##### Approved Minutes

**Audit and Risk Committee Meeting**

**Tuesday 19 August 2025, 10:00**

### Members

Lindsay Macdonald Non-Executive Director (Chair)

Jane Christie-Flight Employee Director

Rebecca Maxwell Non-Executive Director

Stephen McAllister Non-Executive Director

**Core Attendees**

Jonny Gamble Executive Director of Finance

**In attendance**

Susan Douglas-Scott Board Chair

David Eardley Internal Auditor, Azets

Nicki Hamer Head of Corporate Governance and Board Secretary

Mark MacGregor Executive Medical Director

Francesca Shaw External Auditor, KPMG

Emma Trood External Auditor, KPMG

**Apologies**

Morag Brown Non-Executive Director

Carolynne O’Connor Chief Executive

**Minutes**

Liam Hanlon Senior Corporate Administrator

1. Opening Remarks

1.1 Wellbeing Pause and Chair’s Introductory Remarks

The Chair opened the meeting and thanked everyone for their attendance.

The Committee welcomed the opportunity for the Wellbeing Pause, aimed at helping maintain connections between colleagues.

1.2 Apologies

Apologies were noted as above.

**1.3 Declaration of Interests**

There were no declarations of interests to note.

1. Consent Agenda Items

There were no consent agenda items for approval.

1. Updates from last meeting 19 May 2025

**3.1**  **Unapproved Minutes**

Minutes from the meeting held 19 May 2025 were approved as an accurate record.

**3.2 Action Log**

The Action Log was reviewed and the Committee confirmed all actions were completed and could be closed.

**3.3**  **Matters Arising**

There were no matters arising.

1. **Effective**
   1. **Counter Fraud Quarterly Report**

Jonny Gamble presented the Counter Fraud Report for Quarter One and advised that the format of the report had changed and was focused on the four pillars of Counter Fraud.

The Committee noted there had been a rise in reports nationally from 108 in Q4 of 2024/25 to 121 in Q1 of 2025/26. Nationally, prescription related fraud and sickness absence continued to be the recurring theme. The Board currently has two cases under investigation, both of which relate to procurement fraud. The Committee was assured of the robust counter fraud controls and management processes in place.

Audit and Risk Committee noted the Counter Fraud Quarterly Update.

* 1. **NIS Audit and Cyber Update**

The Chair welcomed Sharon Stott, Head of Digital Governance and Data Protection Officer to the meeting to present the Network and Information Systems (NIS) Audit and Cyber Update.

Sharon Stott provided a detailed overview of the audit highlighting the Key Performance Indicator’s (KPI’s) for 2024/25 with NHS GJ’s being 91-100-0 meaning an overall compliance of 91% (against a target of 80%), 100% of the 17 categories having 80%+ compliance and 0 subcategories having less than 30% compliance.

A summary of the upcoming year three audit showed that although the Board had fully met the KPIs fifty controls remain outstanding as not fully achieved. The work plan for 2025 would prioritise these deliverables. A working group had been established which would assist with progressing this work.

Rebecca Maxwell added that a lot of good work had been undertaken with good progress made. However, recognising this is an important area, how much effort was required to meet 100% and how did this fit in with the priorities of the overall digital space.

Jonny Gamble advised that this was an area of good governance which demonstrated that robust policies and procedures were in place and the audit was valuable as it showed the strengthen resilience around information governance.

Sharon Stott agreed with the points raised and advised that there would be an increase in training and awareness campaigns and in the future Cyber Security will become a mandatory module to ensure staff compliance.

Lindsay Macdonald added it was important to look at the triangulation between the findings of this audit, Internal Audit and the Risk Register, particularly on Cyber Security and asked if there was evidence of why the decision to reduce the risk score had been taken.

Jonny Gamble advised that there had been an improvement on controls and there was an ongoing emphasis on cyber security. However, agreed to discuss this further with Kevin McMahon.

Audit and Risk Committee noted the NIS Audit and Cyber Update.

* 1. **Tender Waiver Report**

Jonny Gamble highlighted the Tender Waiver Report for Quarter One which was introduced following a discussion with the Chair of the Committee. He advised that a report on waivers was good practice as Tender Waivers was an area which is high risk for fraud and poor governance in procurement. Claire Aliyar, Head of Procurement, had prioritised this work within the Procurement Team and there was now a robust process in place. All tender waiver in Quarter One related to the Hotel, Estates and Digital.

Lindsay Macdonald asked if there had been instances where any unapproved Waivers had gone through without detection.

Jonny Gamble explained the strengthened goverenance in procurement where no order over £10k can be sent without the Head of Procurement’s approval.

Rebecca Maxwell commended the preventative measures and asked if it was likely that the themes from the report would highlight areas for upskilling.

Jonny Gamble confirmed that training aims to ensure not just how to use PECOS but compliance in procurement.

Audit and Risk Committee noted the Tender Waiver Report.

* 1. **Annual Accounts Audit Recommendations**

Jonny Gamble presented the Annual Accounts Audit Recommendations Update and highlighted the action which had come from the Blueprint for Good Governance which stated that actions should be progressed in a timely manner.

The process and regular reporting on the Annual Accounts Audit Recommendations will ensure earlier traction on actions. A new process had been established with the Finance Team, Corporate Governance Team and KPMG to complete the actions, discuss with External Audit and then close where complete.

Rebecca Maxwell highlighted that the action around leavers and digital access remaining in place.

Jonny Gamble advised this was a longstanding issue but with the new Director of Digital starting soon, this would be a matter of priority.

Audit and Risk Committee noted the Annual Accounts Audit Recommendations.

**5. Internal Audit**

**5.1 Progress Report**

David Eardley, Internal Auditor from Azets, provided an overview of the Internal Audit Progress Report.

A change to the audit programme for 2025/26 was recommended by Director of Finance and the Exec Team due to the changing risk profile. The proposal is that the Audit A.5 “Portfolio” Review – CfSD / NHS Scotland Academy and B.2 Financial and Strategic Alignment (National Partners and Funding) will be replaced by:

1. An audit of processes and controls in place to manage Assets Under Construction (one of the main recommendation areas/themes arising from the external audit)
2. An audit of Procurement in the Estates Department focusing on adherence to procurement policies and procedures, supplier due diligence, tender waivers, and the monitoring of contract spend cumulatively.
3. An audit of the proposed Month 9 financial accounts close down to assess whether the recommendations from external audit have been implemented

Lindsay Macdonald agreed this seemed appropriate and asked for Committee Chairs to be given sight of the report to provide approval to ensure appropriate governance.

Rebecca Maxwell asked what would be lost, in terms of risk to the organisation, if removing this review work.

Jonny Gamble advised that since the three year audit plan was agreed there was less risk financial to CfSD and the Academy

Rebecca Maxwell stated it was important not to lose sight of the impact on activity of both NHSSA and CfSD and suggested it would be appropriate to audit in the future.

Lindsay Macdonald felt that the Committee should be approving any changes to the internal audit plan, subject to approval of the Governance Committee Chairs to ensure sight of the impact assessment of the portfolio was not lost.

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| **Action No.** | **Action** | **Lead** | **Deadline** |
| ARC250819/01 | **Progress Report** – To review how changes to the Internal Audit Progress Report are shared with the Governance Committee Chairs. | Jonny Gamble / Nicki Hamer | 18/11/25 |

Audit and Risk Committee noted the Progress Report.

**Internal Audit Follow up Report Quarter Two**

David Eardley summarised the Follow Up Report and advised that a number of actions were now overdue and required management action.

Jonny Gamble advised that new measures had been put in place and Nicki Hamer, Head of Corporate Governance, would now hold all actions related to the Follow Up

Report in order to help with responses and visibility.

Mark MacGregor highlighted that the initial deadlines predated the arrival of the new Head of Risk and Clinical Governance and the department had suffered from a lack of leadership for a sustained period. However, improvements were being put in place with temporary staff being sourced for a short period.

Lindsay Macdonald advised though the staffing issues and lack of leadership was a recognised issue for Clinical Governance, it would be prudent to develop a realistic achievable plan to ensure these risks had control measures in place.

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| **Action No.** | **Action** | **Lead** | **Deadline** |
| ARC250819/02 | **Internal Audit Follow up Report Q2** – Develop an achievable plan for Clinical Governance to ensure risks have control measures in place. | Mark MacGregor | 18/11/25 |

Audit and Risk Committee noted the Internal Audit Report Follow up Report Q2.

**6. External Audit**

**6.1 External Audit Update**

Emma Trood, External Auditor for KPMG presented the External Audit Update Including ISA260 which included recommendations made and highlighted the changes made since the previous report.

Lindsay Macdonald welcomed the hard work that had been undertaken by both teams in bringing this progress and continued communication.

Lindsay Macdonald noted the steps taken to support the new way of working to help avoid late sign off at year end.

Audit and Risk Committee noted the External Audit Update Including ISA 260.

**7. Corporate Governance**

**7.1 Strategic Risk Register**

Jonny Gamble presented the Strategic Risk Register and advised that there were currently 21 risks included within the Risk Register compared to 20 previously reported. A new risk relating to the financial position of NHS GJ for 2024/25 had been developed, with no risks closed or increased. Three risks had been reduced from high to medium and as discussed earlier, this included the Cyber Security Risk.

Audit and Risk Committee approved the Strategic Risk Register.

**7.2 Corporate Objectives**

Mark MacGregor presented the Corporate Objectives and commended this piece of work which had been widely consulted upon with all staff signed up to these and would underpin the work of NHS GJ.

Audit and Risk Committee noted the Corporate Objectives.

**8. Consent Agenda Items – for Awarness Only**

**8.1 National Fraud Initiative Update**

The Committee noted the National Fraud Initiative Update.

**9. Update to the Board**

The Committee noted the Counter Fraud Quarterly Report which reported that no new cases had been added during Quarter One and the two open cases were still ongoing.

The Committee received the NIS Audit and Cyber Update and noted the good progress from previous years with 50 remaining controls to be achieved. The Committee were assured that progress was on track.

The Committee welcomed the Tender Waiver Report, noting the low percentage against total spend and acknowledged the new controls put in place.

The Committee approved the Internal Audit Progress Report and Follow Up Report for Quarter Two, noting the proposed change to this year’s Plan and which would be circulated to Committee Chairs for awareness.

The Committee received the Annual Accounts – Audit Recommendations with quarterly updates being presented to each Audit and Risk Committee for assurance.

The Committee noted the External Audit Update including the ISA260 and the joint working with KPMG on an improvement plan

The Committee approved the Strategic Risk Register noting the newly established Executive Risk Group that had been set up to provide assurance on the risk ratings and mitigations.

The Committee noted the Corporate Objectives 2025/26.

**10. Any Other Competent Business**

None.

**11. Date and Time of Next Meeting**

The next meeting was scheduled for Tuesday 18 November 2025, 13:30.