# Committee Minutes – Approved

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

10.00, 03 September 2025, MS Teams

## Attendance

**Present**
Robert Tinlin (Committee Chair)
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)

**In Attendance**
Eddie Docherty, Director of Quality Assurance and Regulation
Gillian Gall, Associate Director of Workforce
Lindsey Fielding, Internal Improvement Oversight Board Strategic Lead (item 3.10)
Jane Illingworth, Head of Planning & Governance
Evelyn McPhail, HIS Chair
Clare Morrison, Director of Engagement and Change
Kevin McInneny, Head of Digital Services
John McKee, Head of Communications
Robbie Pearson, Chief Executive
Safia Qureshi, Director of Evidence and Digital
Karlin Rodgers, Head of Finance and Procurement
Duncan Service, Employee Director
Simon Watson, Medical Director – Director of Safety

**Auditors**
KPMG: James Lucas, Syed Shah
Audit Scotland: Esther Scoburgh, Joni McBride

**Apologies**
Ann Gow, Deputy Chief Executive
Claire Gardiner, Audit Scotland
Mhairi Hastings, Interim Director of Nursing and Systems Improvement

**Meeting Support**
Ruth Gebbie, Committee Secretary

# 1. Welcome and Apologies for Absence

**1.1      Welcome and apologies**
The Chair welcomed all to the meeting and 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 23 June 2025**
The minutes of the meeting held on 23 June 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 23 June 2025**
The recruitment key performance indicators action remains in progress. All remaining outstanding actions were approved for closure.

Decision: The Committee approved the closure of the actions previously recommended for closure.

# 3. Corporate Governance

**3.1      Digital Solutions Group Update: Information Governance, IT Infrastructure, Business Resilience and Sustainability**

The Director of Evidence and Digital provided a report and highlighted the following key points:
   a)  The migration of our servers onto the cloud was completed at the end of August with no impact on business delivery and we are making positive progress with our Freedom of Information compliance. The cyber report includes figures that were released by NHS Scotland Cyber Security Centre of Excellence. The Centre is now working on board specific reports, and this will help us focus on areas where we might need to strengthen our own systems.
   b)  In terms of Business continuity, we conducted a positive desktop exercise to identify improvements in relation to updating and sharing our list of business-critical areas.  The Network, Information Systems Regulation (NISR) Audits will change from 2026, with work currently underway to simplify and streamline processes.

In response to questions from the Committee, the following additional information was provided:
   c) Robust business continuity plans are in place, and we run regular scenarios   Going forward, we will make this activity more visible and will also provide a more in-depth report detailing that.
   d) the Resilience and Digital Solutions Lead to provide details of our carbon footprint and how HIS compares to other non-patient facing organisations of a comparable size in the next committee report.

e) Following discussion around business continuity and cyber security exercises the Head of Digital Services will email committee members to provide assurance around the learning from this.

Decision: The committee accepted a moderate level of assurance, whilst noting that there remains a moderate amount of residual risk.

Action: Consider a business continuity/cyber resilience board masterclass.

### 3.2    Intelligence Implementation Group Update
The Director of Evidence and Digital provided an update to the committee around the Intelligence Implementation Group, alongside an update on Intelligence Strategy actions. The following key points were highlighted:
  a) Future iterations of this report will include measurable timelines, alongside actions.
  b) List of meta/ data tags will be available to enable easy interrogation of data.

Decision: The committee accepted the moderate level of assurance offered.

Action: Timelines around how meta/ data tags will work will be provided in advance of the next meeting.

### 3.3    Finance Performance Report and Counter Fraud Services
The Head of Finance, presented a report to the committee and the following was highlighted:
  a) At the end of July 2025, there was an underspend of £700,000 and it is predicted that this will increase to around £1,000,000 by the end of the year. We will continue to identify areas for non-recurrent investment.
  b) To date, we have received 94% of our budgeted allocation income. The allocation income that we are still outstanding is tranche income.
  c) We are on track to achieve 50% of our recurring savings target and will be starting 2026/27 with a gap in our recurring balance. Discussions are beginning later this month on how we achieve  recurring balance in 2026/27.
  d) Two of the outstanding audit actions showing as at risk were highlighted to the committee. The first was in relation to our plans for recurring savings, and it is unlikely that we will achieve recurring balance in 2025/26.
  e) Our finance system is part of a national contract and with the work that is ongoing with the wider business systems, it is unlikely that we will be able to amend the contract to include the backups needed. We will continue with business continuity work and the other elements that will reduce that the risk of not having that back up in place.

In response to questions from the committee, the following additional information was provided:
  f) The recurrent savings plan that was shared in the financial performance report is a 50:50 split of recurring and non-recurring savings . The committee expressed concern at the scale and pace of delivery of recurring savings and asked that further efforts be made to achieve as close to possible of recurring balance by 31 March 2026.   The Head of Finance and Procurement will bring an update back to the committee.
  g) The counter fraud secondary employment case and HR process have now complete.  All entries on the International Travel Register should contain the same information to ensure consistency and transparency.
  h) The register of gifts and hospitality was approved for publication on the HIS website.

Decision: Limited assurance accepted on recurring savings and moderate for all other areas.

**3.4     Independent Healthcare Budget and Fee Setting**

The Director of Quality Assurance and Regulation updated the Committee on the independent healthcare (IHC) budget and fee setting.

Measures continue to be implemented to reduce 'bad debt' and pursue it when it arises, whilst addressing disparities between those who routinely pay fees and those who default. It was advised that we do take cognisance of bad debt related to hospice care.

In response to questions from the committee the following information was provided:
In the financial assessment section outlining CPI inflation, 2024-25 is shown as 6%. The Director of Quality Assurance and Regulation to review this figure and amend if necessary.

Decision: The committee approved the fee proposals and recommended them for onward approval to the board. Limited assurance was accepted at this stage.
Action: Report back to the committee in 6 months when the IHC review will have been completed to enable a view on long term financial planning.

**3.5     Procurement Annual Report**
The Head of Finance and Procurement presented the Annual Procurement Report 1 April 2024 – 31 March 2025. The report included supplier spend, contract management and non-competitive tenders.
The report also highlighted the procurement activity across the organisation:
- HIS continues to work closely with the Scottish Ambulance Service through our procurement service level agreement and this will continue until 2027.
- Our input into the Anchors programme- expenditure on local and small/ medium businesses has increased significantly.

Decision:  The Committee approved the report, and a level of moderate assurance was accepted.
Action:  Future reports should include a clear narrative outlining the strategic rationale for deviating from standard contracts, to ensure transparency and informed oversight

**3.6     Annual Best Value Report Update**
The Head of Planning and Governance provided an update on the approach to this year's Annual Best Value Report, which has been taken forward in discussion with the Committee Chair.

The report will still largely follow the structure of the previous report, however, we will seek to broaden the focus of the report beyond the remit of the Quality and Performance Committee to the other governance committees.

The initial proposals for that approach for broadening the content, is being shared with all committee chairs to allow an opportunity for their input into the development of the report. Work on the report will continue over the coming weeks with a view to having the report ready for approval and sign off by the end of the year.

Decision: The Committee accepted a significant level of assurance that the approach we are taking will meet the reporting requirements.

Action:  Head of Planning and Governance to collect feedback about where we are providing added quality and value as an organisation. Report on outcomes as well about what difference we make and where that is being made.

### 3.7    Website Programme

The Head of Communications provided an update to the Committee around the HIS Website Programme and the following points were highlighted:

a)  A new risk relating to the extended timeline for transfer of the legacy sites to the new corporate website has been added to the Strategic Risk Register.

b)  A risk currently remains in relation to the capacity of the Communications Team and its ability to deliver the website programme within current resourcing.

c)  The Director of Evidence and Digital is now the executive sponsor for the website, providing executive leadership and oversight of the programme.

In response to questions from the committee the following information was provided:

d)  There remains a significant amount of legacy content to move over from the Scottish Health Council and Scottish Intercollegiate Guidelines Network. This will take a considerable amount of resource to achieve.

e)  A new media centre will be added to the website for the use of journalists to use out with office times.

Decision: The Committee noted the update and accepted moderate assurance for everything, excluding capacity where limited assurance was accepted.

### 3.8    HIS Communications Strategy

The Head of Communications provided the HIS Communication Strategy to the committee for review and comment.

The Strategy sets out how the Communications Team will support the delivery of high-quality, person-centred care in a dynamic and evolving health and care landscape. Following questions from the committee, it was agreed that we need to promote our collaborative work both inside and external to the organisation within the Strategy, given that it is a key Scottish Government priority. Strategic objective number three also to be reworded as the first line reads could be perceived as defensive.

Decision: The Draft HIS Communication Strategy was supported by the Committee for onward approval to the Board meeting on 24 September subject to the comments above.

### 3.9    Assurance Framework

The Head of Planning and Governance presented updates to the Assurance Framework. The paper also provided further clarity on how we apply those levels.

Decision: The Committee approved the changes and accepted the significant level of assurance offered.

Action: Head of Planning & Governance to share the updated levels of assurance document post meeting after updates have been made.

### 3.10    One Team Programme Transition to Business as Usual

The IIOB Lead presented an update around the One Team Programme Board (OTPB) transitioning to 'business as usual.' The One Team programme was established in 2022 to provide focus on the enablers that we need to deliver against our strategy and these One team principles will continue.

The Corporate Improvement Team and it will continue to support improvement work across the organisation. Reporting on this work will be delivered via responsible directors to the appropriate governance committee(s).

As part of the 2025/26 budgeting and work prioritisation process, the team are undertaking a review of statutory work across the organisation and supporting delivery of our Digital Strategy. They are also directly supporting the IHC review, delivery of RTC actions and the Intelligence Implementation Group.

Decision: The Committee noted the update and accepted moderate assurance around the ongoing quality and transition of the work from the One Team Programme into the organisation.

## 4. Internal Audit

**4.1      Internal Audit Report: Partnership Working Report, Statutory Obligations Report, Internal Audit Actions Progress Report**

The internal auditors raised three moderate findings and two lower risk findings for partnership working.

Following the organisational change programmes that took place in Regulation and Quality Assurance and Community Engagement and Transformational Change Directorates, an organisational change rapid review was carried out, resulting in several recommendations. At the time of the audit, there was not a formal action plan in place to address most of the recommendations, however the immediate recommendations had been addressed.

The third moderate finding is a collection of improvement points that were picked up through discussions with both senior management and line managers that point to improvements in staff engagement between staff and the leadership. The clarity of the principles of partnership working and what that is, was highlighted and also the culture of partnership working and trying to improve people's understanding of what it is

There were two very low risk findings. One was around board governance and that action has been agreed and closed down as part of the audit, which is great. The final lower risk finding is around greater clarity that is needed on the role and remit of the subgroups that sit within partnership forum.

Decision: The internal auditors provided a significant assurance with minor improvements rating overall.

The field work for our statutory obligations review is currently underway. Work has also started on the Microsoft 365 benefits realisation and utilisation audit. In terms of management, outstanding actions, nine have been closed in the period, which takes us to 31 outstanding in total, of which 17 aren't yet due. There are 14 overdue items with revised dates which have been provided in the report.

The Committee noted the reports and progress being made.

## 5. Risk Management

**5.1     Risk sub-committee update**
The Head of Finance provided an update on the Risk Sub-Committee and highlighted the following main points:
   a)  The first meeting of the Risk Subcommittee recently took place with the Evidence and Digital Directorate. This resulted in risks being reviewed and 14 actions for the directorate that will be presented as a paper at the group in September.
   b)  The Quality Assurance and Regulation Directorate meeting took place yesterday and a full update from that meeting will come the next committee alongside the Medical and Safety and Community Engagement updates.
   c)  It is anticipated that the level of assurance will increase to significant as subsequent reviews take place. The Committee were pleased to see the RSC in operation and the monthly focus on risk was welcomed.

   Decision: The Committee noted the update and accepted moderate assurance offered, on the basis this was the first review.

**5.2     Strategic and Operational Risk Plan Registers**
The Head of Planning and Governance provided the latest strategic and operational plan risks. The strategic risk paper reflects the board's review of risk appetite, following the May seminar and a change in tolerance of the risks and a decrease in score for one of these, which was regulation of independent healthcare. Two risks have been closed and replaced with updated risks that better reflects the current context in response to questions from the committee, the following additional information was provided:

It was noted that the role of Healthcare Improvement Scotland did not extend to the assurance of nationally led service change but does provide advice on best practice in engagement to teams leading nationally determined service changes. For local service changes, Healthcare Improvement Scotland assures the community engagement in the development of the service change but does not have a role in assuring the quality or safety of the proposed service change. To support boards and partnerships to fully consider quality and safety within service change, work has begun to develop some guidance. This will bring together existing guidance and standards produced by Healthcare Improvement Scotland relevant to service change.

Decision: The committee gained assurance on the management of risks and accepted the limited level of assurance for those risks which are out of appetite, moderate for the higher scoring risks and significant for the lower scoring risk.

## 6. Standing Business

**6.1     Board 3 Key Points**
The following key points were agreed as Azure cloud migration, website development, and risk sub-committee.

**6.2     Feedback Session**
It was agreed that it was a well-run meeting with informative discussion.

## 7.Any Other Business

7.1      No other business was discussed.

## 8.Date of Next Meeting

Next meeting will be held on 26 November 2025.

Approved by Rob Tinlin, Chair

Date:  26 November 2025