NHS Highland	NHS Highland na Gàidhealtachd

SUMMARY REPORT OF GOVERNANCE COMMITTEE MEETING

Name of Committee	Audit Committee
Date of Meeting	8th September 2026
Committee Chair	Emily Austin

KEY POINTS FROM DISCUSSION AND ESCALATION

ALERT

No immediate escalations were identified. The Committee supported the proposed revisions to Section 9 of the Standing Financial Instructions for onward approval by the Board.

ASSURE

Junior Doctor Compliance

- All management actions from the audit had been formally closed.
- Standard work, procedures and ongoing monitoring arrangements had been established, with a target of full compliance by December 2026.

Counter Fraud

- All 12 Counter Fraud Standards for 2025/26 had been met.
- NHS Highland's approach to evidencing compliance had been recognised as an example for other Boards.

Tender Waivers

- The first year-to-date tender waiver report was received, covering seven progressed requests with a total value of £2.2 million.
- Moderate assurance was accepted, noting that the revised process was identifying, challenging and escalating non-compliant activity.

Risk Management

- Steady progress against the risk management action plan was noted and moderate assurance was accepted, with the overall position assessed as developing.

Internal Audit Programme

- The 2026/27 programme remained on track, with no concerns reported regarding management engagement or the provision of information.

ADVISE

Internal Audit Findings

Patient Funds

The report received a 'substantial improvement required' rating with 26 improvement actions. Weaknesses related principally to incomplete records, limited audit trails, fragmented paper and electronic documentation, and informal referral arrangements with social work. Management confirmed that the accounting of patient funds was accurate and improvement work had commenced.

Waiting Lists and Waiting Times

The report received a 'substantial improvement required' rating with 13 improvement actions. Governance and scrutiny arrangements were established, but national guidance had not been consistently embedded across services. Further improvement was required in waiting list validation, documentation, accountability and management of return outpatient activity.

Management Actions

- Of 171 actions, 27 had been closed with sufficient evidence, five were considered complete by management but awaited evidence, 43 were progressing with revised dates and 96 had not reached their original due date.
- The Committee sought greater assurance on long-standing and repeatedly rescheduled actions, particularly cyber security and children's services transition actions.

Health and Safety

- Significant progress was welcomed, including completion of water risk assessments. However, the Committee did not accept moderate assurance while both grade 4 actions remained open.

Other Governance Matters

- A bad debt write-off of £47,730 was approved.
- Revisions to Section 9 of the Standing Financial Instructions were reviewed and recommended to the Board for approval.
- Increasing volume and complexity of subject access requests, the changing cyber assurance framework and safe AI governance were noted through the Information Assurance Group update.

RISKS

Patient Funds

- Incomplete records and reliance on staff knowledge created reputational, continuity and audit-trail risks, particularly given the growth in appointeeships and the small team.

Waiting Lists

- Operational recovery pressures and workforce constraints risked delaying longer-term process improvement and consistent implementation of national guidance.

Internal Audit Actions

- The age and repeated rescheduling of some cyber security and children's services actions continued to require close oversight.

Procurement

- Two tender waiver requests had been rejected, including a retrospective middleware contract, leaving residual compliance and contractual risks to be managed.

Information Assurance

- Cyber risk was considered slightly elevated, with increasing attention required on AI-enabled threats and supply-chain security.
- Growth in the number and complexity of subject access requests could place pressure on the organisation's ability to meet statutory timescales.

ACTIONS

Junior Doctor Compliance

- Confirm the end dates for remaining legacy non-compliance payments in Obstetrics and Gynaecology and at the Belford Hospital, with a further update in December.

Waiting Lists

- Bring back further detail on return outpatient activity and consider how incomplete implementation of guidance is reflected in relevant operational and service risk registers.

Management Actions and Internal Audit

- Provide clearer evidence where learning or good practice from other Boards has been considered and develop further reporting on common themes across audits.
- Provide further updates in December on cyber security and children's services transition actions.

Health and Safety

- Return in December with confirmation that the remaining grade 4 actions had been ratified and closed.

LEARNING