Meeting minutes

Audit and Risk Assurance Committee

Meeting date	Thursday, 09 April 2026
Meeting location	Podium/MS Teams
Meeting time	10:00-13:00

Members	Attendees	
Keith Smithson, Committee Chair	Mike Brown, HS2 Chair	[redacted] DfT Representative
David Goldstone, Non-Executive Director	Mark Wild, CEO	[redacted] Head of Counter Fraud and Investigations
Anne McNeel, Non–Executive Director	Rachel McLean, CFO	[redacted] Improvement Programme for Project Controls Lead
Simon Wills, Non-Executive Director	[redacted], Group Finance Director	[redacted] Chief of Staff - CFO
Apologies	[redacted] GIAA	[redacted] Project Representative
[redacted] Deputy CFO	[redacted] NAO	[redacted] PMO Director
[redacted] NAO	[redacted] Governance Manager	[redacted] Head of Information and Cyber Security
[redacted] NAO	[redacted]	[redacted] NAO

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. There were no new or amended declarations of interest raised.

1.2 The Chief Financial Officer (CFO) delivered a values safety moment, sharing a personal reflection on a cyber-attack on Transport for London. The CFO noted the significant disruption to systems, reputational costs, and the personal impact the incident had, including the loss of access to devices, which caused considerable stress. The CFO reflected that the incident was fortunately identified quickly, and that capable and committed colleagues were able to contain the risk and limit disruption. The CFO used the reflection to highlight improving trends in HS2's cyber readiness, commissioned deeper infrastructure work, and the importance of clear delineation between the current shadow operator and future operator in building long-term resilience

2 Minutes of the previous meeting and review of Action Register

2.1 The Committee **approved** the minutes of the meeting held on 5 February 2026 and reviewed the Actions Register. Three actions remain open, with updated due dates to be reported to the Committee in May and June 2026. It was noted that action 25/070 was pending an update and revised due date imminently, and this would be updated at the next scheduled meeting on 11 May 2026. For action 25/067, work to map outstanding P-Rep actions to IPPC2 activity is underway. The [redacted] would work with the Project Representative to triage and, where appropriate, close out and/or reassign outstanding P-Rep actions ahead of the next meeting, and an update report would be presented to the Committee in June 2026.

Action: Cosec

2.2 Eight actions were confirmed as complete or recommended for closure, as their updates were addressed within the meeting agenda and supporting reports. Members requested to ensure actions within the register are clear and specific with defined owners and deadlines.

Action: CoSec

2.3 The Committee **received** the Audit and Risk Assurance Committee's Terms of Reference, approved by the Board on 30 March 2026. Members discussed the annual effectiveness review, and it was agreed the NAO would share the NAO ARAC effectiveness tool for circulation to members post meeting. The Chair confirmed expectation would be to share one potential approach and seek to align with broader work to evaluate Board and Committee effectiveness.

Action: NAO/CoSec

2.4 Members requested triangulation of paragraphs 3.12 -3.14 with that of the Rail Development Committee Terms of Reference to ensure both were reflective and consistent with one another.

Action: Governance Lead

3 Control Environment Improvement Plan (CEIP)

3.1 The Committee received an overall status and forward-looking update on the Controls Improvement Plan (CIP), highlighting the strong progress delivered in [redacted] the lessons learned, the momentum now driving [redacted] and how feedback and actions from the February Committee meeting have been addressed.

3.2 Members discussed Strategic Risk Management [redacted]

3.3 The CFO confirmed a verbal update would be provided on the effectiveness of Actual Cost Assurance work being undertaken and the outline plan for this activity in 2026/27 at the next formal Committee meeting scheduled in June 2026.

Action: CFO

3.4 The Committee;

- **Noted** the delivery of actions from the previous ARAC meeting;
- **Noted** how ARAC's feedback has been incorporated, strengthening the CIP and maturing plans across all control areas;
- **Noted** the completed status of Reset [redacted]
- **Noted** [redacted] and,
- **Noted** the draft Control State Descriptors that define the required end-state for [redacted]

4 Control Environment Improvement Plan Deep Dives

4.1 IPPC 2 Stage [redacted] outcome

4.1.1 The Committee was informed of the outcome of the [redacted] and the suite of activities undertaken to determine the required Programme Controls capability to manage the programme baseline. It was noted that twenty conditional milestones were targeted for the end of [redacted]

4.1.2 Members **noted** the update provided.

4.2 2026/27 Integrated Assurance and Approval Plan

4.2.1 The CFO informed the Committee of the progress of the HS2 Ltd Assurance Transformation and sought endorsement of the proposed Integrated Audit and Assurance Plan (IAAP) for Q1 2026/27. It was confirmed that further work remained to be done on assurance, noting the recommendations from the James Stewart Review, while acknowledging the good steps already made.

4.2.2 Members discussed the clear lines of role and accountability between [redacted] functions, and suggested that a clear plan be developed through an assurance map to fulfil integrated assurance objectives. Members emphasised the importance of addressing the nature of the plan and process, as well as the requirements of assurance receivers and providers, to avoid duplication and set clear boundaries.

4.2.3 The CFO agreed to present a view of the future HS2 assurance landscape at the next formal Committee meeting in June 2026, to be followed by a presentation to the Board in July 2026.

Action: CFO/Cosec

4.3 2025/26 Management Assurance Statement

4.3.1 The Committee were presented the 2025/26 Management Assurance Statement (MAS) and requested to provide feedback and endorse the assessment. Members noted that the draft statement was submitted to the DfT on 31 March 2026, with a window of 15 working days to complete any follow-up required prior to seeking accounting officer sign-off, in order to make the final submission to the DfT by the end of April 2026.

4.3.2 Members commented that the assessment was fair, honest and represented a shift from the previous year, and were satisfied with management's process of challenge. The Committee requested that all 2025/26 MAS action plans be captured within the scope of the Controls Improvement Plan.

Action: Commercial Reset Programme Support

4.3.3 Members additionally agreed that the DfT Representative would confirm how other arm's length bodies (ALBs) or comparable projects refer to conventional best practice in governance.

Action: DFT Representative

4.3.4 The Committee agreed the final MAS should be referenced within HS2 Ltd Annual Report and Accounts 2025-26 and make the link with the GIAA final audit opinion.

Action: CFO

4.4 Counter Fraud & Investigations

4.4.1 The Head of Counter Fraud & Investigations provided an update on progress since the last Committee meeting in February 2026 which was taken as read. The Committee were advised the Counter Fraud Strategy for 2026–29 has now been finalised following Committee endorsement and is progressing toward publication on IMS. A non-sensitive articulation of priorities will be used as the primary tool for engagement with Joint Venture Partners, Tier 1 contractors, the wider supply chain, DfT and the PSFA. A formal launch event is planned for May 2026 to ensure strong visibility and organisational alignment with Committee members invited to the launch event. Members accepted the invitation and confirmed they were keen to be involved.

4.4.2 Members discussed investigations, capability and process improvements, and the progress made — in particular, the strengthening of investigative and intelligence capacity to significantly drive greater pace across investigative and case-management activity, delivering added value, commercial benefits and improved outcomes.

5 Cyber Security (SIRO) 6 Monthly Update

5.1 The Head of Information and Cyber Security presented the Information & Cyber Security SIRO Update & Maturity Framework for information. Following the December Committee meeting, members requested a more holistic view of Information & Cyber Security maturity and a clearer understanding of overall maturity, maturity measures and the mechanisms through which assurance approval is gained.

5.2 Members discussed the position and assurance within the supply chain and third-party management, [redacted]

5.3 Members questioned HS2's response to digital cyber threats and the position on Artificial Intelligence (AI) within the framework, including within the supply chain, and sought to triangulate this against other government agencies to review best practice and standards. Assurance was provided to members confirming that digital cyber was technical in nature and that HS2 had the ability to respond through its current business continuity measures, identify gaps in the cyber security of the supply chain, and ensure that work to close these gaps was factored into the commercial reset.

5.4 It was agreed that the CFO would provide a verbal update at the next ARAC meeting. The Head of Information and Cyber Security confirmed that the outcomes of the GIAA Cyber Security Assurance Review and GovAssure Audit would be shared with members at the next formal Committee meeting in June 2026.

Action: CFO/Head of Information and Cyber Security/Cosec

6 Annual Report and Accounts 2025-26

6.1 The Committee received an update on progress in delivering the Annual Report and Accounts (ARA) for 2025/26, next steps and intended approach to governance including the latest ARA delivery plan, interim audit progress and updated key accounting judgements for 2025/26.

6.2 The Committee discussed the contingent liabilities concerning Euston as an asset, in light of the Government's 10-Year Infrastructure Strategy and the Euston Delivery Company's role and the assessments remain subject to future DfT announcements and NAO review.

6.3 Members **noted** the ARA governance cycle and timetable, progress on the interim audit, and updates to the key accounting judgements.

7 National Audit Office Update

7.1 The NAO Senior Audit Manager presented the High Speed Two Ltd 2025-26 Audit Progress report that included an overview of audit status, interim audit progress, significant risks and other matters update, final audit arrangements and audit fee.

7.2 The interim audit had been completed and progressed well, with no material issues identified. [redacted]

7.3 [redacted]

7.4 The CFO advised that they would work with commissioners and receivers of assurance on the HS2 Programme to ensure there is no conflict of interest when commissioning third parties to undertake activity, and that this would be achieved through the establishment of the Strategic Integrated Assurance Group.

Action: CFO

8 GIAA Update

8.1 An update was provided to the Committee on internal audit work undertaken since the Committee last met on 5 February 2026. This included an update on progress in delivering the 2025/26 internal audit plan and key findings; a request for the Committee's approval for minor changes to the internal audit plan and the postponement of the risk management review to the 2026/27 audit plan; a high-level update on progress made by HS2 in addressing audit recommendations; a request for the Committee's endorsement of the 2026/27 internal audit plan; a request for the Committee's approval of the annual audit charter; and receipt of the GIAA 'Audit and Risk Assurance Committee Pack Supplement' and associated work connected to HS2.

8.2 Members discussed the indicative 'limited' opinion, noting the positive trajectory, and recognised the areas in which HS2 has made improvements, while acknowledging that further time is needed to embed these improvements and increase the audit opinion. Known challenges requiring management attention include contract management, programme control, workforce planning, risk management (delivery and supply chain), and core controls and assurance. Members supported the GIAA's offer to work further with management to develop a path to a 'Moderate' opinion ahead of baseline 8.0 and agreed that continued progress would further embed the Control Environment Improvements leading into baseline 8.1.

8.3 The Committee;

8.3.1 **Noted** the progress in delivering the 2025/26 internal audit plan and key findings

8.3.2 **Approved** the minor changes to the internal audit plan and the postponement of the risk management review to 2026/27 audit plan,

8.3.3 Endorsed the 2026/27 internal audit plan and,

8.3.4 Approved the annual audit charter and it was agreed the Memorandum of Understanding would be signed and re-presented at the June 2026 Committee meeting.

Action GIAA/CoSec

9 Committee Forward Look

9.1 The Committee reviewed the forward look. The Chair confirmed that an extraordinary meeting had been scheduled in members' diaries for 11 May 2026 to review the first draft of the combined Annual Report and Accounts 2025/26 and receive any GIAA update reports.

9.2 Members raised the issue of the volume and quality of papers being presented. The Chair confirmed that regular meetings with the CFO and Governance Manager would continue to ensure clarity on Committee priorities, the development of future Committee agendas, and that the issue of volume and quality of papers presented by management would be addressed. There being no further business, the meeting closed.

10 Any Other Business

10.1 There being no further business, the meeting closed.