

# Audit and Governance Committee meeting

**Date: 24 February 2026 – 10.00am to 1.00pm**

**Venue: Virtual meeting via Teams**

Agenda item	Time
1. Welcome, apologies, declarations of interest and Chairs activities	10.00am
2. Minutes of previous meeting (CS) For decision	10.05am
3. Action log (MA) For information	10.10am
4. Internal Audit – proposed 2026/27 internal audit plan (AA) For discussion	10.15am
5. Audit recommendations <ul style="list-style-type: none"> <li>Progress with current audit recommendations (non DSPT) (MA)</li> <li>Progress with current DSPT audit recommendations (TS)</li> </ul> For discussion	10.30am
6. External audit report (ND/DG) For information	10.40am
7. Accounting policies (MA) For information	10.50am
8. Risk Update <ul style="list-style-type: none"> <li>Risk Management Policy (TS)</li> <li>Strategic Risk Register for discussion (TS)</li> <li>Committee discussion on potential horizon scanning items/items to add to deep dive discussion list (CS)</li> </ul>	11.00am
9. Digital projects <ul style="list-style-type: none"> <li>PRISM update - for information (verbal) (KH)</li> <li>Phoenix Programme - for information (LR)</li> </ul>	11.20am
10. Resilience, business continuity management & cyber security (verbal) (MC) For information	11.40am
11. Deep Dive discussion – business continuity For information	11.45pm
12. Draft Annual Governance Statement (MA) For information	12.05pm



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13. Counter Fraud and anti-theft Policy and Counter Fraud Action Plan update (MA) For comment	12.15pm
14. Public Interest Disclosure (Whistleblowing) Policy (MA) For comment	12.25pm
15. AGC forward plan (CS) For decision	12.35pm
16. Items for noting (MA) <ul style="list-style-type: none"><li>• Whistle blowing</li><li>• Fraud</li><li>• Gifts and hospitality</li><li>• Contracts and Procurement</li></ul> For information	12.40pm
17. Any other business (CS)	12.45pm
18. Session for members and auditors only	12.50pm
19. Close	

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**Next Meeting:** 16 June 2026 (in person)

# Minutes of Audit and Governance Committee meeting 3 December 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	24 February 2026
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 3 December 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 3 December 2025 held at 2 Redman Place, London

Members present	Catharine Seddon, Chair Alex Kafetz, Deputy Chair Tom Fowler Anne Marie Millar
External Advisers	Nick Doran, National Audit Office (NAO) – External Auditor Dean Gibbs (KPMG) – External Audit lead Esther Hearn (KPMG) – Engagement Manager Andrew Angeli, Head of Internal Audit - GIAA
Observers	Amy Parsons, Department of Health and Social Care (DHSC) Sarah Sellers, HFEA Legal Adviser Danielle Skinner, HFEA Licensing Manager
Apologies	Rachel Cutting, Director of Compliance and Information
Staff in attendance	Peter Thompson, Chief Executive Tom Skrinar, Director of Finance, Planning and Technology Clare Ettinghausen, Director of Strategy and Corporate Affairs 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 9) Yvonne Akinmodun, Head of HR (item 10) Kevin Hudson, PRISM Programme Manager (item 8) Luke Reader, Phoenix Programme Manager (item 8)

### 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 Rachel Cutting.
- 1.3. The Chair asked for any declarations of interest:
  - Alex Kafetz declared a conflict of interest for item 9 of the agenda. The committee noted his conflict and were content with the actions taken.
  - Catharine Seddon informed the committee that she has been appointed as Chair of registration appeals for Health and Care Professions Council (HCPC). The committee agreed there were no conflicts with her role at the HFEA.
- 1.4. The Chair informed the committee that she had attended an ACE/PCF technical forum meeting and held the quarterly meeting with the Head of Internal Audit Government Internal Audit Agency (GIAA) and pre-planning meetings with the Director of Finance, Technology and Planning and the Board Governance Manager.

### 2. Minutes of the previous meeting

- 2.1.** The Chair introduced the minutes from the previous meeting held 13 October 2025 which had been circulated to the committee members.
- 2.2.** The committee agreed to add:
  - Item 6.11 - DSPT 2023 (Rec 1.4): AGC agreed that this action should be completed by the revised deadline of 31 December 2025.
  - An action as item 16.7 for the Chief Executive to report back to the December meeting regarding awareness of topical legal and regulatory issues for committee members.
- 2.3.** With these amendments the committee agreed the minutes of the meeting held on 13 October 2025 as a true record and could be signed by the Chair.

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### 3. Action Log

- 3.1.** The Head of Finance presented the paper and provided the committee with updates on the actions which were completed, as detailed in the paper, and therefore these actions can be closed and removed from the action log.
- 3.2.** The committee noted that item 12.13 from June 2025 and items 5.14, 5.15, 12.13 from October 2025 remain open and will stay on the action log.
- 3.3.** The Chief Executive referred to action 16.7 from the October 2025 meeting regarding awareness of topical legal and regulatory issues for committee members and informed the committee that membership of the Institute of Regulators would be purchased for the AGC Chair and Head of Planning and Governance.

#### Decision

- 3.4.** The committee noted the action log.

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### 4. Internal audit update report

- 4.1.** The Head of Internal Audit (GIAA) presented this item and informed the committee that GIAA had now delivered on 60% of the 2025-26 internal audit plan. He stated that if he had to give an indicative opinion, based on the work undertaken, it would be a moderate rating.
- 4.2.** He clarified that the overdue audit recommendation mentioned on page eight of his report is now classified as 'not yet due' due to the clarification of the October 2025 minutes.
- 4.3.** In response to a question, he confirmed that he was confident that 100% of the audit plan would be delivered on time.
- 4.4.** The Chair referred to the statement, on page eight of the report, regarding applying rigour to the evidence which is submitted to them and asked whether GIAA had seen an improvement in the quality of evidence being submitted to them. The Head of Internal Audit confirmed this to be the case.
- 4.5.** The Chair referred to the statement in the report on key emerging themes and questioned whether given the size of the HFEA and the resources it has available whether these themes are proportionate and relevant.
- 4.6.** The Chief Executive responded that it was important that such requests do not interfere with the HFEA's necessary important work. He referred to the Public Body Review (PBR) where the bulk

of the work had been completed by the Senior Management Team (SMT) and reported to the Authority. The HFEA had been given a clean bill of health by this governmental review, therefore, he felt that any recommendations from the internal audit should be reflective of the overall PBR rating and be proportionate in the ask of the HFEA.

- 4.7.** The Head of Internal Audit commented that it is not unexpected that a small ALB does not have such a high level of formalised guidance which is expected for larger ALBs. For the PBR audit it was clear who had completed the work and he understood why some of this has not been documented but the audit recommendations were recommendations that would assist the HFEA in preparing for any future PBRs.
- 4.8.** The Chair asked whether the focus of these recommendations is highlighting best practice rather than a criticism of the organisation. The Head of Internal Audit responded that it is the role of GIAA to identify any perceived gaps and that recommendations made should assist future work.

### Decision

- 4.9.** The committee noted the progress made in delivering the 2025-26 internal audit plan.

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## 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 and informed the committee that two low rating actions have been added to the log following the response to the public bodies review audit and two medium and one low rating actions have been added following the cash management and non-current assets audit.
- 5.3.** The Head of Finance informed the committee that the cash management and non-current assets final report had been submitted to GIAA but given the deadline for production of papers for this meeting the report does not show in GIAA's progress report.
- 5.4.** In response to a question the Head of Finance confirmed that the implementation dates for these recommendations were achievable.

### DSPT audit recommendations

- 5.5.** The Director of Finance, Planning and Technology introduced the paper on DSPT recommendations and informed the committee that the Information Governance and Cyber Steering Group had met the week beforehand.
- 5.6.** The Director of Finance, Planning and Technology informed the committee that whilst the work is mostly complete for the three recommendations due in December 2025, it is likely that that evidence will not be submitted to GIAA until January 2026.
- 5.7.** The committee were informed that work for the recommendations due in June and July 2026 was currently on track. The HFEA was in the process of engaging an external consultancy firm to help prioritise activities and to deliver on these first.

- 5.8.** In response to a question, the Director of Finance, Planning and Technology spoke of the procurement process and stated that due diligence had indicated an issue with the first choice, but the second choice had no issues. It is anticipated that this additional help will put the HFEA in a good position for achieving these recommendations and a progress report will be given in February 2026.
- 5.9.** A member referred to the recommendation regarding resilience preparation and questioned what the HFEA was doing outside the digital parameters. The Director of Finance, Planning and Technology responded that the Business Continuity Policy covers this, with the Head of Planning and Governance having responsibility for business operations and the Head of IT for IT operations. The committee were reminded that they are having a deep-dive discussion on this topic in February 2026.
- 5.10.** The Chair commented that the table showing the DSPT recommendations was clear and useful for the committee and asked that this be retained for future reporting.

### Decision

- 5.11.** The committee noted the progress made in implementing audit recommendations.

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## 6. External audit completion report

- 6.1.** The Engagement Manager (KPMG) introduced the paper and informed the committee that whilst they have not yet completed their planning for the 2025-26 audit the paper before the committee sets out their initial consideration of how the risks for the audit may develop compared to those reported in the 2024-25 audit.
- 6.2.** The Engagement Manager spoke to each of the risks identified and provided further information to the committee.
- 6.3.** A member questioned whether the full benefits of PRISM were being explained and demonstrated to audit colleagues. They referenced the proposed inspector's dashboard which had been shown to the Authority and spoke of the value of the information held by PRISM and how the HFEA is now using that information.
- 6.4.** The Director of Finance, Planning and Technology commented that the benefits contained in the original business case now don't apply and he explained to the committee the benefits of PRISM.
- 6.5.** The External Audit lead (KPMG) commented that the risks identified for PRISM are not just financial but are also driven by the slippage on the publication of Choose a Fertility Clinic (CaFC) and that a small number of clinics are not yet fully utilising the system for the submission of activity data.
- 6.6.** A member questioned whether the HFEA can get the intelligence on why income is down and how accurate the forecasting model used is. The Director of Finance, Planning and Technology responded that the forecasting for activity was very close to actuals, but that some of the value of the income, due to the timing of the activity, had to be invoiced at the previous year's rate. The budget for next year will reflect that not all income will be at the new rate and that some reported activity will be at previous rates.
- 6.7.** The Chief Executive reminded the committee that 95% of the HFEA's income comes from activity with just 5% coming from grant in aid (GIA). He said that historically activity grows 1-2% per year,

but now the mix of activity is changing with a growth in frozen cycles. He informed the committee that work is continuing on the fee review project including options which are less dependent of activity levels.

- 6.8.** The Chair referred to the lessons learnt table and questioned whether all the proposed solutions had been agreed with the HFEA management. She asked where responsibility for the error in the audit certificate sat.
- 6.9.** The External Audit lead (KPMG) responded that this had been discussed at the de-brief meeting and he could circulate further detail. The error in the audit certificate was the responsibility of KPMG.
- 6.10.** The Chair referred to the proposed solution that the draft annual report be provided as part of the pack of supporting evidence at the beginning of the audit and asked whether this would be feasible. The Head of Finance stated that this has not been discussed and that it may be possible.
- 6.11.** The Chair drew the discussion to an end stating that this was a very helpful report for the committee to receive and it would be added to the forward plan for each December committee meeting.

#### Decision

- 6.12.** The committee noted the report.

#### Action

- 6.13.** The External Audit lead (KPMG) to circulate further detail to the committee regarding the de-brief meeting and proposed solutions.
- 6.14.** Head of Finance to update committee at the February 2026 meeting on whether it is possible that the draft annual report be provided as part of the pack of supporting evidence at the beginning of the audit.
- 6.15.** Board Governance Manager to update the committee forward planner.

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## 7. Strategic risk

### Strategic risk register (SRR)

- 7.1.** The Risk and Business Planning Manager introduced the paper and informed the committee that the SRR had been formally reviewed and no new risks have been escalated using the policy set out in the risk strategy.
- 7.2.** The Risk and Business Planning Manager spoke to the current strategic risks and provided the committee with updates on the engagement of an external consultant to assist with cyber security and the proposed transfer to data to SharePoint.
- 7.3.** A member referred to the financial risk and questioned whether the 2026-27 budget will be balanced. The Director of Finance, Planning and Technology responded that a budget paper had been taken to the November 2025 Authority Meeting, but it is dependant on the level of GIA and discussions are ongoing with both DHSC and HM Treasury.
- 7.4.** A member questioned whether a risk around the License Committee suspending large clinics and the impact it could have on income should be captured. The Chief Executive spoke about

necessary regulatory action and that there are no mitigation measures which could be taken; he assured the committee that there is no single clinic which is large enough to cause such a risk if necessary regulatory action was taken against them.

- 7.5.** Using the same rationale, the Chair referred to the Information risk and questioned whether it is right to capture a risk where no mitigations can be put in place. The Chief executive noted that the HFEA handles OTR requests well with recent investments in IT systems and additional resources. He also provided the committee with an update on the historical identified cases of incorrect data and the steps which the HFEA has taken to resolve these issues.
- 7.6.** The committee discussed the HFEA's role in managing this data and how the onus is on the clinics to provide the information to the HFEA. The committee noted the work that the HFEA has undertaken to rectify the incorrect data. The committee questioned whether the risk is more reputational damage than information and whether any more mitigating measures could be taken.
- 7.7.** The Chair raised the potential risk of failure to keep up with Artificial Intelligence (AI) (appetite of government/ developments within licensed clinics/initiatives introduced by fellow regulators) and therefore failure to ensure patient protection. The Chief Executive referred to the paper which had gone to the [Authority meeting on 19 November 2025](#) on the regulation of AI in fertility treatment. He believed that that this was a topic that needed to be kept abreast of, rather than a strategic risk but agreed to consider, along with the risk in relation to the accuracy of OTR data, how and where best to record such topics and actions.
- 7.8.** The Deputy Chair agreed with the Chief Executive's view and referred to the muddled regulatory field regarding AI as highlighted in the paper prepared for the Authority. The Chief Executive provided further insight into the Authority's discussions on this topic, noting that any future papers coming to them will not be generally about AI but about specific topics.
- 7.9.** The Director of Strategy and Corporate Affairs informed the committee that the Authority has been monitoring research and clinical developments in AI through its Scientific and Clinical Advances Advisory Committee (SCAAC) and its horizon scanning function since February 2019 and that this will continue.

#### Action

- 7.10.** The committee noted the strategic risk register.

#### Horizon Scanning

- 7.11.** The Chair asked the committee if there were any items for discussion under Horizon Scanning.
- 7.12.** A member raised the potential impact on the HFEA of NHS England merging with DHSC. The Chief Executive responded that there could be a risk of DHSC not being able to focus on business-as-usual activities. The HFEA is also aware of the tight budgets which the Department is working with. Currently there are no risks in relation to this that warrant being added to the SRR.
- 7.13.** The committee discussed the general environment in which the HFEA is operating and the threats and opportunities this presents.

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## 8. Digital projects

### PRISM update

- 8.1.** The PRISM Programme Manager provided a verbal update to the committee.

- 8.2.** The Authority had agreed the main profile page statistics for the full Choose a Fertility Clinic (CaFC) publication, and the Authority sub-group had agreed the methodology to be used. This information had been shared with clinics and 58 had confirmed and signed off their information and discussions are continuing with the remaining clinics.
- 8.3.** As agreed by the Authority for those clinics who do not meet the full CaFC publication deadline for this year, no information will be displayed. The committee was informed that as clinics provide the data, CaFC will be updated accordingly.
- 8.4.** The committee was informed that the team are now working towards the final steps for publication.
- 8.5.** A member questioned whether the HFEA would consider downloadable data. The Director of Strategy and Corporate Affairs informed the committee that previously the Authority has been against publishing in this form as some patients treat only sub-groups of patients while others have different groups and so it is not comparing like for like. There is a wider piece of work in the HFEA's strategy for 2025-28 to look at the publication of data and she believed this suggestion would sit in that future work. The Chair commented that this wider piece of work should take into consideration guidance from ICO and DHSC on the publication of data.
- 8.6.** In response to a question, the Director of Strategy and Corporate Affairs confirmed that the team is working towards a publication date of the end of the year, but that the Senior Management Team will keep this under review and it may be necessary to delay the publication to the first week of January.

### Phoenix Programme

- 8.7.** The Phoenix Programme Manager introduced the paper and informed the committee that the risk relating to business analyst resource has reduced as it had been possible to engage the current business analyst resource until the end of March 2026.
- 8.8.** The committee discussed the needs of the Licensing and Inspection teams and the complexity of the Dynamics functionality that is required for these teams. The committee questioned whether it would be possible to hear from these teams that the system which is being built does meet their business needs.
- 8.9.** The Director of Strategy and Corporate Affairs spoke of how staff had been engaged with the project from the start, the regular engagement with weekly staff updates and presentations to the monthly Corporate Management Group (CMG) meetings. There is good staff oversight of the project and staff are encouraged to raise questions.
- 8.10.** The Chair commented that whilst this does provide a good degree of assurance for the committee, it would be good to hear from the Licensing and Inspection teams direct in future updates. The Chief Executive undertook to consider this request.

### Decision

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

### Action

- 8.12.** Chief Executive to consider whether the Licensing and Inspection teams could provide additional assurance to the committee regarding the Phoenix Programme.

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## 9. Resilience, cyber security and business continuity

- 9.1.** The Head of IT provided a verbal report to the committee covering the NHSE funding for cyber security consultancy and the procurement process undertaken; the clinic breach reported in The Metro and confirmation was given to the committee that no patient data was compromised; lessons learnt from the Office for Budget Responsibility (OBR) early publication of budget news.

### Decision

- 9.2.** The committee noted the verbal report.
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## 10. Bi-annual HR Report

- 10.1.** The Head of HR introduced the papers and informed the committee that the staff survey results were compared with around 200 public sector bodies. The HFEA had achieved a response rate of 87% compared with the sector average of 77%. This year marks the first year in which all of the HFEA's positive responses are above those of comparator organisations in the public sector.
- 10.2.** The Head of HR explained that the engagement score which measures the extent to which staff feel happy at work stands at 88%, which is above the average sector score of 76%, but one percent below the score that HFEA achieved the previous year.
- 10.3.** The committee were informed of two key items from this year's survey, the first that the HFEA had seen an 8% increase in positive responses to EDI based questions, which is above the average for the public sector responses. The second is that five teams achieved a response rate of over 90%.
- 10.4.** The Head of HR spoke to the top five high and low performing questions, noting that career development continues to be a challenge as a small organisation the chances for promotion and development is limited. She informed the committee that there is scope to have a refresh of the HFEA's values and this would be incorporated into HR's future workplan.
- 10.5.** The committee were informed that for the second year running the HFEA has achieved an outstanding workplace award.
- 10.6.** The committee congratulated the HR team for the excellent results received. In response to a question, the Head of HR spoke of the actions which will be taken following this survey, including a presentation at the all-staff day on 8 December 2025.
- 10.7.** A member suggested that Authority members may be available for mentoring and leadership coaching; the Head of HR welcomed this suggestion.
- 10.8.** The Chief Executive reminded the committee that the HFEA has to abide by the HM Treasury rules and guidance for pay remits and that public sector pay bands are not as competitive as the private sector.
- 10.9.** A member cautioned that it may be a challenge to maintain such a high response rate for future surveys, and it should be expected to decrease due to external factors outside the control of the HFEA.
- 10.10.** The committee discussed the key findings of the exit interviews for the year noting the top three reasons cited for leaving and the actions taken to mitigate turnover of staff.

## Decision

**10.11.** The committee noted the report.

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## 11. AGC Committee effectiveness

- 11.1.** The Head of Planning and Governance introduced the paper and reminded the committee that all AGC attendees were invited to contribute to the review using the NAO form for Audit and Risk Assurance Committees.
- 11.2.** The Head of Planning and Governance stated that it was reassuring that the average scores for all questions are 'standard met'. Comparison had been made against the previous year's rating with two questions seeing a decrease, four being maintained and the rest seeing an improvement in rating.
- 11.3.** The committee discussed question 30, regarding attendance of appropriate officials at the meeting, noting that several members had marked this question down given that DHSC representatives are not always in attendance. The DHSC representative clarified that under the Framework Agreement the Department can observe, but not contribute, to AGC meetings. The committee discussed the proposals to extend meeting invitations to the DHSC Finance team in addition to the DHSC Sponsor team.
- 11.4.** A member commented that the committee had worked in an agile way this year to accommodate the additional required meetings.
- 11.5.** In response to a question, the External Auditor (NAO) confirmed that the HFEA could adapt the template to suit its needs and could delete and add questions as required.
- 11.6.** The committee discussed the frequency and cycle of deep-dive discussions and agreed that this was adequate and did not need amending.
- 11.7.** The committee discussed the process for committee chairs reporting back to the Authority on the work of the committees. The committee discussed whether the Authority is fully aware of the remit of this committee and suggested that all new Authority members could be encouraged to observe meetings of all HFEA committees.
- 11.8.** The committee discussed the proposed actions.

## Decision

- 11.9.** The committee agreed the following actions:
- To propose visits to licensed fertility clinics for AGC members, as required, to provide an enhanced understanding of the operating environment.
  - HFEA to ask in quarterly accountability meeting whether DHSC Finance reps could be invited to AGC meetings.
  - A private (AGC members and SMT) 15 minutes meeting per year to discuss the performance of the auditors.
  - Template for papers to be shared with AGC members for feedback on format and content of papers.
  - Annual review of committee performance by an independent AGC person (Chair or member) attending the October 2026 meeting.

- To suggest that the Authority members induction process includes the option to observe any HFEA committee meeting.

#### Action

**11.10.** Planning and Governance team to implement the agreed actions.

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## **12. AGC Forward Plan**

**12.1.** The Head of Finance introduced the forward plan.

**12.2.** The Head of Internal Audit commented that if the HFEA accepts the traditional audit proposal then terms of reference for audits would need be included in the forward plan.

**12.3.** The committee agreed that the training session for December 2026 should be on cyber security and that a suitable expert from DHSC should be sought.

**12.4.** The committee discussed the schedule for proposed deep-dive topics and agreed to remove the proposed deep-dive on reviewing implementation of external auditor's recommendations. The committee discussed whether it would be possible to add patient's complaints about licensed clinics to October 2026.

#### Action

**12.5.** The Board Governance Manager to update the forward plan.

**12.6.** Senior Management Team to update February 2026 meeting regarding proposal for deep dive on patient's complaints for October 2026.

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## **13. Items for noting**

**13.1.** Whistleblowing

- Members were advised that there were no whistle-blowing incidents.

**13.2.** Fraud

- Members were advised that there were no fraud incidents.

**13.3.** Gifts and Hospitality

- The Head of Finance introduced the paper and provided verbal updates. The Chief Executive informed the committee that he had received an Amazon voucher for participating in a university activity and this would be forwarded to the Head of Finance. The Director of Finance, Planning and Technology highlighted an error and stated that he would buy his own lunch at the IT team/Ceox Christmas lunch. Members noted the update to the gifts and hospitality register.

**13.4.** Contracts and Procurement

- Members were advised that the procurement process is ongoing for the provision of cyber security consultancy services.
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## **14. Any other business**

- 14.1.** The Chair informed the committee that Anne Marie Millar had agreed to a second term as an external member of this committee commencing next year. The committee sent their congratulations to Anne Marie.
- 14.2.** The Chair informed the committee that a short committee induction document had been prepared, with thanks to those staff and members who had contributed. This would now be circulated to all committee members for their review and comment.
- 14.3.** The Chair reminded the committee that the next meeting was a virtual one being held 24 February 2026.
- 14.4.** There being no further business the Chair closed the meeting and thanked all for their contributions.

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## Chair's signature

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

Signature

Chair: Catharine Seddon

Date: 24 February 2026

# 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:	24 February 2026
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
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.
14 October 2025 Item 5.14	The Director of Finance, Planning and Technology and the Head of Finance to consider the wording around the need for HFEA colleagues to provide feedback to GIAA when the relationship policy is next reviewed.	Director of Finance, Planning and Technology and Head of Finance			This will be updated and discussed at CMG in December. Will also ask GIAA to copy all requests for feedback to broader HFEA team to ensure opportunities to feed back are not missed (eg Head of Finance and Director of Finance, Planning and Technology).  This was discussed and agreed at CMG in December. Action can be closed.
14 October 2025 Item 5.15	The Director of Finance, Planning and Technology and the Head of Finance to consider how to capture auditees feedback for an annual report to AGC and when this should be presented to the committee.	Director of Finance, Planning and Technology and Head of Finance			Discussed internally at CMG in December. Updated policy re-shared with CMG. Auditees will provide feedback then provide details of that feedback to the Head of Finance.  Action can be closed.
14 October 2025 Item 12.13	Counter-Fraud action plan to be brought back to the committee in March 2026	Head of Finance	March 2026		This item is not due yet.  Fraud training has been set for all staff on the civil service-learning platform.

Date and item	Action	Responsibility	Due date	Revised due date	Progress to date
3 December 2025 Item 6.13	The External Audit lead (KPMG) to circulate further detail to the committee regarding the de-brief meeting and proposed solutions.	External Audit lead (KPMG)	February 2026		
3 December 2025 Item 6.14	Head of Finance to update committee at the February 2026 meeting on whether it is possible that the draft annual report be provided as part of the pack of supporting evidence at the beginning of the audit.	Head of Finance	February 2026		A meeting is scheduled for early February where audit timetable will be agreed and at which point submission of full report can be agreed.
3 December 2025 Item 6.15 and 12.5	Board Governance Manager to update the committee forward planner.	Board Governance Manager	February 2026		Completed. This action can be removed.
3 December 2025 Item 8.12	Chief Executive to consider whether the Licensing and Inspection teams could provide additional reassurance to the committee regarding the Phoenix Programme.	Chief Executive			A full report on Phoenix was provided to the Authority in January, including feedback from staff on hopes and concerns. This included Licensing and Inspection teams.  This action can be removed.
3 December 2025 Item 11.10	Planning and Governance team to implement the agreed actions (committee effectiveness review)	Head of Planning & Governance and Board Governance Manager			All actions from the AGC Committee Effectiveness Review are completed or in progress. An update has been shared with the AGC Chair.

Date and item	Action	Responsibility	Due date	Revised due date	Progress to date
3 December 2025 Item 12.6	Senior Management Team to update February 2026 meeting regarding proposal for deep dive on patient's complaints for October 2026.	Senior Management Team	February 2026		Verbal update to be given at the meeting.

# Accounting policies and critical judgements 2025/26

## Details about this paper

### Annual update of existing/new accounting policies

Area(s) of strategy this paper relates to:	Regulating a changing environment
Meeting:	Audit and Governance Committee
Agenda item	7
Meeting date	24 February 2026
Author	Morounke Akingbola, Head of Finance
Annexes	Annex 1

## Output from this paper

For information or decision?	For information
Recommendation	AGC are requested to review and comment on the key policies
Resource implications	None
Implementation date	2025/26
Communication(s)	N/a
Organisational risk	Medium

## Purpose of paper

1. To present the key accounting policies proposed for inclusion in the 2025/26 Annual Report and Accounts.
2. To highlight critical accounting judgements and estimates applied in preparing the accounts and to seek the Audit and Governance Committee's review and endorsement of these areas ahead of finalisation.

## Background

3. The Annual Report and Accounts for 2025/26 will be prepared in accordance with:
  - The Financial Reporting Manual (FreM)
  - International Financial Reporting Standards (IFRS) as adapted for the public sector
  - Managing Public Money

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## Accounting Policies

### Basis of preparation

4. The accounts will be prepared on a **going concern basis** reflecting the continual funding from the Department of Health and Social Care; no intention or requirement to cease operations and no known material uncertainties affecting going concern for 2025/26.
5. Management considers the going concern assumption to be appropriate.

### Income

6. Income will be recognised in line with IFRS 15 (Revenue recognition) when performance obligations are satisfied. Key income streams are licence and treatment fees. Judgment is applied in determining:
  - When services have been delivered
  - Whether income should be recognised at a point in time or over time
  - Treatment of deferred income.

### Property, Plant and Equipment (PPE)

7. PPE will be recognised in accordance with IAS 16 and the Government Financial Reporting Manual (FreM). Key features include:
  - Assets capitalised above the materiality threshold (£5k)
  - Depreciation is charged on a straight-line basis over the estimated useful life of the assets
  - Review of asset lives and impairment indicators

### Leases

8. Leases are accounted for under IFRS 16 and key considerations are:

- Recognition of right-of-use assets and lease liabilities and any remeasurements
- Use of discount rates provided through HM Treasury guidance
- Short-term and low-value lease exemptions are applied where appropriate

### Intangible Assets

9. Constructed software and software licences in line with IAS 38. Judgement is applied in:

- Distinguishing between capitalisable development costs and revenue expenditure
- Assessing useful lives of internally developed or purchased software

### Provisions and Contingent Liabilities

10. Provisions are recognised in line with IAS 37 where:

- There is a present obligation
- An outflow of resources is probable and
- The amount can be easily estimated

11. Contingent Liabilities are disclosed where obligations are possible but not probable.

### Employee Benefits

12. Employee benefits are accounted for in line with IAS 19, including:

- Accrued staff costs
- Holiday pay accruals
- Pension scheme disclosures based on information provided by the scheme administrator<sup>1</sup>

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## Critical Accounting Judgements and Estimates

13. Management has identified the following as the most significant judgements and estimates in the 2025/26 annual accounts.

### Asset Capitalisation and Useful Lives

14. Judgement is applied in:

- Determining whether expenditure meets the definition of an asset
- Estimating useful economic lives (UEL) for depreciation.

15. Small changes in useful lives impact depreciation charges, and whilst the HFEA may not consider them material, they may be classed as such by our External Auditors. At the end

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<sup>1</sup> Up to December 2025, this was MyCSP. From January 2026, this will be provided by Capita

of 2024/25 following an impairment of PRSM, we reviewed its UEL after discussions with the PRISM PM. It was initially agreed to extend its UEL from 10 to 15 years with enhancements rather than replacement taking place. Prior to finalising, a benchmarking exercise was undertaken which revealed that there is not a comparable asset to that of PRISM. Three organisations' accounts were reviewed and a discussion with a contact at NHSBT. An assessment can be found at Annex A that recommends that we maintain the 10-year UEL.

### **Provisions and legal judgements**

16. Where provisions are recognised, management judgement is required to:

- Assess the likelihood of outflows
- Estimate the expected value of liabilities

17. Management uses estimates for:

- Accrued expenditure, normally based on purchase orders raised
- Income receivable, which is derived from billing reports from within Epicentre (licensing database).

### **Consistency with prior year**

18. The accounting policies for 2025/26 are consistent with those applied in 2024/25 except where changes are required by:

- Updates to the FreM
- New or amended IFRS interpretations

19. Any changes will be clearly disclosed in the accounts.

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## **Recommendations**

20. The Committee is asked to note and comment on the accounting policies applicable to financial years 2025/26 and agree the recommendation to leave UEL of PRISM at 10 years for 2025/26 but with annual reviews.

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## Annex A

Assessment of the Useful Economic Life (UEL) for PRISM.

### 1. Purpose and Context

PRISM is a critical regulatory asset, serving as the HFEA's primary Patient Register. It was launched in September 2021 to modernize data submission and ensure statutory compliance with the Human Fertilisation and Embryology Act. Currently, PRISM is held as an intangible asset with an estimated UEL of 10 years, terminating in 2031. Given the pace of technological change and the HFEA's new 2025-2028 Strategy, it is prudent to review this estimate to ensure the Statement of Financial Position remains accurate and avoids "cliff-edge" impairments.

### 2. Technical and Regulatory Resilience

The assessment of UEL for PRISM is not merely a financial exercise but a reflection of its functional relevance. As of 2026, PRISM remains the "definitive source" for fertility data in the UK. However, any work undertaken to "Modernise the Act" may require significant architectural changes to PRISM. While the system is technically robust, the UEL must reflect whether the underlying codebase can support these new regulatory requirements over the next five to ten years or if a successor system will be required sooner than 2031.

### 3. Benchmarking and Public Sector Standards

In line with IAS 38 (Intangible Assets) a 10-year life for a bespoke government database might be considered at the upper end of "reasonable." Standard practice for public sector software typically ranges between 5 to 8 years. Maintaining a 10-year UEL assumes that:

**Modular Upgrades:** Regular "capitalisable" enhancements (such as the core IT upgrades effectively reset the system's "wear and tear."

**Supplier Support:** External dependencies (e.g., Atlassian/Mellowood integrations) remain supported and secure.

**Economic Benefit:** The system continues to provide the service potential required to meet the HFEA's statutory duties without becoming a "legacy risk."

To ensure the HFEA's accounting estimates remain robust, we have benchmarked the treatment of PRISM against the accounting policies of other major health-sector Arm's Length Bodies, specifically the NHS Business Services Authority (NHSBSA) and NHS Blood and Transplant (NHSBT).

**NHS Business Services Authority (NHSBSA):** The NHSBSA typically applies a UEL of 5 to 10 years for its bespoke software and internally generated intangible assets. Their policy emphasizes that while the technical life of a platform may be shorter, the economic life is extended through a "modular evolution" strategy—where continuous capital investment in the codebase prevents total obsolescence. For a system like PRISM, which is central to the HFEA's statutory register, this aligns with our current 10-year outlook, provided that regular lifecycle refreshes are performed.

**NHS Blood and Transplant (NHSBT):** NHSBT's policy on intangible assets generally utilizes a range of 3 to 10 years for software. Notably, their high-complexity registry systems (comparable in sensitivity to the HFEA's Patient Register) are often held at the higher end of this range (10

years). However, NHSBT frequently reviews these assets for "indicators of impairment" annually, particularly when a significant strategic shift occurs in how clinical data is captured or shared.

Comparison with HFEA: Unlike the NHSBSA, which manages high-churn transactional systems (e.g., student bursaries), the HFEA’s PRISM system is a long-cycle regulatory asset. The data it holds is required to be maintained for decades by law. Therefore, a 10-year UEL is consistent with the "heavy-weight" registry systems used by NHSBT, whereas a 5-year life would be more appropriate for smaller, non-statutory "business support" software.

**Summary of Sector UEL Benchmarking**

Organization	Asset Type	Typical UEL Range	Alignment with HFEA
NHSBSA	Bespoke Digital Platforms	5 – 10 Years	High (PRISM is a core platform)
NHSBT	Clinical/Donor Registries	3 – 10 Years	High (Matches PRISM’s registry nature)
HFEA	PRISM (Patient Register)	10 Years	Upper Limit (Requires annual review)

**4. Recommendation for the Committee**

It is recommended that HFEA maintains the 10-year UEL for the 2025/26 accounts but initiates a Mid-Life Technical Review in late 2026. This review should determine if the 2031 sunset date aligns with the HFEA’s long-term digital roadmap.<sup>2</sup> If significant legislative reform necessitates a move to a new platform, the HFEA may need to consider accelerating depreciation (reducing the UEL) in future periods to reflect a shorter remaining life, ensuring the asset's carrying value does not exceed its recoverable service potential.

<sup>2</sup> There is a very technical high-level draft plan of activity relating to the back end of PRISM. Having reviewed this, it was felt that it is insufficient to justify an extension of UEL.

# Phoenix Programme Update (from 12<sup>th</sup> Nov 2025 to 4<sup>th</sup> Feb 2026)

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## Details about this paper

Area(s) of strategy this paper relates to:	Regulating a changing environment
Meeting:	Audit and Governance Committee (AGC)
Agenda item:	9
Meeting date:	24 February 2026
Author:	Luke Reader, IT Project Manager
Annexes	4

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## 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-Mar-25	04/04/2025	11/04/2025
Design Complete	April-25	April-25	29/04/2025
Development & Testing	Dec-25	Apr-26	
Dynamics	Feb-26	Mar-26	
HFEA Portal Forms	Dec-25	Mar-26	
Content Manager Migration	May-26	Jun-26	
Go-Live	Jun-26	Jul-26	

- 1.2.** Further details on the current timeline are provided in *Annex D*.
- 1.3.** The **Delivery** phase has continued, remaining on track as from the last AGC meeting. This phase encompasses all the work from initial build through testing, training, and launch.
- 1.4.** *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
- 1.5.** The data migration from Content Manager to SharePoint will begin in April 2026, leading to a planned cutover in June 2026.
- 1.6.** The projected final launch date (of the new Dynamics and Client Portal systems) remains at July 2026.
- 1.7.** At the end of January the supplier Ceox flagged a risk that the completion of the Dynamics build, including fixing all bugs and small changes identified, may require more time and resource than planned. Ceox took an action from that week's Programme Board to revert with options. None of these can involve additional spend this financial year due to the HFEA's financial this year. It is likely that all the options will involve more spend next year, and there may be pressure on the July launch date.
- 1.8.** No Change Requests have been made since the last AGC Update.

- 1.9.** The overall projected spend is unchanged from the previous report to AGC, with the caveat of the risk stated in paragraph 1.7 above:

<i>Phoenix Programme Costs</i>	<i>Excl. VAT</i>	<i>Inc. VAT</i>
<b>Programme Delivery Original Baseline</b>	£548,297	£657,956
<b>Programme Delivery New Baseline (3<sup>rd</sup> Dec 2025)</b>	£633,630	£760,356
Cost of 1st 12 months support post-Delivery	£33,986	£40,783
<b>Programme Delivery New Baseline with Support</b>	<b>£667,616</b>	<b>£801,193</b>

## 2. Risks

- 2.1.** The top risks stated in the previous AGC Update were:

Ref	Title	Impact	Urgency	Description	Direction of Travel
R0039	<p><b>New / unexpected requirements</b></p> <p><b>Loss of BA resource</b></p>	1 - High	2 - Medium	<p>As we discover more about the systems we find many things that could be fixed/improved. The temptation to do that immediately is naturally strong. But where that risks a delay to the project, each small 'risk' can cumulatively add up to a significant delay and/or project failure.</p> <p>Related to this is the fact that we will lose our (extended) business analyst resource at the end of 2025. While the initial drafting of Inspections user stories is due to be largely done by then, there is likely to be revision and rework which will be more challenging in the absence of that resource.</p>	<p>All user stories now written barring a final set of Licencing stories, and the Inspections stories following the in-depth joint workshops held in late December.</p> <p>At this point we are seeing a relatively low and managed level of new requirements being raised.</p> <p>The Business Analyst resource has been extended to the end of March, which is helping to complete and de-risk the requirements work described above. This person is involved in playing-back and further refining requirements around the Inspections processes.</p>

## 2.2. The top risks currently identified are:

Ref	Title	Impact	Urgency	Description	Direction of Travel
R0056	<b>Dynamics Development effort</b>	1 - High	2 - Medium	Ceox have flagged a risk that the completion of the Dynamics build, including fixing all bugs and small changes identified, may require more time and resource than planned.	27th Jan - Ceox took an action at Programme Board to revert with options. None of these can involve additional spend this financial year due to the financial pressures the HFEA is under. Likely they will involve more spend next year, and there may be pressure on the July launch date.
R0006	<b>Staff Engagement</b>	1 - High	2 - Medium	End-user engagement is vital both for designing fit-for-purpose systems and to ensure they are used willingly and as designed.	3rd Feb 2026 - the draft SharePoint Staff Training plan was outlined to all staff attending a weekly Teams call hosted by the CEO.  19th Dec - Phoenix briefing at All Staff Day included an exercise to gather staff sentiment in terms of both their 'Hopes' for Phoenix and their 'Concerns' as it might relate to their own work.

## 2.3. On the Staff Engagement risk, the feedback from HFEA staff is summarised in two slides shown in Annex C.

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### 3. Conclusion

- 3.1. The core reasons for doing the Phoenix Programme remain valid.
- 3.2. Progress on the Phoenix Programme has remained steady on all streams since the last AGC Update, with no further change to the overall projected spend.
- 3.3. The complexity of the Phoenix programme has been managed with so far only a moderate level of change to the original plans on timescales and expenditure.
- 3.4. The supplier has flagged a risk around the Dynamics workstream and are determining options for the HFEA to assess. These options will have cost implications in FY26/27 and may impact the launch date.
- 3.5. The feedback from demonstration sessions and user testing sessions on functions, forms, and now on SharePoint, continues to indicate a strong opportunity to deliver a successful outcome for the HFEA.
- 3.6. Senior HFEA management support remains strong.
- 3.7. The supplier relationship remains open and positive.
- 3.8. So we are proceeding with the Phoenix Programme, with a keen awareness of the need to manage financial pressures, timescales, and the engagement of staff and other stakeholders.

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### 4. Recommendations for the AGC

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

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## 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 including end-of-Sprint **demonstrations** to gain regular feedback.
- 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:
  - Content Manager to SharePoint migration** – the initial SharePoint design has been reviewed with the HFEA department heads, and will be presented at CMG on 18<sup>th</sup> February for approval, along with the SharePoint Staff Training plan. A demonstration SharePoint site has been built to bring the design to life visually, and to serve as a ‘sandbox’ training environment.
  - Clinic Portal** – all the Portal Forms have been built, 8 are signed off, and the remainder are undergoing final HFEA user testing. Work is well-underway on the rest of the Portal site, which is primarily static pages such as the Knowledge Base. An automated content upload from the current website has helped to speed up that work.

Portal Forms		
	Count	%age
in Requirements	0	0%
in Build	0	0%
in Ceox testing	0	0%
in User testing	21	72%
ready for Launch	8	28%
<b>Total</b>	<b>29</b>	<b>100%</b>

Static Web Portal User Stories		
	Count	%age
in Requirements	123	71%
in Build	13	7%
in Ceox testing	27	16%
in User testing	1	1%
ready for Launch	10	6%
<b>Total</b>	<b>174</b>	<b>100%</b>

- Dynamics Build** (replacing Epicentre) – this work is being started in phases reflecting the relevant HFEA departments – firstly BSIS, then Clinical Governance, Policy/Communications, Licensing and finally Inspections.

The user stories for Inspections are being fleshed out following playbacks from the detailed user workshops held in December. For the other departments the position is:

BSIS User Stories		
	Count	%age
in Requirements	1	2%
in Build	7	16%
in Ceox testing	4	9%
in User testing	8	18%
ready for Launch	25	56%
<b>Total</b>	<b>45</b>	<b>100%</b>

Clinical Governance User Stories		
	Count	%age
in Requirements	4	8%
in Build	0	0%
in Ceox testing	22	46%
in User testing	6	13%
ready for Launch	15	31%
<b>Total</b>	<b>48</b>	<b>98%</b>

<b>Comms &amp; Policy User Stories</b>		
	<i>Count</i>	<i>%age</i>
in Requirements	3	4%
in Build	16	24%
in Ceox testing	47	70%
in User testing	1	1%
ready for Launch	0	0%
<b>Total</b>	<b>67</b>	<b>100%</b>

<b>Licensing User Stories</b>		
	<i>Count</i>	<i>%age</i>
in Requirements	42	48%
in Build	12	14%
in Ceox testing	33	38%
in User testing	0	0%
ready for Launch	1	1%
<b>Total</b>	<b>88</b>	<b>100%</b>

## Annex C – Staff Feedback

### Summary of Findings - Hopes



#### 1. Usability and Ease of Navigation

The system will be intuitive, consistent, and easy to use

#### 2. Efficiency and Time Saving

The system will reduce manual effort and speed up tasks

#### 3. Reliability, Stability, and Performance

The system will be dependable and fast

#### 4. Information Management and Single Source of Truth

It will provide a single location for accessing information

#### 5. Search, Tracking, and Findability

It will enable rapid finding of information and decisions

In addition to the above themes, there were specific references to the need for **structured training** and **post-live support**, and that the system would enable **new ways of working**.



### Summary of Findings - Concerns



#### 1. Data Migration, Loss, and Traceability

Incomplete migration inc version history, hard to trace CM records

#### 2. Usability, Complexity, and Fitness for Purpose

overcomplex, inflexible, labour-intensive

#### 3. Search, Integration, and Functional Gaps

degraded search capability, missing integrations or functionality

#### 4. Change Impact, Learning Curve, and Adoption

Hard to learn, disruption, resistance to imposed change

#### 5. Vendor Dependency, Cost, and Platform Risk

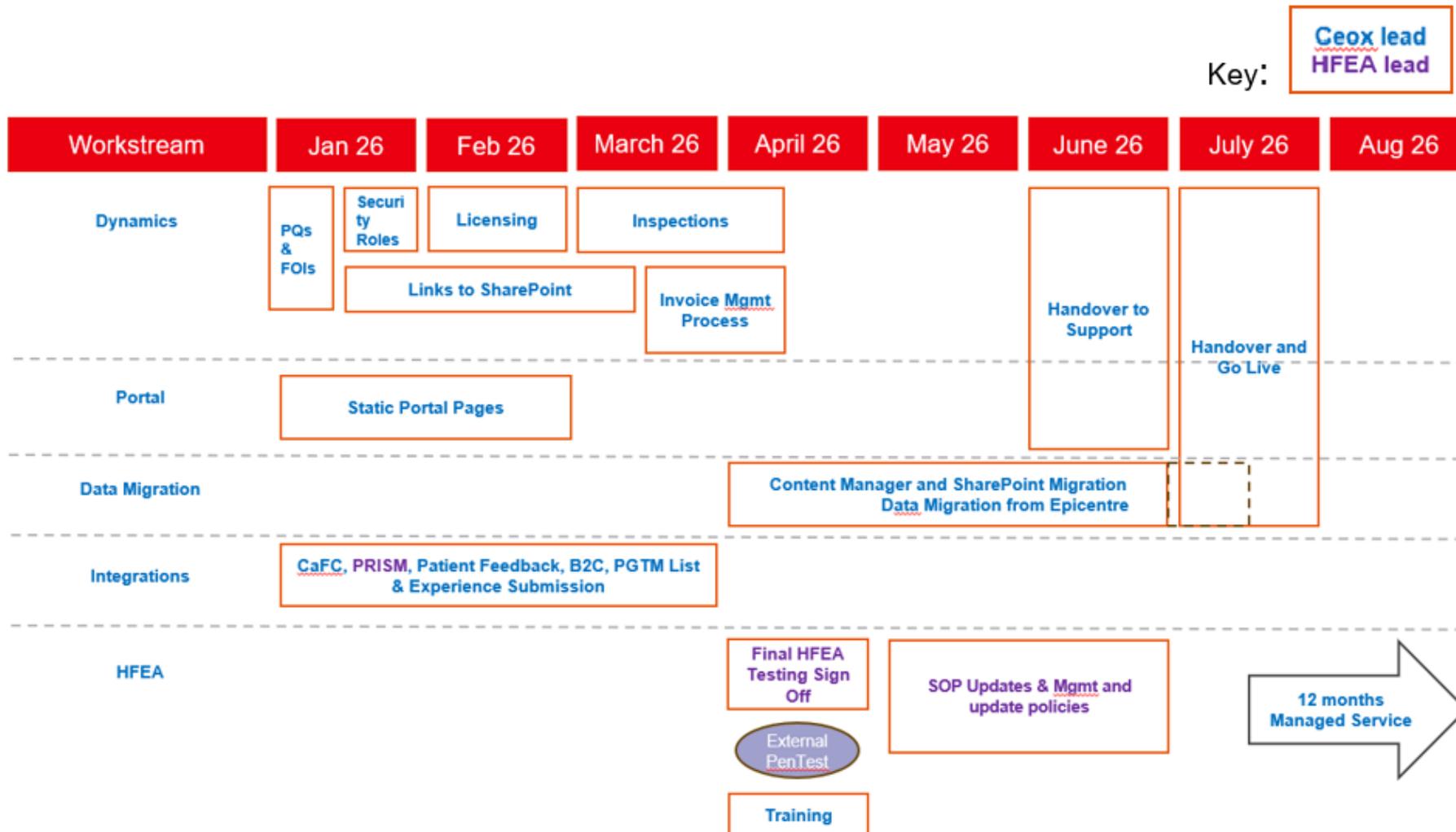
One vendor, risk of rising costs, job impacts, system security

In addition to the above themes, there were specific references to the fear of insufficient **post-live support**, and that new **system-specific problems** would arise.

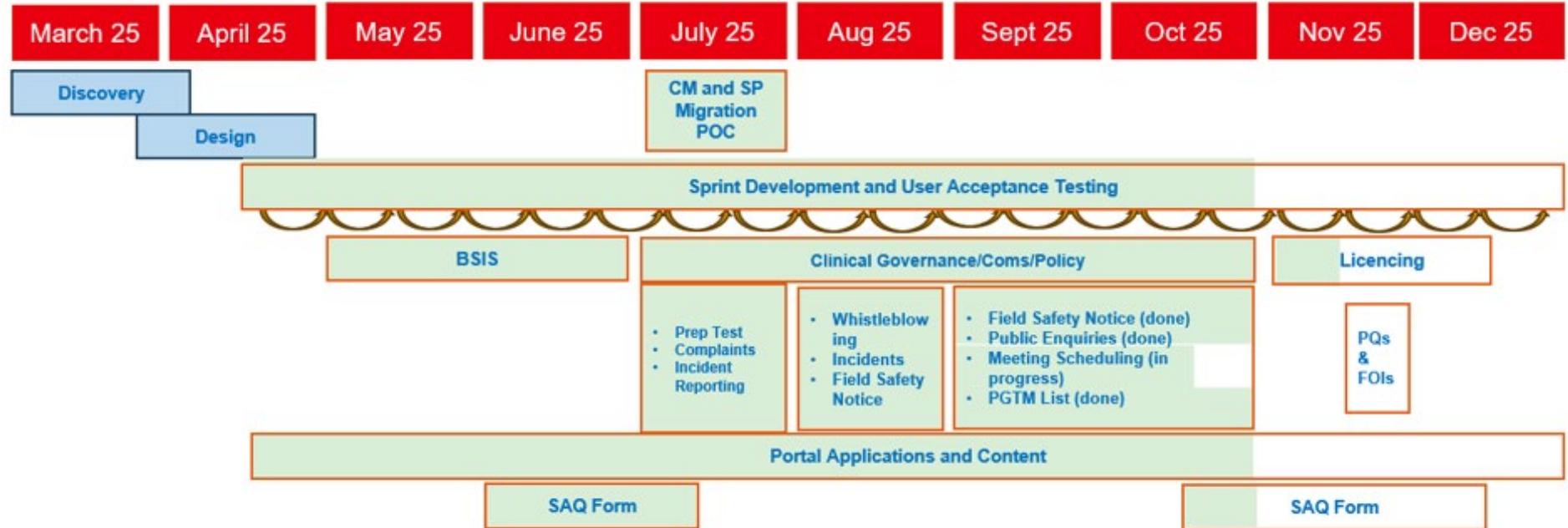


## Annex D - Current Phoenix Programme Timeline

Timeline for 2026:



Record of Activity in 2025:



# Draft Annual Governance Statement 2025/26

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## Details about this paper

Area(s) of strategy this paper relates to:	Regulating a changing environment
Meeting:	Audit and Governance Committee
Agenda item:	12
Meeting date:	24 February 2026
Author:	Morounke Akingbola, Head of Finance
Annexes	

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## Output from this paper

For information or decision?	For information
Recommendation:	AGC are requested to note contents and timetable
Resource implications:	None
Implementation date:	2025/26
Communication(s):	
Organisational risk:	Medium

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## 1. Purpose of paper

- 1.1.** This note provides an update to the Committee on the preparation of the Annual Governance Statement (AGS).

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## 2. Background

- 2.1.** The Annual Governance Statement forms part of the Authority's Annual Report and Accounts and is prepared in accordance with the Government Financial Reporting Manual (FreM) and Managing Public Money.
- The effectiveness of the Authority's governance framework
  - The system of internal control
  - Risk management arrangements
  - Compliance with relevant laws, standards and guidance

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## 3. Scope of the 2025/26 Annual Governance Statement

- 3.1.** The AGS will cover:
- Governance framework (Board, Committees, Scheme of Delegation)
  - Risk management and internal control arrangements
  - Fraud risk management and counter-fraud controls
  - Information governance and cyber security oversight
  - Internal audit opinion and external audit findings
  - Significant governance issues identified during the year, and actions taken
  - Confirmation of review of effectiveness by the Board
- 3.2.** The statement will also reflect any material control issues arising during 2025/26 and progress against prior year governance actions.

---

## 4. Timetable

- 4.1.** The first draft of the Annual Governance Statement will be circulated to the Audit and Governance Committee members out of committee on 6 April 2026.
- 4.2.** Given the as yet un agreed overall accounts production timetable, members are asked to:
- Review the draft upon receipt
  - Provide comments or suggested amendments within one week of circulations (by email)
- 4.3.** This will enable timely incorporation of feedback ahead of finalisation and inclusion in the Annual Report.
- 4.4.** A near-final version will be presented alongside the draft Annual Report and Accounts for formal Committee review in line with an agreed timetable.

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## 5. Action required

5.1. The Committee are requested to:

- Note the proposed scope of the 2025/26 Annual Governance Statement
- Note the planned timetable and out-of-committee review process.

# 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:	15
Meeting date:	24 February 2026
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:	24 Feb 2026 Virtual	16 June 2026 In-person	13 Oct 2026 Virtual	2 Dec 2026 In-person	Feb/March 2027
Following Authority Date:	11 Mar 2026	1 July 2026	18 Nov 2026	Jan 2027	March 2027
Internal Audit	Approve draft plan	Results, annual opinion, internal audit charter Potentially: consider auditees feedback	Update - mid year review of audit plan	Update	Approve draft plan
Internal Audit Recommendations Follow-up	Yes	Yes	Yes	Yes	Yes
External audit (NAO) strategy & work	Interim Feedback	Audit Completion Report		Early reflections report on the financial statements audit	Interim Feedback
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

AGC items Date:	24 Feb 2026 Virtual	16 June 2026 In-person	13 Oct 2026 Virtual	2 Dec 2026 In-person	Feb/March 2027
Risk Management Strategy <sup>1</sup>	Yes			Yes	Yes
Horizon scanning committee discussion	Yes	Yes	Yes	Yes	Yes
Deep dives	Business Continuity		Patient's complaints		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			Yes	Yes	

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

AGC items Date:	24 Feb 2026 Virtual	16 June 2026 In-person	13 Oct 2026 Virtual	2 Dec 2026 In-person	Feb/March 2027
terms of reference					
Functional standards	Update as necessary	Yes	Update as necessary	Update as necessary	Update as necessary
AGC Forward Plan	Yes	Yes	Yes	Yes	Yes
Accounting policies	Yes (annually)				Yes (annually)
Public Interest Disclosure (Whistleblowing) policy	Yes				Yes
Counter fraud and anti-theft policy	Yes				Yes
Counter-fraud Strategy (CFS), Fraud Risk Assessments (FRA) and progress of Action Plan			Yes		
Reserves policy			Yes		
Dear Accounting Officer letters	Update as necessary	Update as necessary	Update as necessary	Update as necessary	Update as necessary
Meeting specific items	Counter Fraud Action Plan update		Private meeting SMT and AGC members	Training session in the afternoon	

## Training topics

This list below are suggested topics which could be considered for AGC members

- Risk Management
- Counter fraud
- Cyber Security- proposed for December 2026

## Suggested deep dive topics

Suggested topic	Date added	Potential meeting to be discussed
CaFC/PRISM	27 June 2023	February 2027
Patient's complaints about licensed clinics	14 Oct 2025	October 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:	Regulating a changing environment
Meeting	AGC
Agenda item	16
Meeting date	24 February 2026
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	2026/27 business year
Communication(s)	N/a
Organisational risk	Low

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## **Introduction**

The Declaration of Interests and Gifts and Hospitality is a standing item on the agenda. The register will only be presented when there are new items added.

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## **Update**

The register at Annex A contains one new item since the December 2025 meeting. This was shared in October but was missing some information (date and contact details). These have now been added.

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## **Action**

The committee are requested to note the register contents.

Register of Gifts / Hospitality Received and Provided/Declined

Version: HFEAG0001  
Feb-26

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
<i>Either 'Provision' or 'Receipt'</i>	<i>Give a brief description of the gift or hospitality recorded</i>	<i>Summarize the reason or occasion for the gift or hospitality</i>	<i>Give the date(s) on which it was provided or offered</i>	<i>Give the known or estimated value - if unknown then state 'unknown' and explain further under the 'Reason for Gift' column</i>	<i>Give the name of the venue or location at which the gift or hospitality was provided</i>	<i>For Gifts Received only, specify what happened to the item(s) after it was received</i>	<i>Give the name of the individual or organization providing or offering the gift / hospitality</i>	<i>Give a contact name if an individual is not specified as the provider - otherwise leave blank</i>	<i>Specify the relationship of the provider to the Department (e.g. 'supplier', 'sponsor', etc.) - if the Department is the provider then leave blank</i>	<i>Give the name of the individual(s) or organisation receiving the gift / hospitality - if there are multiple recipients, specify each on a separate line</i>	<i>Give a contact name if an individual is not specified as the recipient - otherwise leave blank</i>
Receipt	Amazon gift card received 30/10/25	Interviewed for Mitochondrial Donation Research	26/06/2025	£ 50.00	Online	Accepted/donated to staff	Monarch University	Catherine Mills	None	HFEA staff	P Thompson