

VMD Audit & Risk Assurance Committee

Minutes of meeting held on 6 July 2023

Members

Timothy Riley (Chair)
Julia Drown
David Catlow
Philippa Hardwick

Present

Abigail Seager – VMD
Mike Griffiths – VMD
Gavin Hall – VMD
Muiz Agbaje – VMD
Marian Bos - VMD
Kim Nobbs – GIAA
Andrew Hamer - NAO
Chris Abbott – VMD (note taker)

1. Announcements and apologies for absence

1.1 Apologies were received from David Kennedy, Paula Stone and Nicola Charlton.

2. Declarations of interest in the matters to be discussed

2.1 None.

3. Minutes of the meeting held on 15 March 2023

VMDARAC 23/22

3.1 The minutes of the last meeting were agreed.

4. Matters Arising/Actions

VMDARAC 23/23

4.1 It was noted that the agenda has been reordered with the Risk Register placed before the review of audits so that it can be seen if the planned audits are addressing the identified risks and whether any changes can be accommodated.

5. Risk Register

VMDARAC 23/24

5.1 Members were concerned that a number of high risks are being tolerated and while there are mitigating actions in place there is no timeline for addressing them. VMD explained that more detail is available on another internal register and that there are no catastrophic risks which would affect the agency's ability to function. Selected risks are escalated to core Defra for awareness and for help mitigating them on a quarterly basis and or as they occur if urgent. Suggestions from the members for amending the register will be actioned, including the addition of information about the expected timelines for reducing risks, and the VMD's risk appetite statement will be reviewed.

ACTION VMD

5.2 It was noted that the situation in Northern Ireland is likely to remain ambiguous for the time being and parties have to be realistic about the outcomes. VMD remains in close contact with Industry about developments. It has been decided that the revised VMR will be laid in parliament in October. The Pharmaceuticals in the Environment group has been formed and is considering the effects of ectoparasiticides on the environment which is a sensitive matter and any actions must be based on evidence. Members suggested that the environment risk assessments carried out for these products need reviewing but it wasn't an issue for ARAC. There is a risk that that the project reviewing the opportunities and risks for ALBs taking on more Corporate

Services from the Central Defra provision does not do a genuine Discovery phase and that there is a predetermined outcome implemented. At the simplest level, VMD is happy to take services from the Defra Corporate Services where the service provision is equal or better than the current service and is equal or cheaper than the current provision.

Financial Year 2022/23

6. Annual Report and Accounts VMDARAC 23/25

- 6.1 The further draft of the Annual Report and Accounts which was presented is still awaiting contributions from some business areas. A revised clean draft will be sent out to NAO and members when available and a final draft adopted at the September ARAC meeting.

ACTION VMD

6.2 External Audit Progress report

- 6.2.1 NAO reported that an interim audit had been held and they were content that there was no change to the risk profile. A lower overall account materiality is expected at the end of audit than initially forecast. They will visit VMD on 24 July to investigate some matters including unexpectedly stable staff numbers.

6.3 Final Internal Audit Opinion and Report VMDARAC 23/26

- 6.3.1 The GIAA's final report gave a moderate opinion. It included findings on several common themes that were challenging the VMD: AMR policy development, collaboration with Defra, resource challenges and delivery of legislation. Good strategies are in place for dealing with staffing risks. VMD policies are in line with contracts and the Finance section has been stable under new leadership with corporate oversight improving. The data protection accountability statement will be looked at this year to check assurance is in place.

- 6.3.2 Members thanked GIAA for the assurance given by their report.

6.4 Internal audit reports VMDARAC 23/27 & 28

- 6.4.1 The audit on Procurement and Letting of Contracts had been completed and the report gave a moderate opinion and recommended that contracts are dealt with transparently and centrally in one location. Members welcomed the information provided on Defra contract and procurement rules including the need to obtain three quotes for purchases over £1000 and looked forward to revisiting VMD progress made against the report's recommendations.

- 6.4.2 The report on Delivery progress of the New Veterinary Medicines Regulations gave a moderate opinion. Delivery had been achieved despite challenges with external legal resources and implementing the new SI. VMD confirmed that lessons have been learned for the next round of changes.

6.5 Implementation of Auditors' Previous Recommendations VMDARAC 23/29

- 6.5.1 Members were reassured by the progress that was being made.

6.6 Year-end Timetable VMDARAC 23/30

- 6.6.1 The updated timetable was noted.

7 Financial Year 2023/24

- 7.1 Internal Audit progress report **VMDARAC 23/31 & 32**
7.1.1 GIAA noted that the current audit was progressing as planned. The supplement provided stated that a new control framework for government has been published in the orange book and an update for functional standards issued.

Audit & Risk Committee Procedural Items

- 8 Security** **VMDARAC 23/33**
8.1 The number of data handling incidences had increased and efforts are ongoing to reduce them. Staff have been reminded to be careful when sending external emails and technical solutions for preventing inadvertent email use are being investigated.

- 9 Data Protection Accountability Framework annual report** **VMDARAC 23/34**
9.1 The committee noted that some of the issues raised in the Defra DPO's report will be picked up in the audit reports.

- 10 ARAC annual report for 2022/23** **VMDARAC 23/35**
10.1 The report was noted and it was agreed to include a summary of the committee's effectiveness following its annual performance assessment.

- 11 Audit Committee, Internal and External Audit annual assessment results** **VMDARAC 23/36**
11.1 The good scores received for the annual assessment of the committee were noted and it was agreed it was working effectively.

- 12 Risk Register** **VMDARAC 23/24**
12.1 Data handling risks caused by external emails will be added.

- 13 Audit Committee Workplan** **VMDARAC 23/37**
13.1 The final annual report and accounts would be reviewed at the September meeting. The Chair asked to have a deep dive on issues of particular concern during the coming year.

ACTION VMD

- 14. Any Other Business**
14.1 There was no other business.

- 15. Dates of future meetings**
15.1 Meetings have been arranged for 27 September and 19 December.