

# **VMD AUDIT & RISK ASSURANCE COMMITTEE**

## **Minutes of meeting held on 5 December 2023**

### **Members**

Timothy Riley (Chair)  
Alison White  
David Catlow  
Philippa Hardwick

### **Present**

Abi Seager – VMD  
Gavin Hall - VMD  
Mike Griffiths – VMD  
Muiz Agbaje – VMD  
Kim Nobbs – GIAA  
Sarah Percy – GIAA  
Andy Hamer – NAO  
James Highton – NAO  
Chris Abbott – VMD (note taker)

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

1.1 Apologies were received from boardroom apprentice Nicola Charlton.

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

2.1 None.

### **3. Minutes of the meeting held on 27 September 2023**

**VMDARAC 23/54**

3.1 The minutes were agreed.

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

**VMDARAC 23/55**

4.1 Members noted that NAO planned to complete its financial audit after parliamentary summer recess again this year and this was not in accordance with the requirement to lay accounts before recess which VMD was prepared to do. The external auditor understood their frustration but there was not enough resources or capacity to complete the audits earlier. It was agreed that the committee would write to NAO to formally set out its position that the planned timetable was unacceptable.

4.2 VMD planned to meet with GIAA to discuss producing a new risk assurance map.

4.3 VMD noted that the government does not plan to vaccinate against avian influenza at this time but two products are under assessment so that they are ready to be used should the position change.

### **5. Risk Register**

**VMDARAC 23/56**

5.1 VMD presented the risk register which had been revised following previous comments. It was noted that the committee's role is to provide advice to Management Board which will decide ownership of risks and the extent they can be mitigated. Members noted that it was still difficult to fully understand the issues around the most serious risks. They asked that some further format changes be made to the register in order to clarify the process for closing risks, to distinguish between holding risks and those which require action, to state what actions are being taken to bring them within VMD's risk appetite and to add likelihood and impact ratings. There was also some duplication and the number of risks could perhaps be reduced although it was noted

VMD has a large remit covering a number of different areas. It was agreed to continue to develop the register over the next year so that it can better fulfil its purpose.

- 6.2 VMD reported that the group corporate services review is still ongoing and it was not yet clear what the implications for VMD will be. It is tied in with the introduction of the Synergy platform which will replace SOP as the central business services provider for Defra. VMD has taken actions to investigate vaccine availability and special imports were available but are only a short-term solution. The Chair noted that prescribing practice and medicines availability as a whole is an issue for the Board to consider.

## **Financial Year 2023/24**

- 6. Internal Audit progress report – GIAA** **VMDARAC 23/57**
- 6.1 The auditor reported that two audits had been completed since the last meeting and the audit on pharmacovigilance is being planned. A Defra Group audit on Software Licence Management has been completed and gave moderate assurance. The report would be provided to VMD IT to help its procurement practices and the auditor confirmed that in future Defra Group audit reports would be shared with the committee.
- 7. Report on Budgetary Control and Financial Information** **VMDARAC 23/58**
- 7.1 The report gave substantial assurance and the auditor had found that effective procedures were in place. The single recommendation was for Finance to ensure budget holders receive formal allocations of their budgets at the beginning of the financial year. The committee congratulated the Finance team on their good performance in this area.
- 8. Report on Data Protection Compliance** **VMDARAC 23/59**
- 8.1 The report gave moderate assurance and VMD was generally complying with the ICO's accountability framework. Some additional governance is needed and progress will be monitored through the Business Delivery Committee.
- 9. Implementation of previous recommendations** **VMDARAC 23/60**
- 9.1 It was noted that several recommendations relating to procurement and contract management are waiting on the outcome of the Defra Group Corporate Services review which has been subject to changes. VMD confirmed it is responsible for the services it uses and meets all minimum requirements but it can't commit to taking actions until the review is completed. The committee agreed that a deep dive on this topic is needed at the next meeting in order to understand the processes in place and the levels of risk involved.
- 10. ARAC Supplement report** **VMDARAC 23/61**
- 10.1 The auditor will recirculate the insight report on artificial intelligence which was summarised in the supplement report. The Chair had found a recent GIAA event for ARAC members to be very informative.
- 11. External Audit Plan** **VMDARAC 23/66**
- 11.1 The external auditor presented their plan for this year and members were content with the areas of risk identified that will be covered. They were disappointed with the large increase in the fee quoted from last year which VMD confirmed was not notional and NAO said it had been calculated on an increased hourly rate and an estimate of the time needed. Members expressed their dissatisfaction with the NAO position on the fees and the timeline for the audit.

- 12. First draft of Governance Statement** **VMDARAC 23/62**  
12.1 Members provided comments on the early draft of the governance statement for the annual report.
- 13. Year-end Timetable** **VMDARAC 23/63**  
13.1 VMD presented a timetable based on the annual report and accounts being laid after summer recess.
- 14. Security report** **VMDARAC 23/64**  
14.1 No fraud or complaints had been registered since the last meeting. VMD reported that there had been a few instances of information being emailed to the wrong person and automatic flags and have been introduced to focus the sender's attention on these details before sending emails. It was noted that there had not been any whistleblowing reports and agreed that it would be useful to add this to the agenda as a standard item.
- 15. Work Plan** **VMDARAC 23/65**  
15.1 It was agreed to review risk management policy and processes at the March meeting and check that the committee follows good practice guidance (the Orange Book) and departmental guidelines.  
15.2 The internal auditor will arrange a meeting with members in January to discuss audit planning for next year.
- 16. Any Other Business**  
16.1 There was no other business.