

## VMD Audit & Risk Assurance Committee

### Minutes of meeting held on 15 March 2023

#### Members

Timothy Riley (Chair)  
Julia Drown  
David Catlow  
Philippa Hardwick  
Nicola Charlton (Boardroom Apprentice)

#### Present

Abigail Seager – VMD  
Gavin Hall – VMD  
Mike Griffiths – VMD  
Kim Nobbs – GIAA  
Andrew Hamer - NAO  
Paula Stone - NAO  
Chris Abbott – VMD (note taker)

#### 1. Announcements and apologies for absence

1.1 Apologies were received from Muiz Agbaje, VMD.

#### 2. Declarations of interest in the matters to be discussed

2.1 None.

#### 3. Minutes of the meeting held on 2 December 2022

VMDARAC 23/02

3.1 The minutes of the last meeting were agreed.

#### 4. Matters Arising/Actions

VMDARAC 23/03

4.1 Members had held helpful discussions with NAO concerning the Audit programme, its cost and scope. There was an understanding of the needs of HMT guideline requirements and the resource implications on NAO. At the same time, there was also a need to consider value and cost comparability and timing with OGDs.

### Financial Year 2022/23

#### 5. Internal audit progress report

VMDARAC 23/04-06

5.1 Internal Audit updated on progress in year. The final two audits will be completed before the end of March. Several recommended actions have been completed by VMD with one now outstanding for 2022/23 related to a cross-government programme for which reports had been received from core Defra. A review of marketing authorisations revenue declarations had been completed which gave assurance that the correct companies had been asked to provide information and that calculations were accurate. The auditor recommended VMD use different mechanisms the next time the exercise is completed.

#### 5.2 Internal Audit strategy and plan for 2023/24

VMDARAC 23/07

5.2.1 The Internal Audit draft plan for 2023/24 was presented. It proposed to engage with six different areas of the VMD's business. In addition, GIAA will carry out reviews relating to people risks such as recruitment, wellbeing and health and safety. Concerns were expressed that the audit of Governance was not in the plan and GIAA assured ARAC that governance structures would be assessed through auditing of other areas, even if deferred as a separate audit item. The

concern was also expressed as a concern that the scheme of delegation should be a focus for internal audit.

5.2.2 The committee was content to approve the audit plan. It was agreed it would be useful to link the risks identified on the Risk Register to the audits and VMD would look into how this could be done.

**ACTION - VMD**

**5.3 Audit Charter and Memorandum of Understanding VMDARAC 23/08 & 09**

5.3.1 The GIAA's audit charter and MoU with the VMD were noted. Members said the requirement in the MoU to obtain GIAA's written permission before releasing any of their information lacked openness. The auditor commented that there were safeguarding issues and checks were necessary.

**5.4 ARAC report supplement and Cross Government Insights VMDARAC 23/10-13**

5.4.1 The committee noted the auditor's report supplement and insight reports on staff wellbeing, hybrid working and recruitment and retention.

**6. External audit plan VMDARAC 23/14**

6.1 The NAO representative presented their plan for the 2022/23 financial statement audit. This builds on the previous report and focuses more on income streams and expenditure. The level of risk around the land and buildings valuation have been reduced for this year which was welcomed by the committee.

6.2 Members were content with the plan which they found to be useful and sensible in scope.

**7. VMD Finance/Other**

**7.1 Second draft Annual Report & Accounts VMDARAC 22/15**

7.1.1 Members provided comments on the second draft of the Annual Report and Accounts. They asked that more information about some of challenges VMD has faced, such as recruitment difficulties, be added before a final draft is reviewed at the next meeting. Members requested in the interests of efficacy that any developments from previously shared draft versions be made clear. If previous discussions are not reflected in later drafts, then this should also be made clear with reasons.

**7.2 Year-End timetable VMDARAC 23/16**

7.2.1 The timetable for completing the annual report and accounts was noted. The NAO auditor noted that HMT approval is not required and dates have not yet been set for parliamentary recess in September/October.

**Audit & Risk Committee Procedural Items**

**8. Risk and Assurance**

**8.1 Risk Register VMDARAC 23/17**

8.1.1 The Risk Register was reviewed. The risk of delay completing the VMR public consultation is being actively managed. As veterinary medicines are not included in the Windsor Framework an agreement on their use in Northern Ireland will have to be reached with the EU. A number of new staff have been recruited to improve resources but there are still shortages in some areas. Mayvin have been asked to carry out another in-depth staff survey later this year. Cyber security is being tightened to deal with an increasing number of phishing attacks. Defra are asking ALBs replace their back room support with shared core services but this would not provide a cost saving for VMD and is

likely to slow delivery. Members agreed that the benefits are not clear and asked to be kept informed.

**9. Security**

**9.1 Update on data handling, fraud and corruption issues VMDARAC 23/18**

9.1.1 A few data handling errors had occurred since the last meeting and VMD is looking to find ways to eliminate these by introducing more second eye and automatic checks. It was confirmed that no errors needed to be reported to the Information Commissioner's Office and this information would be added to future reports.

**10. Audit Committee, Internal and External Audit annual assessment form**

**VMDARAC 23/19**

10.1 The form was agreed and would be circulated to meeting attendees to complete so that results can be reviewed at the next meeting.

**11. Audit Committee Workplan**

**VMDARAC 23/20**

11.1 The workplan was agreed.

**12. Any Other Business**

12.1 There was no other business.

**13. Dates of future meetings**

13.1 Meetings have been arranged for 6 July, 27 September and 19 December.