

Meeting minutes

Audit and Risk Assurance Committee

Meeting date Monday, 14 April 2025
Meeting location Hybrid: The Podium, London
Meeting time 10:00-13:00

Members	Attendees	
Keith Smithson Committee Chair	██████████ Chief Financial Officer	Mark Wild CEO
David Goldstone Non-Executive Director	██████████ (item 10) Head of Financial Control and Governance	██████████ - GIAA Head of Internal Audit
	██████████ (item 2) Actual Cost Assurance Director	██████████ - GIAA
	██████████ (item 10) Business Manager	██████████ - GIAA
Apologies	Alan Foster CFO and Deputy Chief Executive Officer	██████████ - NAO
Stephen Hughes Non-Executive Director	██████████ Company Secretary (Interim)	██████████ - NAO
██████████ - NAO	██████████ Deputy CFO	██████████ - NAO
	██████████ (items 3-4) Risk & Opportunity Director	██████████ - DfT
	██████████ (items 3-7) Head of Corporate Quality and Assurance	██████████ P-Rep
	██████████ (items 3-4) Programme Controls Director	

1 Welcome, Declarations of Interest and Values Moment

- 1.1 The Chair welcomed members and attendees to the meeting.
- 1.2 Apologies were received from Member Stephen Hughes, and ██████████ (NAO).
- 1.3 The meeting was confirmed quorate and continued to deliberate on matters put to the Committee.
- 1.4 The values moment was provided by ██████████ on Safety.
- 1.5 Each Member of the Committee confirmed that there had been no additional or change to their existing interests.

2 Minutes of the previous meeting and review of Action tracker (ARAC_25-001 and ARAC_25-002)

- 2.1 The minutes of the meeting held on 11 February 2025 were approved as a true record of the meeting.
- 2.2 The Committee noted and reviewed the status of the actions.
- 2.3 The Actual Cost Assurance Director provided an update on outstanding Action 24/077, related to implementation of the Actual Cost Assurance Strategy, and the Cost Verification Audit (CVA) work being carried out across the Programme. The Committee noted the progress made to date, and the status of Cost Verification Auditing activity; that this item would be presented to the Board after the next substantive update to the Committee in June/July.

Action: [REDACTED]

- 2.3.1 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- 2.4 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

3 Internal Audit Update (ARAC_25-003)

- 3.1 The GIAA presented the Audit and Risk Assurance Committee Progress Report to the Committee, which was taken as read.
- 3.2 The Head of Internal Audit provided an overview on progress with the Internal Audit delivery plan. The Committee appreciated the plan, being robust and balanced, and which would continue to be developed.
- 3.3 The Committee received a full copy of the report on Project Controls. This was rated as "Limited" which reflected that management had self-identified material weaknesses in internal controls which were being attended to through the Improvement Plan for Project Controls.
- 3.4 It was proposed that the Committee adopt a Charter to set out the remit of GIAA. **The Charter was noted as being a standard set of principles and which were approved and adopted by the Committee.**
- 3.5 The GIAA were thanked for their quality papers and positive working relationship so far.

4 Risk Control and Assurance Management Information Report (ARAC_25_004)

- 4.1 The Risk, Control and Assurance Management Information Report was presented to the Committee by the Head of Corporate Quality and Assurance, which was taken as read.

- 4.2 An overview was provided on key risks for the business and mitigations. It was expected that work on the IMS improvement programme would conclude by end of November 2025. Progress had been made on the IMS with clear accountabilities established for document owners. The Committee were content with the flexible and realistic approach to timeframes.
- 4.3 The Risk and Opportunity Director led a discussion on case studies regarding internal risk management, the substantive response to which remains an open action; however, Committee requested a focused case study session.
- 4.4 There was a brief review of outstanding high priority actions and the need for them to be escalated for accountability. The Committee agreed that going forward, action owners were required to attend to present updates and take accountability.
- 4.4.1 The Committee assigned the Head of Corporate Quality and Assurance to review outstanding actions and either map these into reset programme work or to redefine with reasonable deadlines.

Action: [REDACTED]

5 Management Assurance Statement 24/25 for submission to DfT (ARAC_25-006)

- 5.1 The Committee noted that HS2 Ltd was required to complete an annual Management Assurance Review and submit the output of this Review in a Management Assurance Statement (MAS) to the DfT.
- 5.2 The Committee were asked to provide their feedback and endorse the assessment carried out by management, prior to sign-off by the Accounting Officer (CEO). It was noted that the MAS rating had been reviewed and endorsed by the Executive.

[REDACTED]

- 5.2.2 It was agreed that the MAS would be further reviewed and resubmitted for final endorsement on 7 May, prior to DfT submission.

6 HS2 Risk Register Update – Following Board’s recommendations (ARAC_25-007)

- 6.1 The Committee briefly discussed the HS2 Risk Appetite, which had been approved by the Board for the 2024/25 Annual Report and Accounts submission. It was noted that the Board had reviewed the Strategic Risks which would be published for the previous financial year.
- 6.2 It was noted that further action would be taken by the Executive Committee and thereafter the Board, during June and July, to review and agree the suite of strategic risk documents for the 2025/26 financial year.

7 Integrated Assurance & Approval Plan (IAAP) for 2025/26 (ARAC_25-008)

- 7.1 The Integrated Assurance and Approval Plan for 2025/26 had not been presented to the Committee as scheduled. It was noted as a work in progress due to the interventions required to align assurance with reset activities.
- 7.1.1 The Committee reflected on the original submission of the Plan in February 2025, and that it had since undergone several reviews and realignments to reflect organisational changes. The Committee agreed that next steps required a further assessment of the pipeline and alignment to the new Executive structure, by the CEO, before updating the Committee again in May.
- 7.2 Members queried whether there was an effective 2nd line risk function in place. It was noted that work was being undertaken to review capability gaps and proposals would flow through where valuable resources were required.

8 Counter-Fraud and Business Ethics Update (ARAC_25-009)

- 8.1 The Deputy CFO provided an update on progress against the Counter Fraud Transformation Plan, of which the Committee intended to receive and approve in due course.
- 8.2 Members considered that it would be valuable to have oversight of (a triage of) fraud and bribery related cases and how the backlog was being cleared. The DfT reminded that ongoing updates to the Shareholder Board should continue in this regard.
- 8.3 The Committee discussed updates to recruitment, capabilities, scope of work, and steps considered within the policy. The Committee was supportive of the plan in place to strengthen counter fraud capability. The active engagement with the Public Sector Fraud Authority was noted and welcomed, and Members emphasised the urgency to deliver objectives. The Committee also discussed how the supply chain and broader public could be leveraged to identify potential fraud.
- 8.4 The CEO requested [REDACTED]
[REDACTED]
[REDACTED] The DfT appreciated the emphasis on investigations and how that could drive change in attitudes and behaviour of the supply chain and delivery partners.

9 Annual Report and Accounts 2024/25 Progress (ARAC_25-010)

- 9.1 The Committee noted the update on progress for producing the Annual Report and Accounts (ARA) for 2024/25.
- 9.2 The Head of Financial Governance and Controls joined the meeting and confirmed that the first draft would be ready for review on 7 May 2025.
- 9.3 The Committee requested for further details to be provided in May, on management judgements and an explanation on the nature of CVA monies being withheld, which were treated as an 'asset under construction'.

Action: [REDACTED]

10 NAO Update (ARAC_25-011)

10.1 The National Audit Office (NAO) provided an update on how the external audit was progressing for 2024/25, which was taken as read.

10.2 Committee noted the good progress on the interim audit far and [REDACTED]

10.3 The NAO commented on their positive relations with management and that the external audit was on track with a July completion.

11 Committee Forward Look (ARAC_25-005)

11.1 The Committee noted the forward look.

12 Any Other Business

12.1 There being no further business, the meeting closed.