

Audit and Governance Committee meeting

Date: 14 October 2025 – 1.30pm to 4.30pm

Venue: Virtual – Teams meeting

Agenda item	Time
1. Welcome, apologies, declarations of interest and Chairs activities	1.30pm
2. Minutes of previous meetings (CS) For decision	1.35pm
3. Action log (MA) For information	1.40pm
4. Internal Audit (AA) For discussion	1.45pm
5. Adoption of the Global Internal Audit Standards (TS) For discussion	
6. Audit recommendations - Progress with current audit recommendations (non DSPT) (MA) - Progress with current DSPT audit recommendations (TS) - Outcome of the 2025 CAF – aligned DSPT process and audit (TS) For discussion	2.00pm
7. External audit report (verbal report) (ND/DG) For information	2.15pm
8. Risk Update - Strategic Risk Register – for discussion (SQ) - Committee discussion on potential horizon scanning items/items to add to deep dive discussion list (CS)	2.20pm
9. Deep Dive discussion – whistle blowing (confidential item) For discussion	2.35pm
10. Digital projects - PRISM update - for information (KH) - Phoenix Programme - for information (LR)	2.50pm
11. Resilience, business continuity management & cyber security (verbal) (MC) For information	3.10pm

12. Fraud	3.20pm
• Counter Fraud Strategy (MA) • Risk Assessment (MA) • Counter Fraud Action Plan (MA)	
For decision	
13. Reserves Policy (TS)	3.50pm
For decision	
14. AGC forward plan (CS)	4.00pm
For decision	
15. Items for noting (TS)	4.05pm
• Whistle blowing • Fraud • Gifts and hospitality • Contracts and Procurement	
For information	
16. Any other business (CS)	4.10pm
• Committee effectiveness review – verbal update from the Chair	
17. Session for members and auditors only	4.15pm
18. Close	

Next Meeting: 3 December 2025 (in person meeting with training event afterwards)

Minutes of Audit and Governance Committee meeting 17 June 2025

Details about this paper

Area(s) of strategy this paper relates to:	Regulating a changing environment Supporting scientific and medical innovation
Meeting	Audit and Governance Committee
Agenda item	2
Meeting date	14 October 2025
Author	Alison Margrave, Board Governance Manager
Annex:	AGC minutes

Output from this paper

For information or decision?	For decision
Recommendation	Members are asked to confirm the minutes of the Audit and Governance Committee meeting held on 17 June 2025 as a true record of the meeting.
Resource implications	N/A
Implementation date	N/A
Communication(s)	N/A
Organisational risk	Low

Minutes of the Audit and Governance Committee meeting on 17 June 2025 held at 2 Redman Place, London

Members present	Catharine Seddon, Chair Tom Fowler Alex Kafetz, Deputy Chair (virtual) Anne Marie Miller
External Advisers	Dean Gibbs, KPMG – External Audit lead Nick Doran, National Audit Office (NAO) – External Auditor (virtual) Jo Charlton, Head of Internal Audit (Internal Auditor) – GIAA (virtual) Andrew Angeli, Incoming Head of Internal Audit - GIAA (virtual)
Observers	Evgenia Savchyna, Corporate Performance Officer
Apologies	Steve Pugh, Department of Health and Social Care (DHSC)
Staff in attendance	Peter Thompson, Chief Executive Tom Skrinar, Director of Finance, Planning and Technology Clare Ettinghausen, Director of Strategy and Corporate Affairs Rachel Cutting, Director of Compliance and Information (virtual) Morounke Akingbola, Head of Finance Sophie Tuhey, Head of Planning and Governance Shabbir Qureshi, Risk and Business Planning Manager Alison Margrave, Board Governance Manager Martin Cranefield, Head of IT (item 7) (virtual) Kevin Hudson, PRISM Programme Manager (item 12) (virtual) Luke Reader, Phoenix Programme Manager (item 12) Yvonne Akinmodun, Head of HR (item 13)

1. Welcome, apologies, declaration of interest and Chair's activities

- 1.1. The Chair welcomed everyone to the meeting.
- 1.2. Apologies for absence were received from Steve Pugh, Department of Health and Social Care.
- 1.3. The Chair asked for any declarations of interest.
- 1.4. Alex Kafetz informed the committee that he had been appointed as a non-executive director (Board Member) of the [Care Quality Commission](#) effective 16 June 2025 for a three year term.
- 1.5. The committee noted the declaration of interest and agreed that there were no conflicts with his role at the HFEA. The committee were assured that appropriate measures would be put in place to handle any conflicts arising over time.
- 1.6. The Chair informed the committee that she had held the quarterly meeting with the Head of Internal Audit GIAA, the annual meeting with the external auditors and pre-planning meetings with the Director of Finance, Technology and Planning and the Board Governance Manager.
- 1.7. The Chair informed the committee that she had attended a GIAA ARACs members event which had discussed the publication from the Committee on Standards in Public Life: [Recognising and](#)

[Responding to Early Warning Signs in Public Sector Bodies](#) which had been published in March 2025. The Chair stated that there were a number of common themes identified in this report such as the failure of some boards to have effective oversight of issues and concerns and the failure of some Audit and Risk committees to discuss the adequacy of mitigations and their effectiveness.

2. Minutes of the previous meetings

- 2.1. The Chair introduced the minutes from the previous meetings which had been circulated to the members.
- 2.2. The committee agreed the minutes of the meeting held on 4 March 2025 as a true record and could be signed by the Chair.
- 2.3. The committee noted the minutes of the meetings held on 3 April and 30 April 2025 and which had been agreed by the committee via email.

3. Action Log

- 3.1. The Head of Finance presented this item.
- 3.2. The Head of Finance updated the committee that with regard to action 4.18 arising from the March meeting, the GIAA slides have been published on the HFEA's intranet and raised with staff during an all-staff meeting. This item was now closed and could be removed from the action log.
- 3.3. The Head of Finance informed the committee that action 4.19 from the March meeting had its target date revised to October 2025.
- 3.4. The committee were informed that all the other actions had been closed and could be removed from the action log.

Decision

- 3.5. The committee noted the action log.

4. Internal audit update report

- 4.1. The Head of Internal Audit (GIAA) presented this item and informed the committee that it would be taken in two parts. She would present the annual performance, the final two audit reports and the draft annual opinion and the incoming Head of Internal Audit would present the Internal Audit Charter.
- 4.2. The Head of Internal Audit informed the committee that GIAA had delivered 100% of the 2024/25 Audit Plan.
- 4.3. The final two audit reports have been issued for Field Safety Notices and Financial Reporting. The Head of Internal Audit spoke of the results and recommendations arising from these reports.
- 4.4. The Head of Internal Audit introduced the draft annual opinion report 2024/25 and stated this report is split into review of performance and the annual opinion report; it previously was contained within one report but since 24/25 GIAA had decided to separate the two elements.

- 4.5.** The Head of Internal Audit stated that the assurance rating of audit reports is not the only metric used in developing the annual opinion. Attendance at these committee meetings, review of source documentation and implementation of audit recommendations are also considered when considering the annual opinion.
- 4.6.** The Head of Internal Audit informed the committee that GIAA had achieved five of their service standards, partially achieved another three and not achieved another three during the year.
- 4.7.** The Head of Internal Audit spoke of the number of outstanding audit recommendations and how these have decreased during the year.
- 4.8.** The Head of Internal Audit spoke of the direction of travel indicator, which is a new addition for the 2024/25 report and commented that a more positive trajectory on the overall opinion could arise if the Authority took positive steps to address the themes identified in the annual opinion report.
- 4.9.** In response to a question the Director of Finance, Planning and Technology spoke of the improved relationship with GIAA and the progress made in responding to audit recommendations. Due to the small team size, it can be difficult to keep all policies, SOPs, and related documents up to date, but the planned new document management system will assist with this in the future.
- 4.10.** In response to a question the Director of Finance, Planning and Technology spoke of the need to ensure that audit recommendations are both reasonable and deliverable. The incoming Head of Internal Audit commented that steps had been taken to ensure that they deliver appropriate recommendations, with realistic target dates which are discussed with the HFEA team before the report is finalised.
- 4.11.** The Chair referred to the service standards and commented that these had perhaps been affected by the long-term sick leave of the GIAA team and she questioned what steps have been taken to ensure that this won't happen again. The Head of Internal Audit responded that GIAA had put actions in place to minimise risk and ensure staffing resources across departments.
- 4.12.** The incoming Head of Internal Audit introduced the Internal Audit Charter and spoke about the Global Internal Audit Standards which came into effect in April 2025. In response to a question, he stated that the charter provides a stronger framework for co-operation with the relationship of both parties clearly defined.
- 4.13.** There being no further questions, the Chair reminded the committee that this is the last meeting for the Head of Internal Audit. The Chair thanked the Head of Internal Audit for her contribution to the work of the HFEA, her professional approach and robust and candid challenge when required.

Decision

- 4.14.** The committee noted the final reports for Field safety notice and financial reporting.
- 4.15.** The committee endorsed the draft annual opinion and themes identified in the internal report.
- 4.16.** The committee noted the revised Internal Audit Charter and authorised the Accounting Officer and AGC Chair to sign the Charter.

Action

- 4.17.** Accounting Officer and AGC Chair to sign the Internal Audit Charter.

5. Progress with current audit recommendations

- 5.1.** The Chair introduced this agenda item and informed the committee that there is a main paper and then a subsequent paper covering just DSPT recommendations.
- 5.2.** The Head of Finance introduced the main paper and spoke to the recommendations contained within the paper.
- 5.3.** The Head of Finance referred to the Business Continuity recommendations and informed the committee that two recommendations are not due until October 2025, and for the other recommendation information was submitted to GIAA in May but no feedback on this has been received. The incoming Head of Internal Audit informed the committee that there is a meeting scheduled for later today to discuss this evidence.
- 5.4.** In response to a question the Director of Finance, Planning and Technology provided further information about the planned Business Continuity exercises and the independent expert advice provided by the consultant. A member of the committee suggested that Business Continuity or Cyber Security could be a future deep dive topic or training session.
- 5.5.** The Head of Finance introduced the proposal to accept at risk recommendation 1 of the OTR audit. The Director of Compliance and Information provided further information about the Dynamics system the OTR team use for administering the process and the KPIs that are in place for monitoring that work. The Head of Internal Audit spoke to the purpose of the recommendation.
- 5.6.** The Director of Finance, Planning and Technology introduced the paper on DSPT recommendations and reminded committee members that at the last meeting they had asked that timelines and implementation plans for DSPT 2023/24 audit recommendations be brought to this meeting.
- 5.7.** The Director of Finance, Planning and Technology introduced the recommendation to risk accept DSPT 2023/24 audit recommendation 1.5. He spoke of the need to prioritise work on managing key risks and the proposals for the assessment under the new Cyber Assessment Framework (CAF) DSPT. He had discussed this proposal with GIAA noting the need to strike a balance between a forward-looking prioritised list recognising previous shortcomings.
- 5.8.** The committee discussed the proposed approach noting the lessons learnt from the recent NHS cyber-attacks, the replacement of legacy IT systems and the limited resources that the HFEA has. In response to a question the Director of Finance, Planning and Technology stated that there are no concerns about the provision and uptake of staff training, though they needed to make system improvements for better logging and oversight.

Decision

- 5.9.** The committee agreed the request to risk accept the OTR recommendation 1 and close.
- 5.10.** The committee agreed the request to risk accept the 2023/24 DSPT recommendation 1.5 and close.
- 5.11.** The committee noted the overall approach to responding to GIAA recommendations relating to DSPT audits.

Action

- 5.12.** The Head of Finance to update the action log.

6. HFEA's Information and Governance Security Risk Management

- 6.1.** The Director of Finance, Planning and Technology introduced the paper which brings together an overview of the threats that the HFEA faces, the expectations from central government in how these threats are managed and the HFEA's current policies, systems and resources for managing these threats.
- 6.2.** The Director of Finance, Planning and Technology stated that the main commitment is to develop an improvement plan in Autumn once this year's DSPT process has been completed.
- 6.3.** The committee discussed the paper and the assurance it provided. A member suggested that future iterations could include a statement regarding the principle of sharing data when important as identified in the Caldicott Principles.

Decision

- 6.4.** The committee agreed to nominate the Deputy Chair to act as the Authority lead on information governance and security risk management.
- 6.5.** The committee noted the content of the HFEA's Position Statement and the intention of the HFEA with respect to information governance and risk management and their engagement with CAF aligned DSPT improvement expectations.

7. Resilience, cyber security and business continuity

- 7.1.** The Head of IT provided a verbal update to the committee noting that these items had been discussed under the previous two agenda items.
- 7.2.** The committee noted the verbal update.

8. SIRO Report

- 8.1.** The Director of Finance, Technology and Planning introduced the paper and stated that as the Senior Information Risk Officer (SIRO) he holds responsibility for managing the strategic information risks that may impact on the HFEA's ability to meet corporate objectives and provide oversight and assurance to the Executive and the Authority.
- 8.2.** He explained to the committee that in this role he works closely with the Head of IT, Head of Information and the Information Governance and Records Manager.
- 8.3.** The Director of Finance, Technology and Planning explained that the small size of the organisation and limited dedicated resource has made it difficult for the HFEA to continuously adjust its response to the growing scale and range of risk as expected by DSPT and other cross-government information risks. He referred to the Information Governance and Security Risk Management position paper, which the committee had reviewed and discussed under agenda item six.
- 8.4.** The Director of Finance, Technology and Planning spoke of the investment in an IG management system and the HFEA's major IT project, Phoenix, which replaces several legacy systems.
- 8.5.** He referred to the assurances provided in the paper and stated that annex A of the paper is an assessment of the HFEA's compliance with the Security Policy Framework as at 31 March 2025.
- 8.6.** In response to a question, he clarified the position with the "bring your own device" policy and confirmed which staff have an HFEA-provided mobile phone.

- 8.7.** In response to a question it was confirmed that employees can submit Subject Access Requests (SARs) and that SMT were not aware of any specific HR issues arising from these requests.

Decision

- 8.8.** The committee noted the SIRO report and the assurances contained within the report.

9. Annual Report and Accounts

- 9.1.** The Director of Finance, Planning and Technology introduced this item, noting that members were sent a draft copy of the governance statement by email in March 2025 and the copy before this meeting incorporates the comments and suggestions made by members.
- 9.2.** The Director of Finance, Planning and Technology stated that the format of the Annual Report and Accounts has been refined over several years and the HFEA was comfortable that it adheres to the NAO checklist for these documents. When the Head of Finance is employed by the HFEA full time from July 2025, consideration can be given to any proposed changes to the format of this publication for future years. The Chair asked that future reviews consider the introduction of concise bullet points at the start of each section and greater emphasis on how the HFEA engages with its stakeholders.
- 9.3.** In response to a question regarding whether greater emphasis should be given to international developments, the Chief Executive reminded the committee that the HFEA's remit is limited to the UK and many countries do not have a regulatory body such as the HFEA.
- 9.4.** In response to a question about whether this publication should include photographs, the Director of Strategy and Corporate Affairs stated that this publication was not used for PR purposes and that there were more efficient channels that the HFEA could use to publicise their work.
- 9.5.** In response to questions, further information was provided about payments made outside IR35 and the disclosure around these and legal fees costs.

Decision

- 9.6.** The committee agreed that subject to NAO changes the Accounting Officer could sign the Annual Report and Accounts. As per the HFEA's Standing Orders, the final draft of the accounts will require approval from the Authority prior to publication.
- 9.7.** The committee delegated authority to the AGC Chair and Deputy Chair to approve any amendments proposed by NAO to the Annual Report and Accounts and to authorise the Accounting Officer to sign said documents (subject to Authority agreement as at 9.6 above).

Action

- 9.8.** HFEA staff to continue liaising with NAO regarding completion of the Annual Report and Accounts for signing by the Accounting Officer.
- 9.9.** HFEA staff to seek final approval to lay the accounts from the Authority.

10. External audit completion report

- 10.1.** The External Audit Lead, KPMG, introduced the paper and expressed his thanks to the management and finance team for their support in this work.

- 10.2.** The External Audit Lead stated that he anticipates recommending to the Comptroller and Auditor General (C&AG) that he should certify the 2024-25 financial statements with an unqualified audit opinion, pending the finalisation of the audit work, without modification in respect of both regularity and the true and fair view on the financial statements.
- 10.3.** The External Audit Lead referred to the key audit risks and spoke to each of these in detail. He stated that the team is currently reviewing the Annual Report and will provide feedback directly to the HFEA team.
- 10.4.** The External Lead Auditor drew the committee's attention to the work undertaken by their IT risk management specialists to assess the design of the controls in place to validate submitted data and the audits performed by the information team in relation to the data being submitted by the clinics using PRISM. The External Lead Auditor spoke of the identified need for strengthening the control environment and the importance of ensuring that accrued income and duplicate provisions use the most up to date information because of the level of uncertainty associated with the refunds.
- 10.5.** The committee noted that there were no unadjusted misstatements for the 2024-25 accounts.
- 10.6.** The Chair commented that it was useful to have management's response to the recommendations arising from the audit. The Chair informed the committee that she had reviewed the audit certificate and was content with this.

Decision

- 10.7.** The committee delegated authority to the AGC Chair and Deputy Chair to approve any amendments proposed by NAO/KPMG to the audit certificate and letter of representation and to authorise the Accounting Officers to sign said documents (subject to 9.6 above).

Action

- 10.8.** HFEA staff to continue liaising with NAO/KPMG regarding completion of documents.

11. Strategic risk

Strategic risk register

- 11.1.** The Risk and Business Planning Manager introduced the paper and informed the committee that a grass roots review of the strategic risk register (SRR) had taken place in line with the launch of the HFEA's new strategy for 2025-28.
- 11.2.** The Risk and Business Planning Manager explained that the existing categories, as per The Orange Book, have been maintained.
- 11.3.** The committee discussed each category in turn. For the financial category, the committee noted that 95% of the HFEA's funding comes from fees and the current pressure on NHS funding.
- 11.4.** The committee discussed the investment made in the new systems under the information category and whether capacity can match demand. The committee noted that the performance report tracks spikes in OTR applications.
- 11.5.** The committee noted that cyber risks are managed at an operational level, aligned to the Data Security Protection Toolkit (DSPT) and the NCSC Cyber Assessment Framework (CAF).

- 11.6.** A member questioned whether there is a risk that when NHS England moves to within the Department of Health and Social Care (DHSC) that DHSCs attention for other Health ALBs will be stretched. The Chief Executive responded that there is a risk that sponsor teams may be stretched in the future. The Director of Strategy and Corporate Affairs stated that when the NHS 10-year plan and ALB review are published, management will reconsider the SRR and any updates will be provided to the AGC at their future meetings.
- 11.7.** In response to a question regarding law reform the Chief Executive commented that the HFEA had submitted its proposals and cannot influence a decision either way and will therefore manage any risks through the operational risk register.
- 11.8.** A member questioned whether the HFEA is ensuring that it keeps up with AI developments and that there are no missed opportunities or efficiencies. The Chief Executive commented that the Medicines & Healthcare products Regulatory Agency (MHRA) has this as their [remit](#) and the HFEA will observe their findings.
- 11.9.** The Chair drew the discussion to a close and thanked all for their comments.

Action

- 11.10.** The committee approved the strategic risk register with thanks for the Risk and Business Planning Manager.

12. Digital projects

PRISM update

- 12.1.** The PRISM Programme Manager gave a verbal update to the committee noting the activities undertaken since the committee received the written report in April.
- 12.2.** The PRISM Programme Manager informed the committee that the Interim CaFC had been published with 2022 live birth statistics for 85 clinics.
- 12.3.** The committee was informed that the verification process for the Full CaFC will commence shortly with the information being sent to clinics for verification by the end of September. The target is still to publish the Full CaFC by the end of 2025.
- 12.4.** The PRISM Programme Manager informed the committee that a consultation regarding the most appropriate headline metrics for the Full CaFC will take place over the summer and the Authority will receive a paper on this at their next meeting.
- 12.5.** Committee members congratulated the team for the publication of the Interim CaFC.

Phoenix Programme

- 12.6.** The Chair informed the committee that the Phoenix Programme had been presented to the Authority in May, who had noted the project and delegated oversight of it to this committee. The committee will now receive regular reports on the progress of the Phoenix Programme.
- 12.7.** The Phoenix Programme Manager introduced the paper and informed the committee that demonstrations of the Dynamics screens for the Inspectors and three clinic portal forms had been held and that initial feedback was favourable.

- 12.8.** It was reported that HFEA user testing of these elements is now in progress, and this will provide feedback to the supplier's development team. The Phoenix Programme Manager commented that this cycle of demonstrations, feedback and refinement will continue for a while.
- 12.9.** The Phoenix Programme Manager referred to top risks identified in the paper and spoke to these in each detail.
- 12.10.** In response to a question the Phoenix Programme Manager stated that a data cleanse exercise was not specifically part of this project but that individual teams will be welcome to do this and the activity will be easier on SharePoint.
- 12.11.** The Director of Finance, Planning and Technology commented that he will work with the Information Governance team to develop a structure policy for SharePoint. The committee asked that this be incorporated into the annual SIRO report to the committee.

Decision

- 12.12.** The committee noted the reports on PRISM and the Phoenix Programme.

Action

- 12.13.** Future SIRO reports to include information on structure policy for SharePoint.

13. HR Strategy

- 13.1.** The Head of HR presented the paper to the committee and spoke of the external influences which has helped to shape this strategy. These influences include changes to the fertility sector, the changing labour market and an increasing demand for specialised IT skills and knowledge.
- 13.2.** The Head of HR explained that the strategy has been segmented into different areas, noting the key changes and how the HFEA will evolve and adapt to achieve its aims.
- 13.3.** The Head of HR spoke in more detail about the organisation design and resilience and the aim to help future-proof both the organisation and its workforce.
- 13.4.** The committee discussed the strategy, noting that it was comprehensive and the review of external factors which could affect the HFEA and its workforce reflected current metrics within the life sciences sector.
- 13.5.** The committee asked how delivery of the strategy will be recorded and assessed and what baseline would be used to measure progression. The Head of HR responded that this would be recorded during evaluation and review of the strategy and through staff survey results, external benchmarking, sickness absence and turnover ratio. The baseline would be the current results of the staff survey.
- 13.6.** The Chair suggested that for future interactions of the HR strategy the organisation development could include a stronger emphasis on the HFEA's commitment to EDI and wellbeing of staff. It could also capture the HFEA's desire to remain best in class in regulatory practice.

Decision

- 13.7.** The committee noted the strategy.

14. Estates

- 14.1.** The Director of Finance, Planning and Technology informed the committee that the current lease runs until 2030 and whilst he has met with representatives from the Department of Health and Social Care there are currently no plans in place for when the lease finishes.
- 14.2.** The Director of Finance, Planning and Technology informed the committee that an additional tenant had joined the current office space and further tenants may be sought.
- 14.3.** The committee noted the verbal report.

15. AGC forward plan

- 15.1.** The Head of Finance introduced the paper and requested clarification regarding the proposed deep dive topic for October 2026.
- 15.2.** The committee discussed the proposed schedule of deep dive topics and agreed that CaFC should be moved to October 2026, and that Business Continuity should be added for February 2026.
- 15.3.** Regarding the proposed deep dive of reviewing the implementation of the external auditor's recommendations and performance of the external auditors, the External Audit Lead stated that a debrief with HFEA staff is held on conclusion of the audit, with key themes identified and proposed for implementation in the next audit cycle. It was agreed that the Director of Finance, Planning and Technology and Head of Finance should discuss this outside the committee meeting and report back to the next meeting.

Decision

- 15.4.** The committee noted the AGC forward plan.

Action

- 15.5.** The Board Governance Manager to update the forward plan.
- 15.6.** Director of Finance, Planning and Technology and Head of Finance to report back to October meeting on the proposed deep dive regarding the external auditors.

16. Items for noting

- 16.1.** Whistle-blowing
- Members were advised that there were no whistle-blowing incidents.
- 16.2.** Fraud
- Members were advised that there were no fraud incidents.
- 16.3.** Gifts and Hospitality
- Members noted the update to the gifts and hospitality register.
- 16.4.** Contracts and Procurement
- Members were advised that there was nothing to report under this item.

17. Any other business

- 17.1.** The Chair referred to the assurance mapping training which the committee had received in December 2024 and asked whether the Executive had been able to progress assurance mapping. The Head of Planning and Governance stated that the Executive were content that the review of the Strategic Risk Register covered what was required and the existing processes were sufficient but that this could be kept under review.
- 17.2.** The Risk and Business Planning Manager stated that assurance mapping is an intensive exercise which would require constant updating. He spoke of the operational risk register used by the HFEA and stated that this existing process should provide sufficient assurance.
- 17.3.** The Chair informed the committee that the Head of Finance would be employed by the HFEA full-time from 1 July. The committee expressed their congratulations to the Head of Finance.
- 17.4.** The committee were reminded that the next meeting was a virtual meeting starting at 1.30pm on 14 October 2025.

Chair's signature

I confirm this is a true and accurate record of the meeting.

Signature

Chair: Catharine Seddon

Date: 17 June 2025

AGC Action Log

Details about this paper

Area(s) of strategy this paper relates to:	Regulating a changing environment /Supporting scientific and medical innovation
Meeting:	Audit and Governance Committee
Agenda item:	3
Meeting date:	14 October 2025
Author:	Morounke Akingbola, Head of Finance
Annexes	

Output from this paper

For information or decision?	For discussion
Recommendation:	To note and comment on the updates shown for each item.
Resource implications:	To be updated and reviewed at each AGC meeting
Implementation date:	2025/26 business year
Communication(s):	
Organisational risk:	Medium

Date and item	Action	Responsibility	Due date	Revised due date	Progress to date
4 March 2025 Item 4.19	Director of Finance, Planning and Technology to circulate the Dear Accounting Officer letter and the HFEA's proposed response when received	Director of Finance, Planning and Technology	June 2025	October 2025	The DAO letter and associated updates to International Internal Audit Standards and the relevant Functional Standard have been reviewed by the Director. There are no significant change requirements for the HFEA. The detail of the changes will be discussed with AGC in October.
17 June 2025 Item 4.17	Accounting Officer and AGC Chair to sign the Internal Audit Charter	Director of Finance, Planning and Technology	August 2025		Completed. This item is now closed and can be removed.
17 June 2025 Item 5.12	The Head of Finance to update the action log.	Head of Finance	October 2025		Audit recommendation log updated and can be found at agenda item 5. This item is now closed and can be removed.
17 June 2025 Item 9.8	HFEA staff to continue liaising with NAO regarding completion of the Annual Report and Accounts for signing by the Accounting Officer.	Head of Finance	July 2025		Completed and the Annual Report and Accounts were laid: Human Fertilisation and Embryology Authority annual report and accounts: 2024 to 2025 - GOV.UK This item is now closed and can be removed.
17 June 2025 Item 9.9	HFEA staff to seek final approval to lay the accounts from the Authority by email.	Director of Finance, Planning and Technology	July 2025		Draft Annual Report and Accounts were presented to the Authority at their meeting on 9 July 2025. This item is now closed and can be removed.

Date and item	Action	Responsibility	Due date	Revised due date	Progress to date
17 June 2025 Item 10.7	HFEA staff to continue liaising with Nao/KPMG regarding completion of documents.	Head of Finance	July 2025		Completed and the Annual Report and Accounts were laid: Human Fertilisation and Embryology Authority annual report and accounts: 2024 to 2025 - GOV.UK This item is now closed and can be removed.
17 June 2025 Item 12.13	Future SIRO reports to include information on structure policy for SharePoint	Director of Finance, Planning and Technology	June 2026		The Director of Finance, Planning and Technology will incorporate this into the 2026 SIRO Report.
17 June 2025 Item 15.5	Board Governance Manager to update the forward plan.	Board Governance Manager	October 2025		Forward plan updated and can be seen at agenda item 15. This item is closed and can be removed.
17 June 2025 Item 15.6	Director of Finance, Planning and Technology and Head of Finance to report back to October meeting on the proposed deep dive regarding the external auditors.	Director of Finance, Planning and Technology and Head of Finance	October 2025		This will be discussed at the AGC meeting in October.

Digital Projects / PRISM

Update September 2025

Details about this paper

Area(s) of strategy this paper relates to:	Regulating a changing environment – to continue to increase the availability and benefit of our data for patients, clinics and researchers.
Meeting:	AGC
Agenda item:	10
Meeting date:	14 October 2025
Author:	Kevin Hudson, PRISM programme manager
Annexes	

Output from this paper

For information or decision?	For information
Recommendation:	To note publication of Interim CaFC, progress on Full CaFC verification, and progress on consultation on headline metrics.
Resource implications:	
Implementation date:	Publication of the Interim CaFC (for live births in 2022) took place at the end of May 2025. The first Full CaFC (for live births to 2023 and pregnancies to 2024) is due to be published by December 2025.
Communication(s):	
Organisational risk:	Medium

1. Introduction and recap from last meeting

- 1.1. PRISM went live on 14th September 2021 for 40 direct entry clinics and API deployment was completed by the end of June 2022 for the other 62 clinics. Since then, over 970,000 units of activity have been submitted through PRISM.
- 1.2. In relation to CaFC, at the risk of repetition it is important to recognise that the verification of Register data through the CaFC process serves three purposes:
 - To ensure traceability of all cycles to enable the OTR function to track patients, donors and donor conceived individuals
 - To provide patients with performance data on each licenced clinic
 - To quality control the accuracy of the data held in the Register for the purpose of statistical reporting and in national-level fertility research studies which inform patient care and are based on high quality data.
- 1.3. At a special meeting at the end of April 2025, AGC approved the publication of an Interim CaFC covering headline figures only for live births in 2022.
- 1.4. At the end of May 2025, three rates were published on the CaFC website for 85 clinics that had signed off their interim CaFC data:
 - births per embryos transferred for all treatments in 2022
 - births per embryos transferred for fresh transfers using the patient's own eggs in 2022
 - multiple birth rates for all treatments in 2022.
- 1.5. For 28 clinics that had higher than average rates of use of donor eggs or use of PGT-A, a caveat was included against their CaFC statistics that this higher than average rate *"...makes it more difficult to compare this clinic's 'average of all treatments' rate against the UK average and other clinics."*
- 1.6. At the special meeting at the end of April 2025, AGC also agreed that the Full CaFC for 2025 would include a further year, namely treatments for 2024 (as well as 2022 and 2023 as previously planned), and that this first Full CaFC from PRISM would be published by the end of December 2025.
- 1.7. This paper provides AGC with an update on progress on clinic verification for 2023 and 2024 data in anticipation of CaFC publication for those by the end of December 2025. It also provides an update on the focussed consultation that was open to clinics, patients and the public in August-September 2025 *"seeking views on the front-page statistics shown on each licenced clinic's Choose a Fertility Clinic profile page"*.

2. Update on progress on clinic verification for the Full CaFC

- 2.1.** In June 2025, 88 clinics were sent draft CaFC calculations for treatments 2023 and 2024. Clinics were asked to review and verify this information by no later than the end of September 2025.
- 2.2.** These calculations were in the same format as the calculations shared with clinics for the Interim CaFC which covered treatment data in 2022. They included:
- Live birth success rates per embryo transferred for treatments in 2023.
 - Pregnancy success rates per embryo transferred for treatments in 2024.
 - Contextual information on the use of donor eggs and PGT-A at the clinic.
 - Calculations for patients under 38 and aged 38 and over (excluding any missing thaw linkages for this older group which the clinic will need to address during verification).
 - Subsidiary calculations for treatments involving 'stimulated fresh own eggs', 'frozen own eggs', and 'PGT-A only using own eggs'.
 - Multiple birth rates overall and by age group.
 - Donor insemination rates overall and by age group.
- 2.3.** As for the Interim CaFC, detailed cycle lists for 2024 and 2023 were made available (on request) should clinics wish to check their data at a treatment-by-treatment level. Such lists have been provided to 34 clinics, often more than once if requested by the clinic.
- 2.4.** Since June 2025, we have been updating our CaFC calculations each week and have been providing updated calculations to clinics that have requested a 'refresh' after they have made verification changes in PRISM.
- 2.5.** The activity undertaken from all clinics during the verification has been very good. Since the end of June 2025 (until 22nd September 2025), 4,319 errors have been removed from PRISM.
- 2.6.** AGC should note that the vast majority of errors were from clinics who originally sent their information to PRISM automatically through API solutions from third party system suppliers. Most clinics who submitted data into PRISM manually have very low errors and the corrections required during CaFC verification for them have been small.
- 2.7.** For context, the current activity breakdown for PRISM between manual and API entry is as follows:
- **Manual entry:** 258,628 submissions since PRISM launch. 1,260 outstanding validation errors represents an overall 0.5% cumulative error rate.
 - **Automated (API) entry:** 712,551 submissions since PRISM launch, 31,149 outstanding validation errors represents an overall 4.4% cumulative error rate.

Progress on addressing missing thaw linkages

- 2.8.** In March 2025, we reported to AGC that we estimated that there were 6,189 missing thaw linkages for PRISM submissions in 2022 and 2023. Of those, 3,552 (57%) related to 12 clinics from CARE and 1,826 (30%) related to 6 Meditex clinics. Note these figures did not include any

missing thaw linkages for 2024 which would also have to be addressed during Full CaFC verification which now included that additional year (see 1.6 above).

- 2.9.** Concerning Meditex, our data analyst has been working on individualised clinic thaw reports to help Meditex clinics identify and rectify missing thaw linkages. As of 22nd September, the total number of outstanding missing thaw linkages for Meditex clinics for 2022, 2023 and 2024 now stands at 844 (out of 60,419 cycles submitted). Work is ongoing with those clinics to address the remaining missing thaws.
- 2.10.** The Meditex missing thaws linkages were related mainly to issues in the Meditex API solution at the beginning of PRISM. They are not being incurred with current 2025 submissions.
- 2.11.** Concerning CARE, we have been in discussion with senior managers at the group concerning addressing the high level of missing thaws. Initially an 'automated corrector' developed by CARE developers addressed about half the missing thaws before the publication of the interim CaFC. Since July 2025, CARE have been working to manually fix the remaining missing thaws for 2022, 2023 and 2024.
- 2.12.** From an initial count of 7,109 missing thaws linkages for CARE (in 2022, 2023, 2024), currently 1,838 remain outstanding (out of 66,887 cycles submitted). The group are making reasonable progress, and we expect these remaining missing linkages to be addressed by the end of October 2025.
- 2.13.** AGC should note that, unlike Meditex clinics, missing thaw linkage submissions is an ongoing issue with CARE clinics, and the PRISM team will need to work with CARE developers to ensure these issues are not repeated at future CaFC verifications.
- 2.14.** For CaFC success rates, missing thaw linkages only impact the calculation for patients aged 38 and over as we cannot track back to the age of patient at the time of embryo storage or whether a donor egg was involved which would otherwise artificially increase the reported success rate of that patient group. In these age-related calculations we are excluding any records where there is a missing thaw linkage. At the clinic level, excluding missing thaw linkages does not distort the relevant success rate.
- 2.15.** However, all missing thaw linkages have a potential impact for future OTR enquiries. Hence, we have been working with all clinics to address all missing thaw linkages, and during this verification period a number of clinics have addressed small numbers of missing linkages even though they are immaterial for CaFC success rate calculations.

Update on clinic sign off

- 2.16.** As of 1st October 2025, 27 clinics have signed off their data. A further number have been provided with further 'final calculations' awaiting final PR sign off after clinics have made their last adjustments in PRISM. We will update AGC verbally at the meeting with the latest position on clinic sign off.
- 2.17.** No clinics have advised the PRISM team that they will be unable to sign off their data.

- 2.18.** Whilst we have not officially extended the September 2025 verification deadline, the PRISM team are expecting to have to use the month of October to 'mop-up' late responding clinics. However, this was tacitly built into our plan and will not affect final publication dates.
- 2.19.** On the basis of the data submitted so far, only 4 IVF clinics are unlikely to make the full CaFC publication at the end of the year. Those clinics are:
- 0254 Agora which have not signed off their Interim CaFC and have not yet started to act on the missing thaw linkage report which our analyst has specifically constructed for them
 - The 3 clinics of the ARGC group who started significantly later than all other clinics and have not yet submitted sufficient data for these CaFC years.
- 2.20.** AGC and the HFEA Authority may wish to consider whether we continue to show old CaFC information for these clinics (which relates to treatments in 2018) or whether no data should be shown.
-

3. Update on consultation on CaFC homepage statistics

- 3.1.** Following Authority discussions in May and July 2025, the HFEA issued a focused consultation seeking views from clinic staff, professional and patient groups, patients and the public on the front-page statistics shown on each licenced clinic CaFC profile page.
- 3.2.** The consultation asks respondents to rank which main statistic they would prefer from the following:
- Births per cycle started.
 - Births per egg collection procedure.
 - Births per embryo transfer procedure.
 - Births per embryo transferred.
- 3.3.** The consultation also asks respondents what information they would like to have contained in their preferred statistics from:
- Fresh and/or Frozen cycles.
 - Cycles involving donor eggs.
 - Cycles involving PGT-A
 - and a combined statistic.
- 3.4.** The consultation closed on 30 September 2025 and the HFEA Authority will meet in early November to agree the headline metrics for the full CaFC publication later this year.
- 3.5.** This will include the metrics that will be published in December 2025 using verified data for 2022, 2023 and 2024.

- 3.6.** Whereas 'births per embryo transferred' is a success rate based on a calculation for an individual episode of treatment (and thus lends itself well to support the process of data verification for a specific year), some of the other measures consulted on use data that spans treatments and years.
- 3.7.** Therefore, during the Summer, the PRISM team have been working on extracting data from PRISM across these years and building a calculation model that can calculate any of the measures that might be required from the HFEA Authority decision. This model is now built, although testing of the model is currently ongoing and will need to undergo a final set of checks once the HFEA Authority has agreed the future headline metrics
- 3.8.** Once the HFEA Authority has decided upon the future headline statistics, the PRISM team anticipate sending fresh individual calculations to clinics during November. A quick clinic turnaround will be required to ensure publication by the end of December. It will be stressed to clinics that this should be 'for information only' as they have already verified their data. Because the clinic has already verified their data there should be no issues arising from discrepancies in the underlying data.
- 3.9.** In addition, during the Summer, the PRISM team have also been working to ensure the 'detailed statistics' section of the CaFC website can be updated at the same time as the any new headline statistics are published. This work is ongoing and currently remains on track.

4. Update on retrospective data verification

- 4.1.** We have previously advised that verification for EDI data submitted in the years 2020 and 2021 will be addressed in a retrospective data verification exercise, which will take place after the 2024 Full CaFC is published at the end of December 2025. This will also include addressing the 22,500 missing thaw linkages that are in the Register relating to years earlier than 2020.
- 4.2.** Whilst these are years that now no longer apply for CaFC, as noted above accurate links to egg collection remain very important for OTR purposes.
- 4.3.** During the current Full CaFC verification, some automated fixes have addressed a small number of historic data issues. However, the maximum number of historic errors we expect to fix in this way is no more than 3,000. We expect that the vast majority of these historic missing thaw linkages will need to be addressed by clinics. A large proportion of these relate to the CARE group.

5. AGC recommendations

- 5.1.** AGC are asked to:

1. Note the progress with the Full CaFC and that we remain on track to publish this around the end of December 2025 and that this will include reporting on treatments for 2024.
2. Note that focussed consultation on CaFC headline statistics has taken place and the Authority will meet in early November to decide on the metrics for the full CaFC publication.
3. Note that thereafter we will send additional calculations to clinics, but these will be predicated on already verified data, so the team are expecting clinic responses to be quick.

Phoenix Programme Update (from 1st June to 23rd Sept 2025)

Details about this paper

Area(s) of strategy this paper relates to:	Regulating a changing environment
Meeting:	Audit and Governance Committee (AGC)
Agenda item:	10
Meeting date:	14 October 2025
Author:	Luke Reader, IT Project Manager
Annexes	3

Output from this paper

For information or decision?	For information
Recommendation:	The AGC is invited to note this report
Resource implications:	Slightly over budget including contingency
Implementation date:	July 2026
Communication(s):	This information will be published on our website.
Organisational risk:	Medium

1. Progress Update

- 1.1.** The Phoenix Programme (see *Annex A* for background and an overview of benefits) milestone dates are:

Milestone	Baseline Date	Projected Date	Actual Date
Discovery Complete	End-March	04/04/2025	11/04/2025
Design Complete	April	April	29/04/2025
Development & Testing	December	Mar-26	
Dynamics	Feb-26	Mar-26	
HFEA Portal Forms	December	Mar-26	
Content Manager Migration	May-26	Jul-26	
Go-Live	Jun-26	Jul-26	

- 1.2.** Further details on the current timeline are provided in *Annex C*.
- 1.3.** The **Delivery** phase is now well underway. This phase encompasses all the work from initial build through testing, training, and launch. *Annex B* gives a breakdown of the progress so far on the three streams of work – the migration to SharePoint, the build of new Clinic Portal forms, and the Dynamics system build to replace Epicentre
- 1.4.** The projected final launch date (of the new Dynamics and Client Portal systems) remains at July 2026 as reported at the previous AGC.
- 1.5.** The most significant change to the plan is that the data migration from Content Manager to SharePoint will begin in April 2026, leading to a planned cutover in July 2026.
- 1.6.** This decision was largely driven by the learning that even at optimal speed, it will take about 50 days to extract all the files from Content Manager. This has led to an estimated £18k+VAT increase in predicted Ceox costs, reflected in a formal Change Request. The HFEA have decided to absorb this increase in the next financial year. This decision also allows for more time to design the final SharePoint site in terms of structure and user access/edit-rights in more detail.
- 1.7.** The other Change Request since the last AGC is to fund a part-time Business Analyst resource for 3 months from now until end of December, at a cost of £22k+VAT. This has arisen from the learning that despite the original plan being to 'lift and shift' HFEA processes from Epicentre to Dynamics, it has been necessary for Ceox to understand and document those processes in detail in order optimally to map them onto the Dynamics structure. Ceox provided us with the services of a newly-hired Business Analyst free-of-charge for several months. The benefits of the person's approach and work have been clear to the HFEA project team. But that arrangement ended at the end of September. With requirements-definition work still to be done for the more complex areas of Licensing and Inspections, it was decided to seek funding to retain this person for another 3 months.

- 1.8.** These two change requests have increased the overall projected spend from £46k above Baseline to £94k above Baseline (both including VAT):

<i>Phoenix Programme Costs</i>	<i>Without VAT</i>	<i>Including VAT</i>
Delivery Charge Baseline	£548,297	£657,956
Cost of additional work found in Discovery	£62,000	£74,400
Saving from work removed in Discovery	-£23,350	-£28,020
Cost of 2 new Change Requests	£40,000	£48,000
Forecast Delivery Charge at Completion	£626,947	£752,336
Cost of 1st 12 months support	£33,986	£40,783
Total Contract Baseline cost	£582,283	£698,740
Total Contract Forecast cost	£660,933	£793,120
Projected Variance	£78,650	£94,380

- 1.9.** There is a specific financial requirement on the HFEA to minimise any additional spend in the current financial year. The programme has obtained two costed options from Ceox to reduce spend in this financial year by slowing part of the Delivery work. Both options lead to a significant overall cost increase. HFEA's finance director is currently considering these options.

2. Risks

2.1. The top risks from the Project RAID log are:

Ref	Title	Impact	Urgency	Description	Assigned To	Actions
R0046	Deployment Methods	1 - High	2 - Medium	We have 4 Dynamics environments to move code/configurations between, and two areas (Dynamics, and Portal). The fully-automated processes for moving code are failing. The manual processes are work intermittently.	Frankie L	The latest UAT deployment occurred successfully. While this issue needs to be fixed the programme is currently able to continue. There's a open ticket from before with Microsoft
R0050	Integrations	1 - High	2 - Medium	Integrations including the interactions between Dynamics and B2C, the Staging VM (an ongoing interface service), and with other parts of the HFEA infrastructure, to be fleshed out and roles determined.	Martin C	All 18 integrations reviewed with Ceox, 3 more taken out of scope leaving 15. 4 are agreed to be in-scope with no likely cost issues. 8 need a Proof-of-concept to show that HFEA can build these, then its a question of resourcing. 3 need further design work and do carry a risk of cost increase depending on the findings there.
R0049	SharePoint Design	1 - High	2 - Medium	Due diligence needed to confirm SharePoint design fully suitable for HFEA needs long-term.	Martin C	Microsoft's initial offering was a paid-for resource over a significant period. This isn't feasible, and we're now looking at what we can have using our already-credited Microsoft support days.

3. Conclusion

- 3.1. Progress on the Phoenix Programme is positive on the Clinic Portal stream, has been somewhat challenged on the Dynamics build stream, and has been moved back by HFEA decision on the SharePoint migration stream.
- 3.2. The two new Change Requests have increased the Projected Variance on overall cost to £94k including VAT, which is slightly above the 10% contingency in the original budget.
- 3.3. The core reasons for doing the Phoenix Programme remain valid.
- 3.4. The feedback from demonstration sessions and user testing sessions on functions and forms now being built suggests that we still have a strong opportunity to deliver a successful outcome for the HFEA.
- 3.5. So we are proceeding with the Phoenix Programme, with a keen awareness of the financial pressures both in the current financial year and across the programme duration.

4. Recommendations for the AGC

- 4.1. The AGC to note this progress update for the Phoenix Programme.

Annex A – Background and Benefits

Background

- The HFEA has a core set of operational systems that it relies on to deliver its business that have reached, and in some cases, surpassed their useful lives, with one key system in particular no longer running on a supported operating system nor receiving security updates. The risk of system failure has at times been significant. Furthermore, the systems no longer represent an efficient or effective tool for staff and user-experience is poor.
- The HFEA began scoping a replacement and improvement programme in the summer of 2023, looking at the following systems:
- The **Epicentre** system manages key processes such as scheduling inspections, writing inspection reports, managing licence applications, complaints and incidents, etc., as well as issuing licences. The system was created internally over 15 years ago and is no longer supported. Its failure would be highly disruptive for the HFEA and would effectively prevent us from managing inspections or issuing licenses
- The HFEA's **Clinic Portal** is the external web interface used by our regulated clinics, who use it to submit critical information to the HFEA such as licence applications. It is no longer delivering the service we require and suffers from significant performance issues.
- **Content Manager** is a now-outdated document management system that no longer meets our needs in a modern way and restricts our ability to maximise the value of the information that we hold.
- This paper provides an update on this programme, named the Phoenix Programme by HFEA staff.

Intended Benefits

The over-riding aim of the Phoenix programme is to replace our aging systems with modern, cloud-based solutions that will also provide us with options to innovate more easily, for example through use of AI, by having a much more effective and accessible structure for our data. The main benefits are:

- System stability and resilience – achieved by hosting the systems on industry-standard platforms;
- Improved efficiency of staff processes – through having key data in one system, and improvements such as automation of some of the Inspectors' tasks;
- Clinic staff experience improvements – new Clinic Portal won't crash and will be easier to use, resulting in fewer queries back to the HFEA;
- Better data-management – will support stronger reporting and responses to queries, FOIs, legal cases, etc, (including potentially through AI-based apps).

Annex B – Deliver phase

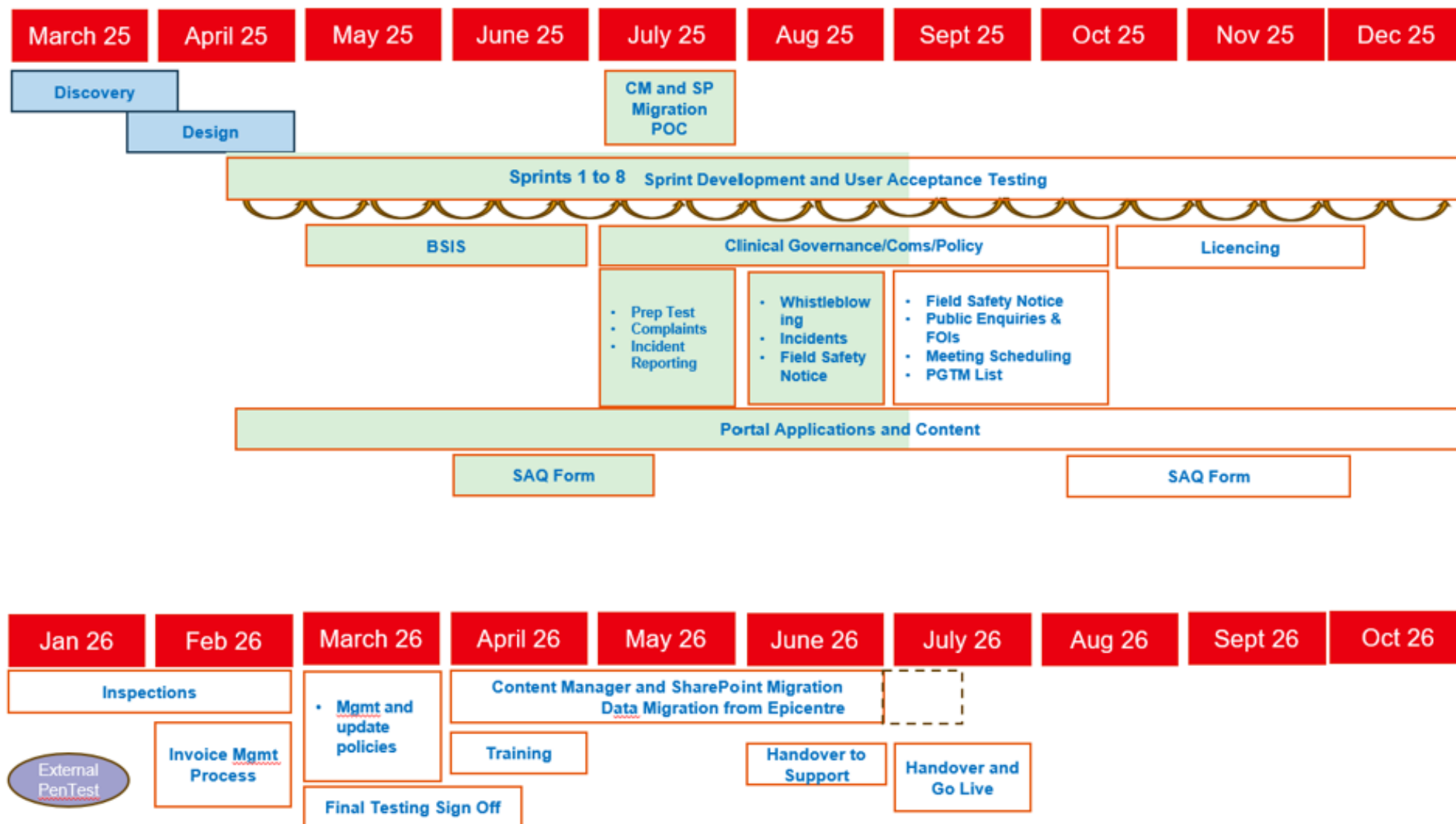
- The purpose of the **Deliver** phase is to turn the requirements (User Stories) into a working solution.
 - The programme is working in 2-week iterations (**Sprints**) using the Scrum methodology to provide regular feedback.
 - At the end of each Sprint, the development team **demonstrate** functionality that has been built.
 - Built functionality is tested by Ceox, and then by HFEA staff in User Acceptance Testing (UAT).
- The programme is running three streams of **delivery** in parallel:
1. **Content Manager to SharePoint migration** – while the actual data migration will now begin in April 2026, design work is happening now, to lead to a skeleton SharePoint site being built which is a pre-requisite for finishing the Dynamics build.
 2. **Clinic Portal Forms** – progress on these has accelerated as all teams have found ways to benefit from re-use due to many forms sharing identical or very similar pages. 6 Portal Forms have been signed-off as 'Ready for launch' and the rest are in a healthy pipeline, as shown:

Portal Forms		
	<i>Count</i>	<i>%age</i>
in Requirements	5	17%
in Build	6	21%
in Ceox testing	6	21%
in User testing	6	21%
ready for Launch	6	21%
Total	29	100%

3. **Dynamics Build** (replacing Epicentre) – this work is being done in phases reflecting the relevant HFEA departments – BSIS, then Clinical Governance/Policy/Communications, with Licensing and Inspections to follow. While requirements in the first two areas are nearly complete, we saw that progress in terms of getting their functions ('user stories') signed-off as 'Ready for launch' was been slower than planned. We've responded by adjusting our processes for requirements-gathering, including hosting an onsite workshop on the BSIS functions. We anticipate this will help improve the pipelines of work in these two areas, which have recently been largely held up in testing as can be seen:

BSIS User Stories			Clinical Governance User Stories		
	<i>Count</i>	<i>%age</i>		<i>Count</i>	<i>%age</i>
in Requirements	0	0%	in Requirements	9	20%
in Build	12	34%	in Build	0	0%
in Ceox testing	16	46%	in Ceox testing	37	80%
in User testing	1	3%	in User testing	0	0%
ready for Launch	6	17%	ready for Launch	0	0%
Total	35	100%	Total	46	100%

Annex C - Current Phoenix Programme Timeline



Reserves policy update

Details about this paper

Area(s) of strategy this paper relates to:	Regulating a changing environment / Supporting scientific and medical innovation
Meeting:	AGC
Agenda item:	13
Meeting date:	14 October 2025
Author:	Morounke Akingbola, Head of Finance
Annexes	Annex 13a: Reserves Policy

Output from this paper

For information or decision?	For decision
Recommendation:	Approve the increase in level of reserves from £1.42m to £1.52m
Resource implications:	n/a
Implementation date:	Immediate
Communication(s):	n/a
Organisational risk:	Medium

1. Purpose

- 1.1. This paper is presented to provide the committee with an update of the HFEA's Reserves Policy which is an annual occurrence.

2. Update

- 2.1. The policy was last presented to the committee in October 2024. At that meeting, the Committee agreed that the HFEA should maintain an ongoing minimum level of cash of £952k to facilitate usual cash flow requirements plus £500k buffer for exceptional events.
- 2.2. Below is a table showing our closing cash balances versus total reserves for the last 5 years for context. The core level of reserves we maintain is around 50% (£1.4m to £1.5m) of our cash holdings. One of our goals is to bring our cash balance down to £2.5m, last achieved in 2016!

	Closing cash balance	Total I&E Reserve
Financial years	£'000s	£'000s
2020/21	3,289	4,406
2021/22	3,688	4,685
2022/23	3,367	4,435
2023/24	3,544	4,205
2024/25	3,315	4,448

- 2.3. A review of our current annual costs has resulted in an increase in the level of contingency which is maintained to meet immediate liabilities should an extraordinary financial incident occur; the reserve for other commitments which are those costs related to IT contracts, and subscriptions which must also be maintained at a minimum.

3. Recommendation

- 3.1. The Committee is requested to approve the revised reserve level of £1.52m (2024/25 £1.42m) which is made up of:
- Working capital of £500k
 - Contingency of £936k
 - Other commitments of £82k

Reserves Policy

Purpose

The purpose of this policy is to ensure that both the Executive and Authority of the HFEA are aware of the minimum level at which reserves are maintained and the reasons for doing so. The minimum level of reserves set out in this policy has been agreed with the Department of Health.

Principles

An organisation should maintain enough cash reserves to continue business operations on a day-to-day basis and in the event of unforeseen difficulty and commitments that arise. It is best practice to implement a reserves policy in order to guide key decision-makers.

Reserves Policy

1. The Authority has decided to maintain a reserves policy as this demonstrates:
 - Transparency and accountability to its licence fee payers and the Department of Health and Social Care;
 - Good financial management;
 - Justification of the amount it has decided to keep as reserves.
2. The following factors have been taken into account in setting this reserves policy:
 - Risks associated with its two main income streams - licence fees and Grant-in-aid - differing from the levels budgeted;
 - Likely variations in regulatory and other activity both in the short term and in the future;
 - HFEA's known, likely and potential commitments.
3. The policy requires reserves to be maintained at least at a level that ensures the HFEA's core operational activities continue on a day-to-day basis and, in a period of unforeseen difficulty, for a suitable period. The level should also provide for potential commitments that arise.

Cashflow

4. To enable sufficient cover for day-to-day operations, a cash flow forecast is prepared at the start of the financial year which takes account of when receipts are expected, and payments are to be made. Most receipts come from treatment fees - invoices are raised monthly and on average take 45 days to be paid. Cash reserves are needed to ensure sufficient working capital is available to make payments when they become due throughout the year.
5. Historically the HFEA experiences some negative cashflows (more payments than receipts), this has not changed in the last 2 financial years (23/24 and 24/25). We continue to pay our suppliers very promptly (usually within 7 working days). Our debt collection process take a little longer, although this has significantly improved with the embedment of PRISIM. In order to ensure that there is always a positive cash balance we would wish to maintain a working capital cash balance of £500k (2024/25 £500k), based on our most unfavourable outflow in the last 2-3 years.

Contingency

6. The certainty and robustness of HFEA's key income streams, the predictability of fixed costs and the relationship with the Department of Health and Social Care, would suggest that HFEA would be unlikely to enter a prolonged period of financial uncertainty that would result in it being unable to meet its financial liabilities.
7. However, it is clearly prudent for an organisation to retain a sufficient level of reserves to ensure it could meet its immediate liabilities should an extraordinary financial incident occur.
8. In arriving at a reserve requirement for unforeseen difficulty we have considered the likely period that the organisation might need to cover and whilst discussions are undertaken to secure the situation, the immediate non-discretionary spend that would have to be met over that period.
9. We believe that a prudent assumption would be to ensure a minimum of two months of fixed expenditure is maintained as a cash reserve; in terms of the costs that would need to be met we consider the following to be non-discretionary spend that would be required to ensure the HFEA could maintain its operations:
 - a. salaries (including employer on-costs);
 - b. the cost of accommodation.; and,
 - c. Sundry costs related to IT contracts, outsourced services, and other essential services.

10. These fixed costs would have to be paid in times of unforeseen difficulty, salaries and accommodation costs alone represent 80% (previously 77%) of the HFEA's total annual spend.
11. Based on the HFEA's current revenue budget, the combined monthly cost of salaries and accommodation is £468k (5% increase from 2023/24). A reserve of two months for these two elements would therefore be £936k (2024/25 £892k).
12. A further reserve for other commitments is estimated to be £41k a month (2024/25, £30k).

Minimum reserves

13. The HFEA's minimum level of reserves will be maintained at a level that enables positive cashflow (£500k), provides £1,018k (24/25, £952k) for contingency. The minimum level of cash reserves required is therefore £1.52m (increased from £1.42m 24/25). These reserves will be in a readily realisable form at all times.
14. At least biannually the level of reserves will be reviewed by the Director of Finance, Planning and IT as part of the HFEA's ongoing monitoring of its cash flow.
15. Each autumn as part of the HFEA's business planning and budget setting process, the required level of reserves for the following financial year will be reassessed.
16. In any assessment or reassessment of its reserves policy the following will be borne in mind.
 - The level, reliability, and source of future income streams.
 - Forecasts of future planned expenditure.
 - Any change in future circumstances - needs, opportunities, contingencies, and risks – which are unlikely to be met out of operational income.
 - An identification of the likelihood of such changes in these circumstances and the risk that the HFEA would not be able to meet them.
17. HFEA's reserves policy will be reviewed annually by the Audit and Governance Committee.

Document name	Reserves Policy
Original release date	October 2014
Author	Head of Finance
Approved by	AGC
Next review date	September 2026
Total pages	3

Version/revision control

Version	Changes	Updated by	Approved by	Release date
1.0	Created	DoF	AGC	Feb 2015
2.0	Branded/amended	HoF	AGC	Dec 2016
2.1	Cashflow figures amended	HoF	AGC	Oct 2017
2.2	Reviewed	HoF	AGC	Oct 2018
2.3	Reviewed by DoF and amended	HoF	AGC	Dec 2019
2.4	Reviewed unchanged	HoF	AGC	Oct 2020
2.5	Reviewed; min reserves balance amended	HoF	AGC	Oct 2021
2.6	Reviewed: no changes	HoF	AGC	Oct 2022
2.7	Reviewed: amends to budget figures	HoF	AGC	Oct 2023
2.8	Reviewed: amends to budget figures	HoF	AGC	Oct 2024
2.9	Reviewed: amends to budget figures	HoF	AGC	Oct 2025

Audit & Governance Committee Forward Plan

Details about this paper

Area(s) of strategy this paper relates to:	Regulating a changing environment / Supporting scientific and medical innovation
Meeting:	Audit & Governance Committee
Agenda item:	14
Meeting date:	14 October 2025
Author:	Morounke Akingbola, Head of Finance
Annexes	

Output from this paper

For information or decision?	For decision
Recommendation:	The Committee is asked to review and make any further suggestions and comments and agree the Forward Plan.
Resource implications:	None
Implementation date:	n/a
Communication(s):	n/a
Organisational risk:	Low Not to have a plan risks incomplete assurance, inadequate coverage or unavailability of key officers or information

Audit & Governance Committee Forward Plan

AGC items Date:	14 October 2025 Virtual	3 Dec 2025 In-person	24 Feb 2026 Virtual	16 June 2026 In-person	13 Oct 2026 Virtual
Following Authority Date:	19 Nov 2025	21 Jan 2026	11 Mar 2026	1 July 2026	18 Nov 2026
Internal Audit	Update - mid year review of audit plan discussion around audit charter, GovS009 and the DAO letter	Update	Approve draft plan	Results, annual opinion, internal audit charter	Update - mid year review of audit plan
Internal Audit Recommendations Follow-up	Yes	Yes	Yes	Yes	Yes
External audit (NAO) strategy & work			Interim Feedback	Audit Completion Report	
Session for Members and auditors	Yes	Yes	Yes	Yes	Yes
Annual Report & Accounts (including Annual Governance Statement)				Yes, for approval	
Strategic Risk Register	Yes	Yes	Yes	Yes	Yes
Risk Management Strategy ¹		Yes			

¹ Policy will have been reviewed by the Executive, including updated appetite statement for Authority approval.

AGC items Date:	14 October 2025 Virtual	3 Dec 2025 In-person	24 Feb 2026 Virtual	16 June 2026 In-person	13 Oct 2026 Virtual
Horizon scanning committee discussion	Yes	Yes	Yes	Yes	Yes
Deep dives	Whistle blowing		Business Continuity		CaFC / PRISM
Digital Programmes Update	Yes	Yes	Yes	Yes	Yes
Resilience & Business Continuity Management	Update as necessary	Update as necessary	Update as necessary	Update as necessary	Update as necessary
Information Assurance & Security				Yes, plus SIRO Report	
HR, People Planning & Processes		Bi-annual HR report		Bi-annual HR report	
Contracts & Procurement including SLA management	Update as necessary	Update as necessary	Update as necessary	Update as necessary	Update as necessary
Whistle Blowing, fraud (report of any incidents)	Update as necessary	Update as necessary	Update as necessary	Update as necessary	Update as necessary
Estates				Yes	
Review of AGC effectiveness and terms of reference	Yes	Yes			Yes
Functional standards	Yes	Yes	Yes	Yes	Yes

AGC items Date:	14 October 2025	3 Dec 2025	24 Feb 2026	16 June 2026	13 Oct 2026
	Virtual	In-person	Virtual	In-person	Virtual
AGC Forward Plan	Yes	Yes	Yes	Yes	Yes
Accounting policies			Yes (annually)		
Public Interest Disclosure (Whistleblowing) policy			Yes		
Counter fraud and anti-theft policy			Yes		
Counter-fraud Strategy (CFS), Fraud Risk Assessments (FRA) and progress of Action Plan	Yes				Yes
Reserves policy	Yes				Yes
Dear Accounting Officer letters	Update as necessary	Update as necessary	Update as necessary	Update as necessary	Update as necessary
Meeting specific items					

Training topics

- This list below are suggested topics which could be considered for AGC members -note it is proposed that a training session on External Audit be held December 2025.
- Risk Management
- Counter fraud
- External Audit – Knowledge of the role/functions of the external auditor/key reports and assurances.

Suggested deep dive topics

Suggested topic	Date added	Potential meeting to be discussed
Business Continuity	17 June 2025	February 2026
CaFC/PRISM	27 June 2023	Oct 2026
Reviewing the implementation of the external auditor's recommendations and performance of the external auditors (to be discussed at the March 2025 meeting)	6 Dec 2024	Oct 2026

Version/revision control

Version	Changes	Updated by	Approved by	Release date	Review date
1.0					

Gifts and Hospitality Register

Details about this paper

Area(s) of strategy this paper relates to:	The best care /The right information / Shaping the future
Meeting	AGC
Agenda item	15
Meeting date	14 October 2025
Author	Morounke Akingbola, Head of Finance

Output from this paper

For information or decision?	For information
Recommendation	AGC is invited to note single declaration within the register
Resource implications	N/a
Implementation date	2025/26 business year
Communication(s)	Na
Organisational risk	Low

Introduction

The Declaration of Interests and Gifts and Hospitality is a standing item on the agenda. In 2021, the Committee agreed that the register at Annex A would only be presented when there were items added.

Update

The register at Annex A contains two new items since the June 2025 meeting. The second item's value is estimated.

Action

The committee are requested to note the register contents.

Register of Gifts / Hospitality Received and Provided/Declined

Version: HFEAG0001

Oct-25

DIVISION / DEPARTMENT: HFEA

FINANCIAL YEAR: 2025/26

	Details of the Gift or Hospitality						Provider Details			Recipient Details	
Type	Brief Description of Item	Reason for Gift or Hospitality	Date(s) of provision	Value of Item(s)	Location where Provided	Action on Gifts Received	Name of Person or Body	Contact Name	Relationship to Department	Name of Person(s) or Body	Contact Name
Either 'Provision' or 'Receipt'	Give a brief description of the gift or hospitality recorded	Summarize the reason or occasion for the gift or hospitality	Give the date(s) on which it was provided or offered	Give the known or estimated value - if unknown then state 'unknown' and explain further under the 'Reason for Gift' column	Give the name of the venue or location at which the gift or hospitality was provided	For Gifts Received only, specify what happened to the item(s) after it was received	Give the name of the individual or organization providing or offering the gift / hospitality	Give a contact name if an individual is not specified as the provider - otherwise leave blank	Specify the relationship of the provider to the Department (e.g. 'supplier', 'sponsor', etc.) - if the Department is the provider then leave blank	Give the name of the individual(s) or organisation receiving the gift / hospitality - if there are multiple recipients, specify each on a separate line	Give a contact name if an individual is not specified as the recipient - otherwise leave blank
Receipt	£30 M&S Gift voucher	Speaker at BICA	16/05/2025	£ 30.00	BICA	Accepted - donated to All-staff snack provision	BICA		None	Clare Ettinghausen	
Receipt	Lunch provided	Attendance at roundtable on laying foundations for agentic AI	01/07/2025	£ -	Dods	Accepted	Dods	Paloma Martinez	None	Tom Skrinar	
Receipt	Flights and accommodation [1-3 Oct-25]	Speaker at ESHRE	02/10/2025	£ 600.00	Campus Palermo	Accepted	ESHRE		None	Paula Nolan	