

**Approved Minutes**  
**Audit and Risk Committee Meeting**  
**Tuesday 18 November 2025, 13:30**

**Members**

Lindsay Macdonald	Non-Executive Director (Chair)
David McClelland	Non-Executive Director
Jane Christie-Flight	Employee Director
Rebecca Maxwell	Non-Executive Director
Stephen McAllister	Non-Executive Director

**Core Attendees**

Jonny Gamble	Executive Director of Finance
Laura Smith	Deputy Chief Executive/Executive Director of People and Culture

**In attendance**

David Eardley	Internal Auditor, Azets
Gordon Smith	Associate Director of Finance – Governance and Financial Accounting
Graham Stewart	Deputy Director of Finance
Kevin McMahon	Head of Risk and Clinical Governance – <i>Item 7.1</i>
Nicki Hamer	Head of Corporate Governance and Board Secretary
Rashpal Khangura	External Auditor, KPMG
Stuart Burnside	Incoming Employee Director
Susan Douglas-Scott	Board Chair

**Apologies**

Carolynne O'Connor	Chief Executive
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**Minutes**

Paula Nugent	Senior Corporate Administrator
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**1 Opening Remarks**

**1.1 Wellbeing Pause and Chair's Introductory Remarks**

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

The Chair welcomed David McLelland and Laura Smith to their first Audit and Risk Committee meeting as Non-Executive Director and Deputy Chief Executive.

The Chair thanked Jane Christie-Flight for her tenure as Employee Director and welcomed Stuart Burnside as Incoming Employee Director.

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.

## 2 Consent Agenda Items

There were no consent agenda items for approval.

## 3 Updates from last meeting 19 August 2025

### 3.1 Unapproved Minutes

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

### 3.2 Action Log

The Action Log was reviewed and updated as below.

Action Ref	Action	Action Lead	Update
<b>ARC250819/01</b>	<b>Progress Report</b> – To review how changes to the Internal Audit Progress Report are shared with the Governance Committee Chairs.	Jonny Gamble/Nicki Hamer	Action completed and closed.
<b>ARC250819/02</b>	<b>Internal Audit Follow up Report Q2</b> – Develop an achievable plan for Clinical Governance to ensure risks have control measures in place.	Mark MacGregor	No update provided. Update to be presented in February 2026.

### 3.3 Matters Arising

There were no matters arising.

## 4 Effective

### 4.1 Counter Fraud Quarterly Report

Gordon Smith presented the Counter Fraud Report for Quarter Two which advised 139 referrals had been received in Quarter Two.

There had been two external reports of fraud to Counter Fraud Services (CFS) that related to NHS Golden Jubilee.

Gordon Smith highlighted that National Fraud Awareness Week was 17-21 November 2025.

The Chair highlighted access issues to the Anti-Fraud training Sharepoint site and asked whether Anti-fraud training was counted as mandatory. Gordon Smith would discuss further with the Chair offline.

Stephen McAllister discussed overall absence rates across the organisation. The Chair asked for further detail to be presented to the Committee around absence.

Audit and Risk Committee noted the Counter Fraud Quarterly Update.

Action Ref	Action	Action Lead	Completion Date
ARC251118/01	<b>Counter Fraud Quarterly Report Absence Detail</b> – Present further detail on absence figures across the organisation	Laura Smith	17 February 2026

## 4.2 National Fraud Initiative Update

Gordon Smith presented the National Fraud Initiative Update. This included a breakdown of instances highlighted by CFS. Of the highlighted instances, 1319 had been investigated with no fraud detected.

The 13 still under investigation included 12 payroll related queries and one which required input from the Scottish Public Pensions Agency.

The Chair asked about the staff capacity required for the enquiries. Gordon Smith confirmed it had been substantial but of great value to the organisation reputationally.

Rashpal Khangura highlighted KPMG's responsibility to Audit Scotland around reporting progress and was pleased to see this update presented to the Audit and Risk Committee.

Audit and Risk Committee noted the National Fraud Initiative Update.

## 4.3 Tender Waivers Q2 Report

Gordon Smith presented the Tender Waivers Q2 Report, confirming more detail had been contained within report than in previous iterations.

Rebecca Maxwell noted that the team were managing urgent requests and noting instances where better planning was required.

The Chair complimented Claire Aliyar, Head of Procurement, and team on the progress on the Tender Waiver papers based on 2024/25 reporting.

Audit and Risk Committee noted the Tender Waivers Q2 Report.

#### **4.4 NIS Audit and Cyber Update**

The Chair welcomed Finlay Craig to present the NIS Audit and Cyber Update.

Finlay Craig outlined key dates for submission and presentation to the auditors and stakeholders and confirmed that the Board was meeting all set KPIs.

Finlay Craig confirmed Cyber Risk should remain at its current level due to recent breaches at other organisations.

Rebecca Maxwell asked about risk related to partially compliant items and the effort required to complete. Finlay Craig confirmed that the non-completion in many cases was related to insufficient data rather than insufficient action.

The Chair and Finlay Craig would discuss specifics around current cyber-security activity offline.

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

#### **4.5 External Audit Recommendations – Annual Accounts**

Gordon Smith presented the External Audit Recommendations – Annual Accounts update.

There had been 21 recommendations provided by KPMG as part of the 2024/25 annual audit.

Gordon Smith confirmed that it was anticipated that the Board would close off the majority of the recommendations by the end of the 2025/26 financial year.

Rashpal Khangura confirmed that a meeting was taking place with KPMG and the finance department later this week where recommendations would be reviewed and timelines confirmed.

The Committee noted good progress made overall and the focus brought by the Finance leadership team.

Rebecca Maxwell highlighted the longstanding action around account closure for leavers. Graham Stewart confirmed that this process was overseen by NHS Ayrshire and Arran and the completion delay was due to the written evidence required by Azets, rather than lack of action by the organisation.

Rebecca Maxwell asked about ongoing processes to make sure actions were completed throughout the year, rather than a review at year end. Gordon Smith discussed actions underway and cited challenges around timings.

Audit and Risk Committee noted the External Audit Recommendations – Annual Accounts.

## **5. Internal Audit**

### **5.1 Progress Report, Follow Up of Recommendations Report, Change and Project Management Report, Draft 2026/27 Internal Audit Plan.**

#### **Progress Report**

David Eardley, Internal Auditor from Azets, provided an overview of the Internal Audit Progress Report and detailed progress and outcomes to date.

The Chair highlighted issues around assets under construction.

Jonny Gamble discussed Benefits realisation issues across NHS Scotland.

An update would be provided to the February Audit and Risk Committee around Clinical Governance.

#### **Follow up of Recommendations Report**

There were 18 actions not due for completion, four partially complete, and four not yet complete.

Replies had not been received for certain actions and this would be examined by the Director of Finance

The Chair asked for further communications to be issued to clinical areas to raise awareness and increase engagement.

#### **Change and Project Management Report**

David Eardley highlighted the benefits of the Project Management process that was in effect across the organisation, with robust governance by way of Strategic Programme Board.

The Chair and Rebecca Maxwell agreed that the Change and Project Management Report would be presented at the next meeting of the Strategic Portfolio Governance Committee in May 2026, and feedback would be shared at the Audit and Risk Committee thereafter.

#### **Draft 2026/27 Internal Audit Plan**

David Eardley outlined the approach and methodology of the proposed Internal Audit Plan, alongside the review timetable.

This Plan would be presented for approval at the February 2026 meeting.

Jonny Gamble provided further context on the governance journey of this plan.

Audit and Risk Committee noted the Internal Audit updates.

Action Ref	Action	Action Lead	Date for Completion
ARC251118/02	<b>Change and Project Management Report</b> – Report to be shared at the May 2026 SPGC meeting and feedback to be presented at the subsequent ARC meeting.	Nicki Hamer	May 2026

## 6. External Audit

### 6.1 External Audit Update

Rashpal Khangura presented the External Audit update and detailed the planned timeline for audit presentation.

Gordon Smith highlighted that a meeting would take place in late November 2025 to discuss end of year accounts.

Audit and Risk Committee noted the External Audit Update.

## 7. Corporate Governance

### 7.1 Strategic Risk Register

Jonny Gamble and Kevin McMahon presented the Strategic Risk Register.

Jonny Gamble highlighted the move of some risks from Strategic Risks to Divisional Risks.

Stephen McAllister asked about changes to risk categorisation based on work at NHS Forth Valley and whether it would be beneficial to align with national risk categorisation. The Chair agreed a review could be beneficial to align with Board Strategic Objectives.

Jonny Gamble confirmed that the separation of Corporate Risks versus Strategic Risks had been discussed at the new ELT Risk Group.

Kevin McMahon confirmed that there had been an overall increase in engagement with Risk which had been assisted by increased engagement from Executives.

Audit and Risk Committee approved the Strategic Risk Register.

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

**None**

**9. Update to the Board**

No issues of concern raised.

The Committee noted good progress on the National Fraud Initiative Update, the Tender Waivers Q2, the NIS Audit and Cyber Update.

The Committee noted two emerging referrals related to NHS Golden Jubilee in the Counter Fraud Services Quarterly Report.

The Committee noted good progress on the Internal Audit tracker progress but noted response issues from specific clinical departments.

The Committee noted good progress on all aspects of the External Audit.

The Committee approved the Strategic Risk Register.

**10. Any Other Competent Business**

None.

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

The next meeting was scheduled for Tuesday 17 February 2026, 13:30.