

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

|  |   |   |   |
|--|---|---|---|
| <b>Title of Paper</b>  | Committee Board Assurance Report  | Agenda No.  | 5.2.4   |
| <b>Nature of Paper</b>   | <input checked="" type="checkbox"/> Official  | <input type="checkbox"/> Official Sensitive                             |   |
| <b>Author(s)</b>   | Omolola Majolagbe, Corporate Governance Officer<br>Silena Dominy, Company Secretary   |   |   |
| <b>Lead Executive</b>  | Carl Vincent, Chief Financial Officer   |   |   |
| <b>Non-Executive Director Sponsor</b>  | Ian Murphy, Committee Chair   |   |   |
| <b>Presenter(s) at Meeting</b>   | Ian Murphy, Committee Chair   |   |   |
| <b>Presented for</b>   | <input type="checkbox"/> Approval<br><input checked="" type="checkbox"/> Assurance  | <input type="checkbox"/> Information<br><input type="checkbox"/> Update |   |
| <b>Is there a plan to communicate this to the organisation?</b>  | <input checked="" type="checkbox"/> Yes   | <input checked="" type="checkbox"/> No                                  | <input type="checkbox"/> Yet to be determined |
| <b>Executive Summary</b>   |   |   |   |
| <p>The purpose of this report is to summarise the Audit, Risk and Governance Committee's activity across 2025-26 and demonstrate that it has effectively discharged its delegated responsibilities, as set out within its terms of reference. The report will also inform the Accountable Officer's Annual Governance Statement 2025/26.</p> <p>The gap analysis against the Committee's delegations (available in the review room associated with this meeting) has identified the following:</p> <ul style="list-style-type: none"> <li>The Terms of Reference for the Committee to be updated to: <ul style="list-style-type: none"> <li>Provide clarity that P-01 and P-07 risks are monitored by the Clinical Governance Committee and People Committee respectively and that ARGC has oversight through consideration of reports from those committees.</li> <li>Reflect the change in structure of the Security Governance Committee that now has a working group and an executive Committee.</li> <li>Update changes to regular attendees</li> <li>Reflect the changes made earlier in the year to accommodate investment portfolio reviews into the work of the Committee by removing areas of duplication with the work of the Board and Board Committees.</li> </ul> </li> <li>Whilst the effectiveness of internal audit and the performance of GIAA in this regard was discussed during the year, no formal review of its effectiveness was undertaken. The Committee should consider whether a formal review would add value.</li> <li>The Environmental Sustainability Statement was not reviewed by the Committee during the year as only minimal changes were required. The Board approved such changes directly. A review will be included on the forward plan for 2026/27.</li> </ul> |   |   |   |
| <b>Previously Considered by</b>  |   |   |   |
| ARGC – 30 April 2026   |   |   |   |
| <b>Recommendation</b>  |   |   |   |
| The Board is asked to note the Audit, Risk and Governance Committee Board Assurance report for assurance.  |   |   |   |
| <b>Risk(s) identified (Link to Board Assurance Framework Risks)</b>  |   |   |   |
| NA   |   |   |   |
| <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>   | Appendix 1 - Gap analysis against Audit, Risk and Governance Committee delegations can be found in review room associated with this meeting.. |   |   |

## NHS BLOOD AND TRANSPLANT AUDIT, RISK & GOVERNANCE COMMITTEE

### COMMITTEE BOARD ASSURANCE REPORT 2025-26

Status: Official

#### Introduction

The Audit, Risk and Governance Committee (ARGC or the Committee) is established by the Board of NHSBT in compliance with Treasury Guidance as a non-executive committee of the Board with powers and responsibilities delegated to it within the NHSBT Standing Orders, Scheme of Delegation and its Terms of Reference.

The purpose of this Board Assurance report is to summarise the Committee's activity during 2025-26 and demonstrate that it has effectively discharged its delegated responsibilities, as set out in its terms of reference. The report will also inform the Accountable Officer's Annual Governance Statement 2025-26.

#### Purpose of the Audit, Risk and Governance Committee

The purpose of the Committee is to support the Board and Accounting Officer by reviewing assurances on governance, risk management and the control environment to ensure that they are comprehensive and reliable. The Committee will also review and assess the integrity of financial statements and the annual report. The Committee is responsible for providing assurance of an effective system of corporate governance, risk management and internal control, across the whole of the organisation's activities. The scope of the Committee encompasses all the assurance needs of the Board and Accounting Officer.

The Committee has the following specific delegated authority from the Board:

- Oversight of Risk Management
- Responsibility for effective Internal Audit
- Appointment and Review of External Audit
- Review of Assurance Mapping
- Reporting body for Risk Management Committee, Information Governance Committee and Security Executive Governance Committee
- Review of External Assurance Function reviews and reports
- Review of management reports on governance, risk management and internal control
- Review of Financial Reporting
- Review of Financial Performance
- Review of Budget and Performance against budget

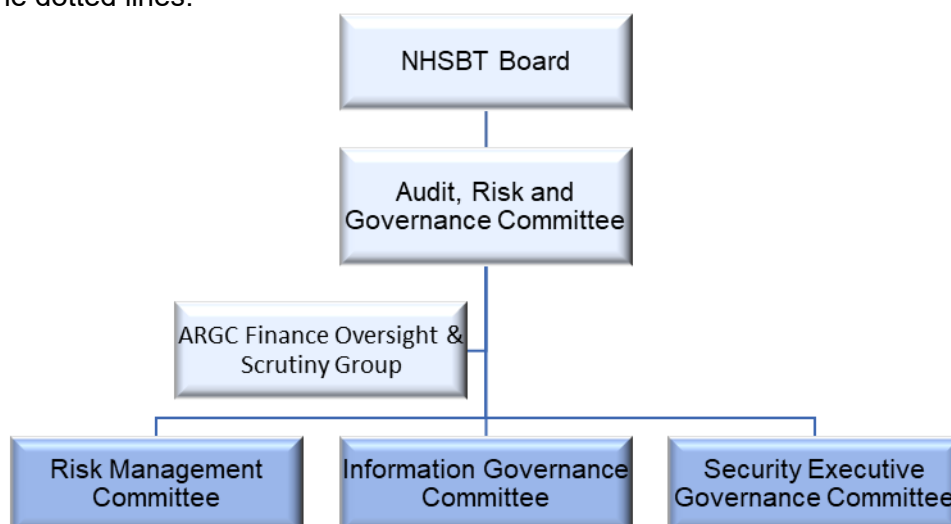
During the year the Board determined that the Committee would also review progress against delivery of the investment portfolio. In order to ensure sufficient time for this work it was agreed that the Committee would no longer oversee the work of the Clinical Governance Committee and People Committee since the Board receive annual assurance reports from those committees.

#### Reporting structure

The Audit, Risk and Governance Committee reports its activities to the Board, escalating significant matters after each meeting.

The Committee has established a non-executive Finance Oversight and Scrutiny Sub-Group. The Group is responsible for scrutinising NHSBT financial and planning reports and carrying out a limited review of performance against budget, business plan and strategy, making recommendations to the ARGC on financial performance, planning and pricing issues. It is intended that the Group will enable scrutiny by the ARGC to be more focussed.

Three executive committee's report to the Audit, Risk and Governance Committee as shown below by the dotted lines.



### Committee membership and attendance 2025-26

During 2025-26, the Committee met five times. Meetings have been well attended and quoracy achieved on all occasions. The annual attendance of voting (V) and non-voting (NV) members is shown below:

|  | 02.05.2025 | 26.06.2025 | 04.07.2025 | 11.11.2025 | 08.01.2026 | Total    |
|--|------------|------------|------------|------------|------------|----------|
| <b>Members</b>                         |            |            |            |            |            |          |
| Ian Murphy, NED (v) - Chair            | √          | √          | √          | √          | √          | <b>5</b> |
| Rachel Jones, NED (v)                  | √          | √          | √          | √          | √          | <b>5</b> |
| Caroline Serfass, NED (v)              | √          | √          | √          | 0          | √          | <b>4</b> |
| Nicola Yates, (NV) Associate NED       | √          | √          | √          | √          | 0          | <b>4</b> |
| Niamh McKenna, (NV) Independent Member | √          | √          | √          | √          | 0          | <b>4</b> |

V – voting member  
 NV – Non-voting member

NHSBT has arrangements in place regarding the identification and management of any conflicts of interest. Members' interests are included on the agenda for visibility. Niamh McKenna has declared her executive director role at NHS Resolution. No further conflicts of interest requiring management were raised.

## Summary of Activity

Key areas of focus for the Committee in 2025-26 have included:

### Risk Management

- The Committee reviewed the Board Assurance Framework (BAF) at each of its standard meetings, focusing on the adequacy of actions and mitigations for principal and contributory risks. It noted that the BAF has now moved to a new reporting format, and that alongside wider revisions to other risks within the framework:
  - Principal Risks P-07 (Staff Capacity/Capability/Recruitment/Retention) and P-08 (Leaders and Managers) have been consolidated into a single combined risk now titled P-07 (People Staffing) following approval by the People Committee,
  - Principal Risks P-06 (Clinical Outcome and Health Inequalities) have been merged into P-01 (Donor and Patient Safety) following approval by the Clinical Governance Committee.
  
- A schedule of annual deep dives into principal risks was agreed by the Committee, and during the year deep dives into the following risks were received:
  - P-02 Service Disruption
  - P-03 Service Disruption – Loss of Critical ICT
  - P-04 Donor Numbers and Diversity
  - P-05 Finance
  - P-09 Regulatory Compliance (Primary Regulators)
  - P-10 Failure to Deliver Transformational Change
  - P-11 Corporate Governance

In addition reports were received from the Clinical Governance Committee related to their deep dive review of P-01 Donor and Patient Safety, and from the People Committee related to their review of P-07 People Staffing.

- During the year progress update reports related to the Department Security Health Check 2025 covering personnel, physical, governance and response arrangements were received. Assurance was informed by a mandatory Government compliance return, which identified current risks, lessons learned and priority investment areas.
  
- The Committee began receiving Portfolio Status Reports from September 2025 and agreed to ongoing quarterly oversight. Key risks and back to green recovery plans were noted.
  
- The Committee received an update on the annual Data Security and Protection Toolkit (DSPT) and Cyber Assessment Framework (CAF) return, which assesses NHSBT's security maturity and trustworthiness in protecting data and systems. It was noted that the compliance threshold has increased. Related work is being delivered through the Cyber 2 programme.
  
- The ARGC received an update on the management of third-party cyber security risk across the supplier lifecycle, including due diligence, contracting and ongoing assurance, delivered collaboratively by DDTS and the Commercial team. Assurance was provided through adoption of a proportionate, tiered approach based on supplier criticality, system integration, service nature and leverage. Assurance is maintained through risk-based audit activity, reported annually to the ARGC, with additional audits triggered by significant change or incidents.
  
- The Committee received NHSBT's Annual Cyber Review. The evolving cyber threat landscape was noted, including risks amplified by artificial intelligence. Assurance was provided through

progress on the Cyber 2 Programme, structured around four strategic pillars, with funding secured to accelerate delivery.

- The Committee considered an NHSBT's developing approach to Artificial Intelligence and data. Assurance was provided that progress has been made over the past year in establishing draft governance, controls and an overarching framework. Key risks were discussed and management confirmed actions underway to improve oversight.
- The Committee considered financial delivery risks facing the Blood Supply Directorate due to contract cost increases expected from October 2027. The risk is driven by various factors including regulatory changes on plasticisers and inflation and has been formally linked to Principal Risk P-05. Mitigation actions across Blood Supply, Commercial and Finance teams were noted.
- The Committee received assurance on NHSBT's business continuity escalation process, confirming that robust, auditable arrangements are in place. The framework clearly defines escalation routes, decision-making authority and expert involvement based on incident severity, ensuring timely, safe and compliant responses, including engagement with regulators and DHSC where required. Learning from the pandemic has strengthened resilience arrangements, with policies tested through real incidents and supported by external expert advice.
- The Committee received assurance on NHSBT's preparedness for a novel infectious disease through a multi-day scenario exercise involving targeted injects, strong cross-directorate engagement and regular reporting to Central Government. The exercise tested operational response, workforce resilience and concurrent delivery pressures, with debriefs identifying key lessons now progressing to implementation. Assurance was strengthened by robust participation, structured learning and planned two-layer debriefs with Government.

## **Audit**

- a) ARGC noted the successful completion of all 2024/25 internal audits at the beginning of the year, representing an improvement on the prior year. Assurance was further strengthened by confirmation of a 'Moderate' Annual Audit Opinion for 2024/25, following two years of 'Limited', reflecting marked progress in governance and control arrangements. As a result, BAF Principal Risk P-11 (Corporate Governance) was reduced, with governance structure, internal audit, assurance mapping and functional standards now within tolerance; the Committee agreed the risk could be removed from the BAF, subject to sustained performance and mitigation of remaining risks.
- b) The Committee approved the internal audit plan for 2025/26, and monitored delivery throughout the year. Audit coverage was guided by the Assurance Map and a proportionate, phased testing approach. The Committee sought assurance throughout the year that actions from audits were being completed. A small number of actions have agreed extensions, and overall control of actions continues to strengthen. The Committee has been planning the programme for 2026/27. To mitigate year-end delivery risk, the Committee supported bringing forward scoping for selected audits planned for early 2026/27. They supported the change of the Complaints and Compliments audit from assurance to advisory to allow recent improvements to embed.

## **External Audit**

- a) ARGC have liaised with the external audit teams from the National Audit Office and their appointed auditor Forvis Mazars Group throughout the year and received assurance on the

successful completion of the 2024/25 external audit, with the Annual Report and Accounts laid before Parliament in July 2025 and a constructive post-audit debrief noted.

- b) The Committee received and noted the External Audit Plan for 2025/26, which sets out the formal assessment of audit risks, materiality and scope. Assurance was provided that no unusual risks have been identified, with audit focus areas including management override of controls, fraud, revenue and expenditure recognition, and valuation of property, plant and equipment.

### **Financial Reporting**

- a) During the year the Committee considered the 2024/25 external audit recommendations and preparations for the 2025/26 Annual Report and Accounts. Good progress has been made in addressing the two identified improvement areas with actions already implemented and further enhancements underway.
- b) The Committee's established Sub-Group has been providing high level scrutiny of NHSBT's financial planning and performance against budget, business plan and strategy. The Committee has received reports from the sub-group and has considered significant issues raised by the Committee, at every meeting.

### **Governance**

- a) The ARGC reviewed NHSBT's Corporate Governance Continuous Improvement activity and was assured that the 2024/25 formal programme successfully delivered an improvement in the GIAA assurance rating from Limited to Moderate. With the formal programme concluded, the Committee noted that focus in 2025/26 was shifting to sustaining and further strengthening governance through ongoing continuous improvement workstreams led by the Risk and Assurance and Company Secretary teams. The Board Risk Workshop and the development of a new Board Assurance Framework were noted as key enablers of continued governance maturity.
- b) The Committee reviewed the following Board level policies:
- Scheme of Delegation,
  - Standing Financial Instructions,
  - Business Continuity Policy
  - Conflicts of Interest policy
  - Confidentiality and Data Protection policy
  - Risk Management policy
  - Anti-Fraud, Bribery and Corruption policy
  - Modern Slavery Statement
- c) During the year the Committee received the annual assurance report in relation to the declaration of potential conflicts of interest and the receipt or giving of gifts and hospitality. Improvements to the process were identified and the Committee continues to monitor their delivery and the impact of this.
- d) The Committee receives a number of regular reports either at every standard meeting, or on scheduled frequencies, in order to gain assurance of various matters, these include:
- Counter Fraud, including bribery,
  - Losses and Special Payments,
  - Waivers,
  - Debt Management,

- Business continuity including the findings of a BSI audit conducted.
  - Quarterly Management Quality Report
  - Annual Risk and Business Continuity report.
- e) The Quarterly Management Quality Report was received up to July 2025 and will no longer be reviewed, as it duplicates assurance provided through the Clinical Governance Committee (CGC).
- f) Minutes or reports from the executive committees (Risk Management Committee, Information Governance Committee and Security Governance Committee) after each of their meetings are received by the ARGC for information, and to highlight significant matters.
- g) Annual assurance reports were reviewed in relation to the other Board Committees (Clinical Governance Committee, People Committee and Charity Committee) however it has been agreed that these reports will be considered solely by the Board in future to avoid duplication. The ARGC considered annual assurance reports for the executive committees that report into the Committee (Risk Management Committee, Information Governance Committee and Security Governance Committee) with an aim of seeking assurance for the organisation.
- h) The Committee has reviewed its own terms of reference and those of its Finance Oversight and Scrutiny Sub-Group and has noted those of the Risk Management Committee during the year.
- i) The Committee reviewed the skills and capabilities required of its membership and those of current members and was assured that the overall skills profile is broadly strong, with opportunities for targeted development to be explored to further enhance effectiveness.

### **Committee Effectiveness Review**

An internal effectiveness review of the Board and its Committees was carried out in December 2025 by the Company Secretary, using a questionnaire-based survey to gather the views of Board members. The findings from the NHSBT Board effectiveness review were formally reported to the Board at its meeting on 3 February 2026.

The Committee is generally seen as being effective in its role with scores ranging from 63% to 100% in agreement with the questions asked. The main areas of improvement highlighted relate to ensuring the right items for agendas with the right standard of papers to allow review and challenge. Also, ensuring appropriate membership for the committee is key with access to training and support where required. Comments related to the variability of papers and the length of the papers and agenda. Improving this would allow time for more in-depth discussions moving forwards and would be a benefit.

The graphs below show a summary of the results for section six for the period to February - December 2025.



The Committee wishes to record its appreciation for the significant contribution of all those who have dedicated time and expertise to its work to date; their continued commitment has been highly valued.

## **Assurance and Statement to the Board**

The opinion of the ARGCC is that its risk management, control and governance processes are adequate and effective and may be relied upon by the Board.

The Gap Analysis against the Committee's delegations has highlighted:

- a) Whilst the effectiveness of internal audit and the performance of GIAA in this regard was discussed during the year, no formal review of its effectiveness was undertaken. The Committee should consider whether a formal review would add value.
- b) As a committee with oversight function on risks it will be made clear within the Terms of Reference (ToR) to be reviewed in July that the P-01 and P07 risks are monitored by the Clinical Governance Committee and People Committee respectively but that a report from each is received for assurance annually.
- c) The Security Governance Committee has recently been restructured to have a working group and an executive Committee. This change will be updated when the ToR are reviewed in July.
- d) The Terms of Reference review planned for July will also update membership changes, the areas of duplication with the work of the Board and Board Committees that have been removed from the work of this Committee, the addition of investment portfolio reviews into the work of the Committee,
- e) The Environmental Sustainability Statement was not reviewed by the Committee during the year as only minimal changes were required. The Board approved such changes directly. A review will be included on the forward plan for 2026/27.