

Meeting minutes

Audit and Risk Assurance Committee

Meeting date Tuesday, 13 August 2019

Meeting location Room 3.01 The Podium

Meeting time 14:30-18:00

Members	Attendees	Apologies
Ed Smith (Committee Chair) Non-Executive Director	[REDACTED] GIAA	
Roger Mountford Non-Executive Director	Michael Bradley Chief Finance Officer	
Stephen Hughes Non-Executive Director	Jim Crawford Phase One Managing Director	
	[REDACTED] Phase One Project Controls Director	
	[REDACTED] [REDACTED]	
	Nicole Geoghegan General Counsel	
	[REDACTED] Finance Director	
	[REDACTED] [REDACTED]	
	Emma Head Safety and Assurance Director	
	[REDACTED] Project Representative	
	[REDACTED] PMO Director	
	Non Owen (minutes) Company Secretary	
	[REDACTED] Head of Programme and Corporate Assurance	
	Richard Robinson Chief Operating Officer	
	[REDACTED] [REDACTED]	
	Mark Thurston	

	Chief Executive Officer	
	[REDACTED]	
	[REDACTED] Head of Internal Audit	

1 Welcome, Declarations of Interest and Values Moment

- 1.1 There were no additional declarations of interest made.
- 1.2 The Committee noted the values moment provided by the Head of Internal Audit
- 1.3 The Committee Chair welcomed Members and Attendees to the extraordinary meeting to consider the HS2 Ltd Improvement Programme and Baseline 7 assurance.

2 HIP Capability Assessment and [REDACTED] (ARAC_19-026)

- 2.1 The Audit and Risk Assurance Committee (ARAC) received a paper and materials providing a recap on the objectives of the HS2 Improvement Programme; an update on the [REDACTED] [REDACTED] from the Enterprise Capability Assessment undertaken in June 2019; and a summary of the outcome of the [REDACTED] process.
- 2.2 The ARAC were asked to note the Enterprise Capability Assessment outcomes and final [REDACTED] [REDACTED]; and note the outcome of the [REDACTED], ahead of presentation to the [REDACTED]
- 2.3 There will be a further item on the HS2 Improvement Programme at the meeting on 04 September 2019.
- 2.4 The following key points were raised and noted:
 - 2.4.1 Consideration needs to be given to other activities required to ensure readiness for Notice to Proceed and matters arising during assurance work. These include:
 - 2.4.1.1. Impact of [REDACTED];
 - 2.4.1.2. Sustainability;
 - 2.4.1.3. Level three targets;
 - 2.4.1.4. Conditions precedent; and
 - 2.4.1.5. Scalability
 - 2.4.2 The Committee noted that [REDACTED] [REDACTED]. GIAA confirmed agreement with this level of assurance subject to the matters arising noted above.
 - 2.4.3 The Department for Transport is seeking robust assurance from the HS2 Ltd Board that HS2 Ltd has sufficient capability ahead of Notice to Proceed;

- 2.4.4 HS2 Ltd conducted an assessment in April 2018 to establish a baseline maturity level using a five point scale. This led to the mobilisation of the HS2 Improvement Programme to deliver the required improvements in capability to achieve target maturity. The terms of reference were agreed with HS2 Ltd Audit and Risk Assurance Committee to provide assurance over the HS2 Improvement Programme;
- 2.4.5 The Committee noted the update from the Head of Internal Audit and the outstanding requests for information, which will be reviewed with the Programme Management Office Director to closure;
- 2.4.6 The Committee commented on the importance of systems integration and suggested this and logistics as a future Board briefing topic;
- 2.4.7 The Committee noted that there is work in transit regarding leadership and capability;
- 2.4.8 The Committee commented on the timelines, noting the position in the calendar year at the time of reporting, and queried whether any of the close out plans contained any slippages for escalation. Management confirmed that the [REDACTED] are being held and tracked on a monthly basis and there will be updates provided to the HS2 Ltd Board on the close out activity/ escalation if and when required;
- 2.4.9 The Committee commented [REDACTED]. Management confirmed that there has been training together with a "go/no-go" assessment which had provided confidence for continuation. September reports will be produced with manual reports produced alongside;
- 2.4.10 The Committee discussed the importance of business continuity, visibility of key Executives and the health of the supply chain;
- 2.4.11 Project Representation observations concluded that the visibility of control and process was positive, however commented that the success will depend on how this is applied in a practical manner.
- 2.4.12 The Committee Chair concluded the session with confirmation of satisfaction with the work done to date. The Board are asked to note the trajectory to NTP and close out of capability activities with cognisance of the scheduled change to organisational structure, which will require mitigation of risks for changes to personnel, knowledge and experience. As the organisation grows, there is continuous need for integration within the business.
- 2.4.13 Subject to the outstanding information and [REDACTED] there is satisfaction that activities remain on track.
- 2.4.14 The Committee noted the significant amount of work done by the Programme Management Office Director and her team for this work and commended this as a legacy piece for wider government.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4 Any Other Business

4.1 There were no additional items of business raised for discussion.