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

MINUTE OF MEETING
05 NOVEMBER 2025
HELD AT 10:00AM
VIA MICROSOFT TEAMS

Names in alphabetical order by surname

Voting Members Present:	
Julia Higginbottom	Non-Executive Director/IJB Voting Member
Naomi MacDonald	Non-Executive Director NHSWI / IJB Voting Member
George Murray	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	IJB Chief Finance Officer
Eoin MacNeil	Voluntary Action Barra

In Attendance:	
Martin Devenney	Senior Auditor, Audit Scotland
Claire Gardiner	Audit Director, Audit Scotland
Adam Haahr	Senior Manager, Audit Scotland
Shona Hadwen	Principal Administrator, CnES
Stephanie Hume	Director, Risk Assurance, Azets
Paul Kelly	Head of Cyber Services, Azets
Michelle McPhail	Corporate Business Manager, NHS WI

1. WELCOME

Susan Thomson took the Chair and led the meeting, welcoming those present.

2. APOLOGIES

Calum MacLean	Councillor, CnES / IJB Voting Member

3. DECLARATION OF INTEREST

There were no declarations of interest.

3.1 Terms of Reference – Temporary part suspension of quorum

Michelle McPhail presented Members with the Committee's Terms of Reference, as approved by the Integration Joint Board on 31 November 2023. During discussion of the report, Members considered section 3.5 – Quorum, which states that the Chief Officer must be present for the meeting to be quorate. Given that the IJB currently does not have a Chief Officer in post, a request was made to temporarily suspend this section of the Terms of Reference to enable the Committee's work to continue. It was noted that this proposal had been discussed with Tim Langley, Chief Officer for Law and Governance at CnES and the IJB's Advisory and Standards Officer, as well as with Annetta Smith, Chair of the IJB, both of whom approved the request.

Annetta Smith, Chair of the IJB, expressed concern that this meeting of the Audit & Risk Committee is only the second to take place in 2025 due to challenges in achieving quoracy. She highlighted the resulting impact on the timely presentation of information, including audit recommendations, which is essential for the Committee to take appropriate action and, where necessary, escalate matters to the IJB.

The Chair formally noted Mrs Smith's concerns, both in her capacity as a committee member and as Chair of the IJB. She further noted that, with the forthcoming appointment of an interim Chief Officer, it is hoped that attendance and the wider issues affecting the Audit & Risk Committee will improve.

Decision: **Members considered the request and the formal agreement of others, approved the Suspension of Section 3.5 in part.**

Action: **The report will be presented to the IJB in November for decision.**

Mrs. McPhail wished to formally note that Comhairle nan Eilean Siar had formally appointed Cllr. George Murray, IJB Voting Member to the Audit & Risk Committee as their third representative Member.

The Committee Chair thanked Mrs. McPhail for the update and welcomed Cllr. Murray to his first meeting.

4. MINUTES

4.1 IJB Audit & Risk Committee Minute of 05 March 2025

Discussion: The Minute of the IJB Audit & Risk Committee meeting held on 05 March 2025 was approved as an accurate record of the discussion.
The Committee reflected on the length of time between meetings and expressed concern that this has limited its ability to fully meet the expectations placed upon it by the IJB.

Decision: The Committee formally approved the minute of 05 March 2025.
Action: No actions required.

4.2 Matters Arising

There were no matters arising**.**

4.3 Action Points as of 05.03.25

The Chair and Members reviewed the Action Points.

12.01.22 Risk Register – Report on proposal to dissolve the Clinical & Care Governance Committee – The information will be presented to the Committee in March 2026.

11.06.24 – Item 5.1.1 - Internal Audit – All audit recommendation to be transferred onto NHSWI audit recommendation tracker template – Following a discussion between the Interim Chief Officer and Internal Audit the report will be presented in February 2026.

11.06.24 – Item 5.1.1 - Internal Audit – Conclude all outstanding audit recommendations by September 2024 - Following a discussion between the Interim Chief Officer and Internal Audit the report will be presented in February 2026.

04.09.24 – Item 7.3 – Annual Self-Assessment Audit & Risk Committee – The Committee to consider undertaking an individual member self-assessment in line with the good practice in Audit Scotland Handbook.

21.11.24 – Item 8.1 – Timetable and workplan 2025 – This item is on the agenda for 05.11.25. **Complete / Remove**

Decision: **It was agreed to note the updates provided.**
Action: Updates from each Action will be reflected in future Action Point reporting.

5. AUDIT & FINANCIAL GOVERNANCE
5.1 Financial Governance
5.1.1 Annual Accounts 2023/24
5.1.2 Appendix 1 – Audit Scotland Report on Proposed Annual Audit Report
5.1.3 Appendix 2 – ISA 580
5.1.4 Appendix 3 – IJB Annual Accounts 2023/24

Issue: The Committee was asked to make a decision based on the recommendations set out in the report as presented by Debbie Bokzurt, Chief Finance Officer, IJB.

Discussion: Ms Bozkurt presented the Annual Accounts for the period 1 April 2023 to 31 March 2024, seeking approval of the content prior to submitting the Accounts to the IJB Board Members for formal approval and sign-off.

She highlighted that, although a substantial amount of work has been undertaken, Audit Scotland's audit opinion remains qualified. This qualification arises from the continuing impact of the cyber-attack on Comhairle nan Eilean Siar in November 2023, which resulted in the loss of significant data, including key accounting records relating to the Integration Joint Board.

During discussion of the report, Ms Bozkurt noted that the table presented on page 7 may give the impression that the IJB is overspent; however, she clarified that the IJB has been able to achieve a balanced position once the required level of reserves is taken into account.

Claire Gardiner further explained that, as time has progressed, the quality and accuracy of the information available for 2023/24 and 2024/25 has improved. Nevertheless, some elements still require further review, and questions remain over their accuracy. She advised that the finance teams have worked diligently to produce the most reliable reporting possible under the circumstances. It was noted that it may take up to three years before the IJB is in a position to achieve an unqualified set of accounts.

Members commented that the level of detail provided in the briefing offered a degree of reassurance.

Following deliberation and acknowledging the significant efforts of Ms Bozkurt and finance teams across both parent bodies in validating the available information, Members approved the Annual Accounts for submission to the next full IJB Board meeting for formal approval and sign-off.

Decision: **The Audit & Risk Committee formally approved the Annual Accounts.**
Action: **The Annual Accounts will be presented to the full IJB for approval and formal sign-off.**

5.1 Financial Governance
5.1.1 Annual Accounts 2023/24
5.1.2 Appendix 1 – Audit Scotland Report on Proposed Annual Audit Report

Issue: Members were asked to consider the recommendation from the report presented by Claire Gardiner, Audit Director, Audit Scotland.

Discussion: Ms. Gardiner began by offering her apologies for the delay in producing the report. She reiterated that, as previously explained, the delay was a direct consequence of the Comhairle's recent cyber-attack and the significant disruption it caused to the availability and reliability of financial systems, accounting data, and routine reporting processes.

She went on to explain that the financial information contained in the report required extensive review and verification. Audit Scotland requires all figures to be supported by sufficient, appropriate, and auditable evidence in order to confirm that the accounts are accurate, complete, and provide a fair representation of the Integration Joint Board's financial position.

Ms. Gardiner clarified that although the audit opinion is "qualified," this does not necessarily mean the accounts themselves are incorrect. Rather, it reflects that due to the impact of the cyber incident, the auditors were unable to obtain enough reliable evidence to fully substantiate the figures presented. As a result, confidence in the robustness and completeness of the financial reporting is reduced, leading to the qualified opinion.

As part of the review process, accounting information is drawn from both parent bodies and assurance was provided from NHS Western Isles accounting process and therefore the auditing opinion specifically relates to Comhairle's disclosure within the IJB.

Ms. Gardiner advised that, due to the increased level of scrutiny required and the significant additional hours spent addressing the implications of the cyber-attack, an additional fee will be applied to the previously agreed audit payment. This is estimated to be in the region of £3,000–£5,000, although she emphasised that this does not represent full cost recovery.

Members were informed that the financial position for the period reflected a £2.8 million deficit, which was managed through the use of reserves. It was highlighted that this approach is not sustainable in the longer term. When considering the wider financial pressures, the medium-term financial plan is forecasting a funding gap in excess of £5 million.

In concluding her presentation, Ms. Gardiner expressed her appreciation to the finance team, and in particular to Debbie Bozkurt, recognising her patience and support throughout what has been a particularly challenging audit process.

It was noted that the report presented will undergo minor amendments before being submitted to the IJB for final approval and sign-off.

Ms. Bozkurt took the opportunity to clarify the reference within the accounts to "sustainability." She explained that this does not refer solely to financial sustainability—although that remains important—but more fundamentally to demographic sustainability. She advised that an update report on demographic sustainability is currently being developed for NHS Western Isles and welcomed the opportunity to raise awareness of the issue with all members.

Members deliberated the issue and acknowledged the significant demographic challenges facing the islands and welcomed the opportunity for open discussion on the wider implications for sustaining island communities and delivering services effectively and locally. It was recognised that addressing these issues cannot be achieved by individuals or single organisations acting in isolation. However, developing a shared understanding of the challenges will enable organisations and communities, collectively, to identify supportive approaches, even if not definitive solutions, that can help mitigate the impact.

Members also welcomed the report overall, while recognising that existing processes were not sufficiently robust to allow for a fully unqualified audit. They acknowledged that the key issues stemmed from the cyber-attack affecting the parent body's systems, and nonetheless valued the recommendations presented.

The Chair thanked all members for their input in the discussion and formally noted the presentation of the Audit Scotland report.

Decision: **The Committee formally noted the report.**
Action: **Demographic report to be presented at a future IJB meeting.**

5.1.3 Financial Management Update Q2

Issue: The Committee was asked to note as awareness the verbal discussion presented by Debbie Bozkurt, Chief Finance Officer.

Discussion: The Committee was advised that the quarter two financial position will be presented to the Integration Joint Board at its forthcoming meeting. Due to the timing of the annual accounts process, the month six financial monitoring report was not available for consideration; however, a full written report will be submitted to the Board within the next two to three weeks.

Members noted that the current in-year position is projecting a break-even outturn, achieved through the application of reserves and financial flexibilities. The underlying financial position remains an overspend, driven by a range of pressures across both Health and Social Care.

A significant financial pressure continues to arise from delayed discharges, largely attributed to staffing shortages within home care services. This has required the use of additional contingency beds within hospital settings, resulting in unfunded costs for both NHS Western Isles and the IJB. Delayed discharge costs are currently at their highest level in four years, with last year's notional cost recorded at £2.4 million and an increased cost anticipated for the current year. The cost pressure attributable to the IJB is estimated between £0.5 million and £1 million after excluding facilities and non-IJB costs.

Further pressures remain within set-aside services, particularly acute medical wards, where an overspend of £300k–£400k is projected. Ongoing national recruitment challenges in Psychiatry continue to impact expenditure, necessitating the use of agency clinicians. While direct-engagement arrangements have reduced costs relative to agency contracts, expenditure remains above budget.

The Committee was also advised of continued financial pressures within the 2C GP practices in Benbecula and Barra, which have experienced persistent overspends since moving under NHS management. Two internal audit reviews have identified governance and financial improvements required to support cost control, and work on prescribing and other areas has begun to mitigate potential overspends.

On the Social Care side, an underlying deficit of just under £4 million remains, though this has been partly offset by vacancy-related underspends and delays in fully opening Bremner Court within the Goathill development. Reserves have also been utilised to support an overall break-even position.

Within NHS services, the underlying deficit is lower, at approximately £1.6 million. Pressures are mainly linked to clinical need, including high-cost off-island placements. Mental health placements alone are almost £0.5 million above budget due to the requirement for specialist treatment not available locally.

A full report covering financial variances, risks, population statistics, and delayed discharge trends will be presented to the IJB on 20 November.

Member noted the report from the Chief Finance Officer.

Decision: **The Committee formally noted the verbal update.**
Action: **No actions required.**

5.2 INTERNAL AUDITORS - AZETS

5.2.1 Internal Audit Report – Risk Management 2024/25

Issue: The Committee was asked to note the presentation of the report from Stephanie Hume, Director, Risk Assurance, Azets.

Discussion: The Committee received the Risk Management Report, which summarised the review undertaken in April–May of this year. Members were directed to page two of the report, which outlined the control assessments completed across the five elements of the organisation's risk management framework, along with seven improvement actions identified during the review.

It was noted that:

1. **Risk Identification (Finding 1.1)**

A process for identifying and discussing risks is in place; however, the Risk Management Strategy does not clearly define the formal process or specify who holds responsibility for risk identification. This lack of clarity affects accountability and consistency across the organisation.

2. **Risk Appetite (Finding 1.2)**

While a risk appetite statement exists, it is not linked to numerical risk scores, making it difficult to assess whether risks are being managed within the stated appetite. An example provided related to SR4, where the appetite was listed as "minimalist" but the scoring did not align with this position. Clearer articulation within the Strategy was recommended.

3. **Review of the Risk Management Strategy (Finding 1.3 – Advisory)**

The Strategy is currently reviewed every three years. Best practice, aligned with the Orange Book, suggests annual review to ensure the framework and approach remain current and effective.

4. **Strategic Risk Register (Finding 2.1)**

The register is broadly aligned with risks identified by the Council and NHS partners; however, no new risks have been added for two years. In particular, the cyber incident affecting the Council was not reflected as a risk, despite its direct impact on the IJB, including implications for the accounts.

Additional inconsistencies were noted, including unclear update dates, risk appetite statements not aligned with organisational practice, and mismatches between stated risk aims and scoring.

5. **Escalation and De-escalation of Risks (Finding 3.1)**

Although risks are discussed, the escalation and de-escalation process is not clearly defined within the Strategy. Meeting records do not consistently evidence decisions to escalate, de-escalate, or remove risks. Greater clarity in process and documentation was recommended.

6. **Risk Scoring and Mitigating Actions (Finding 4.1)**

All five risks on the register had current scores significantly above their target scores, indicating that existing mitigating actions were not sufficiently effective. Further mitigating actions listed lacked detail regarding implementation, expected impact, and responsible officers.

7. **Risk Reporting and Committee Scrutiny (Finding 5.1)**

Review of meeting minutes from October 2023 to March 2025 showed that risk was regularly included on agendas, but the level of discussion varied. Deeper examination of individual risks, effectiveness of mitigating actions, and alignment with risk appetite was limited or inconsistently recorded.

The report was noted, and Members were invited to raise any questions.

Annetta Smith reflected on the findings of the report, noting the concerns raised regarding the lack of governance surrounding the maintenance and updating of the risk register. She highlighted that the last occasion on which the register was presented to the Committee by the Chief Officer was on 4 September 2024, and that today marked the first opportunity for the Committee to review it in 14 months.

She also expressed concerns regarding the depth and adequacy of management responses, particularly where the Committee had been identified as an action owner, which was considered inappropriate. Ms Hume acknowledged these concerns and confirmed that assigning actions to a committee rather than to management is not standard practice.

Mrs. Smith acknowledged that the management actions must be accepted as presented, as they cannot be amended retrospectively. However, Members highlighted several inconsistencies within the management responses, including incorrect terminology. For example, in relation to action 2.1 (Strategic Risk Register), the management action refers to approval by the “IJB Risk Management Committee,” whereas the correct body is the Audit and Risk Committee. Several similar inconsistencies were identified.

Members also expressed concerns regarding the overall robustness and level of detail within some management actions — for example, those relating to item 5.1, where actions were not considered sufficiently specific or comprehensive. It was requested that these issues be noted and addressed in future iterations of the report.

Ms. Hume acknowledged that the management actions must remain as submitted for the purposes of the report; however, any inaccuracies or terminology errors can be addressed through the follow-up process and incorporated into the audit tracker.

It was further noted that the absence of the current Chief Officer and the transition to a new Chief Officer may require additional discussion between the Committee and incoming leadership regarding any further concerns or areas requiring additional work.

Members were advised that some of the issues arising relate to the timing of the management responses, which were received after the deadline for the June Audit Committee papers. This contributed to the limited opportunity for refinement before presentation. It was confirmed that outstanding matters can be reviewed and updated as part of the standard follow-up process.

Ms Hume advised that further discussion will take place with the incoming Chief Officer regarding the Committee's concerns about the management responses to the audit recommendations.

Decision: **The Committee formally noted the report presented.**
Action: **No actions required.**

5.2.2 **Internal Audit Report – Cyber Security**
Issue: The Committee was asked to note the report presented by Paul Kelly, Cyber Security, Azets.

Discussion: The Committee received an overview of the background to the review from Paul Kelly. It was noted that the Comhairle experienced a significant cyber-attack on 27 November 2024, and while substantial work has been undertaken to address the resulting issues, further remediation is ongoing.

In carrying out the review from an IJB perspective, the auditors examined the Comhairle's response and undertook a desktop assessment to determine the level of assurance required by the IJB. As part of this work, the Comhairle's internal audit "lessons learned" report, presented to its committee in November 2024 and subsequently followed up in February and May 2025, was reviewed. In addition, the Head of Audit for the Comhairle was consulted to confirm the scope and robustness of their process.

The report outlines the audit approach undertaken and summarises the key messages arising from the lessons learned work. A number of assurance gaps were identified, with a separate action plan included, noting that most actions have either been completed or were nearing completion at the time the report was finalised (June/July 2025).

No further detail was presented at the meeting, but feedback or questions on any element of the report were invited.

Mrs. Smith sought clarification regarding the status of the action noted on page 10 relating to updates on the lessons-learned recommendations. The recommendation states that the IJB should request regular progress updates and confirm that actions relevant to the IJB are being addressed. It was highlighted that this action is marked as complete; however, she did not recall this matter being discussed at an IJB meeting and queried whether this was correct.

Ms. Bozkurt clarified that the action had not been discussed at the IJB. It was explained that the Comhairle considers the recommendation complete on the basis that responsibility for the lessons-learned actions rests with them. The expectation is that the Comhairle will provide the IJB with any information that is relevant or has a potential impact on the IJB. If no such issues arise, no update would be provided. It was noted that while this explains why the action has been marked as complete, it is not an entirely satisfactory position from an assurance perspective.

A Member observed that the management response in this area was unclear. The recommendation states that the IJB should receive regular updates on progress with the lessons-learned actions. However, it was noted that, based on the information provided and given the Committee's recollection over the past 7–8 months, no such report has been presented to the IJB.

The Member further highlighted that the management response refers to the Comhairle's actions as being complete, yet the actual recommendation requires the IJB to receive information and assurance. This created confusion, as the management response appears to indicate completion, while the IJB has not had the opportunity to receive or review any updates.

Clarification was sought on this discrepancy. It was clear to Members that management responses must be clear and specific as the responses made to date demonstrate a level of misdirection and lack of clarity as to what level of assurance can be obtained. It was agreed to retain the cyber-security as a risk to the IJB and incorporate the risk onto the register.

Mr. Kelly, in support, noted that the original question raised was valid, and clarification was provided regarding the intent behind the recommendation. The auditors explained that the expectation was that information relating to the lessons-learned review should be provided by the Comhairle to the IJB, most likely through an agreed reporting route. The IJB should therefore be actively seeking this assurance.

It was acknowledged that the Comhairle had indicated a willingness to provide updates where relevant; however, this represents a largely one-way flow of information. Given the significant operational and financial implications arising from such incidents, it was emphasised that a two-way assurance process is required. From an IJB perspective, it was considered important that regular and robust assurance continues to be sought through risk management and broader reporting arrangements.

The Chair expressed her thanks to Members for their robust discussion, noting that in obtaining the correct level of assurance and working with Comhairle colleagues, the Chief Officer should address this and report back.

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

5.2.3 **Internal Audit Annual Report 2024/25**
Issue: The Committee was asked to note the report presented by Stephanie Hume, Director, Risk Assurance, Azets.

Discussion: Ms Hume advised that the report, dated May, had originally been intended for the June Committee meeting, with the delay due to the meeting schedule. The report summarises internal audit work undertaken during 2024/25, including the previously presented risk management and cyber security reviews. She highlighted that the overall annual opinion, set out on page 4, confirms that a framework of governance, risk management and control is in place, providing reasonable assurance, the highest level of assurance available unless otherwise adjusted.

The report outlines the audit planning process and the outcomes of completed work. The cyber security review was advisory and therefore did not include graded findings. Of 25 external audit actions monitored during the year, 6 had been closed and 19 remained outstanding; this was noted as a relatively high number for an organisation of this size and would be a consideration for 2025/26 planning.

Appendix 1 sets out planned versus actual audit days, totalling 32, and Appendix 2 details the quality assurance arrangements, including reference to the most recent external quality assessment. No further comments were made, and questions were invited.

Ms Bozkurt noted that Ms Hume was presenting the annual report for the previous year. She advised that, although it would ordinarily have been reported earlier, Azets has been appointed for a further year to deliver the 2025/26 internal audit.

The Committee was informed that capacity issues continue within Comhairle nan Eilean Siar's internal audit team. Following discussions with Mr Sandy Gomez, CnES Section 95 Officer and Chief Internal Auditor, it was confirmed that staffing gaps remain and the team would not have had sufficient resource to undertake the current year's audit work. Although a new Chief Internal Auditor has been appointed, the team continues to operate with only two staff, one of whom is a trainee.

A further discussion with CnES will take place in January/February to assess whether capacity may improve for future years. This will determine whether the IJB continues with Azets, external auditors contracted to the NHS but acting on behalf of the IJB, removing the need for a separate procurement, or whether internal audit could return in-house if resources permit.

An update will be provided to the February Committee meeting.

Decision: **The Committee formally noted the report.**
Action: **Update on appointment of internal auditors provided in Feb '26.**
Debbie Bozkurt

5.2.4 **Audit Plan 2025/26**
Issue: The Committee was asked to note the discussion presented by Stephanie Hume, Director, Risk Assurance, Azets.

Discussion: Ms Hume advised that no formal report had been prepared and that the purpose of the item was to update the Committee on the development of the 2025/26 Internal Audit Plan and to seek early input. Normally, the draft plan would be discussed in advance of the financial year and with the Chief Officer, although this is not currently possible due to the vacancy.

Members were invited to identify any areas for consideration, noting that two audits are undertaken each year with findings reported through the Annual Internal Audit Report to the June 2026 Committee.

Initial suggestions were outlined, based on work in other IJBs and areas not yet reviewed locally. The Committee discussed potential audit topics, with workforce planning identified as a key priority, including alignment with partner organisations' workforce plans. A review of the Strategic Commissioning Plan was also proposed, focusing on commissioning arrangements, assurance processes, and compliance with Directions.

Financial management was highlighted as a further potential area, although given current financial pressures, it may not be supported as a review was held in

2023/24 and considered by External Audit. Internal communication and engagement was noted as an additional possible topic.

From the auditor's perspective, the priority areas would be workforce planning, the Strategic Commissioning Plan, and potentially financial management. Members were invited to submit any further suggestions, and a draft Internal Audit Plan will be presented at the next Committee meeting for approval.

In relation to Member understanding, Cllr. Murray noted that a formal induction covering the roles and responsibilities of Audit & Risk Committee Members would be beneficial. It was acknowledged that an induction programme for the wider IJB had been delivered by the Chief Officer in 2024, with supporting materials made available within the IJB shared Teams folder. However, it was recognised that further review and improvement of induction arrangements is required, and this will be discussed with the incoming Chief Officer.

Michelle McPhail provided clarification on the potential audit area identified by Ms. Hume regarding the *Strategic Commissioning Plan*. She confirmed that the Plan had been presented to the Board in September 2024 and was scheduled for review in November 2024. However, the report had not progressed through the appropriate, robust review pathway and had not been considered or agreed by the parent bodies through a joint discussion within the Integrated Corporate Management Team (ICMT). As a result, the document will be presented to the ICMT in November and subsequently re-presented to the IJB for consideration and approval.

Mrs. Smith highlighted a further potential area for review relating to the working and reporting arrangements of the Strategic Planning Group (SPG) and its linkage to the IJB through membership. She noted that no information or reports had recently been received by the IJB from the SPG, and therefore a review of the Group's current arrangements would be a potential area of review to ensure transparency and appropriate governance of its work.

Ms. Hume noted that the remaining time to undertake the 2 audits is between the beginning of February and the end of March 2026.

Decision: **The Committee formally noted the report.**

Action: **Further discussion on the auditing areas for 25/26 will be undertaken by the incoming Chief Officer and the Chair of the IJB.**

6. PERFORMANCE

6.1 Strategic Risk Register

6.1.1 Appendix 1 – Narrative Report

Issue: The Committee was asked to note the report and take a decision, presented by Michelle McPhail, Corporate Business Manager, NHSWI.

Discussion: The Committee was informed that the report presented had originally been prepared by the Chief Officer for the September/March reporting cycle. In light of the discussions held earlier in the meeting, Members agreed that a more detailed review is required, including consideration of the recommendations arising from the Risk Management Strategy audit. It was noted that amendments will be necessary, and responsibility for this work will fall to the Interim Chief Officer once appointed.

It was further noted that the new cyber risk, scheduled for consideration in February, should be incorporated into the revised report. Subject to approval, this updated version will be submitted to the Board in February.

The Committee acknowledged that the report, as presented, reflects the most recent information and risk scoring provided by the Chief Officer and received it for review. Members sought clarification on how the Committee would, over time, seek to reduce or remove identified risks.

Ms. Bozkurt advised that the financial commentary contained within the risk update had not been provided by her and was presumed to have been added by the Chief Officer.

The Committee reiterated ongoing concerns regarding the Risk Register and noted the consistent theme that a full and comprehensive review is required. It was highlighted that several comments raised at previous meetings in relation to specific risks, particularly those concerning inter-professional working and the SAMS mode, had not been actioned. Members noted that Naomi MacDonald had raised these issues at the IJB and that, although a review had been agreed and formally minuted, this had not yet taken place. Consequently, some risks and associated wording have remained unchanged for over a year.

Members emphasised the importance of ensuring that risks are clearly defined, accurately reflect current evidence, and are based on demonstrable issues. Concerns were expressed that some risks, including those relating to inter-professional working, may not align with Members' experience. The Committee therefore agreed that a full review of all risks is required to ensure clarity, accuracy, and effective governance.

It was confirmed that the Risk Register, in its current form, will not be submitted to the IJB.

Michelle McPhail advised that the Risk Management Strategy states that the Risk Register should be reviewed every six months. It was recalled that Azets had previously expressed concerns regarding this frequency. The Committee discussed the potential benefits of presenting the Risk Register at each meeting of the IJB Audit & Risk Committee, and it was agreed that this will be reflected in the revised wording of the Risk Management Strategy following its review.

The Chair thanked Mrs. McPhail for the update.

Decision: **The Committee formally noted the report but could not approve its current format or the updated provided.**

Action: **The Risk Register to be reviewed by the incoming Chief Officer.**

6.2 IJB Annual Performance Report 2023/24

Issue: The Committee was asked to note the report presented by Michelle McPhail, Corporate Business Manager, NHSWI.

Discussion: Michelle McPhail advised that the Committee had noted earlier concerns raised by Claire Gardiner regarding the timeliness of performance reporting. In response, contact was made with Ms. Mags McKinn from the Public Health team to seek clarification on the status of outstanding reports. Ms. McKinn confirmed that the 2023/24 performance report had been submitted to the Chief Officer in 2024; however, there is no evidence that it had been presented to the IJB.

Work is ongoing to establish whether a 2024/25 performance report has been completed. It was proposed that both the 2023/24 and 2024/25 reports be submitted to the IJB in November. Ms. McKinn has been asked to prepare an Executive Summary, and confirmation is being sought from the Chief Officer's PA regarding whether either report has been submitted to the Scottish Government.

Members were advised that the performance report contains detailed annotations beneath each graphic, which should be reviewed carefully. The national reporting requirements set out by the Scottish Government may include indicators spanning different periods (e.g., 2022/23, 2023/24, and 2024/25) to reflect full-year datasets. While the report is complex and not always easy to navigate, it provides the core performance information required for national submission. However, Members noted that the report does not sufficiently

describe non-data-based aspects of performance, and it was agreed that this should be raised with the incoming Chief Officer to improve future reporting.

The Chair sought clarification on the process for ensuring that Committee Members have sight of all required reports. It was noted that, in this case, although the performance report had been received by the then Chief Officer, it had not been made available to the Committee. The Chair requested clarity on whether there is a defined process specifying which reports the Committee should receive, the expected frequency, and the appropriate point in the year for submission. She emphasised the importance of a clear mechanism to ensure adequate oversight and confirm that all required reports are considered.

Mrs. McPhail drew Members' attention to the Work Plan included within the agenda, noting that it sets out all reports scheduled for submission to both the Committee and the IJB during 2026, together with the indicative timing of each. Some items do not yet have fixed dates, as these remain dependent on the Chief Officer; however, the Work Plan provides the overarching schedule for reporting requirements in 2026.

The Chair of the IJB, Mrs. Smith, requested that the performance report be presented to the IJB. Mrs. McPhail advised that, given the current delays, it may be more appropriate to discuss the timing with the incoming Chief Officer and consider deferring the report to the February IJB meeting. Mrs. Smith confirmed that she would review the scheduling and discuss the matter offline.

The Chair thanked Mrs. McPhail for advising on the current status of the report.

Decision: **The Committee formally noted the report.**
Action: **The Chair of the IJB will decided on the scheduling of the report(s) to the IJB.**

7. STRATEGIC GOVERNANCE

7.1 Risk Management Strategy

7.1.1 Appendix 1 – Narrative Report

Issue: The Committee was asked to note and discuss the report presented by Michelle McPhail, Corporate Business Manager, NHS WI.

Discussion: The Committee was advised that the Risk Management Strategy had previously been presented and approved by the IJB. However, in light of the earlier discussion regarding the audit recommendations, it was noted that no formal agreement on the Strategy would be sought at this meeting. Mrs. McPhail indicated that the Strategy was approved but did not take cognisance of the comments from Internal Audit, Stephanie Hume, that leaving the review of the Risk Register for a 6 month period was not appropriate in governance terms.

The Strategy currently specifies that the Risk Register should be reviewed every six months. Without making any formal amendments to the document at this stage, Mrs. McPhail asked whether the Committee would be content for the Corporate Risk Register, along with any associated risk recommendations, to be presented to each meeting of the Committee and subsequently to the Board.

Given the current circumstances and the need to strengthen governance arrangements, it was suggested that the Risk Register should not be left for six-monthly review cycles. Instead, the Register will be presented at each meeting, regardless of the stage of completion, until all matters have been fully addressed.

Mrs. Smith sought clarity regarding the information previously presented to the IJB, noting that when the Risk Management Strategy was approved, neither Audit input nor the audit findings had been included. The Member expressed concern that, had the full audit information been available, it was unlikely the Strategy would have been approved in its presented form, as the Board had only received limited information. The Member confirmed agreement with the recommendation for more frequent review of the Risk Register.

Mrs. McPhail acknowledged that increasing the frequency of review deviates from the current wording of the approved Strategy. However, she noted that the omission of comments previously provided by Ms. Hume meant the document was not amended prior to submission to the IJB. She emphasised that, as an Audit & Risk Committee, it is essential that Members have sight of the Risk Register at every meeting in order to fulfil their governance responsibilities and provide assurance to the IJB that risks are being managed appropriately.

It was therefore confirmed that the Committee will receive the most current version of the Risk Register at each meeting going forward. Given the February timescale, it is anticipated that a more detailed review will be possible, enabling the Committee to consider and agree a version suitable for submission to the public meeting of the IJB that month. The review of the Risk Management Strategy is for the incoming Chief Officer to address.

Decision: **The Committee formally noted the document and approved the presentation of reviewed Risk Register at each subsequent meeting.**

Action: **No actions required.**

7.2 IJB Meeting Schedule 2026

7.2.1 Appendix 1 – IJB Workplan 2026

Issue: The Committee was asked to take a decision based on the recommendations, presented by Michelle McPhail, Corporate Business Manager, NHSWI.

Discussion: The Committee received the draft meeting schedule for review. It was noted that the schedule follows the established pattern of five meetings per year, to be held in February, March, June, September and November. Members were asked to ensure that, once dates are formally approved by the IJB and added to diaries, these meetings are prioritised to support quoracy and the effective continuation of IJB business.

The accompanying Work Plan was presented for information. It was noted that several reports listed do not yet have confirmed presentation dates. Final scheduling will require discussion with the incoming Chief Officer. An updated version of the Work Plan, incorporating these details, will be submitted to the Committee at its February meeting. All listed reports are expected to be brought before the Committee at the appropriate time and will form the basis of future agendas.

Members requested a schematic flowchart setting out the structure and reporting flow of the IJB including the Strategic Planning Group. Mrs. McPhail advised that this would be developed in conjunction with the incoming Chief Officer.

The Committee noted that the schedule and Work Plan will be submitted to the IJB for formal approval. Members were invited to review the documents further and contact Mrs. McPhail directly with any comments or suggestions regarding the papers identified for Committee consideration.

Decision: **The Committee formally noted the report and the presentation to the IJB.**
Action: **No actions required.**

7.3 Discussion items for February 2026
7.3.1 IJB Audit & Risk Committee Self-Assessment Tool
7.3.2 Azets A&R Presentation – Members' Roles & Responsibilities

Discussion: Mrs. McPhail advised that she had asked Ms. Hume to consider delivering a short awareness session at the February meeting, subject to discussion with the incoming Chief Officer, to provide Members with an overview of the roles and responsibilities of the Audit & Risk Committee. This would offer Members an opportunity to refresh their understanding of the Committee's remit and key areas of focus.

She further noted that the Committee had undertaken a self-assessment in 2024, based on the Audit Scotland framework. While the assessment had been presented to the Committee at that time, the resulting recommendations were not progressed. To support a refreshed approach, the proposed awareness session would precede a repeat of the self-assessment exercise. Members would complete the assessment individually, with the outcomes collated and reviewed with the support of Internal Audit to identify actions and recommendations for improvement. It was recalled that six Members participated in the 2024 assessment.

Members discussed the timing of the exercise and whether it was appropriate to undertake it at present, given the current circumstances. Clarification was provided that the self-assessment is an internal good-practice requirement, drawn from the Audit Scotland Handbook, and is normally undertaken annually towards the end of the calendar year. It was also confirmed that responsibility for progressing any resulting actions lies with the Chief Officer.

Members noted that actions from the previous assessment had not been taken forward and expressed support for restarting the process to ensure improvements are implemented. They emphasised the importance of ensuring that the self-assessment does not lapse again and that clear follow-through is achieved.

Mrs. McPhail confirmed that the proposal was being brought forward for discussion at this stage, with the intention of scheduling the awareness session and the self-assessment for February. Both Internal Audit and Audit Scotland supported the process of annual self-assessment as set out in the Audit Scotland Handbook of good practice.

Decision: **The Committee approved the recommendation to obtain presentation from Internal Audit and the re-establishment of the self-assessment.**

Action: **Schedule for the next meeting in 2026.**

8. AOB

No items were raised.

9. EVALUATION

	YES	NO	COMMENTS
Were you satisfied with the content of the agenda?	X		
Was there sufficient time to review the papers between receipt and the meeting date?	X		
Were the agenda items placed in the correct order/ prioritization?	X		
Was there sufficient time allocated to all agenda items?	X		
Were the Executive Summaries an accurate reflection of the detailed paper?	X		
Was there sufficient refreshment breaks?	X		10 minute break obtained
Are there and significant issues which should be escalated?		X	
Did you consider that the Board/ Committee discharged its duty in respect of: Proper Scrutiny Relevant questioning Constructive challenging	X		
Do you have any suggestions for improvement or additional comments about this meeting?			Comments should be made to Michelle McPhail

10. DATE OF NEXT MEETING

The next meeting of the IJB Audit & Risk Committee will be held on 10 February 2026

The Chair thanked colleagues for their scrutiny and input into the discussion and brought the meeting to a close at 1:08pm.