

**Approved Minutes**  
**Audit and Risk Committee Meeting**  
**Tuesday 17 February 2026, 13:30**

**Members**

Lindsay Macdonald	Non-Executive Director (Chair)
David McClelland	Non-Executive Director
Rebecca Maxwell	Non-Executive Director
Stephen McAllister	Non-Executive Director
Stuart Burnside	Incoming Employee Director

**Core Attendees**

Carolynne O'Connor	Chief Executive
Jonny Gamble	Executive Director of Finance

**In attendance**

Nicki Hamer	Head of Corporate Governance and Board Secretary
Jamie Fraser	Internal Auditor, Azets
Rashpal Khangura	External Auditor, KPMG
Sharon Stott	Head of Digital Governance – <i>Item 4.4</i>

**Minutes**

Shannon Curran	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.

**1.2 Apologies**

No apologies had been received for the meeting.

**1.3 Declaration of Interests**

No declarations of interest were noted.

**2 Consent Agenda Items**

There were no consent agenda items for approval.

**3 Updates from last meeting 18 November 2025**

**3.1 Unapproved Minutes**

Minutes from the meeting held 18 November 2025 were approved as an accurate record.

### 3.2 Action Log

The Action Log was reviewed and updated as set out below.

Action Ref	Action	Action Lead	Update
<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	Jonny Gamble noted significant improvement. Carolynne O'Connor recommended rewording the action for clarity and delegating it to the Clinical Governance Committee.
<b>ARC251118/01</b>	<b>Counter Fraud Quarterly Report Absence Detail</b> – Present further detail on absence figures across the organisation	Laura Smith	Jonny Gamble advised that the team was undertaking a deep dive into absence and proposed moving the date to the May meeting.

### 3.3 Matters Arising

There were no matters arising.

## 4 Effective

### 4.1 Counter Fraud Quarterly Report

Jonny Gamble presented the Counter Fraud Report for Quarter 3, which noted that 144 referrals had been received during the quarter.

There were two external reports of fraud to Counter Fraud Services (CFS) relating to NHS Golden Jubilee. One case had concluded, and the other was in the final stages of the HR process.

Lindsay Macdonald highlighted that completion of the Counter Fraud Awareness Module on TURAS had decreased, and that the report indicated a low level of awareness of how to report fraud. He asked what could be done to raise the profile of the module and the reporting process. Jonny Gamble confirmed that counter fraud training will be mandatory on TURAS in 2026/27, which alongside existing mandatory training will be monitored closely. He added that bespoke training, screensaver

messages, and future inclusion on the All Staff Session agenda would further raise awareness.

Audit and Risk Committee noted the Counter Fraud Quarterly Update.

#### **4.2 National Fraud Initiative Update**

Jonny Gamble presented the National Fraud Initiative update, including a breakdown of instances highlighted by CFS. Of these, 1,319 had been investigated and closed with no fraud detected.

The remaining 13 cases had been investigated; no fraud was identified and the cases had now been closed.

Jonny Gamble confirmed that the exercise was complete and recommended removing this item from the agenda until the next cycle begins in two years' time. The Committee agreed.

Audit and Risk Committee noted the National Fraud Initiative Update.

#### **4.3 Tender Waivers Quarter Three Report**

Jonny Gamble presented the Tender Waivers Quarter Three Report, highlighting a reduction in waivers and the importance of training and process to maintain this trend.

Rebecca Maxwell questioned the urgency of replacing the high-efficiency particulate air (HEPA) filters and whether contracts could be put in place for future replacements. Jonny Gamble confirmed that processes were in place for standard replacements; however, this was an exceptional situation that required urgent replacement.

The Committee complimented Claire Aliyar, Head of Procurement and her team on the progress of the Tender Waivers.

Audit and Risk Committee noted the Tender Waivers Quarter Three Report.

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

The Committee welcomed Sharon Stott, who presented the NIS Audit and Cyber Update. The Committee noted significant progress and an overall compliance position of 91% well above the 80% target.

Sharon Stott confirmed that two areas remained outstanding—Media Management and Network Security—due to an inability to provide satisfactory evidence.

Sharon Stott reported that over 100 pieces of evidence had been submitted against the outstanding controls. The auditors had assessed and approved the evidence, with some points identified for further discussion.

The Committee commended Sharon Stott and the wider team for this work.

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

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

Jonny Gamble presented the External Audit Recommendations – Annual Accounts update.

KPMG provided 21 recommendations: fourteen were complete, subject to final audit sign-off, and a further two were expected to close as part of the year-end process.

Jonny Gamble assured the Committee that the team was working with the auditors to resolve the majority of the remaining items ahead of year end.

The Committee discussed leverage over IT account termination controls managed by NHS Ayrshire and Arran (A&A). Jonny Gamble agreed to escalate this to the Director of Finance at NHS A&A.

Lindsay Macdonald noted the progress the Board have made on recurrent savings. Jonny Gamble confirmed the widespread improvements in the process and finance department and that most recommendations are expected to be closed or partially implemented by year end.

Audit and Risk Committee noted the External Audit Recommendations – Annual Accounts and thanked Gordon Smith for the huge improvements.

### **5. Internal Audit**

#### **5.1 Progress Report, Core Financial System – Non-Pay Expenditure Final Report, Estates Procurement – Final Report, Follow Up Report Quarter Four 2025/26 and 2026/27 Internal Audit Plan – Final for Approval.**

##### **Progress Report**

Jamie Fraser, Internal Auditor from Azets, provided an overview of the Internal Audit Progress Report and highlighted that the Audit Plan for 2025/26 was ahead of schedule.

Jamie Fraser thanked Jonny Gamble and the wider team for support on driving engagement with the internal audit work for the year.

##### **Core Financial System – Non-Pay Expenditure Final Report**

There were 16 improvement actions, 15 of which related to control design, procedural documentation, delegated authority, and system controls. Issues included retrospective purchase orders, approvals exceeding limits, and disputed invoices dating back to 2018.

Jamie Fraser noted a positive cultural shift in finance and procurement with improvement actions already underway before the audit.

Jonny Gamble emphasised that his approach was to focus internal audit on known problem areas to drive sustained improvement. He welcomed the comprehensive review, and confirmed that all recommendations were being addressed through ongoing work on Standing Financial Instructions (SFIs), scheme of delegation, and PECOS system alignment.

Rebecca Maxwell questioned how to prevent future disconnects between policy and practice. Jonny Gamble described new disciplines for keeping policies live, regular executive reviews, robust internal audit, and confirm-and-challenge processes to ensure ongoing compliance.

Lindsay Macdonald requested regular progress updates on closing this area and sought assurance on segregation of duties in the purchase-to-pay process. Jonny Gamble confirmed that system changes would enforce proper delegation and segregation, with further testing planned.

### **Estates Procurement – Final Report**

Jamie Fraser presented the Estates Procurement Audit, which had been added to the plan due to known issues within the Department. The audit assessed procedures, authorisation, waivers, quotations, supplier selection, and oversight arrangements.

The audit had received an Effective (green) rating, with only two minor process issues identified which had already been rectified during fieldwork.

Significant improvements were noted, especially since Claire Aliyar joined the Procurement Team, with better oversight and reduced tender waivers.

The Committee expressed appreciation to Claire Aliyar for tightening controls in Estates procurement and acknowledged the positive results after previous concerns had been raised.

### **Follow Up Report Quarter Four 2025-26**

Jamie Fraser presented the Follow-Up Report. Twenty-six actions were carried forward from the November 2025 report, with a further seven added to the tracker (33 actions in total). Nineteen actions had been closed, 11 were partially complete, and three were incomplete due to insufficient updates, mainly relating to clinical coding. The next update would be provided at the May 2026 Committee meeting.

Lindsay Macdonald highlighted concern that the lack of updates on clinical coding actions had persisted across multiple meetings and questioned if staff absence was masking deeper issues, recommending the action remain open and be delegated to the Clinical Governance Committee for closure.

### **2026/27 Internal Audit Plan – Final for Approval**

Jamie Fraser presented the updated Internal Audit Plan, noting changes made since November 2025: the Procurement Review had been removed due to recent coverage, Payroll had been moved forward, Capital Planning had been added for a future year,

and Succession Planning had been included for 2027/28. The Plan for 2027/28 was currently oversubscribed and would be refined in future meetings.

The Plan had been developed with input from the Executive Leadership Team, and Committee feedback, aiming for robust coverage and flexibility for future years.

Jonny Gamble thanked Jamie Fraser, the Committee, and Executive Leadership Team, describing the process as effective and resulting in an effective plan for next year, with future years to be reassessed as risks evolved.

Nicki Hamer confirmed that Chairs of the Governance Committees had approved the Plan.

Lindsay Macdonald emphasised the requirement to ensure the scope of the waiting list management audit aligned with ongoing changes and stressed that the Committee must add value and not be a tick-box exercise, encouraging honest feedback and recognition of good practice.

Audit and Risk Committee approved the Internal Audit Plan.

## **6. External Audit**

### **6.1 External Audit Update**

Rashpal Khangura provided a verbal update. External audit planning was underway, with Glasgow based staff Stacey McKay and Taimoor Alam. The Audit Plan would be ready for the next Committee meeting and submitted before the deadline. No new significant risks had been identified; standard risks (valuation, management override, and expenditure recognition) were expected. The audit team are meeting with Finance to review recommendations and progress, particularly around fixed asset verification and impairment.

Lindsay Macdonald thanked the Audit Team for starting early and noted ongoing work in finance on fixed assets and impairment, hoping it would not cause issues. Rashpal Khangura confirmed these areas would be addressed before accounts were finalised and that changes were expected, but not surprising, given last year's findings.

Audit and Risk Committee noted the External Audit Update.

## **7. Corporate Governance**

### **7.1 Strategic Risk Register**

Jonny Gamble presented the Strategic Risk Register for approval, highlighting the closure of five risks and ongoing work to ensure the Register remained live and reflected the organisation's true strategic risks. Recent Executive and Senior Leadership Team reviews had strengthened the process, with the Register being refined to focus on risks impacting organisational objectives.

Lindsay Macdonald enquired about the correlation and relevance of certain people risks, prompting Jonny Gamble to confirm that some risks were being rewritten or amalgamated for clarity and better alignment.

Lindsay Macdonald reiterated the importance of the Committee in focusing on truly strategic risks linked to NHS Golden Jubilee objectives.

Audit and Risk Committee approved the Strategic Risk Register.

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

There were no Consent Agenda Items presented for awareness.

## **9. Update to the Board**

No issues or concerns were raised.

The Committee noted the Counter Fraud Service Quarterly Report, including two referrals relating to NHS Golden Jubilee.

The Committee noted the National Fraud Initiative update, confirming completion of the exercise with no new fraud identified. It was agreed that this item would be removed from the agenda until the next initiative commences.

The Committee welcomed the Quarter 3 Tender Waiver Report and noted a reduction in both the number and value of waivers compared to the previous year. The Committee commended Procurement and Finance colleagues for this improvement.

The Committee received and noted the NIS Audit and Cyber Update, including a strong compliance outcome of 91-100-0 in the final year of the audit cycle. The Committee recognised the collective effort required to achieve this result.

The Committee received the Annual Accounts Audit Recommendations report, which noted significant progress with 14 actions proposed for closure.

The Committee noted the progress made on the Internal Audit tracker, discussed the Core Financial System and Estates Procurement audits and received the Q4 Follow Up Report.

The Committee approved the 2026/27 Internal Audit Plan.

The Committee noted that External Audit activity was progressing satisfactorily in preparation for year-end accounts.

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 19 May 2026, 13:30.