

# Committee Minutes - Approved

Meeting of the Audit and Risk Committee of Healthcare Improvement Scotland at  
13.30, 18 March 2026, 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

Laura Boyce, Chief Inspector of Regulation (Closed session)  
Suzanne Dawson, Non-Executive Director (item 2.5)  
Melissa Dowdeswell, Director of Nursing & Integrated Care  
Lindsay Fielding, Internal Improvement Oversight Board Strategic Lead (Closed session)  
Laura Fulton, Chief Pharmacist  
Gillian Gall, Associate Director of Workforce  
John Gebbie, Director of Finance, NHS24  
Nicola Hanssen, Non-Executive Director (item 2.5)  
Gillian Hennon, Chief Finance & Risk Officer  
Jane Illingworth, Head of Planning & Governance  
David Johnston, Acting Head of Finance and Procurement  
David McArthur, Regulation Review Lead (Closed session)  
Evelyn McPhail, HIS Chair  
Clare Morrison, Director of Engagement and Change  
Kevin McInnery, Head of Digital Services (item 2.1)  
Robbie Pearson, Chief Executive  
Safia Qureshi, Director of Evidence and Digital  
Michelle Rogers, Non-Executive Director (item 2.5)  
Duncan Service, Employee Director  
Nelson Sule, Cyber Security Manager (item 2.1)

## **Auditors**

KPMG: James Lucas,

Audit Scotland: Esther Scoburgh, Claire Gardiner

## **Apologies**

Ann Gow, Deputy Chief Executive

Eddie Docherty, Director of Quality Assurance and Regulation

John McKee, Head of Communications

Syed Shah, KPMG

Simon Watson, Medical Director & Director of Safety

## **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.

## **1.2 Minutes of Audit and Risk Committee meeting on 26 November 2025**

The minutes of the meeting held on 26 November 2025 were accepted by the Committee as an accurate record.

Decision: The Committee approved the minutes.

## **1.3 Review of Action Point Register of Audit and Risk Committee meeting on 26 November 2025**

The Action Point Register from the meeting was discussed by the Committee and the Director of Evidence and Digital provided additional information for item 3.2 noting that specific individuals and groups have been granted Co-Pilot licences but at present there are not enough licences for everyone. Evaluation of the proof of concept is ongoing,

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

## **1.4 Business Planning Schedule 2026/27**

The Chief Finance and Risk Officer presented the Business Planning Schedule for 2026/27 to the committee, outlining future agenda items for 2026/27.

Decision: The Committee noted the business planning schedule.

Action: Schedule to be edited to update the action "External Audit - Annual Audit", to "External Audit - Annual Audit Report."

## **1.5 Matters Arising: Website Programme**

The Committee received a verbal update from the Chief Pharmacist on the communications function, noting that capacity challenges meant the work on the website at the moment is business as usual

activity rather than wider website development. The new homepage has been launched and migration of content continues. The level of assurance remains limited due to risks related to the use of platforms out of support and the lack of development of the website to meet current needs.

Decision: The Committee noted the update.

Action: Ongoing updates to be provided on the revised work plan and approach as this develops.

## 2. Corporate Governance

### 2.1 Digital Services Group Combined Report: Information Governance; IT Infrastructure; Business Resilience and Sustainability; Business Performance Report

The Director of Evidence and Digital provided a report, and the Head of Digital Services noted:

- a) The phishing exercises produced disappointing results and this has been highlighted by the Chief Executive at All Staff Huddles and more locally by directors to their staff.
- b) The ICT Team continues to work with National Services Scotland (NSS) to upgrade network infrastructure at Delta House, further improving our network resilience.
- c) In quarter 3, the 59 Freedom of information requests had 100% compliance.
- d) Mandatory training requirements have not been met for quarter 3.

In response to questions from the Committee regarding the use of two separate servers, it was advised that this reduces risk and shortly the servers will be hosted in different locations to add further resilience.

Decision: The Committee considered the update and accepted the moderate assurance offered in the three elements of the report.

Action: Mandatory training to be referred to the Staff Governance Committee.

### 2.2 Digital Services Group: Network and Information Systems (NISR) Regulations

The Director of Evidence and Digital and the Head of Cyber Security provided an update on strengthening compliance with the Network and Information Systems Regulations (NISR). Since the establishment of the NISR working group in 2023, HIS has exceeded the NISR targets and in the most recent report achieved a 99% compliance rate against the target of 95%.

In response to questions from the Committee, it was advised that reports are awaited from the Cyber Security Centre of Excellence and these may allow some benchmarking but NISR stated HIS is a high performing organisation.

Decision: The Committee considered the report and accepted the significant level of assurance offered in relation to the effectiveness of the governance and control environment, and the moderate level of assurance offered in relation to the effectiveness of operational controls.

### 2.3 Intelligence Implementation Group (IIG) Update

The Director of Evidence and Digital provided a paper setting out progress and noted that the group is expanding into three workstreams covering the collection, tagging and analysis of data; preparing the intelligence reports for the Board; and procurement of business systems. Progress has slowed due to this expansion.

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

- a) The IIG is focused on what data is collected and turning it into intelligence whereas the Internal Sharing Intelligence Network use that intelligence to identify appropriate actions.
- b) Given the expanded workstreams the timelines will be reviewed. However, they do overlap and inform each other.

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

## **2.4 Financial Performance Report, Recurring Savings and Counter Fraud Services**

The Acting Head of Finance and Procurement provided an update and highlighted the following:

- a) The financial position at the end of January is an underspend of £1.1m and this is forecast to be £0.8m at year end. £0.1m of additional allocations are outstanding but confirmation of it being provided is expected that month. It has been agreed with Scottish Government that any surplus will be returned.
- b) There will be a recurring balance position for moving into 2026-27.

In response to questions from the Committee, it was advised that the reduction in the whole time equivalent numbers is due to previous forecasting being a prediction but there will be variance around this, especially where it has not been possible to recruit in time. There will be an impact on delivery and the Performance and Delivery Board have oversight of this.

Regarding the Counter Fraud update, the Acting Head of Finance and Procurement advised the following:

- c) HIS only received one referral from Counter Fraud Services (CFS) in 2025-26 related to secondary employment but CFS advised they wouldn't pursue action. It is being managed through HIS internal processes.
- d) The fraud action plan for 2025-26 is on target.

In response to a question about an outstanding audit action, it was advised that this relates to the eFinancials system which is operated by National Services Scotland and outwith the control of HIS.

Decision: The Committee considered the update and accepted the moderate level of assurance offered.

## **2.5 Financial Plan 2026-27; Three Year Plan - Areas for Investment of Underspend**

The Chief Finance and Risk Officer provided the financial plan and the investment process.

### **2.5.1. Financial Plan**

It was highlighted that there will be a balanced budget to start 2026-27 and a 3% savings target. There are cost pressures due to the reduced working week, the full year impact of 2025-26 decisions and higher inflation. The plan includes additional allocations and the independent healthcare funding model.

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

- a) Investment and recruitment in relation to additional allocations will commence from 1 April as the risk is low of these not being received.
- b) If the reduced working week is not funded by Scottish Government then the efficiency target will need to be revisited but they were supportive of the assumption made in the plan.

Decision: The Committee approved the plan for submission to Scottish Government and recommendation to the Board and accepted the moderate level of assurance offered.

### **2.5.2. Investment Opportunity Process**

It was advised that plans will be enacted early in the financial year to invest potential underspends and the process will ensure appropriate consideration of proposals, suitable monitoring and governance as well as evidence of impact.

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

- a) Each proposal being taken forward will have a business case created to set out the anticipated benefits of the investment.
- b) Regarding approval limits the paper suggests £20k but this can be reviewed during the year.

Decision: The Committee approved the investment process and recommended it to the Board, accepting the moderate level of assurance offered.

### **2.6. Audit and Risk Committee Annual Report 2025-26 and Terms of Reference**

The Committee received their draft annual report and requested additional information is added about sustainability.

Decision: The Committee approved the annual report for submission to the Board subject to the addition above.

Action: Add additional detail on sustainability.

## **3. Internal Audit**

### **3.1 Internal Audit Report: Equality Internal Audit; Internal Audit Progress Report; HIS Draft Internal Annual Plan and Charter 2026-27**

KPMG presented the internal audit report on equalities and advised they have provided significant assurance with only minor improvements required. There are three low risk findings.

In response to a question from the Committee about the breadth of input to the audit, it was agreed that further work would be done in this area to ensure all appropriate input has been captured.

KPMG then provided the progress update advising that audits were broadly on track and management actions were showing 17 outstanding with 12 overdue but they are showing progress. The Committee noted there remained a number of outstanding actions with very old deadline dates and sought assurance about progress with these.

KPMG provided the draft internal audit plan for 2026-27 and the audit charter. The plan was discussed with executives and the Audit and Risk Committee members during drafting. The charter is in line with the global audit standards.

Decisions: The Committee noted the audit report and agreed for it to be provided next to the Staff Governance Committee. The Committee approved the internal audit plan and charter.

Action: Further paper to be provided to the Audit and Risk Committee summarising the outcome of the additional input to the equalities audit report.

## 4.External Audit

### 4.1 HIS Annual Audit Plan 2025-26

Audit Scotland provided the audit plan, advising that the work this year will also include fairness and equalities. They highlighted the increase in audit fees, advising it is in line with standard increases across the sector.

Decision: The Committee accepted the audit plan.

## 5.Risk Management

### 5.1 Risk Sub-Committee Update

The Chair of the Risk Sub Committee provided an update, noting that it continues to add value and provide additional assurance in relation to risk through a collaborative approach.

### 5.2 Strategic and Operational Plan Risk Registers

The Chief Finance and Risk Officer provided the risk registers, noting that the strategic risk related to Right Decision Service funding has been closed. She advised that she is progressing recruitment to the vacant risk manager post.

The Chair of the Risk Sub Committee highlighted a query in the scoring of the workforce risk related to capacity given concerns expressed in this area and this will be reviewed.

Decision: The Committee were assured by the risk management paper subject to the comment above and accepted a limited level of assurance on the strategic risks which are out of appetite. 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.

Action: Review the scoring of the strategic workforce risk.

## 6. Closed session

This session was attended by non-executive members and executive directors only.

### 6.1 Regulatory Review

This was a closed session.

## 7. Standing Business

### 7.1 Board 3 Key Points

The key points were agreed as cyber security, HIS website programme and the Risk Sub-Committee.

### 7.2 Feedback session

There was no feedback regarding the meeting.

## 8. Any Other Business

There were no items of other business.

## 9.Date of Next Meeting

Next meeting will be held on 22 June 2026.

Approved by: Rob Tinlin, Committee Chair

Date: 22 June 2026