

## MINUTES - Approved

### Meeting of the Healthcare Improvement Scotland Audit and Risk Committee at

09.30, 05 March 2025 by MS Teams

<b>Present</b>	<b>Auditors</b>
Robert Tinlin (Committee Chair)	KPMG- James Lucas
Abhishek Agarwal (Non-Executive Director)	KPMG- Syed Shah
Keith Charters (Non-Executive Director)	Audit Scotland – Esther Scoburgh, Senior Audit Manager
Judith Kilbee (Non-Executive Director)	Audit Scotland- Joni McBride
John Lund (Non-Executive Director)	<b>For specific items</b>
Nikki Maran (Non-Executive Director)	Kevin McInnery for (item 4.1)
<b>In attendance</b>	Lindsay Fielding, Strategic Lead (item 4.3)
Robbie Pearson, Chief Executive	<b>Committee Support</b>
Sybil Canavan, Director of Workforce	Ruth Gebbie, Support to HIS Chair/ Governance Officer (Minutes)
Eddie Docherty, Director of Quality Assurance & Regulation	<b>Apologies</b>
Mhairi Hastings, Interim Director of Nursing and Systems Improvement	Ann Gow, Director of Quality Assurance and Regulation/ Deputy Chief Executive
Diana Hekerem, Associate Director Community Engagement and Transformational Change	Claire Gardiner – Audit Scotland
John McKee, Head of Communications	Paul McCauley, Risk Manager
Angela Moodie, Director of Finance, Planning and Governance	Clare Morrison, Director of Director of Engagement & Transformational Change
Safia Qureshi, Director of Evidence and Digital	Simon Watson, Director of Medical and Safety
Karlin Rodgers, Head of Finance and Procurement	
Duncan Service, Employee Director	

<b>1.</b>	<b>WELCOME AND APOLOGIES FOR ABSENCE</b>
<b>1.1</b>	The Chair welcomed all to the meeting and reminded attendees to declare any conflicts of interest. Apologies were noted as above.
<b>2.</b>	<b>MINUTES OF PREVIOUS MEETING/ACTION REGISTER</b>
<b>2.1</b>	<b>Minute of Audit and Risk Committee meeting on 27 November 2024</b>
	The Chair presented the previous meetings minutes to the committee for approval. <b>Decision: The Committee approved the minutes subject to below.</b> <b>Action: Judith Kilbee, non-executive director to be added to attendance list.</b>
<b>2.2</b>	<b>Review of action point register of Audit and Risk Committee 27 November 2024</b>
	The Chair presented the action point register to the committee for review. All actions were recommended for closure. <b>Decision: Agreement was reached to close all actions on the register.</b>

<b>3.</b>	<b>COMMITTEE GOVERNANCE</b>
<b>3.1</b>	<b>Business Planning Schedule 2025-26</b>
	<p>The Director of Finance, Planning &amp; Governance presented the Business Planning Schedule for 2025/26 to the committee, outlining future agenda items for 2025/26 and highlighting it is a 'live' document, and is not fixed for the year.</p> <p><b>Decision: Following discussion, it was agreed that Intelligence Implementation Group update should replace the One Team Programme Board update and assurance should also be included, alongside best value at the end of the financial year.</b></p> <p><b>Action: Governance Manager to update Business Planning Schedule.</b></p>
<b>3.2</b>	<b>Governance Committee Annual Report &amp; Committee Terms of Reference (TORs)</b>
	<p>The Director of Finance, Planning &amp; Governance presented the Committee Annual Report, and TOR updates. A ToR clause notes the Audit &amp; Risk Chair should not chair another committee; currently, the same member chairs both the Audit &amp; Risk and Executive Remuneration Committees. This will be discussed with the HIS Chair, and further clarification will be sought from the Scottish Government Audit &amp; Assurance Handbook.</p> <p><b>Decision: The committee approved the report and the terms of reference with minor amendments.</b></p> <p><b>Action: Terms of reference to be updated to ensure that the reference to the sub-committee is more explicit.</b></p>
<b>4.</b>	<b>CORPORATE GOVERNANCE</b>
<b>4.1</b>	<b>Digital Solutions Group Update; IT Infrastructure</b>
	<p>The Director of Evidence &amp; Digital reported that cloud migration has begun with minor technical issues, but no organisational risk. Freedom of Information Request (FOI) volumes remain high, though management is improving with trained leads in each directorate. The Network and Information Systems Regulations audit showed 93% compliance (target: 80%). The Director will share recurring FOI themes and the cloud migration business case.</p> <p><b>Decision: The moderate level of assurance offered within the paper was accepted by the Committee.</b></p> <p><b>Actions: The Director of Evidence &amp; Digital to share agreed information with committee members.</b></p> <p>The Director of Evidence &amp; Digital presented the draft strategy, which sets out HIS's vision to become a digitally empowered, data-driven organisation by 2028. It is built on four digital essentials, including cloud migration, an integrated information layer, and resilient systems. The strategy includes embedded timelines and commitments, with metrics to be reported to governance groups. A business case on workforce and resource needs will be presented to the Executive Team.</p> <p><b>Decision: The draft digital and intelligence strategy was approved by the committee for onward submission to the HIS Board.</b></p> <p><b>Action: Implementation of the digital and intelligence strategy and report on the progress.</b></p>
<b>4.2</b>	<b>Finance Performance Report and Counter Fraud</b>
	<p>The Head of Finance and Procurement reported a £0.6m underspend as of 31 January 2025, with £0.3m projected by year-end—set to be returned to Scottish Government. Challenges remain in achieving recurrent savings, with reliance on non-recurring ones. The Delta House lease has been extended to 2031, removing the need for additional depreciation. Local procurement spend rose by 8%, supporting the Anchor Strategy. Two new sustainability disclosures will be included in the accounts.</p> <p><b>Decision: The Committee noted the update and accepted the moderate level of assurance.</b></p>

<b>4.3</b>	<b>One Team</b>
	<p>The Chief Executive updated the Committee on One Team and highlighted that the One Team Programme Board (OTPB) met for the last time this week, and that a report from the final meeting will come to the next meeting in June. As an organisation, we are now moving to a different phase of One Team and are looking to ensure the successful transition to business as usual, whilst maintaining a high level of collaboration.</p> <p><b>Decision: The Committee noted update and acknowledged the important work of the OTPB. The moderate level of assurance offered was accepted by the Committee. Action: The closure report for the OTPB to be finalised and presented at the next meeting.</b></p>
<b>4.4</b>	<b>Website Programme</b>
	<p>The Head of Communications updated the Committee on progress:</p> <ul style="list-style-type: none"> <li>• Migration of HIS legacy sites is ongoing.</li> <li>• Accessibility issues with PDFs were identified in a digital audit; improvements are in progress.</li> <li>• All other audit actions have been resolved.</li> </ul> <p>In response to questions from the committee, additional information was provided:</p> <p>a) The Communications Team will look to bring all PDF's on the website up to the most accessible standard. The new website will also highlight the most recent inspection reports.</p> <p><b>Decision: A moderate level of assurance was accepted by the Committee.</b>  <b>Action: Content continues to be added to the corporate website, with ihub and the Scottish Approach to Change starting migration in March 2025. The old ihub website will close on 31 March 2025 with a static archive available for a further year.</b></p>
<b>4.5</b>	<b>Corporate Benchmarking</b>
	<p>The Director of Finance, Planning &amp; Governance shared UK Cabinet Office benchmarking data across 55 Scottish public bodies. The results highlighted the following:</p> <p>a) HIS has a higher percentage of total spend on corporate functions compared to average spend.  b) The estate costs are lower than average and agency/ contractor spend is also below average.</p> <p>The committee then discussed how the data is being used in the 2025/26 planning process and what actions have arisen from this analysis.</p> <p><b>Decision: The committee welcomed the result and accepted the significant assurance offered.</b>  <b>Action: HIS has committed to participating in future benchmarking exercises and sharing progress made.</b></p>
<b>4.6</b>	<b>Public Inquiries</b>
	<p>The Director of Finance, Planning &amp; Governance reported five active public inquiries are placing pressure on resources. A senior lead is being recruited to support this work. Legal advice is provided by the Central Legal Office (CLO), which comes at a cost and requires information in a specific format.</p> <p><b>Decision: The Committee accepted the limited level of assurance offered.</b></p>
<b>5.</b>	<b>INTERNAL AUDIT</b>
<b>5.1</b>	<b>Internal Audit Update: Draft Internal Audit Plan 2025-26; Recruitment Audit Report; Internal Audit</b>
	<p>KPMG presented the draft audit plan for approval. Following discussions with the Executive Team, 15 key risk areas were identified—five selected for the 2025–26 plan, with ten reserved for potential audits in 2026–28. The plan includes:</p> <p>a) Review of shared services (finance, procurement, payroll, digital)  b) Vendor performance and value for money  c) Oversight of outsourced digital services, ensuring service level agreements are met</p> <p><b>Decision: The plan was approved by the committee.</b></p>

	<p>The recruitment audit report reviewed alignment of recruitment policy with updated processes, focusing on governance of the Workforce and Vacancy Review Group (WVRG) and recruitment Key Performance Indicators (KPIs). It identified two medium and two low-risk findings.</p> <p><b>Decision: The Recruitment Audit Report was accepted with recommendations for improvement.</b></p> <p><b>Action Point: Recruitment KPI's and WVRG to be considered for discussion at future Staff Governance Committee.</b></p> <p>Finally, an update was provided on the progress of internal audit actions. Of the seven audits planned this year, three are complete and four are nearing completion. Final reports will be presented in June, and auditors are on track to complete the plan by year-end. Since the last meeting, 27 audit actions were outstanding—five have been completed, and 19 are not yet due. HIS remains in a strong position, with fewer overdue actions than the sector average (10–15).</p> <p><b>Decision: The Internal Audit Actions Report was accepted with recommendations for improvement.</b></p> <p><b>Action: Ensure timely completion of all internal audit actions.</b></p>
<b>6.</b>	<b>EXTERNAL AUDIT</b>
<b>6.1</b>	<b>Annual Audit Plan 2024-25</b>
	<p>Audit Scotland presented the streamlined audit plan, highlighting:</p> <ul style="list-style-type: none"> <li>• This is year three of the five-year appointment. No significant issues have been raised to date. The only significant risk identified is the standard non-rebuttable fraud risk.</li> <li>• A review of fairness and equality (as part of Best Value) is scheduled for 2025–26.</li> <li>• The audit fee has increased by 1.9%, in line with other audited bodies.</li> <li>• The audit will assess HIS's arrangements across four key areas: financial management, financial sustainability, leadership and governance, and use of resources to improve outcomes. Best Value duties will also be reviewed and reported in June.</li> </ul> <p><b>Decision: The external audit plan for 2024-2025 approved by the committee.</b></p> <p><b>Action: Implement the external audit plan and report on its progress.</b></p>
<b>7.</b>	<b>RISK MANAGEMENT</b>
<b>7.1</b>	<b>Strategic and Operational Plan Risk Registers</b>
	<p>The Director of Finance, Planning and Governance presented the strategic risk register and updates around operational risks. Following discussion, it was highlighted that:</p> <ol style="list-style-type: none"> <li>a) A risk management sub-committee will be established and will be co-chaired by the committee Vice- Chair and the Head of Finance &amp; Procurement.</li> <li>b) John Lund has recently accepted the role of Board Risk Champion.</li> <li>c) The National Care Service (NCS) risk to be removed and consideration to be given as to whether it should be reworded.</li> </ol> <p><b>Decision: The Committee accepted a limited level of assurance on the strategic risks which are out of appetite, with the exception of the data breach and Covid Inquiries which are marginally out of appetite and therefore considered to be within tolerance. Regarding the risks which are within appetite the committee accepted a significant level of assurance when the residual score is medium or low and a moderate level of assurance when the score is high.</b></p> <p><b>Action: The risk management sub-committee will be established and will report to the committee on its progress. NCS risk to be removed and rewording considered.</b></p>

<b>8.</b>	<b>STANDING BUSINESS</b>
<b>8.1</b>	<b>Board 3 key points</b>
	The Chair listed the key points as: Website update, corporate functions benchmarking and public inquiries update.
<b>8.2</b>	<b>Feedback session</b>
	There was no feedback offered.
<b>9.</b>	<b>ANY OTHER BUSINESS</b>
<b>9.1</b>	There was no other business discussed.

Approved by: Rob Tinlin  
Date: 23 June 2025