

Minutes of the Audit and Governance Committee meeting on 16 June 2026 held at 2 Redman Place

Members present	Catharine Seddon, Chair Alex Kafetz, Deputy Chair (online) Tom Fowler Anne Marie Millar
External Advisers	Nick Doran, National Audit Office (NAO) – External Auditor Dean Gibbs (KPMG) – External Audit lead (online) Esther Hearn (KPMG) – Engagement Manager Andrew Angeli, Head of Internal Audit GIAA
Observers	Rachel McBryde, Department of Health and Social Care (DHSC) Kirean Lawrance, Department of Health and Social Care (DHSC) Dina Halai, Head of Policy Matthew Silk, Interim Head of Communications (online) Okorite Ephraim, Committee Officer
Apologies	Sophie Tuhey, Head of Planning and Governance Shabbir Qureshi, Risk and Business Planning Manager
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 Morounke Akingbola, Head of Finance Yvonne Akinmodun, Head of HR Alison Margrave, Board Governance Manager Martin Cranefield, Head of IT (items 9, 10 and 11) Alice Collinge, Information Governance & Records Manager (items 5-11) Luke Reader, Phoenix Programme Manager (item 9)

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

- 1.1.** The Chair welcomed everyone to the meeting and extended a warm welcome to those observing the meeting.
- 1.2.** Apologies for absence were received from Sophie Tuhey and Shabbir Qureshi.
- 1.3.** The Chair asked for any declarations of interest:
 - Alex Kafetz informed the committee that he had been appointed as a member of The Advisory Board to the Patient Safety Commissioner, and this had been recorded by the Authority at its May 2026 meeting.
 - The Chair informed the committee that she had recently sat as an independent panel member for the selection of NHS Counter Fraud NED's.
- 1.4.** The Chair provided the committee with her activities since the last AGC meeting:
 - Discussed the Dear Accounting Officer letters with the Director of Finance, Planning and Technology and noted that the HFEA was compliant with all letters received.

- Observed a clinic inspection visit in early June and she was impressed with the inspector's rigor and sensitivity when dealing with the clinic staff.
- The Chair informed the committee that the HFEA had been selected to participate in an additional internal audit conducted by GIAA on "website publication control" at no cost to the HFEA. This was a cross-Government audit and several organisations were selected to participate. Whilst the audit work at the HFEA had been completed, the final report has not yet been received.

2. Minutes of the previous meeting

- 2.1.** The Chair introduced the minutes from the previous meeting held 24 February 2026 which had been circulated to the committee members.
- 2.2.** The committee agreed the minutes of the meeting held on 24 February 2026 as a true record and could be signed by the Chair.
- 2.3.** A member asked that the commitment in minute 8.21 regarding how to best to capture AI risk/opportunity in the next iteration of the SRR not be overlooked. The committee agreed that this should be left to the Chief Executive to incorporate, as appropriate, into a future SRR.

3. Action Log

- 3.1.** The Head of Finance presented the paper and informed the committee that all actions had been completed, as detailed in the paper, and therefore these actions can be closed and removed from the action log.

Decision

- 3.2.** 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 the HFEA had achieved an overall Moderate opinion on the framework of governance, risk management and control for the year ended 31 March 2026.
- 4.2.** He referred to the two key themes identified in the draft annual opinion being 'Guidance' and 'Reporting'. He acknowledged that the HFEA had made timely progress in implementing recommendations with 90% of the recommendations now closed.
- 4.3.** The Head of Internal Audit referred to the direction of travel indicator and spoke of the rationale for this.
- 4.4.** The Head of Internal Audit informed the committee that the overdue action identified in the paper has been closed.
- 4.5.** Continuing, he referred to the audits which have been undertaken during the year and spoke to the key findings and recommendations from these. He thanked the HFEA staff for their support during the audit process.
- 4.6.** The Head of Internal Audit referred to the annual performance report which summarises the performance of the internal audit function. He spoke to the service standards which GIAA is

measured against and noted that three of these were not achieved he also referred to the average CSQ score which is 50%. He spoke to how both aspects could be improved for 2026/27.

- 4.7.** He highlighted the final engagement report for the staff retention and wellbeing audit and the overall rating and recommendations arising from this audit.
- 4.8.** The Head of Internal Audit referred to the Internal Audit Charter and reported that this has not changed so will be rolled over for 2026/27.
- 4.9.** Closing, the Head of Internal Audit referred to the supplementary packs which provide a rich source of resources for AGC members.
- 4.10.** The committee discussed the overall moderate rating, questioning how this could be improved, and the direction of travel indication of slight deterioration from the previous year, which the committee felt was harsh and did not reflect the improvements made during the year.
- 4.11.** The Head of Internal Audit spoke of the fundamental areas which the audits focus on and some of the key themes which arise from the audits, especially regarding guidance. He continued that closing off some of the outstanding DSPT recommendations could positively affect the overall rating. He acknowledged that the AGC was functioning effectively and keeping a constant review of the audit recommendations. He agreed to undertake a review of the direction of travel rating.
- 4.12.** The Chief Executive spoke of the relevance and usefulness of guidance provided and commented that more guidance is not necessarily better guidance. He questioned the thought process behind some of the ratings for the audits and how it was difficult to square this with the recommendations made.
- 4.13.** In a similar vein, the Chair referred to the staff retention and wellbeing report and spoke of the HFEA's excellent track record in this regard and the areas of best practice which have been implemented by the HFEA. She found it difficult to equate the HFEA's performance with a moderate rating.
- 4.14.** A member concurred, saying that he had never seen better staff engagement than that achieved by the HFEA and he referenced the excellent staff survey results. He stated that the HFEA should be held up as an example of good practice.
- 4.15.** Regarding the draft performance report the committee discussed the feedback received from the auditees and noted the improvements brought about by the Ways of Working document which had been agreed by the Corporate Management Group (CMG).
- 4.16.** The Chair asked the Head of Internal Audit to take on board the committee's comments regarding the staff retention and wellbeing audit report.
- 4.17.** The Chair highlighted the supplementary pack and referred to the information provided on fraud, which may be a useful resource when considering agenda item 16.

5. Progress with current audit recommendations

- 5.1.** The Chair introduced this agenda item and informed the committee that as at the previous meeting the committee would first consider non-Data Security and Protection Toolkit (DSPT) audit recommendations and then the DSPT audit recommendations.

Non-DSPT audit recommendations

- 5.2.** The Head of Finance introduced the main paper, confirming that no non-DSPT audit recommendations are overdue. She provided the committee with an update on the work being undertaken to close off audit recommendations.
- 5.3.** The Chair congratulated the Head of Finance for the work that is being done to close off audit recommendations.

DSPT audit recommendations

- 5.4.** The Director of Finance, Planning and Technology introduced the paper on DSPT recommendations and informed the committee of the high workload of the IT team in managing the Phoenix Programme as well as business-as-usual work. He spoke of the planned recruitment and how this extra resource will enable several of the outstanding DSPT recommendations to be closed off.
- 5.5.** The Director of Finance, Planning and Technology informed the committee that this year's DSPT submission is in the final stages and once submitted the improvement plan will be revised to take forward items of priority for the Summer and Autumn.
- 5.6.** The Director of Finance, Planning and Technology spoke of the rationale for revising the due dates of some outstanding recommendations to December 2026.
- 5.7.** The Head of Internal Audit stated that the rationale for amending the due dates was clear and he had no objections to this proposal.
- 5.8.** The committee discussed the proposal noting the improvement plan, which will be approved by NHS England, and the additional resources that will strengthen the IT team.
- 5.9.** The Chair suggested to the Director of Finance, Planning and Technology that if these outstanding recommendations could not be closed off by December 2026, he may want to consider proposing to accept them at risk.

Decision

- 5.10.** The committee noted the progress made in implementing audit recommendations.
- 5.11.** The committee agreed to revise the due date for the following DSPT recommendations to December 2026:
- DSPT 2025 Recommendation 3
 - DSPT 2024 Recommendations 1 and 2
 - DSPT 2023 Recommendation 1.3

Action

- 5.12.** Director of Finance, Planning and Technology to update the due date for the identified DSPT recommendations.

6. Annual Report and Accounts

- 6.1.** The Head of Finance introduced this item, noting that committee members were sent a draft copy of the governance statement by email earlier in the year and the copy before this meeting incorporates the comments and suggestions made by members.

- 6.2.** The Head of Finance explained the material variances to the previous financial year and stated that there is one issue on income which is awaiting final approval from the external auditors.
- 6.3.** The Chair congratulated the Head of Finance for a high calibre annual report and invited the committee to raise any significant omissions or admissions.
- 6.4.** In response to a question regarding the total number of clinics and the increase in incident reports, the Chief Executive responded that the number of clinics is stable but licences vary for research projects. Continuing, he commented that there has not been an increase in major incidents while there has been an increase in the willingness to report. He did not see this as a concern.
- 6.5.** The Director of Compliance and Information also commented that the willingness of the sector to report incidents should be seen as a positive. She spoke about how these incidents are communicated to the sector via clinic focus.
- 6.6.** In response to a question, the external auditor, NAO, commented that the draft annual report is compliant with the NAO best practice document. He praised the quality of the document and the early preparation of it.
- 6.7.** The Chair asked that if committee members had any additional comments on the Annual Report, they should send them to the Head of Finance by noon on 17 June 2026.

Decision

- 6.8.** 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.

Action

- 6.9.** The committee to send comments on the draft Annual Report to the Head of Finance by noon on 17 June 2026.
- 6.10.** HFEA staff to seek final approval to lay the accounts from the Authority.

7. External audit

- 7.1.** The External Audit lead (KPMG) introduced the paper and expressed his thanks to the HFEA team for this support in this work.
- 7.2.** The External Audit Lead stated that he anticipates recommending to the Comptroller and Auditor General (C&AG) that he should certify the 2025-26 financial statements with an unqualified audit opinion, without modification in respect of both regularity and the true and fair view on the financial statements.
- 7.3.** The External Audit Lead referred to the key audit risks and the changes to the assessment of these risks since planning. He spoke to the risk of accuracy of revenue recognised noting that three clinics are being billed based on an estimated number of treatment cycles due to not being up to data with the submission of activity data. He reiterated the risk communicated at planning that due to the increased length of time these had been billed on an estimated basis a material adjustment might be required. He noted that since issuing the plan the clinics had provided high level activity data and the assumptions made had been revisited with a provision created for refunds. This was considered to be appropriate in the circumstances.

- 7.4.** He referred to the adjusted misstatement regarding the lease remeasurement due to the wrong effective interest rate being used when calculating the reduction in the lease.
- 7.5.** The Chair remarked that the audit process for this year had been positive and easier than that of previous years. She asked why that was. The External Audit Lead responded that the early receipt of information from the HFEA, in addition to the Head of Finance preparing the Annual Report and Accounts to a high standard had both been very beneficial to the audit process.
- 7.6.** In response to the one recommendation arising from the audit, the Head of Finance clarified that the HFEA does not have unbalanced journals.
- 7.7.** The committee discussed NAO's response to their concerns regarding the audit fee increase and recorded their thanks to the NAO for taking the HFEA's concerns seriously.
- 7.8.** In closing the discussion, the committee and management gave their thanks to the outgoing team from KPMG.

Decision

- 7.9.** The committee authorised the Accounting Officer to sign the audit certificate and letter of representation.

Action

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

8. Risk Update

Strategic Risk Register (SRR)

- 8.1.** The Director of Finance, Planning and Technology introduced the paper and reminded the committee that at its February meeting they had received the end of year SRR and a full formal review of the SRR has now been completed and is before the committee for approval.
- 8.2.** The committee were informed that the SRR had been reviewed by the Senior Management Team (SMT) and whilst no new risks had been added, all previous risks had been updated and he gave a brief overview of these updates.
- 8.3.** In response to a question regarding whether the information risk regarding register data could be deprioritised, the Director of Compliance and Information responded that whilst it appears to involve just one donor bank, the HFEA cannot quantify the number of Donor Conceived Individuals (DCI) who might be affected therefore it remains a high risk. The Chief Executive commented that whilst the number of DCIs affected may be small, the reputational risk could be high.
- 8.4.** A member commented that with the increase and availability of genomics testing, the risk rating for the information risk regarding register data was probably correct.
- 8.5.** In response to a question, the Director of Finance, Planning and Technology agreed to circulate the fee review information to the independent AGC member.
- 8.6.** The committee discussed the placement of the AI risk as a sub-risk on the Phoenix Programme and asked that in future edition of the SRR it be a standalone risk. The Chief Executive commented that until the Phoenix Programme had been completed and the new systems

implemented it would not be possible to fully consider the benefits and risks of AI. In addition, more conversations are required about how the AI strategic risk could be articulated.

- 8.7.** The External Audit lead (KPMG) commented that he had a document resource on what the governance of AI deployment could look like for Board, Audit and Governance Committee and operationally at the Executive level. He confirmed he would share this resource with the AGC members.
- 8.8.** The committee discussed and approved the risk appetite statement and proposed change to the risk policy.

Horizon Scanning

- 8.9.** In response to a question the Director of Strategy and Corporate Affairs explained that there was great public and media interest in sperm donation taking place outside of licensed clinics. She explained the difficulties and frustration in tackling unregulated donations and the reluctance of the police and social media platforms to enforce the law. She reiterated that sperm donation outside of licensed clinics is illegal under the HFE Act and that the HFEA continues to raise this matter with the Department.
- 8.10.** The committee discussed how to strengthen the wording in the SRR to capture all the mitigation work that the HFEA is doing to combat this risk. The Chief Executive highlighted the updated [FAQs relating to unregulated sperm donation](#) available on the HFEA's website.
- 8.11.** The committee discussed and agreed the schedule of deep-dive topics as shown in the paper was correct.

Decision

- 8.12.** The committee endorsed the SRR for presentation to the Authority.
- 8.13.** The committee also agreed the amended risk appetite statement and risk policy.

Action

- 8.14.** Director of Finance, Planning and Technology to send fee information to the independent AGC member.
- 8.15.** The External Audit lead (KPMG) to share AI document with AGC members.
- 8.16.** Executive to present the risk documents to the July 2026 Authority meeting.

9. Digital projects

- 9.1.** The Phoenix Programme Manager introduced the paper. He explained to the committee that the team had assessed and revised the proposed go-live dates.
- 9.2.** The revised date for the content manager (CM) migration to SharePoint is now the end of July 2026. The Phoenix Programme Manager informed the committee of the slow rate of data extraction and the need for human intervention to manage batch loads. It is anticipated that to extract all the data from CM will take six weeks.
- 9.3.** The Phoenix Programme Manager informed the committee that the proof of concept was delayed by the availability of the HFEA's IT staff. The SharePoint site had been reviewed and tested by

the wider HFEA team. He informed the committee of the engagement of the staff and training materials available to them.

- 9.4.** The revised date for the Epicentre migration to Dynamics is now mid-September. He explained what Epicentre is used for by the Licensing and Inspection teams.
- 9.5.** In response to a question the Head of IT informed the committee that the core Epicentre database is safe, but the application to log into the system is at risk due to no longer being supported. He explained that the key departments have processes in place in case the system was to fail.
- 9.6.** In response to a question the Director of Finance, Planning and Technology explained the main budget items relating to the Phoenix Programme noting that some IT funding has not yet been drawn down.

Decision

- 9.7.** The committee noted the report on the Phoenix Programme and were comfortable with the rationale provided for the revised go-live dates.

10. Resilience, cyber security and business continuity

- 10.1.** The Head of IT provided a verbal report to the committee.
- 10.2.** The Head of IT referred to workstream #3 outlined in paragraph 7.2 of the Business Continuity deep dive paper and informed the committee that he had attended a two-day workshop with Microsoft on cyber security. There are several governance tools available in the cloud which may be suitable once the Phoenix Programme has been fully implemented.
- 10.3.** Regarding workstream #4 the Head of IT informed the committee that this will be implemented once the Phoenix Programme has gone live.
- 10.4.** The Chair thanked the Head of IT for the verbal report and congratulated him and the IT team for the work being done.

Decision

- 10.5.** The committee noted the verbal report.

11. Information assurance and security (SIRO Report)

- 11.1.** 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. The paper before the committee is his annual report to the Accounting Officer and AGC.
- 11.2.** The Director of Finance, Technology and Planning 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.
- 11.3.** The Director of Finance, Technology and Planning spoke of the teams in place for Information Governance and IT and Cyber and how these resources work well together. He referenced the Information Governance and Cyber Security Steering Group terms of reference included as Annex A of the paper.

- 11.4.** Continuing, he spoke of the assessment of the HFEA's compliance with the mandatory requirements set out in the 10 National Data Guardian (NDG) standards for data security as shown in Annex B of the paper.
- 11.5.** In response to a question, the Information Governance & Records Manager explained what a subject access request (SAR) is and how these can be operationally challenging and complex. The Information Governance & Records Manager confirmed that the numbers of SAR requests has increased, which mirrors the trend in other organisations. In response to a question, the Information Governance & Records Manager confirmed that these requests can be draining on resources.
- 11.6.** In response to a question the Information Governance & Records Manager provided further information about right to be forgotten requests and informed the committee that a SOP is being finalised detailing how to manage these requests.

Decision

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

12. Bi-annual HR Report

- 12.1.** The Head of HR introduced the paper and informed the committee that as of 31 March 2026 the HFEA had 88 active staff in post and a total headcount of 92. Turnover is at 15.4% which is just above the 15% KPI, however it is expected that turnover will plateau on the next few months.
- 12.2.** The Head of HR reminded the committee of the People Strategy that was launched in April 2025 and explained the progress which had been made against this strategy, she highlighted the medium and long-term plans.
- 12.3.** The Head of HR explained the key priorities for 2026/27 and how these were intended to be met.
- 12.4.** Continuing, the Head of HR informed the committee that recruitment is currently underway for a HR Manager, which will help to build resilience in the HR team.
- 12.5.** The Head of HR informed the committee that HFEA's average time to hire, 30 days, is substantially faster than all public sector comparators, performing well below the small public sector benchmark of 56 days and ahead of both Civil Service and NHS averages. For a small HR team of just two people, she was proud of this achievement.
- 12.6.** In response to a question, the Head of HR responded that there had been a decline in take up of well-being breaks, down from 92% in the first quarter to 73% in the second quarter. She believed this decline to be underreporting and managers have been encouraged to remind staff to record these breaks.
- 12.7.** A member commented that the report was extremely positive but questioned whether there was anything that did not go as planned and could be improved. The Head of HR responded that leadership development is an area in which she wants to do more focused work.
- 12.8.** In response to a question, the Head of HR informed the committee that the HFEA's well-being champions have reviewed the responses to the well-being pulse survey and one theme arising was the time spent in meetings.
- 12.9.** In drawing the discussion to a close, the Chair congratulated the HR team for their work and the positive report to the committee.

Decision

12.10. The committee noted the bi-annual HR report.

13. Government Functional Standards

- 13.1.** The Director of Finance, Planning and Technology informed the committee that functional leads updated the Government Functional Standards (GFS) log and this was discussed by the Corporate Management Group (CMG) in March 2026.
- 13.2.** Continuing, he stated that when Standard Operating Procedures are updated the relevant GFS is referenced to ensure that the SOP meets the required standard.
- 13.3.** The committee noted the verbal report.
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14. Estates

- 14.1.** The Director of Finance, Planning and Technology reminded the committee that the current lease, which is managed by the Department of Health and Social Care, runs until 2030. From previous discussions with the Department, he stated that there are currently no plans in place for when the lease finishes.
- 14.2.** As previously reported an additional tenant had been accommodated without any issues and the Director of Finance, Planning and Technology informed the committee that additional space had been released on the CQC side of the building for new tenants.
- 14.3.** The committee noted the verbal report.
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15. AGC Forward Plan

- 15.1.** The Head of Finance introduced the forward plan.
- 15.2.** The committee discussed the proposed training for December 2026 and agreed that this should be on Cyber Security.

Decision

15.3. The committee noted the forward plan.

16. Items for noting

- 16.1.** Whistleblowing
- Members were advised that there were no whistle-blowing incidents.
- 16.2.** Fraud
- The Head of Finance introduced the paper and informed the committee that a programme of fraud risk control testing had been undertaken across key risk areas within the HFEA's control framework.
 - Overall, the majority of controls tested are operating effectively but she highlighted a small number of areas which require further attention.
 - The Head of Finance commented that based on the work undertaken the fraud control framework is generally well designed and operating effectively. Key financial and compliance

controls are robust and applied consistently and there is no indication of material breakdowns or systemic weaknesses. Subject to completion of the follow-up actions identified in the paper, she believed that the committee could take moderate to high assurance over the effectiveness of the HFEA's fraud risk control environment.

- In response to a question regarding the recruitment controls approach she clarified that not all roles required formal qualification checks and she provided a few examples.
- In response to a question the Head of Finance confirmed that she anticipated being able to provide an update on when the next steps have been completed at the December 2026 meeting.
- The Head of Finance confirmed her intention for this to be an annual report for the committee and she will discuss with the Director of Finance, Planning and Technology who should test the controls.
- The Chair thanked the Head of Finance for the transparent report and the assurance it provided.

16.3. Gifts and Hospitality

- The Head of Finance introduced the paper which was noted the committee.

16.4. Contracts and Procurement

- Members were advised that there was nothing to report.

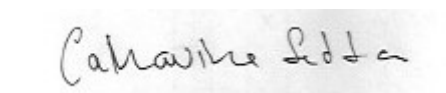
17. Any other business

- 17.1.** Observers reviewed the meeting noting the large number of items that had been considered, time management skills, comprehensive discussions and efficient chairing.
- 17.2.** The External Audit lead (KPMG) thanked the committee and the HFEA staff for their support during KPMG's tenure. Whilst it had been interesting and sometimes challenging, he acknowledged the good spirit of the HFEA staff.
- 17.3.** The Chair reminded the committee of the schedule of meetings for the year being 13 October 2026 virtual and 2 December 2026 in person and including training. The Chair reminded the committee that the ARAC Chair of the Health Services Safety Investigation Body will observe the October meeting.
- 17.4.** There being no further business the Chair closed the meeting and thanked all for their contributions.

Chair's signature

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

Signature



Chair: Catharine Seddon

Date: 13 October 2026