

# Meeting minutes

## Audit and Risk Assurance Committee

**Meeting date** Thursday, 05 February 2026  
**Meeting location** Podium/MS Teams  
**Meeting time** 10:00-13:00

Members	Attendees	
Keith Smithson, Committee Chair	Mike Brown, HS2 Chair	[REDACTED]
David Goldstone, Non-Executive Director	Mark Wild, CEO	[REDACTED] Assurance Transformation
<b>Apologies</b>	Alan Foster, CFO and Deputy CEO	[REDACTED], Head of Counter Fraud and Investigations
[REDACTED] Deputy CFO	[REDACTED] Group Finance Director	[REDACTED] Improvement Programme for Project Controls Lead
[REDACTED], DfT Representative	[REDACTED] GIAA	[REDACTED], Commercial Reset Programme Support
[REDACTED] GIAA	[REDACTED], Governance Lead	[REDACTED], Project Representative
[REDACTED], NAO	[REDACTED] Governance Manager	Anne McMeel, Non-Executive Director
	[REDACTED] NAO	Fabienne Viala, Non-Executive Director
	[REDACTED], NAO	[REDACTED], PMO Director
	[REDACTED], Chief of Staff	[REDACTED] NAO
	[REDACTED], DfT Representative	

### 1 Welcome, Declarations of Interest and Values Moment

- 1.1 The Committee Chair welcomed members and attendees to the meeting. The meeting was confirmed quorate. Apologies were noted as above. David Goldstone advised a declaration of interest in regard to Euston station development that was noted and there were no new or amended declarations of interest.
- 1.2 The Group Finance Director delivered a safety reflection concerning the recent high-speed rail collision in Spain, underscoring HS2's continued commitment to personal and professional safety, proactive intervention, and collective accountability.
- 1.3 The Chair noted the breadth of the agenda and requested that management review the current approach to publishing future papers and associated appendices to ensure the pack remains concise and accessible. The Chair further advised that presenters should confine their remarks to the key issues within their reports, noting that members had reviewed the published papers in advance.

## 2 Minutes of the previous meeting and review of Action Register

- 2.1 The Committee **approved** the minutes of the 09 December 2025 meeting and reviewed the Actions Register. Three actions remain open, with updated due dates to be reported to the Committee in April 2026. It was noted that action 25/058, [REDACTED]  
[REDACTED]  
[REDACTED] For action 25/067, the CEIP team will work with P-Rep to integrate outstanding actions into the plans for [REDACTED] ahead of the April meeting. Eight actions were confirmed as complete or recommended for closure, as their updates were addressed within the meeting agenda and supporting reports.

## 3 Control Environment Improvement Plan (CEIP)

- 3.1 The Committee received an update on the HS2 Ltd Controls Environment Improvement Plan, including progress in maturing the plan and establishing the programme management framework to support its delivery. The update also addressed the feedback and actions arising from the December Committee meeting.
- 3.2 Members discussed the agreed baseline and plan that was agreed at December 2025 Committee meeting. Members noted the progress that had been achieved over the last 9-12 months but had not yet reached the full level of maturity. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 3.3 The Committee sought assurance that the Executive is actively tracking progress. It was confirmed that the Executive meets weekly to review status, resource quality, and deliverability. While progress is evident, further clarity is required on the defined end state and the timeframe for achieving it.

**Action: CFO /Deputy CFO**

- 3.4 Members observed that some of the current problem statements conflate outcomes and outputs, making it more difficult to assess progress effectively. Of the 17 areas assessed, 14 are on track and 3 are not, but criteria for what constitutes good or complete remain unclear. The Committee emphasised the importance of resolving these issues to avoid false assurance and to ensure that reporting reflects substantive progress rather than presentation. The CFO confirmed that the Control Improvement Plan will be implemented across the whole organisation within the required timescales, ensuring the clear criteria for exiting both [REDACTED]  
[REDACTED] both of which required further development with a briefing circulated to members prior to the next Committee meeting scheduled in April 2026

**Action: CFO /Deputy CFO**

- 3.5 Members discussed the [REDACTED] and GIAA testing, noting the need to distinguish enhanced controls and critical activities from non-essential elements. GIAA's input will

support a clearer overall assurance picture [REDACTED]

[REDACTED] The Committee meeting scheduled in April 2026 will act as a key checkpoint prior to being presented to the HS2 Board to confirm progress and alignment.

3.6

[REDACTED]

**Action: Programme Controls Director/CPO**

3.7 The DfT Representative noted that they would welcome an invitation to join the Controls Improvement Steering Group to support the programme management approach.

**Action: CFO/Deputy CFO**

3.8 The Committee:

- **Noted** the delivery of actions captured at the previous ARAC meeting;
- **Noted** the work undertaken to address ARACs previous feedback and mature the CIP through further development of action plans for the 12 control areas;
- **Noted** the current status of the plans for the 12 control areas;
- **Noted** the baseline of activities to be completed by Reset [REDACTED]
- **Noted** the establishment and implementation of the programme and risk management oversight approach for delivery of the plan; and
- **Noted** the approach to mature the activity plans for [REDACTED]

## 4 Assurance Deep Dives

4.1 The Committee was provided with an update on the organisation's evolving assurance landscape, including the approach adopted to assure the Reset and progress made in strengthening business as usual Assurance through Transformation activities. Key developments include improvements to [REDACTED] development of the 2026/27 Consolidated Integrated Assurance and Approvals Plan (IAAP), and preparations for the 2025/26 Management Assurance Statement (MAS).

4.2 Assurance Transformation remains one of the 12 Control Improvement Areas within the Controls Improvement Plan. Given its importance, the Committee will continue to maintain oversight as HS2 Ltd approaches the 2025/26 year-end and begins planning for 2026/27.

4.3 As part of the Reset, a strengthened assurance approach and an Assurance Transformation Plan, focused primarily on improving [REDACTED] have been implemented during 2025/26. Learning from this work is informing the development of a more proactive and agile long-term assurance model. A tailored assurance regime was also established to support the Reset, with updates provided on its key principles and methodology, as well as early findings from [REDACTED]. These insights are shaping future business-as-usual assurance activities.

4.4 Members noted that there has been limited visible change on the ground of core programme assurance and requested clarity on the planned actions, the design work underway, and the capability requirements. They also asked for a clearer understanding of the intended end state, including which functions will be delivered in-house and which will be procured externally.

**Action: CFO/Deputy CEO**

4.5 [REDACTED] An interim solution and a forward plan for the next year are required to ensure effective integration across the programme. Members agreed that leadership activities must be fast-tracked [REDACTED], including appointing an Interim Head as a catalyst to ensure focus and integration is in place.

4.6 Members discussed the 2026/27 Consolidated IAAP Development, [REDACTED]. Whilst there will be a need to retain a focused set of dedicated Reset assurance activities for the coming financial year, there will be a level of convergence of Reset and “business as usual” assurance under a new [REDACTED] model. Members noted a more detailed update on the content of the 2026/27 Consolidated IAAP will be presented at the next Committee meeting in April 2026.

**Action: CFO/Deputy CEO**

4.7 Members were advised of the planned approach to complete the annual Management Assurance Statement (MAS) which assesses the effectiveness of HS2 Ltd internal controls and highlights improvement areas. Following lessons from the 2024/25 cycle, the process is being strengthened, with a draft due to the Executive in March before ARAC review in April 2026. The DfT’s corporate efficiency programme also requires a 50% reduction in the MAS question set, focusing on higher-risk areas and removing duplication through better use of existing assurance routes.

4.8 Members reviewed the HS2 2024/25 assessment categories and noted that thirteen categories had been removed from the current year’s MAS. Members sought clarification on whether these areas had been incorporated into existing categories, given their continued relevance. The DfT representative advised that the revisions may reflect wider DfT transformation activity and agreed to identify where the removed areas are

addressed. The CFO confirmed that each remaining category is underpinned by a detailed plan and supporting matrix to ensure effective and efficient management.

**Action: DfT Representative**

4.9 The Committee;

- **Noted** the update on Reset Assurance;
- **Noted** the update on HS2 Ltd Assurance Transformation;
- **Noted** the update on the development of the 2026/27 Consolidated IAAP; and
- **Noted** the plans for the preparation of the 2025/26 HS2 Ltd Management Assurance Statement.

## 5 Counter Fraud and Investigations

5.1 The Head of Counter Fraud and Investigations presented an update on Counter Fraud & Investigations activity, the Enterprise Fraud Risk Assessment (EFRA) for approval, and the Counter Fraud and Bribery Strategy 2026–29 for comment and endorsement. Together, these documents mark key steps in strengthening HS2’s approach to managing fraud, bribery, and corruption, and support a consistent and accountable understanding of fraud risk across the organisation and its supply chain.

5.2 Members received assurance that the EFRA has appropriate executive-level oversight. They reviewed variations in Main Works Civils delivery and considered whether measures are in place to standardise requirements and expectations. Recent assurance activity included surveys, on-site quality checks, and initiation of a commercial thematic review to address emerging risks. [REDACTED]

[REDACTED] EFRA will be updated on completion, incorporating a numerical risk register to support day-to-day management.

5.3 [REDACTED]

5.4 The Committee noted [REDACTED]

5.5 The Committee approved the strategy, and it was agreed a plan for the first year of the three-year programme will be presented to a future committee meeting. Fraud and error tolerances, informed by strategic risk and risk appetite, will be agreed at Board with fraud and error rates clearly referenced.

5.6 The Committee;

- **Approved** the Enterprise Fraud Risk Assessment;
- **Endorsed** the 2026 -2029 Counter Fraud Strategy; and
- **Noted** the progress update.

## **6 GIAA Update (ARAC\_25-076)**

6.1 An update was provided to the Committee on internal audit activity and on progress against delivery of the 2025/26 Internal Audit Plan since the previous meeting held on 09 December 2025. The update was noted, and the proposed Quarter 1 reviews for the 2026/27 audit cycle were **endorsed**. Minor amendments to the 2025/26 plan were **approved**, including the addition of a commercial thematic advisory review and adjustments to governance and assurance activity.

6.2 Progress made by HS2 in responding to outstanding audit recommendations was noted. The internal audits scheduled to commence in Quarter 1 were approved. Supporting documentation, including the GIAA Audit and Risk Assurance Committee pack supplement and associated HS2 programme materials, was received.

6.3 A review of programme controls was considered by the Committee. Emphasis was placed on the need for early engagement, real-time audit design, and appropriate support from the second line of defence. The Committee highlighted the requirement for a thematically structured audit plan that delivers balanced assurance coverage, provides clarity regarding roles and responsibilities, incorporates appropriate technical expertise and capability, strengthens capacity within the third line of defence, and supports continued maturation of the assurance framework.

## **7 Preparation of 2025-26 Annual Report and Accounts**

7.1 The Committee received an update on preparations for the 2025/26 HS2 Annual Report and Accounts. Members noted the strengthened reporting approach, new requirements, [REDACTED] and the key accounting judgements.

7.2 The Committee discussed [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

- 7.3 Members acknowledged the associated post-balance sheet event risk. Members agreed the Group Finance Director will work with the NAO to monitor the impact on the accounts of any new developments before and after the balance sheet date.

**Action: Group Finance Director**

## 8 National Audit Office Update

- 8.1 The NAO Senior Audit Manager presented the financial audit planning and interim update report that included an overview of planning work, interim audit update, follow up to recommendations and significant risks and other matters.
- 8.2 Members noted the update on accrual postings and recognised that, although HS2 has taken steps to address the recommendation, the NAO has not yet tested the accruals as this work occurs after year-end. The recommendation will remain open until testing is completed and sufficient evidence is provided to support its closure.
- 8.3 The DfT Representative sought clarification on whether HS2 continues to stand by its position and processes [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] Members noted that changes implemented following NAO recommendations have further strengthened the robustness of the process, ensuring case by case assessment and alignment with business as usual activity. Both HS2 and the DfT have confirmed they remain satisfied that the current arrangements provide appropriate oversight and support sound commercial judgement.
- 8.4 The Committee noted the update provided by the NAO Senior Audit Manager on the NAO reports on transport and update on recent and upcoming NAO work, alongside resources aimed at Audit Committees.

## 9 Committee Forward Look

- 9.1 The Committee reviewed the forward look. The Chair confirmed that regular meetings with the CFO and Governance Manager continue to ensure clarity on Committee priorities and the development of future Committee agendas.

## 10 Any Other Business

- 10.1 There being no further business, the meeting closed.