

## VMD AUDIT & RISK ASSURANCE COMMITTEE

Minutes of meeting held on 08 September 2016

### **Members**

David Corner (Chair)  
Julia Drown  
Andrew Coulson

### **Present**

Pete Borriello – VMD  
Marie-Odile Hendrickx – VMD  
Mike Griffiths – VMD  
Linda Simmons – VMD  
Jakki Steer – VMD (item 13 only)  
Nina Dorian – VMD  
Amy Manning – NAO  
Asif Malik – NAO  
Nick Stockell SEG-FCIA  
Oliver Jones – KPMG

#### **1. Apologies for absence**

1.1 Apologies were received from Paul Green, Nathan Paget and Tamas Wood.

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

2.1 None.

#### **3. Minutes of the meeting held on 8 March 2016**

**VMD ARC 16/29**

3.1 Agreed.

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

**VMD ARC 16/31**

4.1 The actions table was noted with particular interest in item 48 – succession planning of the NEDs. Item 41 was amended to be not completed as the Chairs of the ARAC had not met.

**Action:** Head of Business Support to provide an update at the next meeting on the recruitment process overseen by the Public Appointments Team (PAT) in accordance with the recent CO reform.

### **Financial Year 2014/15 and 2015/16**

#### **5. Internal Audit**

5.1 Internal Audit progress report - KPMG

**Verbal Update**

- 5.1.1 There were no immediate issues to discuss; a meeting will take place between KPMG and the VMD's Head of Finance to discuss the 2016/17 Internal Audit programme; This task is on track.
- 5.2 Audit reports finalised since the May meeting **Verbal Update**  
 5.2.1 None.
6. External Audit **Verbal Update**  
 6.1 Update **Verbal Update**  
 6.1.1 The NAO reported that planning for next year's audit is yet to begin. Last year the process ran smoothly. Britain's exit from the EU was noted and the delay this had meant for getting the accounts signed off. An audit planning report will be presented at December's meeting.
7. **VMD Finance/Other**  
 7.1 Implementation of auditors' previous recommendations – progress report **VMD ARC 16/32**  
 7.1.2 One operational issue categorised as amber was IT resourcing issues. The committee was informed that recruitment activity is underway.
- Audit & Risk Committee Procedural Items**
8. **Papers circulated to the Committee since the last meeting**  
 8.1 The Secretary had not circulated any papers concerning procedural items since the last meeting.
9. **Risk and Assurance**  
 9.1 Risk Register **VMD ARC 16/33**  
 9.1.1 The committee noted the Register and the recategorisation of risk against several items.  
 9.2 Assurance Map **VMD ARC 16/34**  
 9.2.1 The committee noted the Assurance Map and asked whether the possible impact of Britain's exit from the EU should be separately acknowledged as an issue over which the Committee will seek to gain assurance, possibly under 'other internal fora'.
- Action:** Head of Business Support to consider possible value and use of including the impacts of leaving the EU in the Assurance Map.
10. **Single Internal Audit Service for Government – Defra IA** **Verbal Update**  
 10.1 The committee was informed about the continuing progress in establishing a cross-government internal audit service cases could be made in the future to appoint external contractors, but robust justifications would be needed.
11. **Update on Data Handling Fraud and Corruption issues Major incidents/Near Misses** **VMD ARC 16/35**

11.1 Four incidents were recorded since the last A&RAC meeting; these were all minor with no major impact and have all been addressed. No fraud issues were recorded.

**12. Audit Committee work plan**

**VMD ARC 16/36**

12.1 The committee noted the work plan.

**13. Update on Cyber Security**

**VMD ARC 16/37**

13.1 The committee noted the paper circulated on Cyber Security. An IT manager attended the meeting and explained the measures in place to prevent theft and hacking within our systems and how information is backed up. The VMD has recently gained accreditation for the next three years under the ISO 27001 standard and, aside from the RPA, are the only agency within Defra to have achieved this.

**14. Any Other Business**

14.1 There was no other business.

**15. Dates of future meetings:**

2016 15 December

2017 7 March, 25 May, 12 September, 14 December