Minute Audit and Risk Committee
Tuesday 26 May 2026

Attendance

Rachel Ratter (Senior Corporate Governance Officer), Damian Reid (Interim Director of Finance), Suzanne Gray (Senior Financial Accountant), Issy Grieve (Non-Executive Board Member), Dr Anna Lamont (Medical Director), Ryan McLaughlin (Non-Executive Board Member/Employee Director), Tammy Sharp (Director of Performance, Transformation and Deputy CEO), Jason Taylor (Non-Executive Board Member – Chair), Debs Crohn (Head of Corporate Governance), James Goodyear (Interim Chief Executive), Rona Gold (Non-Executive Board Member).

Guests: Iain Gray, Information Governance Manager, David Miller, Resillence Officer

1. Cover page (Presenter: Chair)

To support the Board in its responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge.

2. Apologies (Presenter: Chair)

The Chair opened the meeting at 09.30 and welcomed members to the meeting.

Apologies were received from Kat Jenkin (Head of Patient Safety, Quality and Risk).

The meeting was quorate in accordance with the Board's Code of Corporate Governance.

3. Declaration of Interest (Presenter: Chair)

There were no declarations of interest raised.

4. Minutes of meeting held 3 March 2026 (Presenter: Chair)

The Chair presented the minutes of Audit and Risk Committee meeting held on 3 March 2026.

Decision / Conclusion

The minutes of the Audit and Risk Committee were approved as an accurate record of the meeting.

4.1 Chairs Assurance Report from meeting on 3 March 2026 (Presenter: Chair)

The Chair presented the Chair's Assurance report from the meeting held on 3 March 2026.

Decision / Conclusion

The committee took assurance on the report.

5. ACTION LOG (Presenter: Chair)

The action log was reviewed, and corrective action agreed on outstanding issues (see action log for details).

6. Corporate Risk and Assurance Report (Presenter: Medical Director)

The Medical Director presented the Corporate Risk and Assurance Report.

The committee were advised that there was one additional risk for the quarter in relation to the facilities maintenance contract, which had been reviewed at the Risk Management Group on 20 May 2026.

The Medical Director informed members risk descriptions and text would be presented as a summary update to provide a strengthened and concise overview.

The Chair acknowledged that, prompted through various committees, a general review of risks was being undertaken to ensure they remained relevant for 2026/27.

R Gold noted a trend throughout the risk register whereby not all risks had action updates against the risk. Members were reassured that certain risks had been re-written and all risks would include further clarification moving forward.

Decision / Conclusion

The Committee noted and took assurance on the management of the Corporate Risk Register, acknowledging the progress on operational risk management arrangements.

6.1 Emergency Planning Update (Presenter: Director of Public Health)

The Director of Public Health presented the Emergency Planning update, relating to Risk 233.

Progress on Exercise Foreland actions had been slower than anticipated due to staff absence and members were advised the live play exercise should have read 23 June 2025.

R Gold requested clarification regarding the action that had taken place regarding leadership training. The Director of Public Health advised that the training offered during quarter 3 was around general principles and training with partners in relation to emergency planning was aimed primarily at Gold Commander level. It had been identified that e-learning in terms of integrated emergency planning principles in general and the Jessup principles were again aimed at Gold Commander level and potentially the Senior Leadership Team cohort.

Members were also advised that the progress of the learning outcomes in relation to integrated emergency planning principles, work had taken place with the Resilience Officer to provide a time plan.

It was agreed the Director of Public Health would arrange Emergency Planning training for Executives, confirmation would be provided at the 1 December 2026 Audit and Risk committee meeting.

The Interim Chief Executive highlighted the requirement for a clear organisational view of the required level of competence and training support for staff.

Decision / Conclusion

The Committee took assurance on the report.

6.2 Risk Management Group Chairs Assurance Reports (Presenter: Head of Patient Safety, Quality and Risk)

The Medical Director presented the Risk Management Group Chair's Assurance Reports.

The Medical Director and Interim Director of Finance provided assurance on the new risk related to the Robertson contract, detailing mitigations such as fire damper checks, water tank replacement and improved defect management, with ongoing oversight by the Finance and Performance committee.

It was agreed a 6 monthly update would be brought to the 1 December 2026 Audit and Risk Committee meeting following the changes to the Risk Management Group.

Decision / Conclusion

The Committee noted the Chair's Assurance Reports from the Risk Management Group.

6.3 Senior Leadership Team Chair's Assurance Report (Presenter: Interim CEO)

The Interim CEO presented the Senior Leadership Team Chair's Assurance Reports from the meetings held on 1 April and 5 May 2026.

Due to the change in Risk Management processes, it was agreed the Senior Leadership Team Chair's Assurance reports would be submitted to the Audit and Risk committee for noting only.

Decision / Conclusion

The Committee noted the Chair's Assurance Reports from the Senior Leadership Team meeting.

7. AUDIT AND RISK COMMITTEE ANNUAL REPORT 2025/26 (Presenter: Chair)

The Chair presented the Audit and Risk Committee Annual Report 2025/26 for approval.

R Gold thanked the Chair for the informative report and suggested the word reform should not have a capital to not confuse with a political party. She also queried when it was predicted for half of Orkneys population to be over 65 as referenced in the report.

Decision/Conclusion

Committee approved the Audit and Risk Committee Annual Report 2025/26.

8. STRATEGIC – PERFORMANCE

8.1 Draft NHS Orkney Annual Report and Accounts for year ended 31 March 2026 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Draft NHS Orkney Annual Report and Accounts for year ended 31 March 2026 confirming statutory duties had been met with deficit support funds and highlighted the challenge of achieving financial sustainability over the next three years.

Decision / Conclusion

The Committee took assurance on the report.

8.2 Draft Audit and Risk Committee Governance Assurance Statement 2025/26 (Presenter: Chair)

The Chair presented the draft Audit and Risk Committee Governance Assurance Statement 2025/26.

Decision / Conclusion

The Committee took assurance on the Audit and Risk Committee Governance Assurance Statement 2025/26.

8.3 Draft Directors Subsidiary Assurance Statement and Internal Control Self-assessment 2025/26 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Draft Directors Subsidiary Assurance Statement and Internal Control Self-assessment 2025/26 for assurance.

The Chair noted the duplication of the statement provided by the Director of People and Culture.

Decision / Conclusion

The Committee took assurance on the Draft Directors Subsidiary Assurance Statement and Internal Control Self-assessment 2025/26.

8.4 Orkney Health Board Endowment Funds Sub Committee Annual Governance Statement 2025/26 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Orkney Health Board Endowment Funds Sub Committee Annual Governance Statement 2025/26.

Decision / Conclusion

The Committee took assurance on the Orkney Health Board Endowment Funds Sub Committee Annual Governance Statement 2025/26.

8.5 Governance Committee Annual Reports 2025-2026 2025/26 (Presenter: Chair)

The Chair presented the Board's Governance Committee Annual Reports 2025/26.

Decision / Conclusion

The Committee approved the following Annual Reports for inclusion in the Annual Report 2025/26

- Area Clinical Forum Annual Report 2025/26
- Area Partnership Forum Report 2025/26
- Finance and Performance Committee Annual Report - 2025/26
- Joint Clinical and Care Governance Committee - Annual Report 2025/26
- Remuneration Committee Annual Report 2025/26
- Staff Governance Committee Annual Report 2025/26

9. STRATEGIC OBJECTIVE – PLACE

9.1 Internal Audit

9.1.1 Internal Audit Quarter 4 progress report and tracker (Internal Auditor, Director of Performance and Transformation)

The Information Governance Manager presented the Internal Audit Recommendations Quarter 4 progress report and tracker, advising most actions from earlier audit years were complete or nearing completion, with remaining gaps largely due to external dependencies and wider improvement programmes, creating limited but continued risk.

Members were advised 2025/26 audits were underway with early progress in Information Governance, though full assurance was constrained by outstanding reports and the need for more consistent action tracking and timelines.

It was confirmed that their would be additional administrative support in place from July 2026.

Decision / Conclusion

The Committee took assurance on the Internal Audit Recommendations Quarter 4 progress report and tracker.

9.1.2 Health and Safety – Implementation Internal Audit Report (Internal Auditor)

The Internal Auditor presented the Health and Safety implementation Internal Audit Report which identified both good practices and areas for improvement, particularliy in policy manaement, training, and cultural aspects of safety management.

The Chair welcomed the indepth audit and acknowledged the usefulness of the extra time committed to the audit, as compared to previous years.

The Committee welcomed the Health and Safety – Implementation Internal Audit Report noting additional work was required with the Senior Leadership Team in relation to culture and ownership.

It was agreed the Head of Corporate Governance would share H&S Implementation Internal Audit Report with the Staff Governance Committee for cross Committee assurance. The Interim CEO committed to leading a workshop with Senior Leadership Team with an update brought to 1 September 2026 Committee meeting.

Decision / Conclusion

The Committee took assurance on the Health and Safety implementation Internal Audit Report.

9.1.3 Internal Audit Progress report 2025/26 (Internal Auditor)

The Internal Auditor presented the Internal Audit progress report 2025/26 which provided a summary of internal audit activity since the last meeting, confirming the completion of the 2025/26 plan.

Decision / Conclusion

The Committee took assurance on the Internal Audit progress report 2025/26.

9.1.4 NHS Orkney Internal Annual Audit Report 2025/26 (Internal Auditor)

The Internal Auditor presented the Internal Audit Report 2025/26 advising that the audit opinion was that NHS Orkney had a framework of governance, risk management and controls that provided reasonable assurance regarding the effective and efficient achievement of objectives, except in relation to aspects of payroll.

The Interim Director of Finance advised there had been a review of the payroll Service Level Agreement (SLA) with Grampain and discussed a number of controls that would be introduced to ensure more oversight and proactive involvement.

Members were advised Azets had undertaken a portfoilio refresh, Stephanie Hume would replace David Eardley and Rachel King would continue.

The Chair thanked David for all his work over the years.

Decision / Conclusion

The Committee approved the report for onward submission to the Board.

9.2 External Audit

9.2.1 External Audit Plan 2025/26 (External Auditor)

The External Auditor presented the External Audit Plan 2025/26 outlining significant risks including fraudulant expenditure recognition and management override of controls, and discussed the focus on financial managemet and sustainability, with no specific concerns identified for NHS Orkney beyond sector norms.

Decision / Conclusion

The Committee took assurance on the External Audit Plan 2025/26.

10. STRATEGIC OBJECTIVE – PLACE – No papers to be presented

11. ITEMS TO BE INCLUDED ON THE CHAIR'S ASSURANCE REPORT (Presenter: Chair)

No risk or matters of concern to be escalated to the Board.

A discussion was held at the end of the meeting to agree major actions commissioned or underway, decisions and positive assurance to be included in the Chair's Assurance Report.

12. ANY OTHER COMPETENT BUSINESS (Presenter: Chair)

13. ITEMS FOR INFORMATION AND NOTING ONLY (Presenter: Chair)

13.1 National Audit Reports - no reports presented

13.2 Record of Attendance 2026/27

Decision / Conclusion

The Committee noted the Record of Attendance 2026/27

13.3 Reporting timetable 2026/27

Decision / Conclusion

The Committee noted the Reporting timetable 2026/27

The Chair closed the meeting at 11:10am