

Committee Minutes – Approved

Meeting of the Audit and Risk Committee of Healthcare Improvement Scotland at
10.00, 26 November 2025, MS Teams

Attendance

Present

Abhishek Agarwal (Non-Executive Director)
Keith Charters (Non-Executive Director)
Judith Kilbee (Non-Executive Director)
John Lund (Non-Executive Director)
Nikki Maran (Non-Executive Director)
Robert Tinlin (Committee Chair)

In Attendance

Melissa Dowdeswell, Director of Nursing and Improvement
Laura Fulton, Chief Pharmacist
Gillian Gall, Associate Director of Workforce
John Gebbie, Director of Finance, NHS24
Jane Illingworth, Head of Planning and Governance
David Johnston, Acting Head of Finance and Procurement
John McKee, Head of Communications
Evelyn McPhail, HIS Chair
Jo Matthews, Associate Director, Improvement and Safety
Robbie Pearson, Chief Executive
Safia Qureshi, Director of Evidence and Digital
Ruth Robin, Portfolio Lead, Community Engagement and Transformational Change
Simon Watson (from Item 3.8)

Auditors

Audit Scotland: Joni McBride
KPMG: James Lucas, Syed Shah

Apologies

Eddie Docherty, Director of Quality and Regulation
Claire Gardiner, Audit Scotland
Ann Gow, Deputy Chief Executive
Clare Morrison, Director of Engagement and Change

Karlin Rodgers, Head of Finance and Procurement
Esther Scoburgh, Audit Scotland
Duncan Service, Employee Director

Meeting Support

Petra McGowan, Committee Secretary

1. Welcome and Apologies for Absence

1.1 Welcome and apologies

The Chair welcomed John Gebbie, Director of Finance, NHS24, David Johnston, Acting Head of Finance and Procurement, Melissa Dowdeswell, Director of Nursing and Integrated Care and Laura Fulton, Chief Pharmacist, to their first meeting. Apologies were noted as above. There were no declarations of interest.

2. Minutes of Previous Meeting / Action Register

2.1 Minutes of Audit and Risk Committee meeting on 3 September 2025

The minutes of the meeting held on 3 September 2025 were accepted by the Committee as an accurate record.

Decision: The Committee approved the minutes.

2.2 Review of Action Point Register of Audit and Risk Committee meeting on 3 September 2025

The progress updates were noted.

Decision: The Committee approved the closure of the Assurance Framework action which was recommended for closure.

3. Corporate Governance

3.1 Digital Solutions Group (DSG) Update: Information Governance, IT Infrastructure, Business Resilience and Sustainability, DSG Performance Report

Kevin McInnery, Head of Digital Services, joined the meeting for this item.

The Head of Digital Services highlighted the following key points:

- a) Microsoft Azure cloud migration was completed and is now formally noted in writing. The system is working well in the new environment.
- b) The risk remains unchanged for cyber security. The recent global incidents relating to cloud services did not significantly affect HIS functions with just some back office functionality temporarily affected.
- c) Since the last reporting period, all the information security controls have met or exceeded their performance targets.
- d) Freedom of Information (FOI) requests are fluctuating but there was 100% compliance in October.

- e) For information security, the target for mandatory training compliance is down from 95% to 79%. This has been reported to the new Performance and Delivery Board and the Information Governance and Security Group. Managers have been encouraged to inform staff to complete training.
- f) The resilience lead presented a paper to the Executive Team about a review of our business critical services.
- g) For carbon dioxide emission targets, there is now better data supporting a net zero route map. Our carbon footprint was 93.4 tonnes which represents 0.1% of total NHS emissions.

In response to questions. The following information was provided.

- h) Our own on-premise data centre would not have been affected by the recent outages.
- i) Some of our services are still held locally such as the main document server. The goal is to eventually move this to Sharepoint once it is secure enough. This will be a major business change programme due to the amount of data held.
- j) Business critical services have continuity plans in place and giving the Committee sight of these would offer assurance.
- k) Sustainability is reported against national targets.
- l) The Head of Digital Services and the Interim Chief People Officer will examine if there are system issues regarding the compliance rate with mandatory training.
- m) Regarding FOI requests, if the target timeline for response is not met there is a risk of the requester complaining to the Information Commissioner. Complaints have been received but not related to timelines. Themes from FOI requests are reported to the Information Governance and Security Group as well as the Performance and Delivery Board.

Decision: The Committee accepted the moderate level of assurance offered for all items.

Action: Examine the compliance with the mandatory training to ensure all course completions by staff are correctly recorded. Comparison tables for the CO2 emissions to be within the same time period. FOI theme information to be reported to the Committee.

3.2 Intelligence Implementation Group Update

The Director of Evidence and Digital provided an update to the Committee. The following key points were highlighted:

- a) The Intelligence Implementation Group now has active representation across the organisation to build and maintain a cross organisational intelligence network.
- b) Work has completed on the cross-organisational review of our data landscape. We now have collation of all known sources and products of data and intelligence across HIS.
- c) We require the expertise of a data or enterprise architect to assist with work to further analyse the data landscape but have been unsuccessful in securing a bid. Alternative options are being examined.

The following points were provided in response to questions.

- d) Regarding the use of AI in the above programmes, we are currently running a proof of concept project for Co-Pilot.
- e) Regarding the multi-disciplinary team to develop the data landscape, this was a temporary solution using funds from areas for investment.
- f) We already have identified the purpose of collecting the data but now need to understand how different teams in the organisation will use it. Cultural behaviours also need to be able to support the integrated use of data.

Decision: The Committee noted the progress of the report and actions being delivered and accepted the moderate level of assurance offered.

3.3 Finance Performance Report and Counter Fraud Services

The Acting Head of Finance and Procurement gave an overview of the Financial Performance and Counter Fraud Report. He highlighted the following:

- a) The overall NHS Scotland position was set out to provide context to the HIS financial position.
- b) The position for HIS at 31 October 2025 is year to date income of £29.6M against expenditure of £28M with an underspend of £1.6M. The year end forecast is also a £1.6M underspend. This equates to 3% of budget and would require a return of funds to Scottish Government.
- c) The forecast includes investment opportunities.

In response to questions from the Committee, the following additional points were provided:

- d) Regarding the underspend, the Performance and Delivery Board are examining non-recurring areas for investment and spend usually increases towards the end of the financial year.
- e) There is a need to ensure forecasting is as robust as possible and work will be done with workforce colleagues to look at recruitment spend. There is an effective tool to support forecasting.

Decision: The Committee noted the financial position and accepted the moderate level of assurance offered.

Action: Provide detail of what the spending pattern will be up to the end of March 2026.

3.4 Financial Planning 2026-27 Three Year Plan

The Director of Finance, NHS24 informed the Committee that the planning process had commenced for the next financial year and highlighted the following points:

- a) It was proposed that for 2026-27 planning HIS would adopt an incremental approach to budgeting, which will align with workforce expectations.
- b) It was noted that adopting the incremental budgeting process for 2026-27 would involve the following:
 - a. Roll forward of the 2025-26 agreed recurring baseline budget adjusted for:
 - i. Any agreed recurring investments
 - ii. Less agreed recurring savings
- c) This plan is focused on 2026-27 but it needs to be extended as Scottish Government are expecting a three-year plan from Boards including robust proposals to achieve balance in future years.

In response to a question from the Committee, it was advised that invest to save initiatives will be explored in a more structure way to identify spend that can be planned to enable delivery of savings.

Decision: The Committee approved the proposals for financial planning and accepted the moderate level of assurance offered.

3.5 Recurring Savings

The Acting Head of Finance and Procurement provided a paper setting out the full year recurring savings position for 2025/26. The following points were highlighted:

- a) For 2025-26 the recurring savings target is £1.57M but the forecast position for 2025-26 is £1.12M recurring savings with a gap of £449K. Recurring savings need to be identified that can be delivered this year to start with a recurring balanced position for 2026-27.

- b) The paper outlines a proposed approach to identify recurring savings with a focus on the HIS Employee model.

In response to questions from the Committee, the following points were clarified:

- c) There has been positive engagement with staff side on the HIS Employee model and they are keen to see it expanded to more roles.
- d) It is challenging to document the spend related to HIS Employee roles as they move around the organisation.

Decision: The Committee approved the proposals set out to achieve recurring savings and indicated they were also content with additional flexibility in approaches. The Committee accepted the moderate level of assurance offered.

Action: HIS Employee model evaluation report to be shared with the Committee when available.

3.6 Website Programme

The Head of Communications provided an update on the HIS website programme noting recent significant updates as well as risks related to capacity.

In response to questions from the Committee, the following additional information was provided:

- a) Comparative websites are reviewed and given that National Services Scotland support the HIS website as well as many others, they bring additional expertise.
- b) The public are a key stakeholder for the website and work is planned to refresh the front page with them in mind.

The Director of Evidence and Digital advised she is now the executive lead for the website programme and she is undertaking a review of the programme and the timelines to bring this forward. The refresh will reflect capacity and the new Communications Strategy.

Decision: The Committee noted the update and accepted a moderate level of assurance rather than the limited level offered, in light of the review underway and the plans set out by the executive lead.

3.7 HIS Communications Strategy

The Chief Pharmacist provided the latest version of the HIS Communications and Engagement Strategy noting that it was an interim strategy to enable further development especially in relation to the delivery plan.

In response to questions from the Committee the following additional information was provided:

- a) Further work will be done on the detail of the stakeholder map and the different groups that sit within it.
- b) Future versions will capture the need to articulate the full benefits the organisation delivers.
- c) Consideration will be given to incorporating communications into director personal objectives.

Decision: The Committee agreed to recommend the report for approval to the Board and accepted the moderate assurance offered.

3.8 Annual Best Value Report 2024-25

The Head of Planning and Governance gave an overview of the annual best value report, noting that it covers internal use of resources as well as external facing work and our support of efficiency in the system.

In response to questions from the Committee, it was advised that the current planning process will be capturing outcomes and benefits of each programme of work for next year. This should provide more data about impact.

Decision: The Committee agreed to recommend the report for approval to the Board and accepted the moderate assurance offered.

4. Internal Audit

4.1 Internal Audit Report: Statutory Obligations Report, Internal Audit Actions Progress Report

The Internal Auditors provided the statutory obligations report noting the following findings:

- a) One medium risk finding related to prioritisation of statutory programmes
- b) One low risk finding related to lack of a formally defined escalation process for non-compliance of workstreams supporting statutory functions.

In response to a question from the Committee about the extended timeline for the actions, it was advised this was due to embedding it within the current planning cycle and a new director taking on responsibility for planning.

Decision: The Committee noted the report.

Action: Milestone targets to be created for the action given the extended timeline.

The Internal Auditors then presented the progress report noting the following:

- c) Progress is on track.
- d) In completing the statutory obligations audit, it was noted that there is overlap with the proposed audit on quality assurance reviews and inspections. Therefore, it has been agreed with management that an alternative audit will be selected from the shortlist.
- e) The number of overdue items is increasing, up from 7 to 15.

In response to a question from the Committee about overdue actions, it was advised that a new process will be implemented for tracking audit actions through the finance report to the Performance and Delivery Board.

The Chair of the Committee advised that he has agreed with the Internal Auditors that in developing the audit plan for next year, the auditors will involve the non-executive members earlier in the process.

Decision: The Committee were content with progress against the internal audit plan.

Action: Committee to be advised of the alternative audit for Q4 once agreed.

5. Risk Management

5.1 Strategic and Operational Plan Risk Registers

The Head of Planning and Governance provided the risk registers, noting one new strategic risk related to the website and two out of appetite risks related to cybersecurity and public inquiries.

It was noted that there was no minute available from the risk sub-committee because it had not met recently due to vacancies in the Finance team. The Co-Chair of the sub-committee advised that meetings will re-commence in January.

Decision: The Committee accepted the risks are being managed appropriately at present and accepted limited level of assurance on the strategic risks which are out of appetite; regarding the risks within appetite, a significant level of assurance when the residual score is medium or low and a moderate level of assurance when the score is high.

6. Standing Business

6.1 Board Three Key Points

Key points were agreed as Recurring Savings, Azure Cloud Migration, HIS Website Programme and Internal Audit actions follow-up.

6.2 Feedback Session

It was advised that the papers presented continue to contain the right focus and level of detail.

7. Any Other Business

The Chief Executive advised that an appointment has been made to the new Chief Finance and Risk Officer role and the candidate will start in January 2026.

8. Date of Next Meeting

Approved by: Rob Tinlin, Committee Chair

Date: 18 March 2026