

VMD AUDIT & RISK ASSURANCE COMMITTEE

Minutes of meeting held on 15 September 2025

Members

Laura Catterick (Chair)

Mike Venables

Present

Abi Seager – VMD

Gavin Hall - VMD

Mike Griffiths – VMD

Muiz Agbaje – VMD

David Martin – GIAA

Ian Coates - GIAA

Andy Hamer – NAO

Chris Abbott – VMD (note taker)

1. Announcements and apologies for absence

1.1 Apologies were received from David Catlow.

2. Declarations of interest in the matters to be discussed

2.1 There were no interests.

3. Minutes of the meeting held on 18 June 2025

VMDARAC 25/45

3.1 The minutes were agreed.

4. Matters Arising/Actions

VMDARAC 25/46

4.1 Action 123: The assurance map had been reviewed before the meeting and requires further work to make it a functional document which is useful to VMD. GIAA will provide comments and it will go to EMB for comment before a revised version is sent to the next ARAC meeting for adoption.

4.2 Action 147: Members will review additional information available for end of year assurance processes outside the meeting, and the process will be linked to the assurance map (above) and discussed at EMB prior to being sent to the next ARAC meeting for adoption.

4.3 Action 153: Members reported that a number of issues with SSCL performance were raised at the Defra Chairs meeting. VMD is now meeting quarterly with SSCL and Defra and is assured that recent queries will be dealt with and KPIs are being met. The outcomes from the next meeting will be sent to the Chair.

4.4 Action 157: VMD will meet with the Chair to review the ARAC timetable for reviewing policies and procedures.

5. Risk Report

VMDARAC 25/47

5.1 Members would like the report to show risk ratings before mitigations to better understand the position. They queried the four risks outside of tolerance post mitigation, and it was confirmed that this gives a 12-18 month view. The Chair identified that mitigations for several of the risks had not changed since the prior ARAC and needed to be reviewed and updated. Where there are external blockers, and where escalation to Defra has occurred, this should also be documented to aid in ARAC discussion. The Chair queried the draft risk appetite and noted that it is due to

go to MB for review and approval. She will review the Risk Register offline and work with the Executive to update.

Pharmaceuticals in the Environment (PiE)

- 6.1 VMD gave an update on the activities of the cross-government PiE group which is looking at how some substances from flea and tick treatments are getting into waterways. A road map setting out future plans has recently been published and research is ongoing into possible sources, the impacts of changing usage patterns and the impacts on eco-systems. R&D has already been published around direct shedding from dogs and domestic washing practices causing contamination down the drain. The balance of benefit against risk for the products involved is being considered and whether to review the legal distribution channel should advice be needed at the point of sale. Usage advice on Summary of Product Characteristics (SPC) documents may need to be strengthened but products in NI are regulated by the EU which limits the scope for making labelling changes. The UK and the EU are the two regions facing into this issue and the VMD is monitoring the EMA in this area. Work on international guidelines is progressing, but slowly, and there are no hard deadlines set for issuing improved guidance. The VMD recognises the reputational risk this presents and that it may be seen to not be doing enough and/or acting too slowly. There is a need to communicate with the public about the way that decisions are based on evidence and that this is a multifactorial issue which needs to balance the management of parasitic disease in pets and zoonotic transfer of disease to humans with the impacts on the environment. Consequently, taking forward solutions will involve input from many stakeholders. VMD assured members that its work in this area is fully resourced and that Defra and Ministers are kept informed. An update on progress will be given at the next ARAC meeting.

7. Internal Audit

VMDARAC 25/48-51

- 7.1 The auditor reported that fee discussions had delayed the start of the audits but the plan was now progressing well. Following comments received at the June ARAC about the 2024/25 'Implementing the new VMR' audit report, GIAA have carried out an internal review of the audit process and report and agreed lessons learned. They have withdrawn the report and issued a redrafted version, which is currently with the Chief Executive and Chief Operating Officer for review. The annual opinion will remain the same. VMD confirmed that internal processes are now in place for EMB to review draft audit reports before they are finalised.
- 7.2 VMD has reviewed the annual requirement to review MA declarations with internal and external auditors and it has been agreed that the work they undertake in this area involves different approaches and does not include any duplication.
- 7.3 The GIAA Chief Executive has written to all customer Chief Executives about working with GIAA to deliver audits efficiently and providing earlier planning to ensure a strong start to 2026-27.
- 7.4 The ARAC pack supplement was noted.

8. External Audit – NAO

- 8.1 The auditor confirmed that the financial statement audit for 2024/25 had been completed after the last ARAC meeting and signed off by the Chief Executive. No major new risks are expected for the 2025/26 audit and NAO intends to improve timings for end of year completion. The rules on land and buildings valuation have changed and the auditor encouraged VMD to check with Defra whether it can deal with them through indexation or continue with full valuation. The Chair asked that lessons learned from last year's audit are put into action.

- 9. Risk Management Policy** **VMDARAC 25/52**
9.1 The revised risk management policy, including the MB Chair's edits, was reviewed and the fact that it makes roles and responsibilities clearer was welcomed. It sets out how teams will record risks at local levels and escalate important risks up to the main register but a criteria for when to do this needs to be added. The Committee agreed that scope for reporting opportunities needs to be included in the policy. It also needs to be decided whether the role of the assurance map replaces the need for reference to the Risk Control Framework. The Chair will work with the COO to update the policy and circulate for comment in time for approval at the October Management Board meeting.
- 10. Fraud Response and Procedure** **VMDARAC 25/53**
10.1 VMD's Fraud Response and Whistle Blowing procedure was reviewed and members were content that no changes were needed. It was confirmed that it aligns to the Defra Fraud Response and Whistle Blowing procedure. Members queried where fraud reporting to ARAC was performed and it was confirmed it was part of the standing update report titled 'Security/Data handling/Complaints'. It was agreed to update the naming of the report to ensure it was clear it included fraud reporting. It was also agreed that lessons learned from handling incidences should be fed back to staff.
- 11. Procurement regulations**
11.1 VMD reported that the new procurement regulations require increased administration including the need to publish information on tendering and payments to aid transparency for SMEs. It is a longer process to develop contracts and the frameworks involved. R&D projects are exempt. VMD is working closely with Defra to get the new requirements fully implemented by March 2026 and will bring back to the Committee if necessary.
- 12. Security/Data handling/Fraud/Complaints** **VMDARAC 25/54**
12.1 There was an overpayment in the May payroll which occurred due to the incorrect form being submitted to SSCL via SOP. The employee has been advised to contact SSCL to establish a repayment schedule. The Chair questioned the efficacy of internal controls related to overtime payments and it was confirmed that actions were being taken to implement additional control.
- 13. Work Plan** **VMDARAC 25/55**
13.1 The plan was noted. VMD will decide which risk will be the subject of a deep dive at December ARAC.
- 14. Any Other Business**
14.1 The Chief Executive will investigate funding options for AMR projects following the end of the Fleming Fund.