# VMD AUDIT & RISK ASSURANCE COMMITTEE

## Minutes of meeting held on 18 June 2025

**Members**
Alison White (Chair)
David Catlow
Mike Venables
Laura Catterick

**Present**
Abi Seager – VMD
Gavin Hall - VMD
Mike Griffiths – VMD
Muiz Agbaje – VMD
David Martin – GIAA
Ian Coates - GIAA
Andy Hamer – NAO
Charlie Paddock – NAO
Chris Abbott – VMD (note taker)

**1. Announcements and apologies for absence**

1.1 The Chair welcomed newly appointed Non-Executive Director, Laura Catterick, to her first meeting of the committee. She will take up the position of ARAC Chair from the next meeting.

1.2 Ian Coates, Defra Group Chief Internal Auditor, was also welcomed to the meeting.

1.3 There were no apologies.

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

2.1 There were no interests.

**3. Minutes of the meeting held on 11 March 2025 VMDARAC 25/25**

3.1 The minutes were agreed subject to minor amendments.

**4. Matters Arising/Actions VMDARAC 25/26**

4.1 Members will meet with VMD on 3 July to review the assurance map.

4.2 The risk management policy is being reviewed in preparation for the next meeting.

4.3 The MB and ARAC Chairs will discuss end of year procedures for 2025/26.

**Financial Year 2024/25**

**5. Internal Auditors' Annual Report and Opinion VMDARAC 25/27-30**

5.1 The internal auditors' annual report for 2024/26 gave a moderate opinion, noting that despite resource challenges and the introduction of new systems, VMD's governance, risk and control framework has remained relatively stable and continues to operate effectively. Some improvements are needed in policies and procedures around single points of failure, documentation of procedures and long-term strategic workforce planning. The Chair commended the Executive on maintaining effective controls while facing significant challenges.

5.2 Communication between GIAA and VMD has been good and management responses have improved. However, VMD had only returned half of the customer satisfaction surveys and colleagues will be encouraged to complete these in future.

5.3 The audit report on implementing the new VMR had been completed and gave a substantial opinion with no recommendations. Good compliance and knowledge from staff had been found and guidance for stakeholders provided and communicated effectively. VMD welcomed the opinion but noted it had experienced problems developing and delivering the new VMR and some of the guidance for stakeholders and the process of getting the legislation in line with the EU had also not been harmonious. The Chair pointed to information available in the analysis of risk which confirmed this. The auditor commented that the report's findings had come from interviews with staff and reviewing documents and offered to revisit any issues. VMD declined as it had already carried out a retrospective exercise on the VMR revision but it was agreed that a better understanding of the purpose and scope of the audit would have been helpful. VMD will take note of its client responsibilities to raise concerns and be more transparent and GIAA will look to make helpful recommendations where it can. The Executive will specifically review all draft reports going forward to check they match their understanding.

5.4 The Marketing Authorisation Declaration report had found no issues with the sample tested. Members asked why this was a consultancy report rather than a full audit and also if it duplicated areas tested by the NAO in their reporting. The auditors and VMD will discuss how to approach this requirement in 2025/26, and the outcome will form part of audit planning.

5.5 The GIAA's performance report for the year indicated that it had met its service standards.

**6. External Audit VMDARAC 25/31**

6.1 The external auditor's report for 2024/25 expected to give an unqualified opinion but was awaiting payroll information, a decision on intangibles for software assets and clarification of an immaterial unadjusted error figure before completion. The Chair would liaise on behalf of the committee with the VMD and auditor in order to make a recommendation on the final accounts in the next few days. The difficulty obtaining information from SSCL would be raised at the next Chairs' of ARACs meeting.

**7. Final Draft Annual Report and Accounts VMDARAC 25/32**

7.1 The Chair commended the final draft of the annual report and accounts to colleagues while noting that the golden thread of the narrative had been maintained and figures reviewed and confirmed. VMD will add a sentence to the "Events after the reporting period" section of the ARA to address the impact of the UK-EU reset announcement on 19 May 2025.

**Financial Year 2025/26**

**8. Risk Report VMDARAC 25/33**

8.1 The risk report was reviewed. The risks around the PiE group's review of the effect of veterinary medicines on water quality have risen due to the high level of media interest. R&D is ongoing and a road map giving a timeline of actions will be published soon. It was agreed to carry out a deep dive at the next meeting.

**9. Internal Audit** **VMDARAC 25/34-40**

9.1 Members expressed their disappointment that VMD still had one outstanding action for producing a new travel request form. It was agreed to extend the deadline to the end of July but no further.

9.2 The draft Internal Audit Plan for 2025/26 was reviewed and the following areas were agreed for review: Enforcement activities, the transition to SharePoint and the management of business non-conformities. The auditor also offered to compare how VMD is introducing AI in relation to other organisations. Cyber security would be reviewed next year after the new incident response partner is in place. The plan was agreed subject to discussions on how best to review MA declarations and VMD would sign the audit charter and MoU with GIAA.

9.3 The Chair commended the useful information in the ARAC report supplement to colleagues and noted in particular the new procurement regulations. It was agreed to review the implementation of these at the next meeting so that the committee could be satisfied that the right controls are in place, by using the guidance set out in the report supplement.

**10. ARAC terms of reference** **VMDARAC 25/41 & 42**

10.1 The Chair had amended the ARAC's terms of reference to bring it in line with handbook guidance. Reference to several policies have been added which the committee should be reviewing regularly to provide assurance and the new Chair would discuss these with VMD. It was agreed the terms of reference could go forward to Management Board for adoption.

**11. Security/Data/Complaints report** **VMDARAC 25/43**

11.1 The security report was noted. There were a very small number of data handling errors and reminders continue to be sent to staff to avoid them.

**12. Work Plan** **VMDARAC 24/44**

12.1 The plan was noted.

**13. Any Other Business**

13.1 There was no other business.

**<u>25 June 2025</u>**

The final Audit Completion Report was received from the NAO on 25 June 2025. As deputed by the Audit Committee, I reviewed the report, and most particularly the revisions to adjusted and unadjusted misstatements, and approved these on behalf of the Committee. Following due consideration, I then recommended that the Accounting Officer should sign the ARA.

ALISON J WHITE

Acting Chair of ARAC

25 June 2025