

# **VMD AUDIT & RISK ASSURANCE COMMITTEE**

## **Minutes of meeting held on 27 September 2023**

### **Members**

Timothy Riley (Chair)  
Alison White  
Philippa Hardwick

### **Present**

Abigail Seager – VMD  
Mike Griffiths – VMD  
Gavin Hall – VMD  
Muiz Agbaje – VMD  
Kim Nobbs – GIAA  
Paula Stone – NAO  
Andrew Hamer – NAO  
Nicola Charlton – Boardroom Apprentice  
Chris Abbott – VMD (note taker)

#### **1. Announcements and apologies for absence**

- 1.1 The Chair welcomed Alison White, new non-executive director and Chair of VMD's Management Board, to the Committee.
- 1.2 Apologies were received from David Catlow.

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

- 2.1 No interests were declared.

#### **3. Minutes of the meeting held on 6 July 2023**

**VMDARAC 23/39**

- 3.1 The minutes of the last meeting were agreed.

#### **4. Matters Arising/Actions**

**VMDARAC 23/40**

- 4.1 VMD reported that a handful of emails had been sent to the wrong external contacts due to human error and although there had been no significant data breaches there is the risk of revealing confidential information. In addition to reminding staff about the need to take care when sending emails, several technical measures are being put in place to prevent this happening: a pop-up checker for external emails will prompt the sender to double check the addressee details; Autopilot will give the IT team better central control over activities; multi-factor authentication is being introduced and the secure messaging system modified so that application responses can only be sent to the original submitter. Although the current error rate is very small it is hoped these measures will eradicate the problem.
- 4.2 It was agreed to consider the number of ARAC/MB meetings which are held in person versus online further outside the meeting.

### **Risk and Assurance**

#### **5. Avian Influenza**

- 5.1 Head of Biologicals Dr Rory Cooney gave an update on the Avian Influenza (AI) situation and how risks are being mitigated. There have been 206 confirmed cases since November 2022 and numbers are expected to increase at this time of year as birds migrate to the UK. Defra dictates policy and what measures are taken involving

biosecurity, surveillance, preventative zones and culling. There is currently no policy to vaccinate birds apart from registered zoo birds. Two vaccines have been authorised against AI in the UK and one in the EU but they are not a match for the current flu strain H5N1 so are not effective. VMD is part of the AI taskforce which includes the CVOs, devolved administrations, Defra policy leads and bird stakeholder groups and recommendations are being prepared for submission to ministers by early November. The costs for developing new vaccines are being born by Industry. The taskforce has surveyed vaccine manufacturers worldwide and found 4-6 products which could be useful in combating the disease, but they are not developed to EU or UK standards. The UK would need a full marketing authorisation package submitted that meets our regulations, but provisional MAs can be granted if there are gaps in the data dossier. With provision MA's there is an expectation that these will be converted into full MAs in the future. In addition, recommendations can be made to the Secretary of State to authorise a product for emergency use if the overall risk:benefit balance is positive. The French authorities, using a similar method, have authorised a product for vaccinating ducks for the internal market in France. The VMD is talking to manufacturers and expecting to receive several AI vaccine applications in October. Assessments are expected to be completed by spring although this will be challenging due to data gaps and assessor resource. The EU will also be assessing product applications to the same standards which will make movement and trade easier once authorised. Resources in the Biologicals assessment team are limited and it may be necessary to delay assessments of other products which will require conversations with Industry. The team is already very busy due to regulatory changes caused by EU Regulation 2019/6, which is applicable in NI, and facilitating joint labelling of products across the UK with the corresponding GB related application. As an independent regulator the team are also assessing applications which would have otherwise been submitted to the EU under the centralised procedure. A submission slot scheme is in operation to help schedule work and build assessment resilience. AI is a notifiable disease and sourcing and supply will be overseen by policy leads in Defra. It will be up to Industry to import, store and distribute product in the correct way. VMD has insight into problems and can help facilitate where it can.

- 5.2 Members asked to be kept apprised of the situation and the level of burden to VMD around regulation and surveillance.

**6. Risk Register** **VMDARAC 23/41**

- 6.1 The Risk Register was reviewed. Members asked that timelines be added for taking mitigating actions and resolving issues and were directed to the detailed internal register behind the paper. It was agreed that timelines be added in the cover paper along with risk appetite ratings.

**ACTION**

- 6.2 It was noted BJSS are looking to enhance the security posture as VMD servers are moved on to the Cloud. A large number of recruitments have been completed this year, but staff recruitment and retention remain an issue. Pay is outside VMD control and a pay flex case is with the Treasury.

**7. Financial Year 2022/23**

**7.1 Annual Report and Accounts** **VMDARAC 23/42-46**

- 7.1.1 Information from the completed NAO audit report has been added to the annual report and members had sent comments before the meeting on minor issues that needed correcting. Members queried whether criticism in the report directed at other departments was appropriate and noted that only the functional standard was needed in the risk section. VMD said the Defra policy

lead was content with the report as it stands and it was too late to make major changes now but would take these comments on board for next time. The Chair congratulated VMD on the work it had done over the previous year.

- 7.1.2 Alison White will meet with Mike Griffiths outside the meeting to understand better the high cost of IR35 reported.
- 7.2 External Audit completion report for 2022/23
  - 7.2.1 NAO reported that the report was substantially complete and gave an unqualified opinion. An error schedule of £16.1k had been found due to expenses being miscategorised but this did not affect materiality. There was no unadjusted misstatement. NAO noted that improvements had been made from the previous year's accounts and thanked Muiz Agbaje and his finance team. Members queried the lack of clarity around expenditure under the Gates project but the auditor was satisfied processes had been sufficient.
- 7.3 The Chair was content to recommend the annual report and accounts to the CEO for signing subject to final minor alterations being made. It would be cleared by the minister before laying in parliament in October. Members were disappointed this was being done so late and the Committee would ask NAO to amend its timetable for auditing Defra departments next year so that VMD's accounts are reviewed in time for laying before recess.

## **8. Financial Year 2023/24**

- 8.1 Internal Audit progress report **VMDARAC 23/47-50**
  - 8.1.1 GIAA reported that the Residues audit had been completed since the last meeting and gave a moderate opinion. The Residues team is resourced to carry out its domestic programme of activities and since Brexit has taken on additional responsibilities for working with international trade partners. Although this new work is being managed, processes are evolving and the workload growing and the report recommended that extra resilience is built in this area.
  - 8.1.2 The audits of data protection compliance and budgetary controls are nearing completion. The auditor noted that VMD's progress fulfilling outstanding actions is going well and she was content that actions relating to the revision of the VMR have been completed.
  - 8.1.3 The ARAC supplement for August was provided for members' information.

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

- 9. **Security** **VMDARAC 23/51**
  - 9.1 As discussed under matters arising, VMD is taking action to reduce email errors. No fraud or complaints had been registered since the last meeting.
- 10. **Risk Assurance Map** **VMDARAC 23/52**
  - 10.1 Members questioned the usefulness of the assurance map in its current format. The GIAA auditor offered to share information on mapping assurance against risk and would meet with the VMD and Chair outside the meeting to discuss further.

**ACTION**
- 11. **Work Plan** **VMDARAC 23/53**
  - 11.1 The work plan was noted.

**12. Any Other Business**

12.1 There was no other business.

**13. Dates of future meetings**

13.1 The next meeting will be held on 5 December. Meetings in 2024 will be held on 28 March, 13 June, 26 September and 12 December.