressed.

7.1.2 The Cyber Security audit had also been completed and gave moderate assurance, finding that appropriate and accredited security measures were in place.

- 7.2 Defra Group audit: Business planning and prioritisation for ALBs **VMDARAC 21/51**

7.2.1 VMD had fed into this audit which gave moderate assurance while noting that processes had improved but there were still areas of high risk.

- 7.3 Cross Government Insights **VMDARAC 21/52, 53 & 54**

7.3.1 Cross government insights reports on ARACs, cyber security and data governance had been provided for members information. It was agreed that similar reports would be sent directly to members in future when completed.

- 7.4 The auditor will invite members to the GIAA event for ARAC members on 4 November.

8. External Audit

- 8.1 The external auditor reported that they are planning this year's cycle which will be presented at the December meeting.

9. VMD Finance/Other **VMDARAC 21/55**

- 9.1 Implementation of auditors' previous recommendations
- 9.1.1 The committee reviewed progress against the auditors' previous recommendations and noted that a number of actions were now overdue. VMD reported this was partly due to team leaders being absent through sickness and expected that better results would be presented at the next meeting.

Audit & Risk Committee Procedural Items

10. Papers circulated to the Committee since the last meeting

- 10.1 None.

11. Risk and Assurance

- 11.1 Risk Register **VMDARAC 21/56**
- 11.1.1 There is a risk that the ALB Corporate Services Review results in a department-wide rationalisation in a one-size fits all solution that does not meet the VMD's needs. However, it was noted that VMD will not be included in the review for several years.
- 11.1.2 There had been an increase in the number of staff leaving and the situation was being monitored.
- 11.1.3 VMD was trying to mitigate the risks caused by NIP and a range of possible outcomes were being managed.
- 11.1.4 IR35 assessments for contractors have been carried out and new contracts will be offered soon, although some have decided to leave.

11.3 Risk Assurance Map **VMDARAC 21/57**

- 11.3.1 The map was reviewed and it was agreed to do this annually.

11.4 Risk Policy **VMDARAC 21/58 & 59**

- 11.4.1 The VMD's risk policy and ant-fraud policy, with a minor amendment to paragraph 24, were found to be suitable.

12. Update on data handling, fraud and corruption issues **VMDARAC 21/60**

- 12.1 There were no issues to report since the last meeting.

13. Audit Committee Workplan **VMDARAC 21/61**

- 13.1 The Business IT Enhancement (BITE) programme will be reviewed in December and members were asked to consider ideas for a focus topic for the March meeting.

14. Any Other Business

- 13.1 There was no other business.

14. Dates of future meetings

- 14.1 15 December.