

Minutes of Meeting of Audit and Risk Committee
on Tuesday 29th September 2025 at 10.30
Conference Room, Summerfield House

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

Item	Subject	Action
1	Apologies Noted above.	
2	Declarations of Interest There were no declaration of interest.	
3	Chair's Welcome and Briefing Mr Lindsay informed everyone that as Mr Murray was unable to attend he would chair the meeting. Introductions were made.	
4	Committee Forward Planner Ms Anderson confirmed that no substantive changes had been made to the forward planner for 2025/26 approved at the previous meeting of the Committee on 24 th June 2025.	

Item	Subject	Action
	The Audit and Risk Committee:	
	<ul style="list-style-type: none"> • Noted the content of the forward planner for 2025/26. 	
5	Minutes of Meeting on 24th June 2025	
	<p>Councillor Yuill asked that Item 2 be amended to confirm he is a member of Aberdeen City Council and not Aberdeen City IJB. No other comments made and the minute was approved as an accurate record.</p>	
6	Matters Arising	
6.1	Action Log of 24th June 2025	
	<p>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.</p>	
	The Audit and Risk Committee noted the update.	
6.2	Any other matters arising not on the action log	
	<p>It was confirmed that initial discussions had concluded that, although the Director of Public Health is the executive lead for Civil Contingencies, the NHSG Population Health Committee is not the most appropriate reporting route for business resilience matters.</p>	
	The Audit and Risk Committee asked the Director of Finance and the Board Secretary to review and report back to the Committee.	AS/SD
6.3	Audit and Risk Committee Good Governance Indicators	
	<p>Ms Anderson presented a report which provided the background to the NHS Grampian move towards a more coordinated and efficient approach to performance reporting through the Integrated Performance, Assurance and Reporting Framework (IPARF) as endorsed by NHS Grampian Board on 14th August 2025.</p>	
	<p>The nine proposed indicators which had been developed by the Assistant Director of Finance and the Chair of the Committee were outlined in an appendix to the report. Ms Anderson reported that setting targets and reporting on the progress made against each of the proposed indicators would be reviewed and monitored as the reporting process evolved.</p>	
	The Audit and Risk Committee agreed:	
	<ul style="list-style-type: none"> • The information in the report had been reviewed and scrutinised and confirmed it provided assurance that the 	

Item	Subject	Action
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policies and processes necessary are in place and are robust.

- **The adoption of the Audit and Risk Committee Good Governance Indicators as set out in Appendix A.**
- **That the Good Governance Performance Indicators reports are brought back to the Committee each Committee cycle.**

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 last meeting of the Committee two reports Sickness Absence and Discharge/Patient Flow had been completed. Terms of Reference had been agreed for Dangerous Substances Review, Baird and Anchor Project Assurance Review and the IT Controls and Governance Review.

The annual review of property transaction monitoring had not been required as no relevant transactions had occurred during 2024/25.

An update on the open high risk actions in relation to cyber security is included on the agenda at item 7.2 and Ms Collin will seek an update on when the two open actions from the review of Business Continuity will be completed.

The programme of work for 2025/26 is underway, there are no proposed changes to the plan and the internal audit team had no areas of concern to report.

The Audit and Risk Committee noted the update.

7.1.1 Sickness Absence

This review had looked at arrangements for the management of sickness absence. It concluded that there is a strong strategic commitment to supporting employee wellbeing with a clear policy framework and a range of support services in place. The report had focused on three key areas, Facilities and Estates, Dr Gray's Hospital and Mental Health. It identified three medium risk recommendation in relation to the inconsistent application and monitoring of the NHS Scotland Attendance Policy, inconsistent application of a standardised process to identify and manage long-term absences and absence of a formal process for line managers to monitor occupational health interventions. One low risk recommendation was identified in relation to incomplete and fragmented absence data across staff groups. The report also included an advisory note that the Terms of Reference for the governance group had not been implemented and inconsistent use of management information and reporting tools was noted.

Item	Subject	Action
	<p>Good practice was identified in having an established policy framework and access to support services. Local innovation in reporting and communication was also noted.</p> <p>There was some general discussion:</p> <ul style="list-style-type: none"> • Opportunities to link the action plan with other ongoing improvement works noted. • It was suggested that the reporting innovation at Facilities and Estates should be shared with other areas. • Need to ensure that appropriate training is available and that team leaders are aware of all the tools available to support them in managing attendance. • Good quality data would help in terms of data led HR interventions. • Noted that NHS Grampian is one of the better performing Boards. 	
	<p>The Audit and Risk Committee noted the report and asked that the action plan agreed to address the recommendations is circulated to the Committee when complete, requesting that the target dates set are confirmed.</p>	JA/IA

7.1.2 Patient Flow

The internal audit team had engaged through the use of structured interviews with a wide sample of stakeholders to review NHS Grampian's arrangements for managing discharge and patient flow. It concluded that there had been progress in developing a system wide framework to support coordinated transitions of care. The review identified two medium risk recommendations in relation to the inconsistent practices around discharge documentation and community capacity constraints. Two low risk recommendation were identified in relation to the lack of a standardised process for engagement with next of kin and inadequate digital access at ward level resulting in flow coordination which relies on manual tools. The report also included two advisory notes in relation to limited visibility over performance metrics for ward teams and pharmacy delays which impede timely discharge. Good practice was identified in a strong cultural commitment to communications with patients and next of kin, and system wide governance and coordination.

There was some general discussion:

- It would be helpful to share this report with the Unscheduled Care Programme Board and also link into the Unscheduled Care Improvement Plan.
- Noted that the stakeholder interviews did not include any operational or managerial pharmacy colleagues and it is important to focus on evidence and avoid anecdotal information around delays in pharmacy.
- Although this is not a joint report it would be useful to feed into IJB committees as there are areas of commonality.

Item	Subject	Action
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The Audit and Risk Committee noted the review and the management actions agreed to address the recommendations. Progress will be reported to the Committee in the regular update on low and medium risk recommendations.

7.2 Cybersecurity Risk Assurance Report

The Chief Digital Officer attended and provided a presentation to update the Committee on the progress made against the action plan to address the high risk recommendations in the reviews of Cybersecurity and IT Asset Management. He reassured the Committee that day to day activity to maintain cyber security and digital infrastructure is ongoing. He outlined the work undertaken to move towards risk based prioritisation and reduce the number of outstanding actions.

The Audit and Risk Committee welcomed the progress made to date and noted assurance provided in the update. The Committee agreed that the Chief Digital Officer should continue to meet monthly with internal audit colleagues and provide updates to future meetings of the Committee.

7.3 IJB Internal Audit Update Report

Ms Anderson presented a report which provided an update on internal controls and audit activity across the three IJBs. The annual report and opinion completed by the IJBs internal auditors for 2024/25 had provided only limited assurance for both Aberdeenshire and Moray. The NHS Grampian Director of Finance had written to the Chief Officers to request details of the action plans to address the findings and weaknesses flagged by the respective internal auditors. The responses appended to the report indicate that there is active work ongoing to make improvements.

It was confirmed that internal auditors across the system work together during the planning process to identify reviews which have cross system benefits and also share the outcomes of reviews to ensure that cross-system learning is in place. Similarly in relation to counter fraud matters there is cross-system learning and partnership working to ensure shared coverage of learning and revised protocols.

The Audit and Risk Committee was content:

- **It had reviewed and scrutinised the information provided in the papers.**
- **It had reviewed the Internal Audit assurance reports and opinion 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.**

Item	Subject	Action
8	External Audit	
8.1	<p>Progress Report – Management Actions Identified in the External Audit Annual Report</p> <p>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.</p> <p>Of the 33 actions identified 23 had been closed and work is progressing to close off the remaining 10. An update on progress against outstanding recommendations had been included as an appendix to the report.</p> <p>It was asked if a clearer picture would be presented by confirming target dates for closing off actions. Suggested that this could be possible for some actions but there are others where it would be difficult to establish a specific date for closure. Noted that these could become subject to assessment during the audit process each year to provide assurance that any associated risks are effectively managed.</p> <p>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.</p> <p>Action: Review formatting of the appendix to ensure the actions and updates are clearly laid out and readable, and circulate to the Committee.</p>	DW
8.2	<p>Annual Account Update – S22 and Financial Performance Reporting</p> <p>The Committee was updated on the Section 22 Report prepared by the Auditor General. This will be published in November 2025 and will be considered by the Scottish Parliament’s Public Audit Committee. It will then be decided if there is to be a separate meeting with representation from NHS Grampian. A first draft issued for fact checking had been returned to the Auditor General.</p> <p>Ms Pieri noted that if NHS Grampian’s outturn for 2025/26 exceeds the financial target of £45m agreed with the Scottish Government, the audit opinion in relation to the Annual Accounts will be modified to indicate that a statutory responsibility had been breached.</p> <p>The Audit and Risk Committee agreed:</p> <ul style="list-style-type: none"> • It had reviewed and scrutinised the information 	

Item	Subject	Action
	<p>provided in the paper and confirmed it provided assurance on the arrangements for s22 reporting.</p> <ul style="list-style-type: none"> It had reviewed and scrutinised the information provided and confirmed it provided assurance on the arrangements in place for financial performance reporting in the Statement of Accounts for 2025/26. 	
	<p>Action:</p> <ul style="list-style-type: none"> Prepare a revised set of papers relating to the arrangements for s22 reporting for presentation at the meeting of NHS Grampian Board on 9th October 2025. 	AS/JA
9	Risk and Compliance	
9.1	Strategic Risk Management Update	
	<p>Dr Bishop presented the Strategic Risk Management update.</p>	
	<p>Main points discussed:</p> <ul style="list-style-type: none"> The need to improve timely recording and robustness in risk register updates. To move forward there should be consideration of what actions are required by the relevant committees and what would be reasonable timelines. There should be a clear communication line to the Corporate Risk Adviser regarding any outcomes from Board Committee meetings. Staff need to be clear on how best to describe risks in DATIX and ensure that the language used is appropriate and objective. Revised layout is helpful in terms of clarifying the risks and committee links. 	
	<p>The Audit and Risk Committee agreed:</p> <ul style="list-style-type: none"> 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. 	
	<p>Action:</p> <ul style="list-style-type: none"> Develop a Standard Operating Procedure to provide guidance on timelines for post-Committee communication with the Corporate Risk Adviser and share with Committee Chairs. 	HB/SD
9.2	Compliance Group Update	
	<p>Mr Payne attended to provide an update from the NHSG Compliance Group which meets to confirm the scope of organisational compliance and assess the adequacy of management arrangements.</p>	

Main Points:

- Topics are now grouped into themes, with the governance, escalation route, status and frequency of reporting recorded on the Compliance Summary sheet.
- Confirmed that attendance at meetings is much improved and poor attendance at the meeting in June had been unusual as group members are now committed to sending a deputy.
- It was noted that there had been a gap in pharmacy licencing at HMP Grampian which was reported through the appropriate governance arrangements. A new application submitted and a revised procedure recorded to avoid recurrence. The Home Office had indicated it did not intend taking any action.
- It was queried whether there was any particular risks or major concerns for the groups to consider.
- Concerns regarding capacity within the Information Governance Team had been taken forward by the Chief Executive Team. Appointment to additional posts, some fixed term, had been agreed to manage the backlog in workload.

The Audit and Risk Committee reviewed the information provided in the report, and confirmed it provided assurance that the processes are working effectively.

10 Financial Governance

10.1 Counter Fraud Update

Ms Anderson presented a report which provided an update in relation to Counter Fraud activity in NHS Grampian.

Key Points:

- The report outlined activity on recent cases including two which had been reported to Police Scotland/Procurator Fiscal for criminal investigation.
- The NHSG Fraud Policy had been updated and is now available to staff.
- Confirmed that 10 of the 12 component parts of the Counter Fraud Standards are now in place in NHS Grampian. The remaining two have residual actions outstanding which will be progressed.
- A national TURAS module has been designated as mandatory and will be promoted. The Chief Executive Team had recognised the need to improve performance in relation to the uptake of statutory and mandatory training.
- The improved controls regarding patient property are now implemented and it was acknowledged that, in the interests of oversight and management responsibility, it would be useful to review whether this is working effectively.

The Audit and Risk Committee agreed the information in the report had been reviewed and scrutinised and that it provides

Item	Subject	Action
	<p>assurance in relation to meeting the Counter Fraud Standard, delivery of the Fraud Annual Action Plan and that policies and processes necessary are in place and are robust.</p>	
10.2	<p>Tender Waiver Register</p> <p>Mr Walker presented a report which provided a summary of single tender actions authorised from April 2025 to August 2025. During this period there had been 70 single tender awards, seven of which, were made through national contracts/frameworks.</p> <p>The appendix to the report outlined the justification for the single tender awards and it was confirmed that they were all compliant with NHS Grampian Standing Financial Instructions and National Procurement Regulations.</p> <p>The Audit and Risk Committee agreed the information in the report had been reviewed and scrutinised and that it provides assurance that the single tender actions are compliant with regulations and policies</p>	
10.3	<p>Financial Recovery Framework – Financial Governance and Control – Update</p> <p>NHS Grampian Board, at its meeting on 12th September 2024, had delegated oversight of the organisations financial recovery package to the Audit and Risk Committee.</p> <p>The report to the Committee outlined the steps taken in response to escalation to level 4 of the Scottish Government’s Support and Escalation Framework. An external diagnostic review had been completed and an Assurance Board chaired by the Scottish Government established. The responsibility sits with NHS Grampian to deliver the required improvements.</p> <p>Ms Anderson updated the committee on the steps taken to implement a risk-based approach in developing a financial recovery strategy. She also outlined some of the actions taken in terms of enhanced financial monitoring and work undertaken during the budget setting exercise for 2025/26 in rebasing nursing budgets.</p> <p>The Audit and Risk Committee were pleased to note the progress made to date and agreed:</p> <ul style="list-style-type: none"> • It had reviewed and scrutinised the information set out in the report and confirmed it provides assurance of the progress being made in relation to the Financial Recovery Framework – Financial Governance and Control remit. 	
11	<p>Whistleblowing Effectiveness Report</p> <p>Ms Duncan presented a paper to provide assurance regarding improvements to the implementation of the Whistleblowing Standards in</p>	

Item	Subject	Action
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NHS Grampian following an Internal Audit Report considered on 14th March 2023. The Staff Governance Committee had agreed an action plan to improve the management of whistleblowing in NHS Grampian and the paper presented provided an update on progress of a review of NHS Grampian whistleblowing processes against national standards. The papers had been considered by the NHS Grampian Staff Governance Committee on 28th August 2025.

The Chief Executive Team had agreed that additional resources were required to administer and assess whistleblowing concerns and two posts will be taken forward through recruitment processes. Ms Duncan will work with the team to revise standard operating procedures and clarify roles and responsibilities. It was highlighted that the improvements are not only in relation to policies and procedures but relate to organisational culture and it will be important to communicate that across the system.

The membership of a new Whistleblowing Governance Group was detailed in the report. This group will report through the Chief Executive Team to the NHS Grampian Board Staff Governance Committee.

The Audit and Risk Committee welcomed the proactive approach taken by the Board Secretary and agreed:

- **To endorse the actions proposed in the paper to improve NHS Grampian’s processes for handling whistleblowing concerns.**
- **It had reviewed and scrutinised the information provided in this paper and confirmed that it provided assurance that improvements to policies and processes are being made and appropriate evidence of these has been provided to the Committee’s satisfaction.**

Action:

Provide an update to the Audit and Risk Committee at its meeting on 9th December 2025.

12 **AOCB**

None

Dates of Future Meetings (2025)

Tuesday 9th December 11.00 – 13.30 By Teams

Proposed Dates for 2026

Tuesday 7th April
 Tuesday 23rd June
 Tuesday 29th September
 Tuesday 15th December