

**Stephen Brown (Chief Officer)**

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Agenda Item: 6.

## **Performance and Audit Committee.**

**Date of Meeting: 3 December 2025.**

**Subject: Internal Audit Actions – Progress Report.**

### **1. Purpose**

1.1. To present an update on progress with Internal Audit actions, for Members' scrutiny.

### **2. Recommendations**

**It is recommended:**

2.1. That the Members scrutinise progress made, to date, in completing Internal Audit actions, as detailed in Appendix 1 to this report, in order to obtain assurance that issues found during internal audits are being actioned and followed up.

### **3. Background**

3.1. Progress with internal audit actions is monitored through the Council's performance management system Ideagen Risk Management.

3.2. Once an action has been marked as complete on the system, Internal Audit will review the evidence to support the effective implementation of that action and once satisfied the action will be deactivated on the system.

3.3. There are no outstanding actions from any internal audits prior to 2023/24.

### **4. 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):

<b>Resilience:</b> To support and promote our strong communities.	No.
<b>Enterprise:</b> To tackle crosscutting issues such as digital connectivity, transport, housing and fuel poverty.	No.
<b>Equality:</b> To encourage services to provide equal opportunities for everyone.	No.

<b>Fairness:</b> To make sure socio-economic and social factors are balanced.	No.
<b>Innovation:</b> To overcome issues more effectively through partnership working.	No.
<b>Leadership:</b> To involve partners such as community councils, community groups, voluntary groups and individuals in the process.	No.
<b>Sustainability:</b> To make sure economic and environmental factors are balanced.	No.

## 5. Resource and financial implications

5.1. There are no resource or financial implications associated directly with this report.

## 6. Risk and equality implications

6.1. There are no risk or equality implications associated directly with this report.

## 7. Direction required

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

NHS Orkney.	No.
Orkney Islands Council.	No.

## 8. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.

## 9. Author and contact information

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## 10. Supporting documents

10.1. Appendix 1: Internal Audit Actions Progress Report



## Internal Audit

# Internal Audit Action Progress Report

Issue date: 11 November 2025

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## Executive Summary

The Global Internal Audit Standards in the UK Public Sector require the Chief Internal Auditor to monitor and ensure that management actions have been effectively implemented or that senior management have accepted the risk of not taking action.

The Council's performance and risk management system, Ideagen Risk Management, is used to monitor the implementation of agreed internal audit actions.

When internal audit reports have been finalised, the actions are uploaded to Ideagen and the officers responsible for implementing the actions are then required to provide updates on progress.

This report provides an update on progress with implementing the actions and highlights any actions which are overdue for an update or have not been implemented by the agreed date.

To assist with the monitoring of actions, a traffic light system on Ideagen classifies the performance of each action as follows:

- Blue: the agreed action has been progressed to completion.
- Green: the agreed action is likely to meet or exceed its target.
- Amber: the agreed action is experiencing minor underperformance, with a low risk of failure to meet its target.
- Red: the agreed action is experiencing significant underperformance, with a medium to high risk of failure to meet its target.

The system also highlights actions which are overdue for update. The table below details the number of internal audit actions on Ideagen for each of the categories.

Red	Amber	Green	Blue	Total no of Actions	Update Overdue
4	0	2	3	9	0

## Introduction

Progress with internal audit actions is monitored through the Council's performance management system, Ideagen Risk Management. The system sends out automated email reminders to officers responsible for updating each action at the end of each reporting period. Where no update has been made for an action for a particular reporting period, this is noted on the system.

Once an action has been marked as complete on the system, Internal Audit will review the evidence to support the effective implementation of that action and once satisfied the action will be deactivated on the system.

The table on the next page shows a further breakdown to provide an indication of which audits the actions are associated with and when the audits were performed, it also provides more detail on the individual actions, owners and target dates as well as the current position with implementation of the actions.

To give some perspective, audits of Internal Communications and External Communications were carried out in 2023/24, which resulted in a total of nine actions, seven of which have been completed. In 2024/25 audits of Strategic Commissioning and Financial Planning Monitoring and Reporting were carried out and resulted in eight actions, four of which have been completed.

There are no outstanding actions from any internal audits prior to 2023/24.

## Actions Breakdown

### Internal Communications Audit 2023/24

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
2. Following action of the Communications Strategy (per MAP1.1), documentation to support communications strategy should be considered.	Grade 3	Internal communications forms part of the Communications and Engagement Strategy coming to Policy and Resources on 26 November 2024 and will include reference to the potential future development of protocols and templates with those protocols and templates to be developed in the first half of 2025.  Update: On hold whilst we await approval of Orkney Islands Council Internal Comms strategy delivery plan.	Communications Team Manager (Orkney Islands Council)	31 March 2025	Overdue, work ongoing
4. The process for approval of all communications should be documented, including internal communications to staff. This should outline all communication types, the frequency of the communication, and the individual/group responsible for review and approval. Evidence of this process should be stored to ensure a clear trail of approval can be traced.	Grade 3	Internal communications forms part of the Communications and Engagement Strategy coming to Policy and Resources on 26 November 2024 and will include reference to the potential future development of documented approval processes with those documented approval processes to be developed in the first half of 2025.	Communications Team Manager (Orkney Islands Council)	31 March 2025	Complete

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
6. The process for ensuring all weekly updates to staff includes information from a range of sources as applicable each week should be clearly documented by both OIC and NHS Orkney.	Grade 2	<b>Orkney Islands Council</b> Internal communications forms part of the Communications and Engagement Strategy coming to Policy and Resources on 26 November 2024 and will include reference to the potential future development of protocols and templates with those protocols and templates to be developed in the first half of 2025.	Communications Team Manager (OIC).	31 March 2025.	Complete.
7. OIC and NHS Orkney should determine the best way to seek feedback from staff regarding internal communications.  Actions plans should track feedback received and actions taken, with key improvements shared back with employees.	Grade 2	<b>Orkney Islands Council</b> Internal communications forms part of the Communications and Engagement Strategy coming to Policy and Resources on 26 November 2024 and will include reference to the potential future development of feedback mechanisms with those mechanisms to be developed in the first half of 2025.  Update: On hold whilst we await approval of OIC Internal Comms strategy delivery plan.	Communications Team Manager (OIC).	31 March 2025.	Overdue work ongoing.

## Financial Planning, Monitoring and Reporting Audit 2024/25

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
1. We recommend that future detailed financial recovery plans are linked to the setting of annual budgets and include details of plans to reduce spending for both OIC and NHS commissioned services as appropriate.	Medium	A detailed Recovery Plan will be presented to the Integration Joint Board in September 2025. Details of Recovery Plans will be included in the budget setting procedure to be developed.	Chief Finance Officer.	30 September 2025.	Overdue work ongoing.
		Update: The Financial Recovery Plan was presented at a Special Meeting of the Integration Joint Board. Following discussion, it was agreed to bring this back to a future meeting to enhance the Plan following Members comments.			
2. We recommend that an action plan is developed to build on the work undertaken at the development sessions. This action plan should detail how the recommendations and areas for improvement identified will be achieved with a corresponding responsible officer and completion dates. The action plan should be presented to the IJB Performance and Audit Committee for scrutiny and to report on progress.	Medium	An action plan will be developed and presented to the Performance and Audit Committee.	Chief Officer.	30 September 2025.	Overdue work ongoing.
		Update: Due to capacity issues, this work has not progressed as timely as hoped. It is anticipated that this will be complete in Winter 2025/26.			



Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
3. We recommend that the external audit actions are uploaded to Pentana so they can be tracked and reported on and included within the six-monthly reports on audit actions presented by the Chief Internal Auditor.	Medium	External Audit Actions are now uploaded to the Pentana system.	Chief Officer.	31 May 2025.	Complete.
4. In order to ensure there are clear business continuity arrangements in place for the absence of key roles, a business continuity plan should be developed and written procedures should be created for the Chief Finance Officer role to support those new to the post or for those covering the post in the event of a vacancy.	Medium	A Business Continuity Plan will be developed. Procedures will be developed for each member of the Senior Management Team.	Chief Officer.	30 September 2025.	Ongoing.
		Update: Work continues to progress on this and will be presented to the Senior Management Team. It is requested this date be extended to 31 January 2026.		Extended to 31 January 2026.	

Recommendations	Priority	Management Comment	Responsible Officer	Target Date	Current Position
5. The budget setting process procedure, including expected timescales, should be set out within the Integration Scheme which is due for review in 2026 along with other recommendations referred to within the report that have implications for procedural arrangements.	Medium	The budget setting procedure will be included when NHSO and OIC review the Orkney Integration Scheme.	Chief Executive, NHS Orkney. Chief Executive, Orkney Islands Council.	31 May 2026.	Ongoing.
		Update: The Chief Finance Officer will ensure this is included within the Orkney Integration Scheme once NHS Orkney and Orkney Islands Council commence their review of the Scheme.			