

**Board Meeting in Public**  
**Monday, 18 May 2026**

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|---|--|-------------------|-------|
| <b>Title of Paper</b>   | Audit, Risk and Governance Committee Report  | <b>Agenda No.</b> | 5.2.3 |
| <b>Nature of Paper</b>  | <input checked="" type="checkbox"/> Official <input type="checkbox"/> Official Sensitive   |                   |       |
| <b>Author(s)</b>  | Omolola Majolagbe, Corporate Governance Officer  |                   |       |
| <b>Lead Executive</b>   | Carl Vincent, Chief Financial Officer  |                   |       |
| <b>Non-Executive Director Sponsor</b>   | Ian Murphy, Chair of Audit, Risk and Governance Committee  |                   |       |
| <b>Presenter(s) at Meeting</b>  | Ian Murphy, Chair of Audit, Risk and Governance Committee  |                   |       |
| <b>Presented for</b>  | <input type="checkbox"/> Approval <input checked="" type="checkbox"/> Information<br><input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Update |                   |       |
| <b>Is there a plan to communicate this to the organisation?</b>   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yet to be determined  |                   |       |
| <b>Executive Summary</b>  |  |                   |       |
| This report is submitted to the Board to draw attention to the main items discussed at Audit, Risk and Governance Committee (ARGC) meeting held on 30 April 2026.   |  |                   |       |
| <b>Previously Considered by</b>   |  |                   |       |
| N/A   |  |                   |       |
| <b>Recommendation</b>   |  |                   |       |
| The Board is asked to note the report.  |  |                   |       |
| <b>Risk(s) identified (Link to Board Assurance Framework Risks)</b>   |  |                   |       |
|   |  |                   |       |
| <b>Strategic Objective(s) this paper relates to:</b>  |  |                   |       |
| <input type="checkbox"/> Collaborate with partners <input type="checkbox"/> Invest in people and culture <input type="checkbox"/> Drive innovation<br><input checked="" type="checkbox"/> Modernise our operations <input type="checkbox"/> Grow and diversify our donor base |  |                   |       |
| <b>Appendices:</b>  | 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) meeting held on 30 April 2026.

## 2. Risk

### Board Assurance Framework

The Committee reviewed the Board Assurance Framework (BAF) which was now in a new digitalised format using Power BI. The new format was welcomed and provides enhanced functionality and clearer links between risks, assurance and mitigating actions. Members noted that risks are reviewed monthly by risk owners, integration of performance indicators is underway, and the framework is expected to strengthen challenge, data quality and decision-making as it embeds.

### Board Risk Workshop

Following December 2025 Board Risk Workshop, an update was presented summarising key discussions on major and principal risks and enhancements to the risk management framework. Progress was noted on blood stock resilience, now formalised into a programme of work with agreed reasonable worst-case scenarios for mass casualty events, national power outages and cyber incidents, developed with partners. The Committee noted continued progress on cyber risk planning, donor experience and principal risk review, including an updated risk appetite for P-07 (People Staffing) and a new impact area for P-04 (Donor Numbers and Diversity). Some areas, including aspects of donor experience and P-10 (Failure to Deliver Transformational Change), require further work. Members discussed heightened external scrutiny of cyber risk and potential peer review opportunities, noting that workshop actions are embedded within existing programmes and business-as-usual activity. The Committee confirmed it was satisfied with progress and noted that the next Board Risk Workshop is scheduled for 30 November 2026.

### Portfolio Status

Members discussed delivery performance in relation to transformation programmes, noting overall improvement while highlighting the continued presence of red-rated projects and the need for effective mitigation. The Committee considered risks to the delivery of cash-releasing savings, particularly the growing reliance on the transformation portfolio, and noted Executive assurance that this remains under active oversight. Members acknowledged historic challenges with forecasting accuracy and delivery slippage, welcoming tighter prioritisation, reduced over-profiling and strengthened governance planned for 2026/27. They emphasised the importance of realistic planning and clear deliverability. The Committee also discussed portfolio maturity, capacity and prioritisation, including whether a smaller number of transformation programmes would accelerate delivery, and noted that work is underway to improve the coherence, narrative and governance of the transformation programme.

### Principal Risk Deep Dive Reviews

The Committee completed four principal risk deep dives at its April meeting in relation to the following principal risks:

P-01 Donor & Patient Safety Deep Dive - The Committee noted the prior review through the Clinical Governance Committee and CQSGG of this risk and took assurance on current controls. Members noted three contributory risks remain in the judgement zone; clinical decision-making, reliance on manual processes and meeting complex blood requirements. Mitigations are in place and longer-term digital transformation is identified as the key control, subject to prioritisation and funding. The Committee noted that incidents are closely monitored, that the greatest residual risk relates to complex blood requirements, and requested clearer visibility of mitigation timelines and funding dependencies, with further review to focus on prioritisation, adequacy of controls and alignment with digital transformation plans.

P-02 - Service Disruption - The Committee received an update on principal risk P-02 (Service Disruption) that was informed by learning from the Board Risk Workshop and horizon scanning. The risk definition was refined to remove routine inability to meet day-to-day blood demand, which will instead link to principal risk P-04 (Donor Numbers and Diversity), while emergency blood supply remains in scope. Three key contributory risks were highlighted: estates resilience, the increasing likelihood of disruptive events informed by the National Risk Register and geopolitical instability, and the adequacy of the organisational response, including emergency preparedness, communications and leadership capability. Members noted strengthened assurance through ISO-certified business continuity arrangements, scenario-based exercising, ongoing validation of links to mitigating programmes, and early progress on development of an Estates Strategy. The Committee noted the update and the continued focus on organisational resilience.

P-03 – Service Disruption - Loss of Critical ICT - The Committee considered the risk noting progress on cyber security. Members noted refinements to the risk description to focus on NHSBT's ability to deliver safe and sufficient services, with contributory risks clarified around cyber security, digital resilience and system stability. While progress was welcomed, the Committee requested clearer visibility of milestones for risk reduction and peer benchmarking.

P-05 Finance Deep Dive - The Committee undertook a deep dive of this risk, which relates to NHSBT's ability to deliver recurrent financial sustainability, with insufficient funding and in-year and future-year cash pressures identified as the key driver. Members noted improved linkage of contributory risks from across directorates, providing a more integrated organisational view, and the key mitigating actions in place, including securing transformation funding, delivery of the 2026/27 Cost Improvement Programme (CIP), ongoing engagement with DHSC and NHS England on pricing, and strengthened governance through Executive Team and existing oversight arrangements. Updates were noted on blood and specialist services pricing, with discussions ongoing and resolution expected shortly.

### 3. **Audit**

#### Internal Audit Progress and Actions

The Committee received an update from the Associate Director of GIAA on progress against the 2025/26 Internal Audit Plan and the proposed plan for 2026/27. It was noted that the 2025/26 programme is substantially complete, with one report outstanding and the annual opinion, anticipated to be moderate, is due to be presented in July. Delivery delays and associated service impacts were acknowledged, with assurance provided that plans are in place to improve timeliness in 2026/27. Members confirmed the importance of the plan remaining risk-based, flexible and aligned to organisational priorities. The Committee also noted the update on audit actions, with five active audits comprising thirteen actions, one overdue action relating to the Clinical Audit review expected to be completed by the end of May 2026, and the majority of remaining actions progressing within agreed timescales.

#### External Audit and Annual Report and Accounts Updates

The Committee received updates from External Audit and management on progress with the year-end audit and accounts. The External Auditor reported that the audit remains on track, with some timetabling pressures acknowledged and mitigation in place; no substantive issues were raised. The Committee discussed the proposed External Audit fee, noting a modest increase.

### 4. **Governance**

#### NHSBT- Integrated Audit Schedules (Quality, Clinical and Supplier)

The Committee received the integrated NHSBT-wide audit schedule covering supplier, quality and clinical audits, noting that all programmes have been approved through the appropriate governance arrangements and together provide comprehensive assurance. Members discussed audit coverage of key suppliers and noted that these are subject to extensive oversight through commercial contract management and annual cyber security assurance, including the DSPT/CAF process. Supplier oversight will continue to be considered within relevant risk deep dives and a specific report on the highest risk suppliers will be scheduled.

#### Corporate Governance Continuous Improvement update

The Committee received a report on Corporate Governance continuous improvement, outlining activity delivered over the past year by the Corporate Governance and Risk teams in collaboration with directorates across the organisation, alongside planned improvement activity for the year ahead. The Committee welcomed the progress made.

#### Orange Book Compliance Review

The Committee noted the Orange Book compliance review and confirmed that a formal declaration on compliance with the Orange Book for risk management is required within the Annual Report and Accounts. It was noted that a review process has been completed to support this declaration.

**5. Policy Approvals**

The Committee approved amendments to the following policies:

- Standing Orders
- Scheme of Delegation
- Standing Financial Instructions
- Risk Management Policy
- Conflicts of Interest Policy

**6. Reports**

The Committee reviewed the following Reports:

- Conflicts of Interest Annual Assurance report
- ARGC Board Assurance Report
- Losses and Special Payments
- Counter Fraud including Fraud Annual Report and Workplan
- Waivers to Procurement Regulations and High-Risk Contract Awards

**7. Sub-Committee/Sub-Group Reports**

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

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

**8. Items for escalation to the Board or Board Committees**

The following items were noted for escalation to the Board at this meeting:

- Board Assurance Framework
- Risk Management Policy
- Conflicts of Interest Policy
- Standing Orders, Scheme of Delegation and Standing Financial Instructions
- ARGC Assurance Report