# Committee Minutes – Approved

Meeting of the Audit and Risk Committee of Healthcare Improvement Scotland (HIS)

At 10.00, 02 September 2026, MS Teams

## Attendance

**Present**
Robert Tinlin (Committee Chair)
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 (item 1.4)
Eddie Docherty, Director of Quality Assurance and Regulation
Melissa Dowdeswell, Director of Nursing & Integrated Care
Victoria Edmond, Acting Head of Communications (item 2.1)
Gillian Hennon, Chief Finance & Risk Officer
Joan Hephzibah, Risk Manager
Jane Illingworth, Head of Governance
David Johnston, Head of Finance and Procurement
Alex Little, Deputy Head of Procurement & Logistics, Scottish Ambulance Service
Kevin McInneny, Head of Digital Services (items 2.2 & 2.3)
Helen Meldrum, Head of Learning Transformation NHS24
Clare Morrison, Director of Engagement and Change
Robbie Pearson, Chief Executive
Safia Qureshi, Director of Evidence and Digital
Duncan Service, Employee Director
Maria Smith, Head of Performance & Delivery
Simon Watson, Medical Director & Director of Safety
Carole Wilkinson, HIS Chair

**Auditors**
James Lucas, KPMG
Esther Scoburgh, Audit Scotland

**Apologies**

Abhishek Agarwal (Non-Executive Director)
Gillian Gall, Associate Director of Workforce
Claire Gardiner, Audit Scotland
Ann Gow, Strategic Lead
Syed Shah, KPMG

**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 highlighted that this was Non-Executive Director, Jude Kilbee's final meeting before the end of her appointment. The Chair wished Jude well and thanked her for her time and commitment.
The Chair also welcomed the new Head of Performance & Delivery and, Risk Manager to their first meeting. Apologies were noted as above. There were no declarations of interest.

### 1.2 Minutes of Audit and Risk Committee meeting on 22 June 2026

The minutes of the meeting held on 22 June 2026 were accepted by the Committee to be an accurate representation of the meeting.

Decision: The Committee approved the minutes.

### 1.3 Review of Action Point Register of Audit and Risk Committee meeting on 22 June 2026

The Action Point Register from the meeting was discussed and the Chair highlighted that the Chief Finance & Risk Officer, the Head of Performance & Delivery and the Risk Manager will meet with the Risk Sub- Committee Non-Executives to review the risk register. It is proposed that there will be a Risk Management Discussion submitted for the November Board Development session to follow up on those discussions. This will also incorporate the outcome of the Internal Audit on Risk Management currently being undertaken by KPMG.

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

### 1.4 Matters Arising

#### 1.4.1 Key Performance Indicator (KPI) Cyber Security

The Chief Finance and Risk Officer sought agreement from the Committee to revise the digital KPI annual target from 95% up to 100%.

Decision: The Committee agreed to amend the annual target from 95% to 100 and accepted the moderate level of assurance offered.

#### 1.4.2 Regulation Review Update

The Chief Inspector of Regulation provided a verbal update to the Committee around the Regulation Review. The review has moved from the review phase into the agreed implementation and, the immediate phase of the work is starting on looking at the approval for the new regulatory mission

and model that has been agreed and shared with the Strategic Design Board. The progress around the work from the service risk assessment approach is now largely embedded. The work around the developing the workforce skills framework, the gap analysis, and the learning-needs analysis, is due to commence and external support needed to do this has been confirmed.

Decision: The Committee were content with the progress update.
Action: A written update paper to be brought back to a future Committee meeting.

## 2. Corporate Governance

### 2.1 Communications and Engagement Strategy

The Acting Head of Communications updated the Committee on the Communications and Engagement Strategy and highlighted that:

a) The team are in Year one of the road map and are currently working on the brand toolkit and corporate resources. A key aspect of year one is to stabilise the team: a new digital Communications Officer will be joining the team later this month, and the team will also soon be recruiting to a band 7 vacancy. Unfortunately, the team still has significant absences, consisting of long-term leave, short term sickness and annual leave. An important part of stabilising the team is being able to accurately identify team capacity and what is priority work.

b) Later this month the Source will be updated with new a brand framework, templates, style guide, and a social media policy.

c) Monthly directorate communications meetings are now in place, with most directorates now having had at least one meeting.

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

d) Public Services Delivery Scotland (PSDS) have been approached to support consolidation of legacy websites within HIS and inform discussions and planning to develop the overall HIS website.

e) Discussions are ongoing to address the requirements of the global HIS website to ensure it is sustainable, meets publishing and brand standards and guidelines and is able to be updated by Teams locally. This work will involve teams across the Organisation to inform requirements and plan delivery. Requires to be a more sustainable model supported across HIS.

f) An Outline Business Case for the website development is to be produced which will outline the overall requirements, potential delivery options and funding required.

Decision: The Committee noted the update.

Action: Communications and Engagement Strategy update to be presented at the November meeting.

### 2.2 Digital Services Group Report

The Director of Evidence and Digital presented the combined Digital Services Group Report to the Committee and the following was noted:

a) The cybersecurity risk is reviewed on a regular basis and although, our technical controls continue to be effective, we need to make further improvements around human behaviours and will continue with phishing exercises and mandatory training.
b) The mandatory training figures for information governance and security, were at 80% at end of June, with a target of 95%.

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

c) Ideagen/Healthcare Guardian is a nationally procured system, with a small cost that is already in use in NHSS and SAS. As it is already on a national framework, the vendor assessment has already been completed at a national level.
d) We are investigating what Ideagen/Healthcare Guardian can be used for in terms of risk management.
e) For risk 1252, the barrier to regular auditing is capacity and priorities within the team.

Decision: The Committee considered the report and accepted the moderate level of assurance

**2.3 Intelligence Implementation Group (IIG)Update**

The Director of Evidence and Digital provided an update around the delivery of the actions from the Digital and Intelligence Strategy. This included the work underway in relation to securing the provision of specialist digital and data support and the development of the information layer to improved intelligence sharing processes.

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

a) Public Health Scotland are doing similar work that we will be able to learn from.

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

**2.4 Independent Health Care Budget and Fee Setting 2027-28**

The Chief Inspector of Regulation asked Committee members to review the current financial position and approve the proposed fees for 2027/28 for HIS regulated Independent Healthcare (IHC) services.

The financial modelling is based on anticipated registration numbers, projected fee income, the expenditure and some bad debt assumptions, and on the assumption that the continued baseline funding from Scottish Government of the 250,000 continues.

Two areas were drawn to the Committee's attention:

a) The impact of the Non-Surgical Procedures Functions Act is not yet fully understood. The potential scale of any new independent healthcare registrations associated to the non-surgical procedures and also other regulatory enforcement complaint inspection work hasn't been quantified as yet because the scoping work hasn't been completed. The work will be undertaken but we are still awaiting written confirmation from our Scottish Government sponsors with regards to the approval of the submitted business case.

b) While the action has been taken to pursue old debt, and we have instructed sheriff officers in this financial year, the actual financial impact and the realisation of that is yet to be fully understood in year, and to see what has been realised in terms of recouped funds.

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

c) Fee regulations are a standalone legislation of their own and they are due to be reviewed again in 2031. The Chief Inspector of Regulation and the Director of Quality Assurance and Regulation have begun discussions with Scottish Government colleagues about the potential to review part of that fee structure, but it is unlikely to change within the next financial year.

Decision: The Committee supported the proposed fees for 2027/28, accepted a limited level of assurance and agreed to recommend this to the Board for approval.

**2.5 Financial Performance Report and Counter Fraud**

The Head of Finance & Procurement provided the Committee with a report on our financial performance and counter fraud and the following was highlighted:

a) We currently have a £0.5 million underspend; it is forecast that this will be utilised.
b) Our savings target is £1.3 million, £0.8 million of this savings target is expected to be met through absorbing the impact of the reduced working week (RWW) across the organisation.
c) In terms of the annual audit report, we have captured the actions that came out of the external audit, and we will be tracking progress against them. All actions are fully expected to be achieved as part of our activity this financial year.

In response to questions from the Committee the following was noted:

a) The Chief Finance & Risk Officer recently revised the overseas travel application form, now taking risks into account. HIS Chair and Chief Executive have oversight of international travel requests.
b) In future it would be preferable to have savings locked down in the first quarter and this can be factored into the discussions earlier in the 2027/28 budget setting process.

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

**2.6. Investment Pipeline Update**

The Chief Finance and Risk Officer provided the Committee with an update around the investment pipeline projects and the following was highlighted:

a) Eight projects were identified and seven of the eight have made a business case to the Performance and Delivery Board. The business case for the HIS website is currently pending.
b) Confirmation has been received from the Scottish Government for the perinatal programme. It notes the small spending that we've incurred to date, and that we are going to be receiving £284,000 in 2026/27.
c) Omitted from the paper, an additional £367,000 will be funded for the perinatal programme in 2027/28 bringing the total investment over the two years to £651,000. It was noted that this will not be reported under the Investment Pipeline projects but as a standalone initiative.

Decision: The Committee welcomed the progress of the investment pipeline process and the current status of the individual projects. A moderate level of assurance was accepted, that projects will deliver as intended, with significant assurance that we are tracking this robustly, monitoring and discussing it at other forums such as performance and delivery board to assure that we deliver the intended outcomes and objectives.
Actions: The Chief Finance and Risk Officer to add likelihood indicator into the table.
The Report will be brought back to the November meeting to track deliverables. The report will also highlight any slippages and how these will be addressed.

### 2.7 Annual Procurement Report

The Deputy Head of Procurement & Logistics, at the Scottish Ambulance Service presented the Annual Procurement Report to the Committee outlining the procurement activity and future planned activities. This provided assurance on our procurement practices and the effectiveness of internal controls that are in place.

Decision: The Committee examined the report, and a moderate level of assurance was accepted.
Action: Top ten spend by category to be captured separately to the report and shared with the Committee.

### 2.8 Equality Report Next Steps

The Director of Engagement and Change and the Employee Director provided an update on the three issues identified in the HIS Equality Audit. The three main actions to address these issues being;

a) Improving the use and application of internal Equality impact assessments (EQIA's),
b) Improving the use of equalities data and tracking of equality outcome,
c) Improving the arrangements and governance of staff equality networks

Decision: The Committee endorsed the paper and accepted the moderate level of assurance offered.
Action: The three actions to be embedded and implemented in 2027, whilst noting that there is a current gap in long-term resourcing for the internal equalities work which has yet to be identified.

## 3.Internal Audit

### 3.1 Governance Audit Report and Internal Audit Actions Progress Report

KPMG presented the Governance Audit and IA Actions Progress Reports, and the following main points were noted:

a) The commencement and implementation of the Strategic Design Board, Risk Management Sub-Committee and the Programme Delivery Board show that the organisation is reflective of governance arrangements and making changes as it deems appropriate.

b) There are three low risk findings that point to further transparency and clarity of some of the routes, particularly for those newer boards that have been established.

c) There was an unusually high level of numbers of areas of good practice, including the regular review of Committee effectiveness and the role of the governance of Committee chairs in terms of triaging and signposting different papers to different committees.

d) The committees are well established, supported by what we believe to be a strong governance culture, and there are lots of clear documentation, alongside well-defined roles and responsibilities.

e) In terms of the Progress Report, progress against the plan is on track. There are nineteen actions outstanding, seven of which are not yet due. There are twelve overdue items, two of which are likely closed. There are a significant number of items that are currently between 50 and 75% complete.

Decision: The Committee examined the reports and noted the findings.

## 4.Risk Management

### 4.1 Strategic and Operational Plan Risk Registers

The Chief Finance and Risk Officer provided the risk registers and highlighted that there are seventeen risks on the strategic register, of which four are out of appetite.

There have been two new operational risks escalated to high, relating to the Scottish Patient Safety Programme, and also the challenges in securing subject matter expertise in relation to regulatory and review processes.

There have been issues with the Compass risk management system and we are currently exploring alternative arrangements as to how we will continue to track, monitor and manage risks if Compass isn't performing as it should.

Decision: The Committee were assured that the levels of assurance provided were reasonable and that the risks presented were recorded and mitigated appropriately. A limited level of assurance was accepted on the strategic risks that are out of appetite. A significant level of assurance was accepted where the residual score was medium/ low and a moderate level where the score was high.

Actions: An update from the next Risk Sub-Committee meetings will be provided at the Committee meeting in November.

There is an error in the graph on page one of the paper, and the corresponding statement underneath is incorrect. Chief Finance and Risk Officer to update paper.

Consideration to be given as to whether the recent Programme for Government announcement would have an impact on any of our risks on the registers.

## 5. Standing Business

### 5.1 Board three Key Points

The key points were agreed as Equality Report Next Steps, Intelligence Implementation Group Update and Annual Procurement Report.

### 5.2 Feedback session

It was highlighted that the meeting papers were gradually becoming shorter and members can now focus on the key points more readily. The meeting did not last the full three hours but there was sufficient time to consider each agenda item.

## 7. Any Other Business

There were no items of other business.

## 9.Date of Next Meeting

Next meeting will be held on 25 November 2026.

Approved by: Robert Tinlin

Date: 25 November 2026