Item: 4.4
IJB: 17 September 2026

CÙRAM IS SLÀINTE NAN EILEAN SIAR
INTEGRATION JOINT BOARD
AUDIT & RISK COMMITTEE

MINUTE OF MEETING
03 JUNE 2026
HELD AT 10:00AM
VIA MICROSOFT TEAMS

Names in alphabetical order by surname

Voting Members Present:	
Naomi MacDonald	Non-Executive Director NHSWI / IJB Voting Member
Calum MacLean	Councillor, CnES / IJB Voting Member
Annetta Smith	Non-Executive Director, NHS WI/IJB Voting Member
Susan Thomson	Councillor, CnES/ IJB A&R (Committee Chair)

Non- Voting Members Present:	
Debbie Bozkurt	Chief Finance Officer, IJB
Emma MacSween	Chief Officer, IJB
Eoin MacNeil	Voluntary Action Barra

In Attendance:	
Claire Gardiner	Audit Director, Audit Scotland
Shona Hadwen	Principal Administrator, CnES
Stephanie Hume	Chief Audit Executive, Risk Assurance, Azets
Paul Kelly	Cyber Security Manager, Azets
Michelle McPhail	Corporate Business Manager, NHS WI

1. WELCOME

Susan Thomson took the Chair and led the meeting, welcoming those present, advising that Emma MacSween had been appointed to the substantive role of Chief Officer of the IJB.

2. APOLOGIES

Martin Devenny	Auditor, Audit Scotland
Jamie Fraser	Internal Audit Manager, Azets
Ian McCorquodale	Non-Executive Director/IJB Voting Member
George Murray	Councillor, CnES/ IJB Voting Member

3. DECLARATION OF INTEREST

There were no declarations of interest.

4. MINUTES

4.1 IJB Audit & Risk Committee Minute of 10 February 2026

Discussion: The Minute of the IJB Audit & Risk Committee meeting held on 10 February 2026 was approved as an accurate record of the discussion.

Decision: The Committee formally approved the minutes of 10 February 2026.
Action: No actions required.

4.2 Matters Arising

No items presented.

4.3 Action Points as of 10.02.26

The Chair and Members reviewed each Action Point.

Meeting date and Minute Ref:	***04.09.24 – Item 7.3 – Annual Self-Assessment Audit & Risk Committee***
Action required:	***Self-assessment to be issued to A&RC Members for completion***
Responsible Officer:	Corporate Business Manager
Committee:	IJB A&RC
Timescale:	Nov'24
Progress / Update / Outcome:	**03.06.26 – UPDATE ~** Chief Officer advised that the Self-Assessment would be undertaken before the end of the year and a wider assessment would be applied to the full IJB Membership. This would also take into consideration the audit recommendations on training contained in the findings of the Azets of Corporate Governance. *** **10.02.26 – UPDATE** – The Interim Chief Officer advised that as part of scheduling the workplan, the Committee will undertake a self-assessment later in the year, linked to Members' training and appraisal. Schedule for September to November 2026 and undertaken by the appointed Chief Officer, IJB.
Status:	Open with proposed completion by the end of 2026.
Open / Close:	**Open**

Meeting date and Minute Ref:	***05.11.25 – Item 5.2.3 – Appointment of Internal Auditores***
Action required:	***Update for the next meeting.***
Responsible Officer:	Chief Finance Officer
Committee:	IJB A&RC
Timescale:	Feb'26
Progress / Update / Outcome:	**03.06.26 – UPDATE** ~ The Chief Finance Officer advised Members that the letter of appointment for Internal Audit functions has been signed for 2026/27 with Azets. The decision was taken following a discussion with the Comhairle's Chief Internal Auditor who advised that it was acceptable to him to continue to obtain the services of Azets. Members welcomed the outcome and the retention of Stephanie Hume and colleagues from Azets. *** **10.02.26 – UPDATE** ~ Ms. Bozkurt advised that she is meeting with the new Chief Internal Auditor of CnES to discuss and will report back
Status:	Report position in June '26
Open / Close:	**CLOSED – moved to the completed actions.**

Meeting date and Minute Ref:	***05.11.25 – Item 6.1 Strategic Risk Register***
Action required:	***Review of the register to be undertaken by the incoming Chief Officer***
Responsible Officer:	Incoming Chief Officer
Committee:	IJB A&RC
Timescale:	Feb ‘26
Progress / Update / Outcome:	**03.06.26 – UPDATE** – The review of the Risk Strategy and supportive documentation is for discussion in a closed session and will bring this action to a close. *** Emma MacSween was appointed as Interim Chief Officer and present to Committee in Feb’26 **10.02.26 – UPDATE** ~ The risks will be reviewed against the revised Risk Management and Audit Flow report as noted on the 10.02.26 agenda item 7.1. Further update at the next meeting.
Status:	Jun ‘26
Open / Close:	**CLOSED – Moved to completed actions**

Decision: **It was agreed to note the updates provided and will be reflected in the revised Action Points.**

Action: Updates from each Action will be reflected in future Action Point reporting.

5. AUDIT & FINANCIAL GOVERNANCE

5.1 Financial Governance

5.1.1 Financial Monitoring Report

Issue: The Committee was asked to note for awareness the verbal report as presented by Debbie Bokzurt, Chief Finance Officer, IJB.

Discussion: The Chief Finance Officer provided Members with a verbal update on the IJB's financial position.

Members were advised that the Annual Accounts had not yet been finalised; however, the current position remains a break-even outturn, representing the tenth consecutive year in which this has been achieved. It was noted that reserves are expected to increase by the end of 2026/27, reflecting improved outturn positions across both partner bodies compared with initial projections, although this is partly attributable to the level of vacancies being maintained. Members also noted positive financial management in relation to agency staffing expenditure and the management of the NHS-run 2C Practices. In safeguarding reserves, the IJB is currently forecasting a break-even position at the end of 2026/27.

Members were informed that the 2024/25 Annual Accounts have not yet been formally signed off. Under normal circumstances, this process would have been completed by September 2025. External Audit advised that the Comhairle's 2024/25 Annual Accounts are expected to be concluded shortly, following which the IJB Accounts will be progressed. All formal reports and approval of the Accounts will be considered by the full IJB in June 2026.

Members scrutinised the financial position, including the impact of current vacancy levels and the balance of recurrent and non-recurrent savings. Members thanked the Chief Finance Officer for the update and acknowledged the work undertaken to achieve a projected break-even position for 2026/27.

The Chair thanked Members for their detailed review and expressed her appreciation to Ms. Bozkurt for the financial position update.

Decision: The Audit & Risk Committee formally noted the verbal update.
Action: No actions.

Noted that item 5.2.1 would be taken later in the agenda.

5.2 Internal Auditors

5.2.2 Western Isles IJB Follow-Up Report June 2026

Issue: The Committee was asked to note and discuss the report presented by Stephanie Hume, Chief Audit Executive, Azets.

Discussion: Stephanie Hume presented the report, providing Members with an update on progress against outstanding audit actions. Members noted that 31 actions were currently being monitored, of which seven had been completed, leaving 24 actions ongoing.

Auditors advised that their level of assurance and confidence had increased, reflecting the improved understanding of the issues and the progress made in implementing agreed actions. It was noted that the status of all recommendations would continue to be reported to each meeting of the Audit & Risk Committee. Consideration will also be given at the June meeting to the status and continued relevance of older actions that have remained on the tracker for an extended period.

Members recalled previous discussions regarding the tracker, during which emphasis had been placed on the former Chief Officer to reduce the number of outstanding audit recommendations. While progress had been made, Members noted that the number of recommendations remained relatively high.

In scrutinising the report, Members noted that the Integration Scheme requires approval by the full IJB rather than the Audit & Risk Committee. It was further noted that the report would be presented to the ICMT for consideration in due course.

The Chair thanked Stephanie Hume for her report, which was noted by Members.

Decision: The progress report was formally noted by Members
Action: No specific action required.

5.2.3 Cyber Security Follow-Up Audit Report

Issue: The Committee was asked to decide on the content of the report, presented by Paul Kelly, Head of Cyber Services, Azets.

Discussion: Paul Kelly presented the report and drew Members' attention to the progress made in implementing the recommendations arising from the review of the Comhairle's cyber security arrangements following the cyber incident of November 2023, together with the subsequent assurance work undertaken on behalf of the IJB in November 2025.

Members noted that two recommendations had been made as part of the review. One recommendation had now been fully implemented, with evidence demonstrating that approximately 85% of Comhairle staff had completed mandatory cyber security awareness training. This was recognised as a positive step in strengthening organisational resilience and increasing staff awareness of cyber risks and related responsibilities.

In relation to the second recommendation, Members noted that progress had been made and that the action was currently assessed as partially complete. This recommendation relates to obtaining assurance from the Comhairle regarding its cyber incident response arrangements, including the existence, testing and effectiveness of formal cyber incident response plans. While assurance had been provided that appropriate plans are in place, the recommendation requires evidence that a formal corporate exercise has been undertaken to test the operation and effectiveness of those plans in practice. Work to complete this element remains ongoing.

During discussion, Members acknowledged the importance of robust cyber security arrangements and regular testing of incident response procedures to ensure organisational preparedness and resilience in the event of future cyber incidents. Members welcomed the progress achieved to date and the increased level of assurance being provided through the implementation of the recommendations.

Having reviewed the report, including the recommendations detailed on page 7, Members accepted the update, noted the progress made, and endorsed the continued actions required to achieve full implementation of the outstanding recommendation.

Decision: The Committee formally noted the report as assurance and accepted the status of the audit recommendations.

Actions: **No action required.**

5.2.4 Corporate Governance Audit Report

Issue: The Committee was asked to take a decision on the report as presented by Stephanie Hume, Chief Audit Executive, Azets.

Discussion: Stephanie Hume presented the Corporate Governance Audit report, noting that the audit had been completed during the year. The report identified three amber recommendations, indicating that controls were inadequate or ineffective, and seven yellow recommendations, indicating no major weaknesses but highlighting areas for improvement.

Members discussed the findings with Stephanie Hume, including the number of committee meetings held during the previous 12 months, which had affected the auditors' work and was not in line with corporate governance requirements. The Chair of the IJB noted that concerns had previously been raised regarding the committee not meeting, resulting in delegated functions assigned by the IJB not being discharged.

In considering the wider recommendations, Members noted that the Chief Officer is refining the workplan, including the review of core documents. It was acknowledged that balancing business-as-usual activities alongside reviews of the Integration Scheme and Strategic Plan had presented challenges; however, progress is being made.

Members also discussed the Committee's self-assessment process. It was agreed that this would be undertaken collectively as a Board to support a greater understanding of training materials, corporate processes, and document review requirements.

Decision: **The Committee formally approved the report and its findings, which will be reflected on the audit tracker.**

Action: **No actions required**

5.2.1 Azets Internal Audit Report – Annual Report 2025/26

Issue: Members were asked to consider the recommendation from the report presented by Stephanie Hume, Chie Audit Executive, Azets.

Discussion: Stephanie Hume presented the Internal Audit Annual Report for 2025/26, summarising the audit work completed during the year and providing the overall audit opinion. Members noted that the report provided reasonable assurance regarding the effectiveness of the IJB's arrangements, with the exception of issues identified through the Corporate Governance review, including oversight of the Audit and Risk Committee, the extended period without Board meetings, and the associated lack of review of the Strategic Risk Register. The Committee noted that this constituted an "except for" opinion, reflecting specific areas of concern rather than an overall limited assurance opinion.

Members further noted that Internal Audit had delivered the agreed 31 audit days, confirmed compliance with Internal Audit Standards and auditor independence, and highlighted the positive engagement and openness of the Chief Officer and Corporate Business Manager throughout the audit process.

In discussion, Members sought assurance regarding the actions to be taken in response to the audit findings and the arrangements for ongoing monitoring. The Corporate Business Manager advised that progress against audit recommendations and the Strategic Risk Register would be reported to each Committee meeting for scrutiny and oversight. Members welcomed the clarity regarding reporting arrangements and were reassured by the regular monitoring that would be in place.

The Chair thanked the Internal Auditors for their work throughout the year and acknowledged their role in providing independent assurance on the effectiveness and efficiency of the IJB's governance arrangements, as well as supporting improvement through the audit recommendations.

Decision: **The Committee formally approved the report.**
Action: **No actions**

5.2.5 Internal Audit Plan 2026/27

Issue: *Members were asked to consider the recommendation from the report presented by Stephanie Hume, Chief Audit Executive, Azets.*

Discussion: The report presented advised of the audit plan for 2026/27 where the areas being audited are

- Financial planning (10 days) – reviewing the adequacy and effectiveness of the arrangements in place for financial planning within the IJB;
- Operational – Integration Scheme Compliance (10 days) – review of Western Ilses IJB compliance with the requirements of the Integration Scheme;
- Compliance and regularity – Follow-Up (2 days) – biannual update to confirm that management actions have been implemented as agreed; and
- Management – preparation of annual report, attendance at meetings, liaison with key contacts and the production of internal audit report (8 days).

Members discussed the report and agreed to the two main reports, Financial and Operational, to be undertaken in the fiscal year of 2026/27.

Decision: **Members approved the 2 areas of auditing review and will be included on the audit recommendation tracker.**

Action: **No actions required.**

6. PERFORMANCE

6.1 Risk Management Strategy and Audit Flow

6.1.1 Appendix 1 – IJB Risk Management Strategy

6.1.2 Appendix 2 – IJB Risk Strategy Flow Chart

6.1.3 Appendix 3 – Strategic Risk – Assessment Template

6.1.4 Appendix 4 – IJB Strategic Risk Register

This section was taken in a closed discussion.

7. AOB – Financial Position from External Auditors, Audit Scotland

Members received an update from External Audit on the impact of the cyber-attack on the audit opinion for Comhairle nan Eilean Siar and, by extension, the IJB accounts. It was noted that while the 2023/24 accounts were subject to a disclaimer of opinion due to the significant limitations in available financial information, the anticipated position for 2024/25 is a modified opinion relating only to opening balances. Members noted that this represents a significant improvement, reflecting both the recovery of additional financial information and increased assurance gained over time through subsequent transactions and audit testing. External Audit advised that assurance can now be placed on in-year transactions and year-end balances, with uncertainty largely restricted to opening balances and reserves. Members welcomed the progress made and the increased level of assurance available compared to the previous year.

8. EVALUATION

	YES	NO	COMMENTS
Were you satisfied with the content of the agenda?	✓		
Was there sufficient time to review the papers between receipt and the meeting date?	✓		
Were the agenda items placed in the correct order/ prioritisation?	✓		
Was there sufficient time allocated to all agenda items?	✓		
Were the Executive Summaries an accurate reflection of the detailed paper?	✓		
Was there sufficient refreshment breaks?		✓	No break taken
Are there and significant issues which should be escalated?		✓	
Did you consider that the Board/ Committee discharged its duty in respect of: Proper Scrutiny Relevant questioning Constructive challenging	 ✓ ✓ ✓		
Do you have any suggestions for improvement or additional comments about this meeting?			Comments should be made to Michelle McPhail

9. DATE OF NEXT MEETING

The next meeting of the IJB Audit & Risk Committee will be held on 02 September 2026.

The Chair thanked colleagues for their scrutiny and input in the discussion and brought the meeting to a close at 11:00am.

END