

NHS Ayrshire & Arran



Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Monday 12 October
Title:	Internal Audit Extension - Azets
Responsible Director:	David Stonehouse, Interim Director of Finance
Report Author:	Amanda Dowse, Assistant Director of Finance

1. Purpose

This is presented to the Board for:

- Decision

This paper relates to:

- Annual Operational Plan - Internal Audit is a key component of the Board's assurance framework and annual programme of governance and risk management activity.

This aligns to the following NHSScotland quality ambition(s):

- Effective

This supports the following Corporate Objectives:

- **Better Value** – The extension of the Internal Audit contract will ensure the continued provision of independent assurance over governance, risk management and internal control arrangements. This supports effective stewardship of public funds, promotes continuous improvement, identifies opportunities to enhance efficiency and value for money, and provides assurance to the Board and Audit & Risk Committee regarding the achievement of organisational objectives.

2. Report summary

2.1 Situation

The existing contract with the internal auditor, Azets, was extended for a period of 12 months to 23 February 2027. The Board are asked to agree extending the contract for a further and final 12 months as recommended by the Audit and Risk Committee.

2.2 Background

Azets were appointed as internal auditor for NHS Greater Glasgow & Clyde, NHS Ayrshire & Arran, Golden Jubilee National Hospital and NHS 24 following a collaborative procurement.

The contract initial term ran from January 2023 until 23 February 2026 and allowed for two 12 month extensions.

2.3 Assessment

The contract includes two optional 12 month extension periods. Following agreement at the Audit & Risk Committee on the 22 September 2026, approval is being sought from the Board to exercise the second and final 12 month extension option up to 23 February 2028.

NHS Greater Glasgow & Clyde has approved both extension periods. Golden Jubilee National Hospital and NHS 24 are due to consider the extension at their November Audit & Risk Committees and advised they are recommending to extend.

The extension will be implemented on the existing contractual terms, with no changes to the agreed number of days or day rates.

2.3.1 Quality/patient care

The terms of the extension remain the same (same number of days and day rates).

2.3.2 Workforce

No impact on staff including resources, staff health and wellbeing.

2.3.3 Financial

Similar cost to currently.

2.3.4 Risk assessment/management

Satisfactory service provided.

2.3.5 Equality and diversity, including health inequalities

An impact assessment has not been completed.

2.3.6 Best value

This paper support Best Value across the following themes.

- Governance and accountability
- Use of resources - Internal Audit reviews the economy, efficiency and effectiveness of processes and controls, helping to ensure resources are used appropriately and opportunities for improvement are identified.
- Performance management - Internal Audit provides assurance on the effectiveness of key systems, controls and performance reporting arrangements, supporting continuous improvement and organisational objectives.

2.3.7 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage external stakeholders where appropriate and has consulted with:

- Audit & Risk Committee
- Collaborative Partners (NHS Greater Glasgow & Clyde, NHS Golden Jubilee and NHS 24).

2.3.8 Route to the meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

- Audit & Risk Committee 22 September 2026

2.4 Recommendation

Decision - Members are asked to approve the second and final 12 month extension of the contract.

3. List of appendices

N/A