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Agenda Item: 9

Integration Joint Board

Date of Meeting: 22 April 2026.

Subject: Appointment of Chief Internal Auditor.

1. Purpose

1.1. This report makes a recommendation in relation to the appointment of a Chief Internal Auditor for the Integration Joint Board.

2. Recommendations

It is recommended:

2.1. That Orkney Islands Council's Chief Internal Auditor be appointed as the Chief Internal Auditor of the Integration Joint Board for a two year period commencing in April 2026.

3. Background

3.1. The IJB requires to establish its internal audit arrangements and to appoint a Chief Internal Auditor. In relation to the latter, there are a number of options open to the IJB as follows:

- Employ own Chief Internal Auditor.
- Procure Services.
- Appoint the Chief Internal Auditor of Orkney Islands Council.
- Appoint the Chief Internal Auditor of NHS Orkney.

3.2. It is good practice to have rotation between auditors to ensure independence. NHS Orkney and Orkney Islands Council have both been the Chief Internal Auditor for the Integration Joint Board on a rotational basis. On 10 March 2021, Orkney Islands Council's Chief Internal Auditor was appointed for financial years 2021 to 2026.

3.3. The provision of internal audit time to the Integration Joint Board has an estimated requirement of 20 days per annum.

4. Internal Audit Provision

4.1. On 10 December 2025, the Integration Joint Board took the decision to appoint NHS Orkney's Internal Auditors, Azets, to act as the Chief Internal Auditor to the Integration Joint Board for the period 2026 – 2031. This followed the previous five-year period whereby Orkney Islands Council's Internal Audit team had fulfilled the role. Following a meeting in March 2026 with the Chief Officer and both Azets and the Council's Chief Auditor, it became apparent that the handover of responsibility in fulfilling the function for the Integration Joint Board would not be as straightforward as had initially been anticipated.

4.2. Although Azets currently undertake one audit per year for the Integration Joint Board, as part of the arrangement with NHS Orkney, to fulfil the role of Chief Internal Auditor for the Integration Joint Board, a separate contractual agreement would be required and appropriate procurement rules followed. In addition, Azets contract with NHS Orkney is scheduled to end in March 2028 and there is, therefore, no guarantee that, following that procurement, Azets will be fulfilling the role.

4.3. The Council's Chief Internal Auditor has advised that his team has capacity to retain the role as Integration Joint Board's internal auditor for 2026/27 and 2027/28. This would allow time for the Integration Joint Board to work with NHS Orkney as it prepares to plan for its own internal audit arrangements beginning in 2028/29.

4.4. It is therefore recommended that the Integration Joint Board appoints Orkney Islands Council's Internal Auditors as the Board's internal auditors for the next two financial years.

4.5. An internal audit plan for the Integration Joint Board will be submitted to the Performance and Audit Committee in June 2026.

5. Contribution to quality

Please indicate which of the Orkney Community Plan 2025 to 2030 values are supported in this report adding Yes or No to the relevant area(s):

Resilience: To support and promote our strong communities.	Yes.
Enterprise: To tackle crosscutting issues such as digital connectivity, transport, housing and fuel poverty.	No.
Equality: To encourage services to provide equal opportunities for everyone.	Yes.
Fairness: To make sure socio-economic and social factors are balanced.	Yes.
Innovation: To overcome issues more effectively through partnership working.	Yes.
Leadership: To involve partners such as community councils, community groups, voluntary groups and individuals in the process.	No.
Sustainability: To make sure economic and environmental factors are balanced.	No.

6. Resource and financial implications

6.1. If the Internal Audit time is contained within the contingency allocation of audit time there is not an additional cost implication to any party, however regular review and updating of service and support agreements are essential to managing costs.

7. Risk, equality and climate change implications

7.1. Section 3.2 of the Integration Scheme allows the constituent authorities, NHS Orkney and Orkney Islands Council, to provide corporate support services, including Internal Audit, to the Integration Joint Board.

7.2. The Board has the responsibility to establish adequate and proportionate internal audit arrangements, and this responsibility includes determining who will provide the internal audit service for the Board and nominating a Chief Internal Auditor.

7.3. There are no risks associated with this report. The identification of audit arrangements, makes a positive contribution to good governance of the Integration Joint Board and therefore makes a positive contribution to risk management and mitigation.

8. Governance implications

8.1. In terms of the IJB's Standing Orders, except insofar as required by reason of illegality, no motion to alter, delete or rescind a decision of the IJB will be competent within six months from the decision, unless a decision is made prior to consideration of the matter to suspend this Standing Order (14.1) in terms of Standing Order 15.1.

8.2. Standing Order 15.1 states:

“Any one or more of the Standing Orders in the case of an emergency as determined by the Chairperson upon motion may be suspended, amended or deleted at any meeting so far as regards any business at such a meeting provided that two thirds of the voting membership of the IJB is present shall so decide. Any motion to suspend Standing Orders shall state the number or terms of the Standing Order(s) to be suspended.”

8.3. As highlighted in section 4.1 above, on 10 December 2025 the Board appointed NHS Orkney as its internal auditors. As that decision was made within the last six months, Standing Orders will require to be suspended prior to consideration of this paper. Two thirds of voting members present are required to agree the suspension of Standing Orders.

9. Direction required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	No.
Orkney Islands Council.	No.

10. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	Yes.

11. Author and contact information

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