



**SCOTTISH**  
**FIRE AND RESCUE SERVICE**  
Working together for a safer Scotland

**PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE**

**THURSDAY 8 JULY 2021 @ 1000 HRS**

**BY CONFERENCE FACILITIES**

**PRESENT:**

Brian Baverstock, Chair (BB)                      L Bloomer, Deputy Chair (LBI)  
Mhairi Wylie (MW)

**IN ATTENDANCE:**

Martin Blunden (MB)	Chief Officer
Mark McAteer (MMcA)	Director of Strategic Planning, Performance and Communications
John Thomson (JTh)	Acting Director of Finance and Procurement
Iain Morris (IM)	Acting Director of Asset Management
David Johnston (DJ)	Risk and Audit Manager
Gary Devlin (GD)	Internal Audit (Azets)
Matthew Swann (MS)	Internal Audit (Azets)
Gillian Callaghan (GC)	Internal Audit (Azets)
Caroline Jamieson (CJ)	External Audit (Deloitte)
Robert Scott (RS)	HMFSI
Kirsty Darwent (KD)	Chair of SFRS Board
Richard Whetton (RW)	Head of Governance, Strategy and Performance
Alasdair Cameron (AC)	Group Commander Board Support
Heather Greig (HG)	Board Support Executive Officer
Debbie Haddow (DH)	Board Support/Minutes

**OBSERVERS:**

Alan Duncan, Finance Manager  
Karen Horrocks, Assistant Verification and Risk Officer  
Ijaz Bashir, Asset Governance and Performance Manager

**1 CHAIR'S WELCOME**

1.1 The Chair opened the meeting and welcomed those participating via conference facilities, in particular, Robert Scott who has recently been appointed as the new Chief Inspector of the Fire Service (HMFSI).

The Committee were reminded to raise their hands, in accordance with the remote meeting protocol, should they wish to ask a question.

This meeting would be recorded and published on the public website.

For record purposes: It should be noted that due connectivity issues, LBI took over the chairing of the meeting for short periods of time to allow BB to reconnect to the meeting.

**2 APOLOGIES**

2.1

Bill McQueen, Board Member  
Tim Wright, Board Member

**3 CONSIDERATION OF AND DECISION ON ANY ITEMS TO BE TAKEN IN PRIVATE**

3.1

With the exception of the previous private minutes, no other items were identified as being required to be taken in private.

**4 DECLARATION OF INTERESTS**

4.1

None.

**5 MINUTES OF LAST PUBLIC MEETING: 24 MARCH 2021**

5.1

The minutes were agreed as an accurate record of the meeting.

**5.2 Matters Arising**

5.2.1

There were no matters arising.

**5.3 The minutes of the public meeting held on 24 March 2021 were approved as a true record of the meeting.**

**6 ACTION LOG**

6.1

The Committee considered the action log and noted the updates.

**6.2 The Committee noted the updated Action Log and approved the removal of completed actions.**

**7 COMMITTEE ANNUAL REPORT 2020/21 TO THE BOARD AND ACCOUNTABLE OFFICER OF SCOTTISH FIRE AND RESCUE SERVICE**

7.1

BB presented the report to the Committee for approval and highlighted the report provided comment on the key sources of assurance such as Internal Audit, External Audit, HMFSI, risk management, financial control and the Committee's effectiveness.

7.2 BB noted the ongoing development of the risk management and reporting and commended David Johnson for his work in this area.

7.3 In conclusion, the report concluded that the Service has effective risk management, governance and internal control arrangements in place.

7.4 The Committee thanked the Board Support Team, wider Executive Colleagues, Auditors and Inspector for their support and contributions throughout the unprecedented challenging year.

**7.5 The Committee approved the report and noted that it would presented at the Board meeting (26 August 2021) for information.**

**8 SFRS ANNUAL GOVERNANCE STATEMENT 2020/21**

8.1

MB presented the report to the Committee advising of the Annual Governance Statement (AGS) inclusion into the Annual Report and Accounts for year ending 31 March 2021. MB noted that the evidence used to support the preparation of the AGS had been drawn from the 4 key assurance providers outlined in the Scottish Public Finance Manual (SPFM).

8.2 In response to Covid-19, MD highlighted the measures and controls put into place to ensure the Service continued to respond and delivery against its strategic objectives. He noted the positive report provided by the HMFSI on the Service's Preparedness and Planning along with both Internal and External Audit's opinion on the Service's performance during this challenging year.

8.3 MB thanked Group Commanders Ally Cameron and Hilary Sangster for their contributions in drafting this document and echoed the earlier commending of David Johnston's involvement in the development of risk management within the Service.

8.4 Following a brief discussion, it was agreed that consideration would be given to amending the Key Highlights of the Board Decisions During 2020-21 section and for the inclusion of a Risk Appetite section.

**ACTION: MB**

8.5 **The Committee scrutinise the comprehensive report.**

## **9 INTERNAL AUDIT**

### **9.1 SFRS Internal Audit Progress Report 2020/21**

9.1.1 MS presented a report to the Committee which summarised the progress on the delivery of the 2020/21 Internal Audit Plan and the following key points were highlighted:

- Successful completion of the 2020/21 Audit Plan with 4 final reports being presented to the Committee today.
- Impact of Covid-19 resulted in audits being undertaken remotely.
- KPI Status – KPI5 status was incorrectly recorded as achieved and will be amended, it should be Amber (within 15% of target).

9.1.2 In regard to the Internal Audit Progress Report 2021/22, MS advised the Committee that discussions were still ongoing to finalise the programme and prioritisation of reviews. The 2021/22 audit plan will be a risk focused audit plan; therefore, it is important that the reviews are undertaken at the appropriate time to ensure maximum value for the Service. MS offered to circulate the 2021/22 Audit Plan, once finalised, to the Committee.

**ACTION: MS**

9.1.3 MB acknowledged Internal Audit's recognition of the constraints and ongoing pressures within the Service and appreciated their willingness to adjust the programming the 2021/22 Audit Plan accordingly.

#### **9.1.4 Final Report – SFRS Expenses Policy**

MS advised the Committee of the outcomes of the audit which found the overall processes were working well and identified 2 areas of improvement within the control framework. MS noted that although the Service's policy encouraged individuals to consider environmental friendly methods of travel, it does not exclude individuals from using their own vehicles.

9.1.5 JT acknowledged the positive audit and noted the recommended areas of improvements which have since been completed. In regard to business travel, JT commented on the behavioural changes required across the Service to consider and encourage more environmentally friendly choices. These choices were supported by the Service's investment within the electric vehicle infrastructure.

9.1.6 The Committee queried whether the Service would penalise individuals for using their own vehicles. JT stated that the policy facilitated individuals to make the right environmental travel choice for business travel.

9.1.7 In regard to employee self-service expenses portal, JT noted the improvements in the processing/reimbursement of expenses and the effective controls and consistency applied by the verification team. JT provided a brief overview of the role and resourcing of the verification team.

9.1.8 JT confirmed that managers were required to authorise claims after payment. The audit found some instances where managers were not reviewing nor identifying any inaccuracies to the verification team. In these instances, JT advised the Committee that the verification

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team had identified and corrected any inaccuracies which highlighted the effectiveness and robust processes in place.

- 9.1.9 MS confirmed the typographical error within Section 2.1, the sentence should read *“In 9 out of 24 (38% of our sample) cases that we checked there was no evidence that the line manager had reviewed the claims post verification team review”*.
- 9.1.10 Final Report – SFRS Procurement and Tendering  
MS advised the Committee of the outcomes of the audit which recognised the overall good working control environment and noted the 2 recommendations for improvement. These related to maintenance of training records and appropriate alignment with KPIs being reported in a SMART format. MS noted that the revised Procurement Strategy was in development whilst this audit was undertaken and as such no specific comment has been made about the contents of the new document.
- 9.1.11 JT acknowledged the positive audit which highlights the robust policies and procedures and supports the Service’s work with the Procurement and Commercial Improvement Programme (PCIP) processes. He informed the Committee that one recommendation had already been completed.
- 9.1.12 Final report – Estates Asset Management and Maintenance  
GC advised the Committee of the outcomes following the audit, noting the Service’s estate management processes in relation to planned preventative and reactive maintenance reflected good practice, with two areas of improvement identified. These related to the lack of a long-term estates strategy and appropriate policy and procedures to effectively manage the estate.
- 9.1.13 The recently appointed Asset Governance and Performance Manager, Ijaz Bashir, was introduced to the Committee by IM and key areas of work were noted.
- 9.1.14 IM acknowledged the audit recommendations and thanked Azets for their professional approach to the audit during the pandemic. IM noted that the outcomes of the Service Delivery Model Programme (SDMP) would influence the Estates Strategy and confirmed that an interim Estates Strategy would be developed in the intervening period. IM further noted that a review and refresh of the existing policies and procedures would be undertaken.
- 9.1.15 IM informed the Committee that the Estate, Equipment and Fleet Strategies would be completed by early 2022 and noted the governance route up to the Strategic Leadership Team.
- 9.1.16 The Committee were informed of the strategic contribution by the Estates team into the SDMP. This includes conditional survey for all estates, impact of changes to function and footprint of stations and identifying opportunities for shared facilities. Individual financial investment plans would be developed, as required, following the finalisation of the SDMP.
- 9.1.17 IM acknowledged the ideals of the SDMP and the standard station design, however, the Service were realistic and would, if necessary, apply a hybrid and affordable approach.
- 9.1.18 MB reminded the Committee of the current capital backlog, noted the SDMP would inform the modern footprint for the Service and the significant challenges and funding that will be required.
- 9.1.19 The Committee sought assurance on any risks, in particular in relation to health and safety, associated with the outdated policies and procedures. IM advised the Committee that a Health and Safety business partner has been seconded into Asset Management to review and refresh all aspects of health and safety and risk management.

9.1.20 Final Report – Operational Equipment

GC advised the Committee of the outcomes of the audit noting the Service's processes for the maintenance and recording arrangements to establish if they were operating effectively. Three areas of improvement were identified and related to defect reporting documentation, Operational Equipment Strategy and performance reporting arrangements to the Asset Management Liaison Board.

9.1.21 IM informed the Committee that one recommendation had already been addressed. He further noted that a full review of all performance indicators would be undertaken.

9.1.22 The Committee were reminded of the governance arrangements relating to regular scrutiny and updates on the progress and implementation of the recommendations.

9.1.23 IM updated the Committee on the Operational Equipment Strategy noting the work with Service Delivery Areas to identify concepts of operation and future vision, SDMP and the previous work undertaken to standardised equipment/approach.

9.1.24 **The Committee scrutinised the progress report and the four subject reports.**

**9.2 Internal Audit Annual Report 2020/21**

9.2.1 GD presented a report to the Committee to provide an overview of the work undertaken in respect of the 2020/21 internal audit programme and provide an overall annual opinion that the Service has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives. The following key areas were highlighted:

- Summary of audit programme including breakdown of allocated number of days.
- Good progress in regard to closing outstanding actions.
- Emerging key themes included ICT/Data security, operational equipment and estate management and maintenance.
- Confirmation of Azets independence status from the Service.
- In recognition of Covid-19, appropriate working arrangements put in place to ensure continued ability to deliver audits.
- Confirmation of Azets conformance with the Public Sector Internal Audit Standards.
- Inclusion of Azets' Internal Quality Assurance Assessment (for information).
- Performance against KPIs set by Management and the Committee.

9.2.2 **The Committee scrutinised and noted the Internal Audit Annual Report 2020/21.**

**9.3 Progress Update – Internal Audit Recommendations**

9.3.1 GC presented a report to the Committee outlining the status of the recommendations raised by Internal Audit noting the inclusion of a comments section from Azets on previous outstanding recommendations. The following key areas were highlighted:

- Five recommendations closed since previous meeting.
- Total of 31 recommendations still to be completed, including 15 actions with revised timescales.
- Majority of recommendations outstanding were Grade 2 or lower.

9.3.2 The Committee queried the criteria used when deciding whether actions should be reclassified from green to amber, etc and whether there was a clear definition/timescale of "slight delay". GC noted the status key within the report which detailed the criteria for reclassification of actions. GD noted that the definition of slight delay could be clearer, however, he added a note of caution around setting timescales which would be at the discretion of management. He commented on the judgement that would need to be applied to individual actions, due to the potential impact on other areas/factors and the significance of any impact.

9.3.3 In regard to the ICT & Data Security Audit (Recommendation 2b), GC advised the Committee that a further update has been received and the recommendation was currently on target for completion within the advised timescale (July 2021).

9.3.4 In regard to Performance Management Arrangement Audit (Recommendation 2b), RW confirmed that the full evaluation of the implementation phase would be completed within the advised timescale (September 2021).

9.3.5 **The Committee welcomed the update and the progress being made.**

#### **9.4 Internal Audit Progress Report 2021/22**

9.4.1 This item was covered under Agenda Item 9.1.

### **10 EXTERNAL AUDIT**

#### **10.1 2020/21 Audit Plan Progress Report**

10.1.1 CJ provided a verbal update to the Committee and highlighted the following key areas:

- Wider Scope report to be presented at a future special meeting.
- Financial statements work will be progressed once year end accounts were available (September).
- Currently reviewing pension information following feedback with a view to streamline processes.

10.1.2 **The Committee noted the verbal update.**

*(The meeting broke at 1135 hrs and reconvened at 1140 hrs)*

### **11 INDEPENDENT AUDIT/INSPECTION ACTION PLAN UPDATE**

11.1 MMcA presented a report to the Committee outlining the arrangements for managing audits/inspections reports and associated action plans and provided an update on the progress relating to the Audit Scotland report. The following key points were highlighted:

- Audit and Inspection overview dashboard
- Audit Scotland Report (May 2018) – 29 actions complete to date with 4 actions outstanding.
  - Cancellation of Action 1a relating to negotiating pay package due to the offer being rejected
  - Action 2.5 (performance management training) relates to training on the InPhase system. The change in approach to InPhase with the Data Management Team managing the data scorecard on behalf of Directorates/functions, etc. Therefore, the need for training had diminished. It was proposed that this would be transferred to business as usual. It was noted that general performance management training and development programmes are available.
  - Extension to Action 5.3a and 5.3c.
- HMFSI Assessing the Effectiveness of Inspection Activity – No recommendations were made from this report.

11.2 The Committee noted and agreed with the proposed action cancellation and transfer to business as usual approach.

11.3 The Committee sought an update on the level of focus on performance management within the Service. MB indicated that this would be discussed, together with the wider impact of Covid, at a future Strategy Day session. Under the Business Intelligent Strategy, MMcA noted that the Data Management Team would be engaging with Service Delivery colleagues to develop scorecards to support local scrutiny and internal performance management.

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- 11.4 In relation to Actions 5.3a and 5.3c, the Committee were provided with clarity on the revised dates and RAG status.
- 11.5 MMcA intimated that the Audit Scotland Action Plan was nearing completion and anticipated to be concluded by the next meeting.
- 11.6 In regard to the HMFSI Assessing the Effectiveness of Inspection Activity, the Committee discussed the interpretation of the term “having regard”, importance of clear recommendations which add value and improvements to the Service, and that the Service take full consideration of any recommendations. RS noted that he had witnessed how recommendations were considered and progressed within the Service as well as the levels of scrutiny applied. RS outlined potential changes to post audit reviews and increased post audit communications to ensure that recommendations were clear and actionable.

### 11.7 **The Committee scrutinised the report.**

## 12 **INTERNAL CONTROLS UPDATE**

### 12.1 **a) Strategic Risk Register**

12.1.1 DJ presented the revised Strategic Risk Register (SRR) along with the aligned Directorate Risks to the Committee. DJ noted the ongoing work with the Data Management Team to develop the template and output reports, which improves the articulation of risk, transparency of controls and actions to improve scrutiny and incorporates information on closed risks/actions. DJ noted the removal and addition of several risks as detailed within the covering report.

12.1.2 Regarding SPPC006 (consultation and engagement), MMcA reminded the Committee that recruitment for the Insight and Engagement Team was currently underway.

12.1.3 Regarding SPPC013 (partnership working), RW noted that this risk was created following the merger of 2 previous risks and primarily focused on internal co-ordination and how this was managed. The Committee commented on the need to recognise the potential risks from external parties, particularly Community Planning Partnerships (CPPs) and how these would impact on the Service. RW confirmed that the Service recognised the differences/varying levels of scrutiny within CPPs, and noted that work had commenced to monitor reporting to CPPs to identify and ensure the value of same.

12.1.4 Regard SPPC012 (organisational security), RW explained that the creation of this risk was to provide focus and enable the Service to co-ordinate security arrangements.

### 12.1.5 **The Committee scrutinised the report.**

### 12.2 **Spotlight Risk Report SPPC008 Corporate Social Responsibility and Sustainability**

12.2.1 RW presented a risk spotlight report to the Committee, noting the following key points:

- Risk definition “There is the risk that the services is unable to demonstrate corporate social responsibility and sustainability due to a lack of a coordinated approach resulting in uncoordinated development and loss of workforce, stakeholder and public confidence.”
- Importance of demonstrating sustainability and corporate social responsibility. Confident that the Service does this through CPPs, equality duties, work with young people and climate change.
- Commitment to develop a framework to enable the Service to report with confidence on this work. The Sustainable Development Framework delayed due to resourcing issues but had recently recommenced.

12.2.2 The Committee noted the potential of losing focus on certain social elements ie corporate parenting, social responsibility, within the Sustainable Development Framework. RW

stated that there was no intention to lose focus or sight on any elements and reminded the Committee that there were Service Champions identified for all these elements.

12.2.2 **The Committee scrutinised the report.**

12.3 **b) Anti-fraud/Whistleblowing Update**

12.3.1 JT noted that there were no issues to report.

**13 ANNUAL UPDATE REPORT ON HMFSI BUSINESS**

13.1 RS presented the annual report to the Committee to provide an update on HMSI's inspection and reporting activity during 2020/21 and the following key areas were noted:

13.1.1

- During 2020/21, 3 Local Area Inspections (LAI) and 3 Thematic Inspections were undertaken along with 2 additional reviews requested by Scottish Government.
  - The LAIs undertaken were City of Edinburgh, Midlothian and Argyll and Bute. Due to the impact of Covid-19, the Argyll and Bute LAI had been delayed and would form part of the 2021/22 plan.
  - Thematic Inspections were Training of Retained Duty System Personnel, Command and Control: Aspects of the SFRS Incident Command System and Assessing the Effectiveness of Inspection Activity.
  - Revisited the Management of Fleet and Equipment Function review (May 2019) and acknowledged the level of work undertaken by the Service to address the 32 recommendations.
- Scheduled for 2021/22 were 2 LAIs and 3 Thematic Inspections.
- Outlined intended proposals on how LAI would be carried out going forward. Consultation to be undertaken prior to any change.
- Future Thematic Inspection work:
  - Health & Safety – An Operational Focus had commenced and the report would be published in August 2021.
  - Firefighting in High Rise Buildings would commence in July 2021 and the report would be published in March 2022.
  - UN Climate Change Conference – COP 26 commenced in June 2021 and the report would be published in September 2021.
  - Review of Operational and Protective equipment would commence in September 2021 and the report would be published in March 2022. Engaged with Internal Audit to identify any potential duplication of effort for this and future inspections.
- Recent appointments and restructure: Rick Taylor, Assistant Inspector (October 2020) and Robert Scott, Chief Inspector (April 2021). Internal restructure of HMFSI team to align with Strategic Leadership Team counterparts to improve the overall working relationship. Proposed intentions to increase HMFSI team exposure to Committee/ Board members to develop wider relationships within the Service.

13.1.2 **The Committee noted the report and warmly welcomed the proposed approach.**

**14 QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS REGISTER**

14.1 DJ presented the report to the Committee providing an update on the Gifts, Hospitality and Interests Register for Quarter 4 2020/21 and Quarter 1 2021/22. He noted that the new Gifts, Hospitality and Interests Policy had been launched and promulgated on the iHub. It was noted that the Service would continue to publicise, engage and promote the importance of proactive declaration and fraud awareness.

14.2 Within the next report, the Committee requested that consideration be given to include feedback on how this new policy was being received as well as any improvements identified.

**ACTION: DJ**

14.3 **The Committee noted the report.**

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**15 REVIEW OF ACTIONS**

15.1 AC confirmed that three formal actions were recorded during the meeting.

**16 FORWARD PLANNING**

**16.1 a) Committee Forward Plan Review**

The Committee considered and noted the Forward Plan.

**16.2 b) Items for Consideration at Future IGF, Board and Strategy Days Meetings**

No items were noted.

**17 DATE OF NEXT MEETING**

17.1 The next meeting is scheduled to take place on Thursday 14 October 2021 at 1330 hrs. However, potential dates for a special Committee meeting were currently being identified and would be advised in due course.

17.2 On behalf of the Committee, BB thanked Bill McQueen for his contributions during his time on the Committee and wished him well for the future.

17.3 There being no further matters to discuss the public meeting closed at 1245 hrs.

**PRIVATE SESSION**

**18 MINUTES OF LAST PRIVATE MEETING: 24 MARCH 2021**

18.1 The minutes were agreed as an accurate record of the meeting.