

Board Meeting in Public
Tuesday, 02 December 2025

Title of Paper	Audit, Risk and Governance Committee Report	Agenda No.	5.2.2
Nature of Paper	<input checked="" type="checkbox"/> Official	<input type="checkbox"/> Official Sensitive	
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Presented for	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Information <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Update		
Is there a plan to communicate this to the organisation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yet to be determined Report in Public Board meeting pack		
Executive Summary			
This report is submitted to the Board to draw attention to the main items discussed at Audit, Risk and Governance Committee (ARGC) meetings held on 11 November 2025.			
Previously Considered by			
N/A			
Recommendation			
The Board is asked to note the report.			
Risk(s) identified (Link to Board Assurance Framework Risks)			
Strategic Objective(s) this paper relates to:			
<input type="checkbox"/> Collaborate with partners <input type="checkbox"/> Invest in people and culture <input type="checkbox"/> Drive innovation <input checked="" type="checkbox"/> Modernise our operations <input type="checkbox"/> Grow and diversify our donor base			
Appendices:	None		

1. Background

This report is submitted to the Board to draw attention to the main items discussed at Audit, Risk and Governance Committee (ARGC) meetings held on 11 November 2025.

2. Risk

Portfolio Status Report

The Committee received the Portfolio Status Report for the period ending 30 September 2025. This was the first time the Committee reviewed the comprehensive update on the health of the investment portfolio with a focus on transformational programmes. The report provided assurance on delivery progress and was previously reviewed by the Executive Team at their Performance meeting on 21 October.

Overall, the delivery of the investment portfolio is progressing well. Key milestones were met at a rate exceeding the 70% target with transformational programme achieving 92% and the broader investment portfolio achieving 80%. However, there was a noted increase in variance between actual spend and forecast, particularly within transformational projects, which fell outside the target range. The report demonstrated progress in benefit realisation across both financial and non-financial metrics. Further automation is however needed to enhance tracking and reporting of the benefits across the portfolio. Some projects were highlighted as being in the Red status to which recovery plans are being developed.

Board Assurance Framework

The Committee reviewed the BAF, with particular attention to risk P-03: Service Disruption – Loss of Critical ICT, which is the sole principal risk at the risk limit.

Recent updates to risk scoring guidance, reflected in the revised Risk Management Framework (MPD1336), now better capture NHSBT's response to disruptive events. The changes were prompted by past experience where significant operational impacts did not align with previous descriptors, such as during blood shortages when critical services continued despite elevated risk levels. The Committee received the updated Risk Management Framework for information. The revised descriptors now consider scenarios requiring central co-ordination. This ensures more accurate escalation and management of risks that could severely impact NHSBT's ability to deliver core and strategic objectives. Consequently, the overall score for P-02 Service Disruption has decreased from 16 to 9 in recent months.

The effect of the revised scoring on the risk appetite will be considered at the Risk Policy review.

Principal Risk Deep Dive Reviews

The Committee completed two reviews during its November meeting as follows:

P-02 Service Disruption Deep Dive: The Committee examined the updated scoring guidance for service disruption risk, which has led to changes in both principal and contributory risk scores. The contributory risks fall into two categories: general risks associated with non-specific incidents and specific risks such as blood stocks level and the condition of the NHSBT's estate. The estate condition was identified as the primary driver

Blood and Transplant

of the principal risk score. The revised descriptors now reflect NHSBT's operational realities, particularly in scenarios requiring central coordination.

P-04 Number and Diversity of Donors Deep Dive: The review highlighted the inclusion of new contributory risks to ensure comprehensive coverage of all donor types. Following review by relevant directorates and the Risk Management Committee, the overall risk score for P-04 remains at 12 (judgement zone), indicating that while mitigation actions are underway, further work is needed to reduce the risk level. There are now three separate contributory risks covering blood, stem cells and organs.

Blood Supply Directorate Risk: Financial Delivery to plan within the Blood Supply Directorate

The Committee received a paper concerning financial delivery risks within the Blood Supply Directorate, specifically relating to the anticipated cost increase in blood pack supplies. Ongoing negotiations with the current primary supplier have indicated a potential price rise when the contract expires in October 2027. This increase is attributed to a number of factors including regulatory changes in blood pack plasticisers and inflationary pressures. A project has been initiated to manage the contract expiry and seek to mitigate the risk. Relevant stakeholders are being made aware of the risk.

Annual Cyber Stocktake

The Committee received the annual update on the NHSBT's cyber security posture. The current strategy aligns with national guidance and responds to the evolving threat landscape, particularly the rise of AI-enhanced cyber threats as highlighted in the National Cyber Security Centre's 2025 Annual Review. The update outlined progress under Cyber2 Improvement Programme, which is structured around four strategic pillars aimed at strengthening NHSBT's cyber resilience.

The report also addressed compliance with GovAssure Cyber Assurance Framework (DSPT-CAF), noting ongoing work to meet mandated standards across the estate. The stocktake provided assurance that NHSBT is taking a proactive and structured approach to managing cyber risks, while also identifying areas that require continued investment and oversight. Additional resource is being put in place to help maintain progress.

Project Pegasus

The Committee was briefed on NHSBT's involvement in the Government-led business continuity exercise, Project Pegasus', designed to assess preparedness for a novel infectious disease scenario. The exercise spanned 6–8 anchor days, each initiated by targeted scenario injects disseminated to relevant directorates. Around 90 colleagues engaged in National Emergency Team (NET) meetings, with situational updates regularly submitted to Central Government. The exercise examined operational readiness, including the delivery of testing services, and was marked by strong cross-team participation. Post-exercise debriefs were held to capture key learnings, and efforts are now focused on embedding these insights into future planning and response frameworks.

3. Audit

Internal Audit Progress and Actions

The Committee received GIAA's update on delivery of the 2025/26 internal audit plan. At the time of reporting, 25% of the plan had been completed, with fieldwork and scoping underway for four audits scheduled for Q3. Planning for 2026-27 was noted to have commenced with areas of focus being identified for Q1. Agreed actions from previous audits are being implemented broadly in line with original timelines. The update provided assurance on the status of open audit actions and outlined progress toward their completion.

External Audit and Annual Report and Accounts Updates

The Committee noted that following successful completion of the 2024/25 external audit, the Annual Report and Accounts were laid before the Parliament in July 2025. A constructive post-audit debrief was held, identifying areas of good practice and opportunities for improvement.

Preparation for the 2025/26 external audit has commenced earlier this year, allowing for proactive risk identification and planning. Discussions are ongoing regarding changes to the Financial Reporting Manual (FReM), particularly around property valuation methods, which may affect the audit approach. No new significant audit risks have been identified at this stage but this will be kept under review.

4. Governance

Corporate Governance Continuous Improvement update

The Committee received an update on the delivery of corporate governance continuous improvement workstreams for 2025/26. Workstreams are being led by the Risk and Assurance Team and the Company Secretary Team that aim to maintain and strengthen the 'moderate' internal audit opinion rating gained in 2024/25 and to embed best practice and ensure governance arrangements remain fit for purpose.

5. Reports

The Committee reviewed the following Reports:

- Counter Fraud
- Waivers to Procurement Regulations and High-Risk Contract Awards

6. Sub-Committee/Sub-Group Reports

The Committee received reports/minutes from the following sub-committees/sub-group:

- Risk Management Committee
- ARGC Finance Oversight and Scrutiny
- Information Governance and Security Governance Committees

7. Items for escalation to the Board or Board Committees

No item was escalated for Board or Committee approval at this meeting.