APPROVED

NHS GRAMPIAN
Minutes of Meeting of Audit and Risk Committee
on Wednesday 8th April 2026 at 11.00
Hybrid Teams/Conference Room, Summerfield House

Board Meeting
13.08.26
Open Session
Item 21.2.1

Present	Mr Derick Murray	Chair, Non-Executive Board Member
	Mr Bert Donald	Non-Executive Board Member
	Mr Ritchie Johnson	Non-Executive Board Member
	Mr Steven Lindsay	Vice Chair, Employee Director/Non-Executive Board Member
Attending	Ms Julie Anderson	Assistant Director of Finance
	Mr Robert Barr	Manager, PricewaterhouseCoopers LLP (PwC)
	Ms Gillian Collin	Director, PricewaterhouseCoopers LLP (PwC)
	Ms Sarah Duncan	Board Secretary
	Mr Stuart Humphreys	Director of Marketing and Communication (Item 7.2)
	Mr Gavin Payne	General Manager, Facilities and Estates (Item 9.2)
	Ms Angela Pieri	Audit Director, Grant Thornton
	Dr Priti Singh	Associate Medical Director (for Dr Farrow Bishop)
	Ms Laura Skaife-Knight	Chief Executive, NHS Grampian
	Mr Alex Stephen	Director of Finance
	Mr David Walker	Head of Financial Services and Accounts
	Mr Andrew Wallace	Senior Audit Manager, Grant Thornton
		Laura Skaife-Knight,
Apologies	Mr Denis Robertson	Non-Executive Board Member
	Cllr Ian Yuill	Non-Executive Board Member
	Dr Hugh Farrow Bishop	Executive Medical Director and Executive Lead for Risk
	Ms Michelle Hankin	Corporate Risk Advisor
	Ms Alison Evison	Chair, NHS Grampian
	Ms Else Smaaskjaer	Senior Administrator (Minute from Recording)

Item	Subject	Action

1 Apologies

Noted above.

2 Declarations of Interest

There were no declarations of interest.

3 Chair's Welcome and Briefing

Mr Murray welcomed everyone to the meeting. Mr Murray informed the Committee that his tenure as Chair will end on 1st October 2026 when Mr Johnston will step into the position.

Item	Subject	Action

4 Committee Forward Planner

Ms Anderson highlighted that the review of Standing Financial Instructions, Scheme of Reserved Decisions and Standing Orders would be deferred until later in 2026 to allow time for completion of a wider governance review. The Chair welcomed the suggested engagement opportunities aligned to the items on the planner.

The Audit and Risk Committee:

- **Noted the content of the forward planner for 2025/26.**

5 Minutes of Meeting on 9th December 2025

No comments and the minute was approved as an accurate record.

6 Matters Arising

6.1 Action Log of 9th December 2025

The Committee reviewed the action log of items from previous meetings, noted the updates provided and that items were either complete, on the agenda for this meeting or scheduled for future meetings of the Committee.

Ms Anderson advised the Committee that the action to develop a Standard Operating Procedure to provide guidance on timelines for post-committee communication with the Corporate Risk Advisor and share with Committee Chairs had been completed.

The Audit and Risk Committee noted the update.

6.2 Any other matters arising not on the action log

None

7 Internal Audit

7.1 Internal Audit Progress Report

A report was presented which updated the Committee on progress against the Internal Audit Plan for 2025/26 since the previous meeting of the Committee in December 2025. Work had progressed as planned and the final reports for the Baird and Anchor Project Assurance and Winter Planning to be presented at Items 7.1.2 and 7.1.3 on agenda.

The scope for the four remaining reviews had been agreed. These will be presented to the Committee at its meeting on 23rd June 2026.

There were no proposed changes to the plan and the internal audit team were content with the progress made.

The Audit and Risk Committee noted the update.

7.1.1 **Baird and Anchor Project Assurance**

This review focused on control and governance arrangements regarding the project. It identified four medium risk recommendations in relation to a lack of timely resolution of critical clinical design decisions, the absence of ongoing skills assessment, inconsistent Terms of Reference/Reporting and weaknesses in risk governance, reporting and register completeness. Two low risk recommendations were identified around the lack of evidence in the Benefits Realisation Plan and limited formal feedback to the Project Board from the NHSG Performance, Assurance, Finance and Infrastructure Committee (PAFIC). Two advisory notes were made regarding formalising the roles and responsibilities matrix and lack of a version controlled system. Good practice was identified in having regular governance meetings around the project and a good understanding of risk escalation processes.

Items discussed:

- Noted that this was a complex multi-year project which had required significant capital investment and due to a number of local, national and international factors, had extended well beyond the timeframe expected.
- The processes, structures and governance arrangements which would have been appropriate for a shorter term project could have benefited from a revised approach to reflect the requirements for a longer term project.
- During the period of the project there had been changes in senior leadership, project management and the policies and guidance in relation to infection prevention and control.
- Noted that the report would be useful in terms of capturing lessons learned during the project, and to inform improvements to future project management.
- The Chief Executive highlighted there are multiple processes relating to the Baird and ANCHOR underway, and similar learning themes, including via this audit report and a concluded whistleblowing investigation. She said we should streamline learning and not duplicate work as the themes, including in relation to governance, escalation, project management and engagement, are similar. This prompted a discussion from the Committee and agreement about the need to avoid fragmentation and look at all ongoing improvement plans around this project in the rounds, rather than one review in isolation. A recent summary report from an independent whistle blowing investigation, shared with the project team, had suggested improvement actions and it would be useful to bring all elements together into an overarching plan.

- It was confirmed that the findings and recommendations relate to the review period to provide an assessment of how things are. Comparisons had not been made with oversight and governance at different stages of the project. **JA**

The Audit and Risk Committee noted the report, which provided assurance within the scope of the internal audit review, and were content with the management actions agreed to address the risks highlighted.

The Audit and Risk Committee asked that a consolidated improvement/action plan in relation to the Baird and Anchor Project is presented to a future meeting of the Committee.

7.1.2 **Winter Planning**

The review assessed the process and governance arrangements for the preparation of the Winter Plan for 2025/26. It confirmed that the plan had been prepared in line with Scottish Government guidance and that it aligned with national winter planning. Two low risk findings were identified relating to timing of stakeholder input earlier in the process and making the linkage between the Winter Plan and the Unscheduled Care Improvement Plan more explicit. Good practice had been noted in the effective use of health intelligence and learning from previous winters.

The Audit and Risk Committee noted the report.

7.1.3 **High, Medium and Low Recommendations**

High: Ransomware Management – to be considered at Item 7.2

High: Business Continuity Planning – One outstanding action is expected to complete by the end of May 2026.

Low and Medium Risk Recommendations – The report from PwC summarised the status of 24 open low and medium risk internal audit actions agreed with management. 3 had been assessed as closed, 4 were overdue but in progress, 9 on target to be completed by a revised date and 8 not yet due.

The Audit and Risk Committee noted the update and agreed it had reviewed and scrutinised the information provided in the paper, and confirmed it provides assurance that the risks identified through internal audit work are managed appropriately.

7.2 **Cybersecurity Risk Assurance Report**

The Director of Marketing and Communications attended to present a report prepared by the Chief Digital Officer. This provided an update on progress against the management actions agreed following the Internal Audit review of ransomware. The

report proposed that it would be appropriate for the outstanding actions, which have assurance and risk assessments in place, to transition to business as usual status. Ongoing assurance and oversight of mitigations across the identified ransomware risk areas will be reported from the Digital Board to the Executive Team, with regular reporting to the NHSG Performance, Assurance, Finance and Infrastructure Committee (PAFIC).

The Committee welcomed the progress made to date and there was agreement with PwC that a pragmatic approach should be taken to reflect the ongoing nature of ransomware risks, which will change but are unlikely to go away.

The Audit and Risk Committee noted the update and

- **agreed it had reviewed and scrutinised the information provided in the paper, and confirmed it provides assurance of the arrangements in place to address and monitor the issues identified in the ransomware internal audit report.**
- **confirmed that future reporting will be made by the Digital Board to the Executive Team, with regular reporting to the NHSG Performance, Assurance, Finance and Infrastructure Committee (PAFIC).**

Actions:

- **Another report on this subject should be brought back to the Audit and Risk Committee at a future date (September 2026) to confirm reporting and delivery arrangements are operating as set out in in the report.** **JA/MI**
- **Actions agreed in future internal audit reviews to be assessed to ensure they are specific and deliverable within the timeframes outlined.** **JA/PwC**

7.3 **Internal Audit Plan 2026/27**

Ms Collin presented the internal audit plan for 2026/27 and outlined the methodology adopted when deciding on the areas which would benefit from an internal audit review.

- Feedback from discussions at the Executive Team had been taken into consideration when putting together the plan.
- The proposed audit areas are aligned to the strategic risks and key priorities of the organisation.
- It was confirmed that if new risks emerge during the year priorities for review will be reconsidered.
- There had been discussions with the Chief Audit Officers of the three IJBs regarding priorities for 2026/27. Although no joint reviews had been identified, all internal audit reports are shared and there is cross-system review in relation to outputs and recommendations.

The Audit and Risk Committee

- **agreed it had reviewed and scrutinised the 2026/27 internal audit plan and confirmed that proposed approach and reviews are appropriate and that they cover the key risks and audit units of the organisation.**
- **confirmed that the final internal audit plan for 2026/27 will be presented to the Audit and Risk Committee in June 2026 for final approval.**

7.4 **Integration Joint Boards (IJBs) Internal Audit Update Report**

Ms Anderson presented a report which provided an update on good progress across the three IJBs in the delivery of their 2025/26 Internal Audit Plans and implementation of agreed audit recommendations. The report outlined the protocol adopted across the system to support assurance and sharing of internal audit reports.

A number of reports had been considered by IJBs during the recent cycle and those of interest to NHS Grampian were highlighted.

- Aberdeen City – a final report on compliance with the Health and Social Care (Staffing) Act had concluded the level of risk was moderate and provided reasonable assurance. Improvement actions agreed.
- Aberdeenshire – final report in relation to the approach to workforce planning assessed the level of risk as major and provided limited assurance. Management had commenced a process of improvement.
- Moray – two reports on Council led HSCP services had confirmed substantial assurance and identified priority 1, 2 and 3 risk rated recommendations.

Action:
Ms Anderson to provide clarity on the link between the level of risk and the assurances provided in the internal audit reporting for Moray IJB. **JA**

The Audit and Risk Committee was content:
- **It had reviewed and scrutinised the information provided in the paper to inform its assessment of the system of internal controls of the IJBs.**
- **It could confirm that this provided assurance that the policies and processes necessary are in place and are robust.**
- **That no escalation to another Board Committee or the Board is required.**

8 External Audit

Item	Subject	Action

8.1 **Informing the Audit Risk Assessment for NHS Grampian 2025/26**

Ms Anderson presented a report which outlined the steps taken by the external auditors when carrying out the risk assessment process in preparation for the 2025/26 external audit of the organisation. A report template had been issued by Grant Thornton and completed on behalf of the Board by NHS Grampian Finance Department in consultation with colleagues across the organisation. This is designed to give assurance that the auditors are provided with a complete picture of the NHS Grampian framework for governance and control. The purpose of the report is to evidence effective communication between the external auditors and the Audit and Risk Committee.

The Audit and Risk Committee

- **agreed it had reviewed and scrutinised the information provided in the paper and in the Informing the Audit Risk Assessment template appended.**

8.2 **2025/26 Annual Audit Plan**

Ms Pieri presented the external audit plan which provided an overview of the planned scope and timing of the statutory audit of NHS Grampian. She noted no requirement for any significant changes to the work carried out in previous years. Planning work had been carried out in January and February with no significant issues raised. Fieldwork visits to take place in May and June and audit of the final accounts will commence at the end of April 2026 for presentation to the Audit and Risk Committee on 23rd June 2026 and to NHS Grampian Board on 26th June 2026.

Three key risks were identified which were the same as those for 2024/25:

1. Management override of controls.
2. Risk of fraud in expenditure recognition.
3. Valuation of land and buildings.

It was confirmed that additional fees will be charged to reflect any additional costs arising from follow up on the Section 22 report.

Given the significant volume of work within very tight timescales, the final report may not be available seven days before the Committee meets in June but it will be provided three to four days prior to the meeting. In the meantime, the Committee will be advised before then if there are any emerging issues they should be aware of.

- **The Audit and Risk Committee agreed it had discussed and noted the content of the External Audit Plan for 2025/26.**

- **The Audit and Risk Committee noted the reasons for delay in providing the final external audit report for its meeting in June but requested that all other papers should be provided one week in advance of the meeting.**

8.3 **Progress Report – Management Actions Identified in the External Audit Annual Report**

Mr Walker reported on progress made against the implementation of external audit recommendations highlighted by Grant Thornton in their 2022/23, 2023/24 and 2024/25 Annual Audit reports.

He noted that of the 33 actions identified 23 had been closed and work is ongoing with teams to progress closing off the remaining 10 recommendations. An appendix to the report included management updates and target dates for closing off actions in the coming months.

It was confirmed that progress is discussed with Grant Thornton during regular meetings.

The Audit and Risk Committee

- **agreed it was assured that good progress had been in relation to the implementation of external audit recommendations highlighted by Grant Thornton in their 2022/23, 2023/24 and 2024/25 Annual Audit Reports.**

8.4 **Audit Scotland - S22 Report for NHS Grampian Update**

Ms Anderson presented a report which outlined the background to the Section 22 report published on 4th November 2025 and considered by the Scottish Parliament Public Audit Committee (PAC) on the following dates:

- 26 November 2026 - The Auditor General in attendance.
- 25 February 2026 - The Chair, Chief Executive and Director of Finance for NHS Grampian were in attendance
- 4 March 2026 – The Director-General for Health and Social Care and Chief Executive, Chief Finance Officer and Chief Operating Officer and Deputy Chief Executive for Health and Social Care of NHS Scotland were in attendance.

There remains the potential that a further Section 22 report will be issued following the audit of the 2025/26 Annual Report and Accounts.

The Audit and Risk Committee

- **agreed it had reviewed and scrutinised the information provided in the paper and the appendices and confirmed it provided assurance on the arrangements for s22 reporting.**

The Audit and Risk Committee thanked the NHS Grampian Chair, the Chief Executive and the Director of Finance for their well-informed responses when attending PAC.

8.5 **Audit Scotland Report – Delayed Discharges**

As part of the Committees remit to review reports of interest published by other bodies, Ms Anderson presented the Audit Scotland report NHS Scotland Delayed Discharges.

- The report highlighted the complex and varied reasons behind delayed discharges and the challenges this presents across the health and social care system.
- The Committee was advised that data is reviewed regularly to inform discussions at local programme boards and in the context of sharing good practice this topic is also covered at national forums.
- Recommendations were identified which will be considered by NHSG along with local authorities and IJBs across Grampian.

The Audit and Risk Committee

- **agreed it had reviewed and scrutinised the information provided in this paper and the appended report and confirmed that it provided assurance in relation to highlighting key recommendations identified by Audit Scotland in relation to Delayed Discharges.**

9 Risk and Compliance

9.1 **a) Strategic Risk Management Update**

On behalf of Dr Farrow Bishop and Ms Hankin, Dr Singh presented the Strategic Risk Management update to the Committee.

Main points:

- At a Seminar on 22nd January 2026 NHS Grampian Board reviewed the risk appetite levels and risk categories for the organisation.
- The Board also reviewed the Committee assurance feedback process and agreed improvements to the risk overview template to ensure it gives the information required to provide oversight and assurance.
- This aims to strengthen links to lead committees, to improve ownership and facilitate better communication of outcomes from Board Committees to the Quality Improvement and Assurance Team.
- There are currently 10 strategic risks on the register, 4 of which are very high.
- Improvement noted in the timely recording of updates to the risk register and that there are now action plans in place for 80% of risks on the risk register.

The Audit and Risk Committee agreed:

- **The report supports NHS Grampian's ongoing risk management, highlighting areas of concern, progress on mitigating actions and upcoming reviews to ensure strategic risks are effectively managed and aligned with organisational objectives.**
- **It had reviewed the assessment provided in Section 2.3 of the report and the details within the Strategic Risk Register, and confirmed it provided assurance that processes for the management, review and oversight of Strategic Risk are in place and are effective.**

b) Board Risk Appetite and Strategic Risk Process

Dr Singh presented a paper which highlighted the discussions at the Board Seminar in January 2026 regarding the organisation's risk appetite statement, now aligned to that of NHS Scotland, and the changes to strategic risk processes.

The Committee agreed it had considered and endorsed the revised NHS Grampian Risk Appetite Statement.

The Committee thanked colleagues for the work undertaken in developing improvements to the strategic risk process.

9.2 **Compliance Update**

Mr Payne provided an update from the NHSG Compliance Group.

- It was confirmed that the group does not manage compliance for the organisation but ensures there is a framework in place to raise awareness of compliance issues and any gaps in reporting.
- Recent meetings had been well attended and all were quorate. However, it was queried whether those who didn't attend submitted reports to provide assurance on compliance status, and if there are any functional areas which had not been represented over a period of time. This is kept under review by the group and functional leads had been encouraged to recognise the benefits of attending the meeting and participating in discussions around this topic.
- Health and Safety had recently emerged as an area of concern as has been escalated to the Board via Staff Governance Committee. Some operational areas are not holding health and safety meetings, which is a legal requirement. This had been escalated, with reminders regarding roles and responsibilities, and arrangements will now be established for those areas. The Chief Executive stated action has been taken to ensure appropriate governance, oversight and progress is made given the concerns raised and escalated to the Board. This includes Health and Safety is now a regular

agenda item at the Executive Team meeting and clarity at the Extended Senior Leadership Team meeting where expectations have been made clear re: statutory and mandatory training, including compliance with Health and Safety training and associated governance requirements and teams will be held to account for delivery.

- Other areas of concern had also been noted, including items related to infrastructure. The buildings in use across Grampian had been designed and built prior to the introduction of current regulations, making it unlikely that full compliance will be easily achieved. Mitigating actions are implemented where possible.
- It was confirmed that options to explore invest to save initiatives, especially in reducing carbon emissions and other sustainability schemes are followed up.

The Audit and Risk Committee noted the update and agreed:

- **It had reviewed and scrutinised the information provided in the paper and confirmed that it provided assurance that the processes in relation to managing statutory and regulatory compliance, and monitoring its status, are working effectively.**

10 Financial Governance

10.1 Review and Approve Annual Audit Committee Assurance Report

Ms Anderson presented the Draft Audit and Risk Committee Assurance Statement which outlines the business of the committee for the 2025/26 financial year and provides assurance that it has fulfilled its remit.

An amendment to the covering report was suggested. There were no further comments.

The Audit and Risk Committee agreed:

- **It had reviewed and scrutinised the information provided in the paper and confirmed that it provided assurance of the business and activities of the Committee during the 2025/26 financial year.**
- **To approve the signing of draft document by the Chair of the NHS Grampian Audit and Risk Committee, following updates to reflect the business of the Committee at its meeting on 8th April 2026.**

10.2 Best Value Assessment

Ms Anderson presented an assessment of the arrangements to secure best value during 2025/26. NHS Grampian has to evidence compliance with the requirement across public sector bodies to use its resources as laid out in the Scottish Government's Best Value Framework. Completing this assessment across seven themes addresses a recommendation from Grant Thornton during the 2024/25 external audit and will be repeated every two years.

The Audit and Risk Committee

- **agreed it had reviewed and scrutinised the information provided in the paper and the appended Best Value Evidence Template.**

10.3 **Counter Fraud Update**

Ms Anderson provided an update on counter fraud activities, including ongoing investigations and allegations received since the Committee last met in December 2025.

Key Points:

- Three cases had been referred for criminal consideration.
- It had been a quiet period in relation to new allegations and the NHS Grampian Fraud Liaison Officer had worked in partnership with Counter Fraud Services to determine which should be referred for further action and which should be dealt with through management action.
- Requested that some assurance is provided that when management reviews are completed that any actions recommended are implemented and that issues identified are recorded in terms of lessons learned.

Action:

- **Paper to the meeting of the Audit and Risk Committee on 23rd June 2026 to include an update on meeting the Counter Fraud Standard and progress in the delivery of the Fraud Action Plan.** **JA**

The Audit and Risk Committee:

- **agreed it had reviewed and scrutinised the information in the report and confirmed that it provides assurance on the progress towards meeting the Counter Fraud Standard and delivery of the Fraud Annual Action Plan and that the policies and processes necessary are in place and are robust.**

10.4 **Tender Waiver**

Mr Walker presented a report which provided a summary of single tender actions authorised from August 2025 to February 2026. The report detailed the single tender actions agreed above the reporting de-minimus level and confirmed that 19 were awarded through National Contracts/Frameworks.

The report outlined the refinements made to the single tender process to improve governance around financial control and ensure compliance with procurement regulations.

The Audit and Risk Committee

- **agreed it had reviewed and scrutinised the information in the report and confirmed that it provides assurance that the single tender actions are compliant with regulations and policies**

10.5 **Financial Recovery Framework – Financial Governance and Control – Update**

The Audit and Risk Committee had been assigned the role to oversee the delivery of NHS Grampian approach to financial recovery and Ms Anderson updated the Committee on the progress made in completing 14 of the 18 actions identified during the self-assessment process, the remaining 4 are in progress. The Committee were advised that this will be monitored to ensure that improvements identified are embedded as best practice.

The Audit and Risk Committee were pleased to note the progress made to date and agreed:

- **It had reviewed and scrutinised the information provided in the paper and confirmed it provides assurance of the progress being made in relation to the Financial Recovery Framework – Financial Governance and Control remit.**

11 AOCB

None

Proposed Dates for 2026

Tuesday 23rd June
Tuesday 29th September
Tuesday 15th December