



PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

TUESDAY 26 MARCH 2024 @ 1000 HRS

VIRTUAL (MS TEAMS)

AGENDA

1 CHAIR'S WELCOME

2 APOLOGIES FOR ABSENCE

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

4 DECLARATION OF INTERESTS

Members should declare any financial and non-financial interest they have in the items of business for consideration, identifying the relevant agenda item, and the nature of their interest.

5 MINUTES OF PREVIOUS MEETINGS: THURSDAY 18 JANUARY 2024 (attached)

B Baverstock

The Committee is asked to approve the minutes of these meetings.

6 ACTION LOG (attached)

Board Support

The Committee is asked to note the updated Action Log and approve the closed actions.

7 INTERNAL AUDIT

7.1 Internal Audit Progress Report 2023/24 (attached)

Azets

7.2 SFRS Progress Update / Management Response (attached)

Azets

The Committee is asked to scrutinise these reports.

8 AUDIT ACTION PLANS AND CLOSING REPORTS UPDATE (attached)

M McAteer

This report is for information only.

Please note that this meeting will be recorded for minute taking purposes only.
The recording will be destroyed following final approval of the minutes.

OFFICIAL

- 9 EXTERNAL AUDIT**
9.1 External Audit Update Report (*attached*) S O'Donnell
The Committee is asked to scrutinise this report.
- 10 ACCOUNTING POLICIES 2023-24** (*attached*) L McGeough
This report is for information only.
- 11 DRAFT INTERNAL AUDIT STRATEGY UPDATE AND ANNUAL PLAN 2024/25** (*attached*) Azets
The Committee is asked to scrutinise this report.
- 12 EXTERNAL AUDIT – ANNUAL AUDIT PLAN 2023/24** (*verbal*) Audit Scotland
The Committee is asked to scrutinise this verbal report.
- 13 AUDIT AND RISK ASSURANCE COMMITTEE QUARTERLY PERFORMANCE Q3 2023/24** (*attached*) M McAteer
The Committee is asked to scrutinise this report.
- 14 QUARTERLY UPDATE OF GIFTS, HOSPITALITY, AND INTERESTS REGISTER** (*attached*) D Johnston
The Committee is asked to scrutinise this report.
- 15 INTERNAL CONTROLS UPDATE**
15.1 Risk Update Report (*attached*) D Johnston
15.2 Anti-fraud and Whistleblowing (*verbal*) S O'Donnell
The Committee is asked to scrutinise these reports.
- 16 REPORTS FOR INFORMATION ONLY:**
The Committee is asked to note the following reports:
16.1 Quarterly Report on HMFSI Business (*attached*) HMFSI
16.2 Arrangements for Preparing the 2023-24 Annual Governance Statement (*attached*) M McAteer
- 17 REVIEW OF ACTIONS** Board Support
- 18 FORWARD PLANNING** B Baverstock
18.1 Committee Forward Plan Review (*attached*)
18.2 Items for Consideration at Future Integrated Governance Forum, Board and Strategy Day meetings

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OFFICIAL

- 19 DATE OF NEXT MEETING**
Tuesday 25 June 2024

PRIVATE SESSION

- 20 MINUTES OF PREVIOUS PRIVATE MEETING: THURSDAY 18 JANUARY 2024** *(attached)* *B Baverstock*

The Committee is asked to approve the minutes of these meetings.

- 21 PRIVATE ACTION LOG** *(attached)* *Board Support*

The Committee is asked to note the updated Private Action Log and approve the closed actions.

- 22 INTERNAL CONTROL REVIEW REPORT** *(attached)* *D Johnston*

The Committee is asked to scrutinise this report.

- 23 BREACH OF FINANCIAL REGULATIONS AND MISAPPROPRIATION OF FUNDS** *(attached)* *I McMeekin*

The Committee is asked to scrutinise this report.

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PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

THURSDAY 18 JANUARY 2024 @ 1000 HRS

**MEETING ROOM 1, EAST SERVICE DELIVERY AREA HEADQUARTERS,
21 CLAYLANDS ROAD, NEWBRIDGE, EH28 8LF / VIRTUAL (MS TEAMS)**

PRESENT:

Brian Baverstock, Chair (BB) Neil Mapes (NM)
Malcolm Payton (MP) Tim Wright (TW)
Mhairi Wylie (MW)

IN ATTENDANCE:

Ross Haggart (RH)	Chief Officer
Stuart Stevens (SS)	Deputy Chief Officer
Liz Barnes (LB)	Interim Deputy Chief Officer, Corporate Services
Mark McAteer (MMcA)	Director of Strategic Planning, Performance and Communications
Sarah O'Donnell (SO'D)	Director of Finance and Contractual Services
David Johnston (DJ)	Risk and Audit Manager
Matt Swann (MS)	Internal Audit (Azets)
Michael Oliphant (MO)	External Audit (Audit Scotland)
Ann MacDonald (AMac)	External Audit (Audit Scotland)
Robert Scott (RS)	HMFSI
Karen Horrocks (KH)	Assistant Verification Team Officer
Lyndsey Gaja (LG)	Interim Director of People (Item 7.1 only)
Stephen Harkins (SH)	Group Commander, Operations (Item 7.2 only)
Kevin Murphy (KM)	Group Commander, Board Support Manager
Heather Greig (HG)	Board Support Executive Officer
Debbie Haddow (DJH)	Board Support/Minutes

OBSERVERS:

Colin Brown, FBU

1 CHAIR'S WELCOME

- 1.1 The Chair opened the meeting and welcomed those present and those participating via MS Teams, in particular Neil Mapes to his first Committee meeting, following his recent appointment.
- 1.2 Those participating via MS Teams were reminded to raise their hands, in accordance with the remote meeting protocol, should they wish to ask a question. The meeting would be recorded for minute taking purposes only.

2 APOLOGIES

- 2.1 John Thomson, Head of Finance and Procurement

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

3.1 The Committee discussed and agreed that Item 18 (*Internal Control Review Report*) would be heard in private session due to matters relating to individuals in line with Standing Orders Item 9A.

3.2 No further items were identified.

4 DECLARATION OF INTERESTS

4.1 There were no declarations of interest made.

5 MINUTES OF PREVIOUS PUBLIC MEETING

5.1 Monday 30 October 2023

5.1.1 The minutes of the meeting held on 30 October 2023 were approved as a true record of the meeting.

5.2 Matters Arising

5.2.1 There were no matters arising.

5.3 **The minutes of the meeting held on 30 October 2023 were approved as a true record of the meeting.**

6 ACTION LOG

6.1 The Committee considered the action log, noted the updates and agreed the closure of actions.

Action 9.1.11 SFRS Internal Audit Progress Report 2023/24: Final Report Sickness Absence Management (27/06/2023): The Committee requested further clarification on whether the action had been fully addressed and agreed that the action should be reopened until provided.

Action 9.1.17 SFRS Internal Audit Progress Report 2023/24: Final Report Arrangement for Internal Assessment and Verification of SVQ (27/06/2023): As the final position would not be known until Q4, it was agreed that this action would be reopened.

Action 13.5 Risk Spotlight: Retrieval of PPE (30/10/2023): Due to the late revision of the action log, the position statement was verbalised in the meeting.

Action 7.1.14 Internal Audit Progress Report 2023/24 (30/10/2023): The Committee accepted the explanation of the (limited) scope of the audit and noted that there was still a need to recognise the wider scope of partnership working, albeit not within this particular audit.

Action 14.1.1 Risk Update Report (30/10/2023): It was agreed that this action should be closed.

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

7 INTERNAL AUDIT

7.1 SFRS Internal Audit Progress Report 2023/24

7.1.1 MS presented a report to the Committee which summarised the progress on the delivery of the 2023/24 Internal Audit Plan and the following key points were highlighted:

- Good overall progress on the delivery of the audit plan and noted the various stages of ongoing audits.
- Risk Management (Assurance Stocktake): Discussions have taken place on the focus of the audit and agreed that an advisory focused approach would be the best option

at this time. Potential for a review to be undertaken in 2024/25 to assess what progress had been made.

- Final Report presented for the Equality, Diversity, and Inclusion audit.

7.1.2 In regard to the Risk Management audit, MS to consider and confirm (via correspondence) whether the Terms of Reference would require to be revised and confirm any revisions, if necessary.

ACTION: Azets

7.1.3 In regard to the Contract Management audit, the Committee commented on the potential to reflect on both the efficiency and effectiveness as part of the scope. MS noted the comments and advised that both efficiencies and effectiveness were considered within the audit. MS reminded the Committee that audit scopes, following consideration and review by the relevant audit sponsor, were presented to the Strategic Leadership Team (SLT).

7.1.4 In regard to the 2022/23 Sickness Absence Management audit, the Committee noted that feedback had been received from only one individual. The Committee were advised that feedback was only requested from individuals involved in the audit process. The Committee were informed that the Service had agreed that feedback would be provided to Azets on their audit activities.

7.1.5 Final Report – Equality, Diversity and Inclusion (EDI)

MS advised the Committee of the outcome of the audit, noting the following key issues:

- Robust approach on equality, diversity and inclusion across the Service.
- Areas of good practice and potential improvements were recorded within the report.

7.1.6 LG welcomed the report, particularly the recognition of good practices and focus on this matter and noted that the recommendations/actions were helpful to strengthen the work of the team and wider Service.

7.1.7 The Committee noted that the audit focused on operational staff and sought clarification on the definition of this group. LG advised that the audit focused on operational staff who record their training through the PDRPro system and explained the reason for this. LG informed the Committee that some challenges were encountered during the audit process

7.1.8 due to the lack of integration between systems and the potential time lag for updates. LG noted that support staff undertook the same training, however this was recorded in a different manner.

7.1.9 RH offered his assurance that the SLT fully recognised that EDI was part of the 3-yearly mandatory cycle of training for all staff and that the Service needed to strengthen its processes to ensure, and gain assurances, that this was undertaken by all staff groups.

7.1.10 The Committee sought clarification on the initial scope of the Equality, Diversity, and Inclusion audit with regards to staff groups involved.

ACTION: Azets/LG

7.1.11 Brief discussion took place on the assurance levels being taken by the People Committee and the realignment of agenda to assist in providing this, future improvements on processes/methods, and the potential benefits from the People, Payroll, Finance and Training project. It was noted that this area would be discussed at the upcoming People Committee workshop (13 February 2024).

7.1.12 The Committee requested that, going forward, Final Reports should contain the Terms of Reference within the appendix for reference purposes.

ACTION: Azets

7.1.13 **The Committee scrutinised the progress report and the final report.**

(L Gaja left the meeting at 1040 hrs)
(S Harkins joined the meeting at 1040 hrs)

7.2 SFRS Progress Update/Management Response

7.2.1 MS presented a report to the Committee outlining the status of the recommendations raised by Internal Audit. The following key areas were highlighted:

- Eight actions were added, and 13 actions were closed during this quarter.
- Total of 33 outstanding actions.
- Removal of long-standing Water Planning actions as now deemed superseded. Content with the actions being taken forward relating to managing the approach and engagement with Scottish Water.
- Reference to Scottish Government within Appendix 1 should be read as Scottish Government Internal Audit.
- Summary of closed actions to be provided for transparency purposes.

7.2.2 SH reminded the Committee that the Water Planning actions related to the development of a Service Level Agreement with Scottish Water and an internal recording/hydrant management system. SH advised that the Service and Scottish Water now held quarterly performance meetings and a draft SLA was being developed. SFRS's existing internal recording system was nearing end of life and Scottish Water were keen to explore a joint collaborative app. SH commented on the good progress being made and that there was sufficient oversight/governance structure in place within the SFRS.

7.2.3 The Committee were reminded that the risks associated with these actions were primarily financial and not operational. SH informed the Committee that the financial risk related to the significant escalation of costs by Scottish Water and the Service continue to work with them to understand the justification and rationale behind them. SH further noted the potential adoption of a risk-based approach to hydrant maintenance and upskilling of existing hydrant maintenance personnel.

7.2.4 The Committee asked for consideration to be given to the wording of the progress update to avoid any uncertainty. In particular, reference was made to the Financial Sustainability (Rec No. 2.8) and clarification was provided.

7.2.5 In regard to Revenue & Funding Maximisation (Rec No. 1.3), the Committee commented on the misalignment between the Service and Auditors. MS acknowledged the comments and noted that going forward outstanding information would provide more clarity to the Committee. SO'D further noted that measures to refine, strengthen and ensure accuracy of data would be put in place. The Committee requested an update on progress to refine information within updates, specifically around revision of dates and outstanding requirements information.

ACTION: Azets

7.2.6 SO'D reminded the Committee that an update on income generation was scheduled to be presented at the next Board Strategy Day (25 January 2024).

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

(S Harkins and M Wylie left the meeting at 1100 hrs)

8 AUDIT ACTION PLANS AND CLOSING REPORTS UPDATE

8.1 MMcA presented a report to the Committee providing an overview update of the current audit and inspection action plans for scrutiny.

8.2 MMcA noted that the Audit and Inspection Overview dashboard recorded 16 action plans as complete. Of the 3 remaining live action plans, one was reporting on track for

completion (Green) and 2 were reporting Amber (slippage in timescale). Three action plans were currently in development. A further action plan relating to the HMFSI's report on Mental Health and Wellbeing, would also be developed following its presentation to the SLT in January 2024.

8.3 The Committee noted the helpful overview and progress update.

8.4 **The Committee scrutinised the report.**

9 EXTERNAL AUDIT

9.1 Audit Dimensions and Best Value Report and Annual Reports 2021/22

9.1.1 SO'D presented the report to the Committee outlining the progress on the External Audit Dimensions and Best Value Report for year ending 31 March 2021 and the Annual Report and Accounts Audit for 2020/21 and 2021/22. The following key points were highlighted:

- Progress against action plans relating to Financial Management (89%), Financial Sustainability (50%), Value for Money (40%) and Governance and Transparency (100%).

9.1.2 MO commented on the time elapsed since the original recommendations were made and noted the potential that some actions may no longer be relevant. As such, MO noted his desire to consolidate all actions, with clear audit trails, into an action plan produced this year to provide clarity and would discuss this further with SO'D. The Committee welcomed this approach and requested work be undertaken to consolidate outstanding/historical actions, where possible, with Audit Scotland recommendations going forward.

ACTION: Audit Scotland/SO'D

9.1.3 **The Committee scrutinised the report and noted the progress being made.**

10 GIFTS, HOSPITALITY AND INTERESTS POLICY

10.1 DJ presented the Gifts, Hospitality and Interests Policy and Quarterly Update, as at 4 December 2023, to the Committee for scrutiny. The following key points were highlighted:

- Total number of individual declarations within the first 3 quarters was 45.
- Additional declarations, under the £50 threshold limit, were also made but not captured within this report.
- Increasing volume of enquiries/requests for advice relating to both gifts and interests were being received.

10.2 The Committee sought clarity relating to one specific entry dated 12 July 2023. DJ to review original declaration and circulate an update to the Committee (via email).

ACTION: DJ

10.3 The Committee discussed whether there was an identified upper limit value, the potential aggregated amount of multiple gifts/hospitality, the escalation process and the adaption of the current policy. DJ to consider adapting the current policy to reflect on aggregation and escalation.

ACTION: DJ

10.4 **The Committee scrutinised the report.**

*(The meeting broke at 1120 hrs and reconvened at 1130 hrs)
(M Wylie rejoined the meeting at 1130 hrs)*

11 INTERNAL CONTROLS UPDATE

11.1 Risk Report Update

11.1.1 DJ presented the risk report and dashboard to the Committee for scrutiny. The following key points were highlighted:

- Changes to the format and information being provided within the report.
- Work continued to accurately identify and record the right risks and control measures and to provide additional assurances.
- Risk dashboard offers the opportunity for greater scrutiny of individual risks.
- Breakdown of risks rated 15 and above and associated control actions.
- Breakdown of all outstanding control measures that fall within the 9-month period.
- Brief on current process, timescales, and governance route for updates. Going forward, increased functionality will enable the currency of the information to be improved.

- 11.1.2 MO sought clarification on the link between Risk FSC016 (forecasted financial position exceeds RDEL) and FSC005 (unable to securing funding). SO'D advised that FSC005 related to 2024/25 funding and the potential risk of this funding reducing. Within the current financial year, SO'D outlined some of the challenges encountered by the Service. The Service have approached Scottish Government for support and have been directed to do everything possible to reduce costs. RH confirmed that the Service had taken action to address all suggestions made by Scottish Government.
- 11.1.3 The Committee commented on the accuracy of some risks and the links to outcomes. DJ advised that the current system only allows for alignment to a single outcome and development would be necessary to allow alignment to multiple outcomes. DJ noted that discussions had taken place at the Senior Management Board on how risk could be articulated accurately and that there were still some areas for development.
- 11.1.4 Brief discussion took place on the currency of the risk, and it was noted that the ambition going forward was to increase the frequency of updates (monthly) which would allow increased scrutiny and monitoring on movements of risks.
- 11.1.5 The Committee commented on the need to refine work on progressing the outstanding control actions within the risk report, with further consideration required on selection of RAG status for the overdue items.
ACTION: DJ
- 11.1.6 Regarding Risk TSA018 (inability to maintain or improve our training delivery due to insufficient capacity), the Committee requested clarification on the reason why the impact reduced and whether the risk associated with the backlog of training was captured elsewhere. SS to clarify with ACO Watt and circulate update via email.
ACTION: SS
- 11.1.7 Regarding Risk SPPC015 (services consultation and engagement processes do not adequately capture stakeholder feedback), the Committee requested clarification whether the reduction in risk takes into consideration the potential adverse response to upcoming consultations or is this captured elsewhere.
ACTION: MMcA/DJ
- 11.1.8 Regarding Risk TSA019 (control measure: contaminants POG timeline of immediate, medium and long-term actions), the Committee requested further information on specific due dates for the immediate, medium and long-term actions.
ACTION: SS/DJ
- 11.1.9 Brief discussion took place on the improving risk management processes, awareness, and behaviours within the Service.
- 11.1.10 **The Committee scrutinised the report and noted the continuing progress being made.**

11.2 Anti-fraud/Whistleblowing Update

11.2.1 SO'D advised the Committee of one potential fraud and noted that this would be discussed later on the agenda (Item 18), in private session.

11.2.2 **The Committee noted the verbal report.**

12 REPORT FOR INFORMATION ONLY:

12.1 Quarterly Update Report on HMFSI Business

12.1.1 RS presented the quarterly report to the Committee to provide an update on HMFSI's inspection and reporting activity during 2023/24 and the following key areas were noted:

- Finalising fieldwork for the West Service Delivery Area (SDA) inspection. Similar issues to those in the East had been identified. Inspectors received into stations in a professional and respectful manner. Anticipated publishing in Summer 2024.
- Consideration being given to the logistics relating to the North SDA inspection. Consultation process to commence in April 2024.
- Thematic Inspection on Mental Health and Wellbeing had been published and contained 20 recommendations. The report summarised the Service's improvement in this area and support offered to staff, however there was still further scope for improvements to be made.
- Thematic Inspection on Organisational Culture inspection outline to be reconsidered following feedback and discussion with SLT and Rep Bodies.

12.1.2 The Committee noted the good working relationship between the Service and HMFSI and the potential added value from inspections being undertaken.

12.1.3 In regard to the North SDA, RS noted that consideration had been given to the initial focus and potential subsequent inspections. Audit Scotland have been approached for assistance.

12.1.4 **The Committee noted the report.**

13 REVIEW OF ACTIONS

13.1 KM confirmed that 11 formal actions were recorded during the meeting.

14 FORWARD PLANNING

14.1 a) Committee Forward Plan Review

14.1.1 The Committee considered and noted the Forward Plan.

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

14.2.1 The following items were identified for the Integrated Governance Forum:

- Focus on Outcomes and ensuring links to outcomes in order to measure success (BB)

15 DATE OF NEXT MEETING

15.1 The next public meeting is scheduled to take place on Tuesday 26 March 2024 at 1000 hrs.

15.2 There being no further matters to discuss the public meeting closed at 1233 hrs.

PRIVATE SESSION

16 MINUTES OF PREVIOUS PRIVATE MEETINGS

16.1 Monday 30 October 2023

16.1.1 The minutes of the private meeting held on 30 October 2023 were approved as a true record of the meeting.

16.2 Thursday 30 November 2023 (Special)

16.2.1 The minutes of the private special meeting held on 30 November 2023 were approved as a true record of the meeting.

17 ACTION LOG

17.1 The Committee considered the action log, noted the updates and agreed the closure of actions.

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

18 INTERNAL CONTROL REVIEW REPORT

18.1 SO'D presented a report to the Committee to update on the outcomes of an investigation undertaken.

18.2 **The Committee scrutinised the report.**

DRAFT

AUDIT AND RISK ASSURANCE COMMITTEE ROLLING ACTION LOG



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Background and Purpose

A rolling action log is maintained of all actions arising or pending from each of the previous meetings of the Committee. No actions will be removed from the log or completion dates extended until approval has been sought from the Committee.

The status of actions are categorised as follows:

- Task completed – to be removed from listing
- No identified risk, on target for completion date
- Target completion date extended to allow flexibility
- Target completion date unattainable, further explanation provided.

Actions/recommendations

Currently the rolling action log contains 16 actions. A total of 10 of these actions have been completed.

The Committee is therefore asked to approve the removal of the 10 actions noted as completed (Blue status), note 4 actions categorised as Green status and note 2 actions categorised as Yellow status on the action log.

AUDIT AND RISK ASSURANCE COMMITTEE ROLLING ACTION LOG



Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 6 April 2023						
9.4	Deloitte - Audit Dimensions and Best Value for the Year Ended 31 March 2022: An update on the medium-term financial model and the long-term financial strategy was requested to be provided at the next meeting.	SO'D JF	June 2024 (Org June 2023)			<p>Updated (27/06/2023): The medium-term financial model has been updated to reflect the agreed budget for 23/24 including intended £11million in savings. Based on latest information a number of financial scenarios are being developed covering, pay, inflation and funding. Scottish Government on 25 May 2023 published a revised medium term financial strategy which will be considered as part of scenario planning. The Board will be updated in August 2023.</p> <p>Updated (30/10/2023): The Board were updated in August on Financial Scenarios and a presentation was completed on the draft Long-Term Financial Strategy. Following Board feedback a medium term financial plan is being developed and scheduled for consideration at future Board strategy day on 23 November 2023.</p> <p>Updated (18/01/2024): This work will now be incorporated in 2024/25, which will include a refresh of medium term financial plan and LTFS in Q1 of the new financial year.</p> <p>Updated (26/03/2024): This is the same as last update as timeframe has not passed.</p>

Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 27 June 2023						
9.1.11	<p>SFRS Internal Audit Progress Report 2023/24 - Final Report – Sickness Absence Management: Committee request to see what will be put in place for the significant control weaknesses identified and for ongoing compliance/ sample testing, for each recommendation or management action contained within.</p>	LBa	October 2023		March 2024 December 2023	<p>Updated (30/10/2023): Managers guidance is currently being updated, along with reminder communications for managers of the procedures and their responsibilities under the Attendance Management Policy and Procedures, including for the completion of E-self-certs, ensuring fit notes cover whole of absence period, submission, and storage (single source) of fit notes and other absence documentation and undertaking/ recording of Attendance Support Meeting (ASM). Revisions being made to the middle manager development sessions, develop the inclusion of a managing absence toolkit in the management induction toolkit, as well as to the local and supervisory management development training to incorporate return to work interviews and attendance support meetings. Discussions underway with SDA DACO's and Risk & Audit colleagues to consider an independent process for managers vetting of case work within their areas or alternative options for future auditing which may assist in providing similar assurance.</p> <p>Complete (18/01/2024): Of the 5 outstanding actions, 4 are due to be complete by 31 December 2023 (following an extension to 3 of these) and are on track to do so. A request to extend the remaining action to Q1 2024/25 will be made to enable further discussions with Risk & Audit colleagues on a verification/QA process to provide future</p>

					<p>assurance that the completed actions have addressed the weaknesses identified. The detailed actions and progress updates are provided within the Audit Action report itself.</p> <p>REOPENED (18/01/2023): Further clarification to be provided that the action has been fully addressed.</p> <p>Complete (26/03/2024): Of the 6 actions identified, 3 have been accepted as closed by Azets and one is under consideration for closure. Recommendations 1.1 and 4.2 remain outstanding and a revised date of 30 April 2024 has been requested. Both are 90% complete, with a range of activity being progressed to update management guidance and development packages to ensure responsibilities and accountability are understood. To conclude the recommendations discussions have been taking place between the People Directorate and Audit & Risk colleagues regarding development of an independent periodic verification process for compliance, this is at an early stage and will be progressed during Quarter 4.</p>
<p>9.1.17</p>	<p>SFRS Internal Audit Progress Report 2023/24 - Final Report Arrangements for the Internal Assessment and Verification of SVQ: Committee request an update on progress of recovering any lost income from this process.</p>	<p>LBa/JT</p>	<p>October 2023</p>	<p>March 2024 December 2023</p>	<p>Updated (30/10/2023): Work is ongoing with Skills Development Scotland (SDS) and the SQA in order to progress both the Workplace ICT and Numeracy Core Skills as well as the outstanding SVQs. Employees have been contacted individually to advise of any outstanding items and support packages have been put in place, with additional resources being aligned to progress the priority candidates within the timescales (by end December 2023). Payments are continuing to be drawn down from the MA contract as employees complete this process. 55 line</p>

					<p>managers are currently undertaking Assessor training and the internal assessor delivery course is be reviewed with SQA. We are aiming for all outstanding to be completed within the timescales.</p> <p>Complete (18/01/2024): All employees have received individual engagement from Workplace Core Skills Assessors regarding the outstanding items and support has been implemented. As completed items are received these are being progressed to payment from the MA contract. A final position will be available in Q4, however, it is anticipated that an income of £180K can be achieved. Assessor numbers are increasing as line managers complete the training course. Internal Assessor training has been reviewed by SQA and an internal course of 15 line managers will commence in January 2024 and will be further reviewed by the SQA upon completion.</p> <p>REOPENED (18/01/2023): To remain open until Q4 so final position can be confirmed.</p> <p>Complete (26/03/2024): 80% of the outstanding SVQ and Core skills are complete with the remainder progressing through the assessor/IV process. This has resulted in the initial income of £180k for outstanding apprenticeship being surpassed and an overall contract value of £571,701 being achieved. Process improvements have been put in place to continue to manage apprenticeships. Internal IV courses and Lead Assessor courses took place during February 2024 to continue to increase the number of assessors/IV.</p>
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Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 30 October 2023						
13.5	<p>Risk Spotlight: Retrieval of PPE: Committee request an update on inter-departmental discussions relating to leavers returning all equipment and PPE, and any improvements to the process that can be made including consequences for non-compliance.</p>	IM/IB/R McK	January 2024			<p>Update (18/01/2024): Asset Management are continuing to work, in conjunction with the People Directorate and Service Delivery colleagues, on a procedure which defines roles, responsibilities and timescales for the return of PPE. This procedure will be incorporated within a SFRS Leavers process, which will be prepared by the People Directorate.</p> <p>Finance and People colleagues are meeting on 19 January 2024 to discuss what consequences, if any, could be implemented for failing to return PPE.</p> <p>Updated (26/03/2024): People Directorate are reviewing the existing Exit Interview Policy this financial year, which will become a guidance note in future. In the meantime, the People Services Team have received an updated Leavers Kit Return List from Asset Management, which is issued to staff upon receipt of receipt of resignation/retiral. Correspondence issued to staff from People Services emphasises the actions required by both staff and line managers to ensure safe return of kit.</p> <p>Finance and People Directorate colleagues have met to discuss the consequential action for not returning Kit, awaiting outcomes from this meeting.</p> <p>Communications Plan to be agreed explaining consequences for non-return of kit.</p>

OFFICIAL

14.1.8	Risk Update Report: Committee request further guidance and information on how this new approach supports the responsibility to scrutinise and challenge.	RW	November 2023 March 2024		March 2024	Update (18/01/2024): Workshops will be arranged to provide training on Power BI tool. Complete (26/03/2024): The Risk Power BI tool is available to all senior managers and is used to review and assist risk management across the service. The tool is also available to the Board, with a supporting summary of associated risks reported by exception to each Committee and Executive Board.
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Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 18 January 2024						
7.1.2	Internal Audit Progress Report 2023/24: Committee request further consideration consider and confirmation (via correspondence) whether the Terms of Reference for the Risk Management (Assurance Stocktake) would require to be revised and for any revisions to be confirmed.	Azets	March 2024		March 2024	Updated (26/03/2024): Following comments received from management, the Risk Assurance Assignment Plan was updated to include the requirement to produce a Maturity Matrix to demonstrate SFRS's progress in implementing an assurance framework and any further improvements required.
7.1.10	Internal Audit Progress Report 2023/24: Committee request clarity be provided on the initial scope of the Equality, Diversity and Inclusion audit with regards to staff groups.	Azets/ LG	March 2024		March 2024	Complete (26/03/2024): We can confirm that the review covered all staffing groups.
7.1.12	Internal Audit Progress Report 2023/24: Committee request that Final Reports contain the Terms of Reference as an appendix in future.	Azets	March 2024			Update (26/03/2024): To be appended to future final reports – no reports have been finalised since the previous committee meeting.

7.2.5	SFRS Progress Update/Management Response: Committee request update on progress to refine information within update, specifically around revision of dates and outstanding requirements information.	Azets	March 2024		March 2024	Complete (26/03/2024): Our comments within the Follow Up Progress report now include an update on the information/ evidence required in order for the action to be classed as closed.
9.1.2	Audit Dimensions and Best Value Report and Annual Report 2021/22: Committee request work is undertaken to consolidate outstanding/historical actions where possible with Audit Scotland recommendations going forward.	Audit Scotland/ SO'D	March 2024			Update (26/03/2024): This will be addressed by a report on the agenda for the meeting.
10.2	Quarterly Update of Gifts, Hospitality and Interests Register: Clarity relating to one specific entry (12 July 2023) to be circulated to the Committee (via email).	DJ	March 2024		March 2024	Complete (26/03/2024): Information has been forwarded to Board Support in relation to the specific entry discussed for circulation via email.
10.3	Quarterly Update of Gifts, Hospitality and Interests Register: Consideration for review of GHI policy to clarify the process of acceptance and approval required, and consequences of aggregation of multiple entries on register.	DJ	March 2024			Updated (26/03/2024): GHI policy will be updated to consider entries requiring further assurance and potential escalation.
11.1.5	Overview of Strategic Risk Register and Committee Aligned Directorate Risks: Refine work on progressing the outstanding control actions within the risk report, with further consideration required on selection of RAG status for the overdue items.	DJ	March 2024			Updated (26/03/2024): The appendix to the risk report provides information on all actions outstanding for identified risks, whether on target or beyond. Discussions and workshops held with Directorates have highlighted the need for SMART actions and consideration of work to be completed over the financial year period, rather than longer term. The RAG status is used to highlight area where additional assurance is required and is aligned to the RAG status of the internal audit process.

<p>11.1.6</p>	<p>Overview of Strategic Risk Register and Committee Aligned Directorate Risks: Re TSA018, the Committee requested clarification on the reason why the impact reducing and whether the risk associated with the backlog of training was captured elsewhere. (To be circulated via correspondence.)</p>	<p>SS</p>	<p>March 2024</p>		<p>February 2024</p>	<p>Updated (26/03/2024): Impact level amended to 4, this appears to have been a manual error. Risk Workshops has been arranged for the Training Management Team, David Johnston will attend this to provide input to all managers on the management of risk. The work to address the backlog in training is reported to the People Committee, progress is evidenced through the Training KPI's contained within the Performance Management Framework, detail of which are provided within an Executive Summary. The People Committee also receive a quarterly update on the progress and status of all improvement actions contained within the Training Continuous Improvement Programme, these actions are focused on driving improvement within Training and addressing any backlogs. (Update circulated by email 23/02/2024)</p>
<p>11.1.7</p>	<p>Overview of Strategic Risk Register and Committee Aligned Directorate Risks: Re SPPC015, Committee requested clarification whether the reduction in risk takes into consideration the potential adverse response to upcoming consultation or is this captured elsewhere.</p>	<p>DJ/MMc A</p>	<p>March 2024</p>		<p>March 2024</p>	<p>Complete (26/03/2024): SPPC015 relates specifically to the consistency of approach to capturing feedback and with established processes in place, together with a Consultation Working Group, the Directorate have confidence that controls would allow the reduction in this risk area. Risk SPPC007 looks to ensure that there is a consultation process undertaken to engage with stakeholders regarding any service change. If there are delays within this consultation process there may be an increased risk in this area which would be considered within future updates.</p>

<p>11.1.8</p>	<p>Overview of Strategic Risk Register and Committee Aligned Directorate Risks: Re TSA019 (control measure: contaminants POG timeline of immediate, medium and long-term actions), the Committee requested further information on specific due dates for the immediate, medium and long-term actions</p>	<p>SS/DJ</p>			<p>February 2024</p>	<p>Updated (26/03/2024): Short term actions have already been met in 0-3 months, medium and long term actions are scheduled to be completed by March 2025. (dependant on Standard Operating Procedure going live and the allocation of finance for the required infrastructure) Text therefore relates to the completion of all short, medium and long term recommendations. (Update circulated by email 23/02/2024)</p>
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SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No: C/ARAC/09-24

Agenda Item: 7.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	26 MARCH 2024							
Report Title:	SFRS INTERNAL AUDIT PROGRESS REPORT 2023/24							
Report Classification:	For Scrutiny	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					<u>A</u>	<u>B</u>
		<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>		
1	Purpose							
1.1	To provide a summary of progress in the delivery of the 2023/24 Internal Audit plan.							
2	Background							
2.1	This report is intended to enable the Audit and Risk Assurance Committee (ARAC) to consider the progress to date in the delivery of the audit plan for 2023/24.							
3	Main Report/Detail							
3.1	To provide confirmation of the progress made in relation to all audits contained within the 2023/24 agreed audit plan.							
4	Recommendation							
4.1	ARAC is asked to note the content of the report.							
5	Key Strategic Implications							
5.1	Risk							
5.1.1	The internal audit programme forms part of the Service's Assurance Framework.							
5.2	Financial							
5.2.1	There are no direct implications associated with the report.							
5.3	Environmental & Sustainability							
5.3.1	There are no direct implications associated with the report.							
5.4	Workforce							
5.4.1	There are no direct implications associated with the report.							
5.5	Health & Safety							
5.5.1	There are no direct implications associated with the report.							
5.6	Health & Wellbeing							
5.6.1	There are no direct implications associated with the report.							
5.7	Training							
5.7.1	There are no direct implications associated with the report.							

5.8 5.8.1	Timing The report notes progress in relation to audits to be undertaken in the 2023/24 financial year.	
5.9 5.9.1	Performance Internal audit is intended to support the service and where relevant identify areas where performance can be enhanced.	
5.10 5.10.1	Communications & Engagement Individual reports are issued and agreed with management for each of the audit assignments contained within the annual plan and are presented separately to the Audit and Risk Assurance Committee throughout the year.	
5.11 5.11.1	Legal There are no direct implications associated with the report.	
5.12 5.12.1	Information Governance Collection or use of personal data has not been required in the preparation of the Progress Report. For this reason, a Data Protection Impact Assessment has not been required.	
5.13 5.13.1	Equalities For each audit assignment, relevant directors need to consider whether an Equality and Human Rights Impact Assessment is applicable.	
5.14 5.14.1	Service Delivery There are no direct implications associated with the report.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (Board/Committee Meetings ONLY)	
7.1	Director:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial/Reasonable/Limited/Insufficient
7.2	Rationale:	Azets are providing ARAC with an update on the progress of the audits within the IA plan for the year and identifying any specific recommendations for each audit completed.
8	Appendices/Further Reading	
8.1	Appendix A: Internal Audit Progress Report	
Prepared by:		Gill Callaghan, Senior Manager - Azets
Sponsored by:		Sarah O'Donnell, Director of Finance and Contractual Services
Presented by:		Matt Swann, Director - Azets
Links to Strategy and Corporate Values		
Working Together for a Safer Scotland		
Governance Route for Report		Meeting Date
<i>Audit and Risk Assurance Committee</i>		<i>26 March 2024</i>
		Report Classification/ Comments
		<i>For scrutiny</i>

Scottish Fire and Rescue Service

Internal Audit Progress Report

March 2024



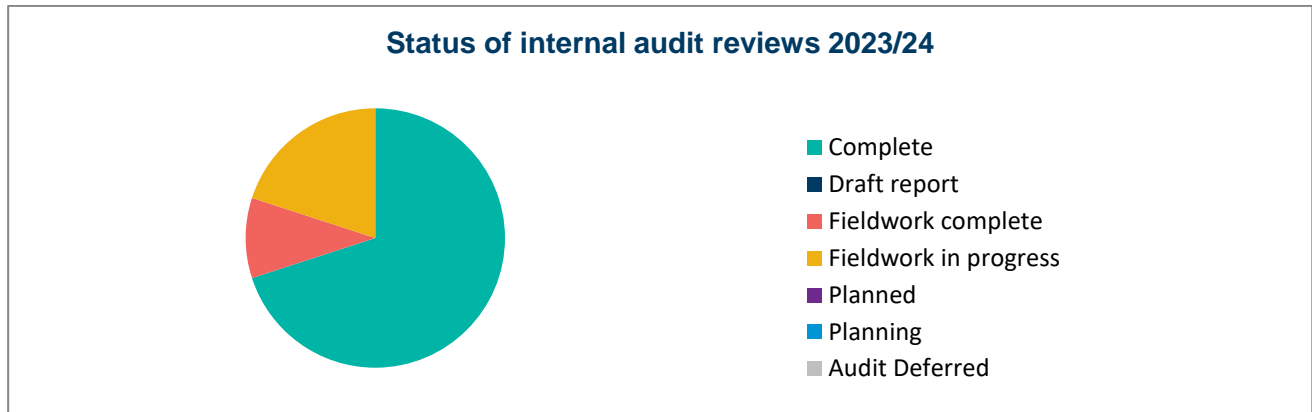
Scottish Fire and Rescue Service

Internal Audit Progress Report

Summary	1
2023/24 audit plan progress	2
Feedback on internal audit assignments	4
KPI status	8
Appendix A - New Global Internal Audit Standards	9

Summary

This paper provides the Audit and Risk Assurance Committee with a summary of activity in relation to the 2023/24 internal audit programme.



Action for Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is asked to note the contents of this report. We also invite any comments on the format or content of this report.

Gary Devlin, Audit Partner	gary.devlin@azets.co.uk	0131 473 3500
Matt Swann, Audit Director	matthew.swann@azets.co.uk	0161 245 1000
Gill Callaghan, Senior Manager	gillian.callaghan@azets.co.uk	0131 473 3500

2023/24 audit plan progress

Ref and Name of report	Days	Current status	Planned ACC	Actual ACC
A6. Budgetary Control	20	Complete	Oct 23	Oct 23
B5. Equality, Diversity & Inclusion	14	Complete	Jan 24	Jan 24
C8. Risk Assurance Advisory Review	12	Fieldwork in progress	Jan 24	See note 1 below
D3. Workforce Planning (On Call Firefighters)	18	Complete	Oct 23	Oct 23
D6. Partnership Working	25	Fieldwork in progress	Mar 24 See note 2 below	-
D7. Contract Management	20	Fieldwork complete	Jun 24	-
F1.1 Follow Up Q1	2.5	Complete	Jun 23	Jun 23
F1.2 Follow Up Q2	2.5	Complete	Oct 23	Oct 23
F1.3 Follow Up Q3	2.5	Complete	Jan 24	Jan 24
F1.4 Follow Up Q4	2.5	Complete	Mar 24	-
G1. Annual report	n/a	n/a	Jun 24	-

- 1) Following discussions with management, the scope and approach to this review has been amended due to the current level of maturity in relation to the Risk Assurance Framework in place. This review will now be advisory in nature. As part of the revised audit, additional meetings have taken place with representatives from the Directorates responsible for managing a sample of high-rated risks which were selected for enhanced scrutiny with the last meeting held on 22nd February 2024. Furthermore following this, evidence has been collated of the actual assurances obtained in respect of these risks. We are currently feeding this information into an illustrative assurance map along with producing a maturity matrix to reflect future improvements required by SFRS in the development of their assurance framework.
- 2) The Partnership Working audit was originally intended to be presented at the March 2024 ARAC meeting. However, delays were experienced in receiving information from some of the Local Service Managers which has resulted in the audit taking longer than planned.

Key:	Description
Complete	Audit work complete and report has been agreed and finalised
Draft report	A draft report has been issued
Fieldwork complete	The audit work is complete but the draft report has not yet been issued.
Fieldwork in progress	The audit work is in progress.
Planned	The scope and timing of the audit has been agreed with management

Key:	Description
Planning	The scope and/or timing of the audit has yet to be agreed with management
Audit deferred	Audit assignment deferred to following year

Feedback on internal audit assignments

Since the previous meeting, we have received feedback from two individuals in relation to the Budgetary Control review of 2023/24. Their scores are set out below, one in black and the other in red.

BUDGETARY CONTROL 2023/24

Scores

Scope of Audit Initial Engagement		5	4	3	2	1
1	The extent of notice given to arrange the audit	x	x			
2	The level of consultation on the scope and objectives of the audit	x	x			
3	Selection of important areas/topics and inclusion of your suggestions for areas/topics to audit		x			
4	The auditor's understanding of your systems and operational issues		x	x		

Audit Review Process		5	4	3	2	1
1	Efficient execution of the audit with minimum disruption		x			
2	The level of consultation during the audit		x			
3	The level of professionalism and objectivity demonstrated throughout the audit review		x			
4	Quality of relationship and discussion between auditors and your department	x	x			

Exit Meeting and Report		5	4	3	2	1
1	The draft report and/or exit interview addressed the key issues and was soundly based		x			
2	Your opportunity to comment on the findings made	x	x			
3	The final report in terms of its clarity and conciseness		x			
4	The prompt issue of the final report		x			
5	The benefits, in relation to improved controls and/or performance, received from the final report				x	x
6	The audit was constructive and added value overall				x	x

Scoring

5 = Very good, 4 = Good, 3 = Satisfactory, 2 = Just adequate, 1 = Poor

Comments

Liked ?
 The relationship between our colleagues and the auditors was particularly productive and the audit team were happy to take on board our thoughts and suggestions.
 Receptive to input and feedback following the audit and prepared to make changes to the recommendations within the report.
 Flexible with timing as a family bereavement just as the audit started meant a delay was required.

Disliked ?
 Not a particular dislike but the report evidenced what we already knew. This was beneficial in giving us comfort in our processes, however possible suggestions for improvements or developments could assist us in making our processes better.
 I wasn't convinced about the experience of the audit team, at times it felt a bit of a box ticking exercise.

How could the audit have added better value ?

As above – suggestions for areas of improvement or value added changes would have been beneficial
Recruits SFRS staff to gain deeper insight into the detailed activity and nuisances that underpin the Service.

Additional Comments

As above – suggestions for areas of improvement or value added changes would have been beneficial.

We have also received feedback from two individuals in relation to the Workforce Planning (On Call Firefighters) review of 2023/24. Their scores are set out below, one in black and the other in red.

WORKFORCE PLANNING (ON CALL FIREFIGHTERS) 2023/24

Scores

Scope of Audit Initial Engagement						
		5	4	3	2	1
1	The extent of notice given to arrange the audit				x	
2	The level of consultation on the scope and objectives of the audit			x	x	
3	Selection of important areas/topics and inclusion of your suggestions for areas/topics to audit			x		
4	The auditor's understanding of your systems and operational issues				x	
						x

Audit Review Process						
		5	4	3	2	1
1	Efficient execution of the audit with minimum disruption			x		
2	The level of consultation during the audit			x		
3	The level of professionalism and objectivity demonstrated throughout the audit review			x		
4	Quality of relationship and discussion between auditors and your department			x		
						x

Exit Meeting and Report						
		5	4	3	2	1
1	The draft report and/or exit interview addressed the key issues and was soundly based				x	
2	Your opportunity to comment on the findings made				x	
3	The final report in terms of its clarity and conciseness			x		
4	The prompt issue of the final report			x		
5	The benefits, in relation to improved controls and/or performance, received from the final report			x	x	
6	The audit was constructive and added value overall			x		
						x

Scoring

5 = Very good, 4 = Good, 3 = Satisfactory, 2 = Just adequate, 1 = Poor

Comments

Liked ?
No comments made

Disliked ?

The topically area selected is vast with some significant amount of ongoing work started and/or identified.

How could the audit have added better value ?

Not sure if the timing of the audit resulted in quality outputs and best value. As there was an extensive strategic programme of works underway with required improvements already identified more could have been achieved in terms of audit outcomes by re-scheduling (understanding these must be planned for and programmed way in advance) Earlier / ongoing communication with team directly involved in audit to improve their understanding and buy in

Additional Comments

No comments made

KPI status

KPI description	Performance standard	Status	Comments
1. Actual v planned hours per audit	Audits completed within days approved by ARAC	GREEN	
2. Cost of service by grade	Allocation of time per grade as agreed with management and provided for approval prior to invoicing	GREEN	
3. Cost per audit	Costs per audit based on allocated staff undertaking audits	GREEN	
4. Completion of customer feedback on each audit demonstrating satisfactory performance	Risk and Audit Manager to hold post audit discussion with key contacts	GREEN	

Key

RED	More than 15% away from target
AMBER	Within 15% of target
GREEN	Achieved

Appendix A - New Global Internal Audit Standards

Following a multiple year revision exercise and consultation during 2023, on 9 January 2024, the Global Institute of Internal Auditors published updated Global Internal Audit Standards. Internal Audit functions have 12 months until 9 January 2025 to conform to the new standards.

Some of the key changes are:

- Simplifying the Structure.
- Consolidation of the 6 elements (Mission, Definition, Code of Ethics, Core Principles, Standards and Implementation Guide) into the new Standards.
- Create the new Purpose of Internal Auditing, under the new Standards, which now reads:

“Internal auditing strengthens the organisation's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.”

- Enrich the Ethics and Professionalism by adding due professional care.
- Add the recommended practices and evidence of conformance after each Standard.
- Add the nuances for Public Sector, small functions and advisory services.
- Clarify the Board role in governing internal audit functions.
- Clarify the roles of CAE's and internal auditors for internal audit functions and various activities.
- Redefine the quality = conformance + performance.

We are currently working through the new Standards to understand what changes are required and will update our governing documents and methodology over the coming months ready to be in conformance by January 2025.

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of Chartered Accountants in England and Wales.



Report No: C/ARAC/10-24

Agenda Item: 7.2

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	26 MARCH 2024						
Report Title:	SFRS PROGRESS UPDATE/MANAGEMENT RESPONSE						
Report Classification:	For Scrutiny	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	To provide Audit and Risk Assurance Committee (ARAC) with the current status of recommendations raised by Internal Audit.						
2	Background						
2.1	This report maintains the previous format for updates with the addition of comments on the current status from Azets.						
3	Main Report/Detail						
3.1	Thirty three actions remain outstanding with the oldest related to audits carried out in 2020/21. Internal Audit are working with management to assess progress and to consider the extent to which recommendations remain valid.						
4	Recommendation						
4.1	ARAC is asked to note the content of the report and consider the timelines noted for outstanding recommendations.						
5	Key Strategic Implications						
5.1	Risk						
5.1.1	The internal audit programme forms part of the Service's Assurance Framework.						
5.2	Financial						
5.2.1	There are no direct implications associated with the report.						
5.3	Environmental & Sustainability						
5.3.1	There are no direct implications associated with the report.						
5.4	Workforce						
5.4.1	There are no direct implications associated with the report.						
5.5	Health & Safety						
5.5.1	There are no direct implications associated with the report.						
5.6	Health & Wellbeing						
5.6.1	There are no direct implications associated with the report.						

OFFICIAL

5.7 5.7.1	Training There are no direct implications associated with the report.	
5.8 5.8.1	Timing The report notes progress made in implementing outstanding audit actions from 2020/21 - 2023/24.	
5.9 5.9.1	Performance Internal audit is intended to support the service and where relevant identify areas where performance can be enhanced.	
5.10 5.10.1	Communications & Engagement Meetings have taken place with management to discuss the implementation of agreed audit actions and to view evidence confirming work in progress and completed actions.	
5.11 5.11.1	Legal There are no direct implications associated with the report.	
5.12 5.12.1	Information Governance Collection or use of personal data has not been required in the preparation of the Follow Up Progress Report. For this reason, a Data Protection Impact Assessment has not been required.	
5.13 5.13.1	Equalities For each recommendation contained within the Follow Up Progress Report, relevant directors need to consider whether an Equality and Human Rights Impact Assessment is applicable.	
5.14 5.14.1	Service Delivery There are no direct implications associated with the report.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (Board/Committee Meetings ONLY)	
7.1	Director:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial/Reasonable/Limited/Insufficient
7.2	Rationale:	Azets have reviewed the follow up work completed by audit action owners and are providing their view on the work done to date and evidence provided to support closure of any actions.
8	Appendices/Further Reading	
8.1	Appendix A: Progress update on Internal Audit Recommendations	
Prepared by:	Gill Callaghan, Senior Manager - Azets	
Sponsored by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Presented by:	Matt Swann, Director - Azets	
Links to Strategy and Corporate Values		
Working Together for a Safer Scotland		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>26 March 2024</i>	<i>For scrutiny</i>

Appendix A – Progress update on Internal Audit Recommendations (Quarter 4 2023/24)

1. Background

In accordance with the Internal Audit Plan 2023/24, we undertake Follow Up reviews on a quarterly basis. The purpose of the Follow Up reviews is to ascertain the progress made in implementing agreed actions arising from internal audit assignments. The following spreadsheet sets out the original recommendations which remain outstanding along with action due dates and an update on progress made in implementing the recommendations to date.

2. Summary of findings

We have made the following observations regarding the Quarter 4 Follow Up review:

- Four actions have been added since the previous Quarter in relation to the Equality, Diversity and Inclusion review.
- For Quarter 4, sufficient evidence has been provided to close four actions which are as follows:

Year	Audit Assignment	Rec Ref	Subject of Recommendation	Grade
2021-22	Portfolio Office	1.1	Project and programme management	3
2022-23	Corporate Performance Management	1.1	Supporting Board and Committee members	2
2022-23	Capital Investment Strategy	2.1	Capital funding shortfall	Advisory
2022-23	Sickness Absence Management	1.2	Storage of sickness absence documentation	3

- In line with discussion at previous meetings of the Audit and Risk Assurance Committee, IT actions and those outstanding in relation to the Portfolio Office review have been subject to detailed validation prior to being classed as closed and, where appropriate, our Head of Cyber Services has provided detail of any further actions required to close off outstanding recommendations.

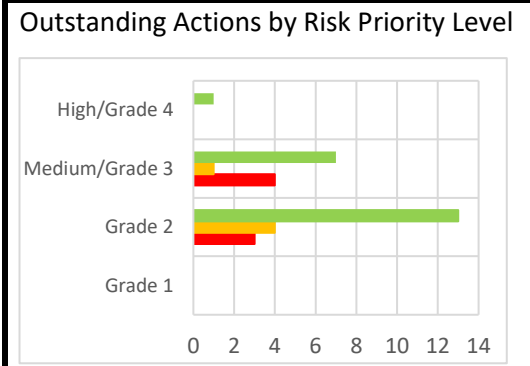
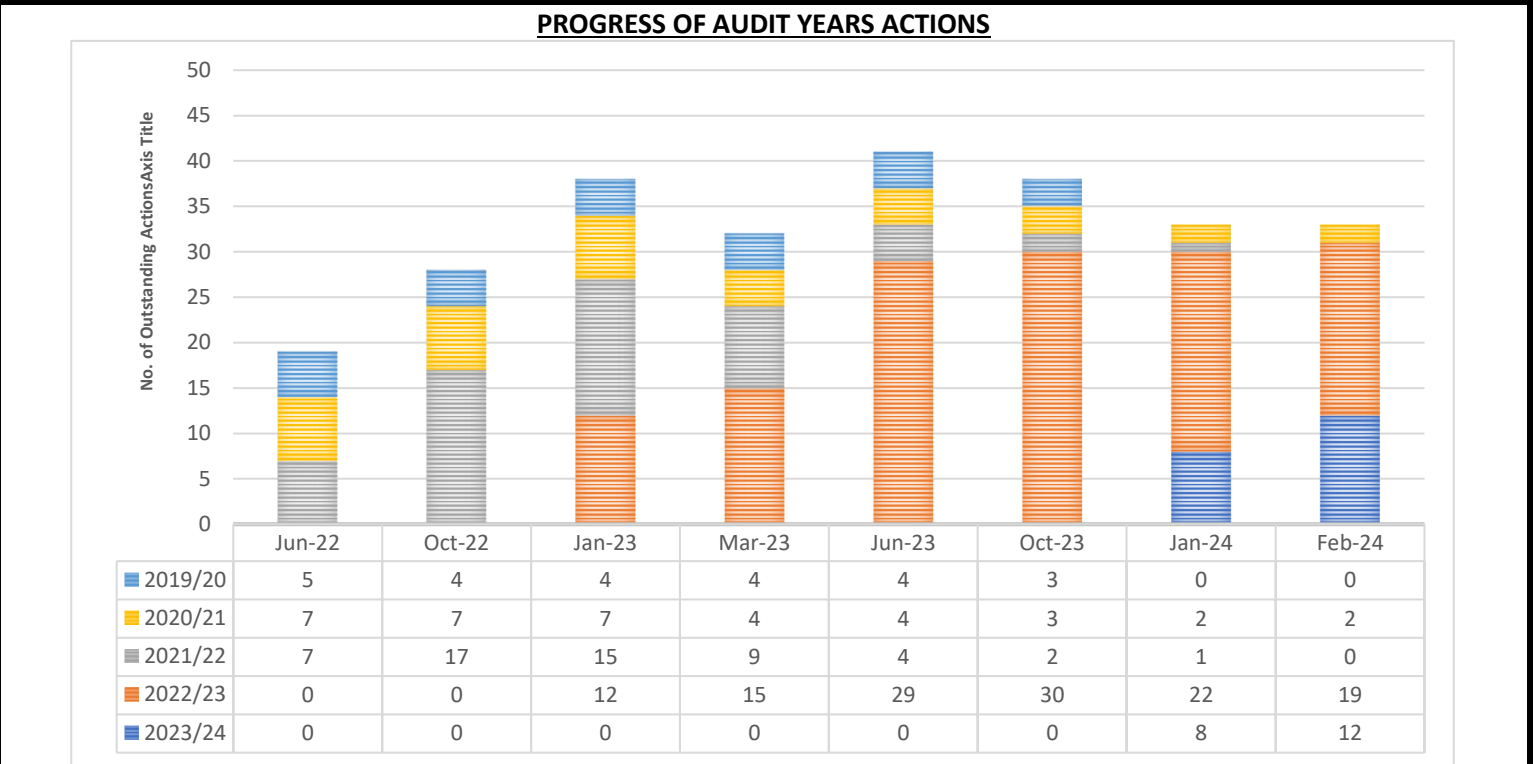
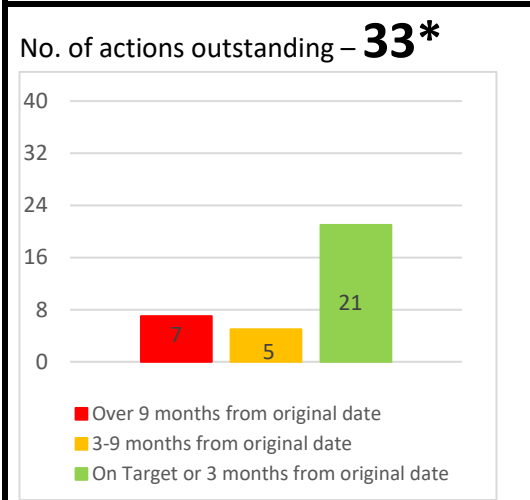
Dashboard – data as at 29th February 2024

*Budgetary Control Rec No. 4.2 is classed as 1 recommendation & would not be closed until both parts are classed as complete. Equality Diversity & Inclusion, parts of 2.1 and 5.1 will be classed as 1 recommendation & would not be closed until both parts are classed as complete

STATUS KEY	
GREEN	On Target to complete within agreed due date or within 3 months of original due date.
AMBER	Delay from original due date of between 3 to 9 months
RED	Delay of over 9 months or no evidence of progress

No. of actions complete past 12 months
34

No. of Actions closed since last ARAC meeting
4



RED STATUS ACTIONS – by months past original due date

No Months past original date (as at 29.02.2024)	AUDIT YEAR	AUDIT REVIEW	Action No.	Action Priority	Original Action Due	Revised Date	% Complete
34	2020/21	Risk Management	5a	GRADE 2	30.04.2021	30.06.2024	50%
30	2020/21	Risk Management	5b	GRADE 2	31.07.2021	30.06.2024	10%
14	2022/23	Revenue & Funding Maximisation	1.3a	GRADE 3	31.12.2022	30.04.2024	100%
14	2022/23	Revenue & Funding Maximisation	3.1	GRADE 3	31.12.2022	30.04.2024	100%
11	2022/23	Revenue & Funding Maximisation	2.1	GRADE 3	31.12.2023	30.04.2024	60%
11	2022/23	Post Pandemic Review	1.1	GRADE 3	01.04.2023	01.04.2024	70%
10	2022/23	Corporate Performance Management	2.1	GRADE 2	30.04.2023	30.04.2024	90%

2020-21	Risk Management		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented				
					4	3	2	1	4	3	2	1	4	3	2	1	
			9	78%	0	0	7	0	0	0	2	0	0	0	0	0	0
Rec No. 5a	RISK	The concept of risk appetite is not widely understood, leading to possible tolerance of risks outside SFRS risk appetite.															
	<u>Risk Appetite</u> SFRS should agree on and clearly communicate its risk appetite. Appropriate training and guidance on risk appetite should be provided at Board level and guidance and/or training should be provided for risk managers on how risk appetite is practically applied. This action is linked to Actions 2 & 4 of the previous internal auditor's report.		Report Agreed Date		6 th Agreed Revised Date		Priority		% Complete		Status						
	Responsible Owner Agreed Response Risk & Audit Manager		<i>A Risk Appetite was held on 30th July facilitated by Scott Moncrieff providing guidance and training on risk appetite and establishing a plan for development of the Services risk appetite. Further workshops will be held with SLT and the Board to identify and agree the Services initial risk appetite levels.</i>		30 April 2021		30 June 2024		Grade 2		50%		RED				
Progress to date (Update provided 25/01/24)		Previous discussions have been held with the board and SLT with a draft statement to be provided for discussion.															
Outstanding actions to close the recommendation		A draft risk appetite statement will be developed and submitted to SLT for discussion and review. Incorporate statement within Governance Arrangements. Update Risk Management Policy & Guidance															
Azets Comments		Awaiting agreed definition of risk appetite and updated Risk Management Policy & Guidance in order to close action.															
Rec No. 5b	RISK	The concept of risk appetite is not widely understood, leading to possible tolerance of risks outside SFRS risk appetite.															
	<u>Risk Appetite</u> SFRS should agree on and clearly communicate its risk appetite. Appropriate training and guidance on risk appetite should be provided at Board level and guidance and/or training should be provided for risk managers on how risk appetite is practically applied. This action is linked to Actions 2 & 4 of the previous internal auditor's report.		Report Agreed Date		6 th Agreed Revised Date		Priority		% Complete		Status						
	Responsible Owner Agreed Response Risk & Audit Manager		<i>The second element in relation to training to be aligned with Recommendation 3.2 – Risk Management Training. As the LCMS training package is developed, this will include elements in relation to Risk Appetite.</i>		31 July 2021		30 June 2024		Grade 2		10%		RED				
Progress to date (Update provided 25/01/24)		Actions to complete the LCMS (rec 4a) and work undertaken with the Board (Rec 5a) will allow risk appetite information to be outlined within the LCMS package.															
Outstanding actions to close the recommendation		The agreed Risk appetite statement will be developed for use by the SFRS Board and SLT with the implementation and use of the process to be monitored and further development as required before a rollout across the SFRS Risk Framework is considered.															
Azets Comments		Awaiting agreed definition of risk appetite, updated Risk Management Policy & Guidance and evidence of LCMS training package provided to staff in order to close action															

2022/23	Post Pandemic Review		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
					4	50%	0	2	0	0	0	2	0	0	0	0
Rec No. 1.1	RISK	There is a risk that BCPs are inadequate as a result of failure to update BCPs post pandemic, leading to inability to be able to respond effectively to a future pandemic or similar adverse incident resulting in failure to operate services, financial loss and/or reputational damage.														
	<u>Update Directorate Business Continuity Plans</u> A Business Continuity Framework should be developed to allow events that impact the organisation as a whole to be responded to and managed effectively. As part of this, directorate BCPs should be reviewed to access how they will interact and contribute to the overarching framework. In addition, all Business Continuity planning activity should be reviewed and updated to factor in learning from the pandemic, e.g. inability to divert working to another site, mass illness of staff impacting operations etc...		Report Agreed Date	1st Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response Head of Governance, Strategy & Performance	<i>The Reset and Renew Review of BCP was accepted by SFRS Good Governance Board in June 2022. This contained specific recommendations included a more developed corporate approach to Business Continuity and the review and sharing of all plans across the service. All the recommendations contained within the review report were accepted. Responsibility for MCP has moved to SPPC as of September 2022 and this action will be coordinated by the Head of Governance, Strategy and Performance.</i>	01 April 2023	01 April 2024	Grade 3	70%	RED									
	Progress to Update (Update provided 19/01/24)	Internal review of BCP during the Covid-19 pandemic completed as referenced by the audit. Initial planning undertaken and supporting business cases presented to SLT. Early engagement taken place with key internal stakeholders and external partners for benchmarking. Engagement with internal operations department to agree key milestones. Participation in exercise 'Hornet Morris 3' and internal debriefing completed with further recommendations identified. Review of BC plans for support functions undertaken in conjunction with civil contingencies officers. Review of Corporate Governance BCP completed, including standardisation of BCP template/recording. Arrangements are in place specifically in relation to potential industrial action. New BCP Policy moving to consultation in Q3/Q4														
Outstanding actions to close the recommendation		Complete BCP Policy consultation.														
Azets Comments		Awaiting finalisation of Business Continuity Framework following consultation in order to close action.														
Rec No. 2.2	RISK	There still appears to be a risk of uncertainty amongst staff who are able to work remotely as o the future of working arrangements at SFRS. Moreover, offices and equipment may be under-utilised leading to inefficient use of resources.														
	<u>Hybrid Working Arrangements</u> A decision should be made regarding the Service's stance on the requirement for staff to return to working in the office and the frequency of office working, if required. Once made, this should be communicated to staff at the earliest opportunity and monitored by management. Following this, a review should be undertaken of office and equipment utilisation to ensure offices and equipment are being used effectively and efficiently.		Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response Director of Finance & Contractual Services (Formerly Acting Director of Asset Management)	<i>Further management engagement sessions have taken place via the Workplace Subgroup to access the impact of the Agile Working Framework and identify opportunities for improvement. The findings and recommendations from this review will be shared with the Strategic Leadership Team 2.2 As the Agile Framework and the Service's approach to hybrid working embeds and matures, use of space and equipment will be kept under review to ensure optimum usage. The Service will continue to explore opportunities to streamline use of its property portfolio, for example through collaboration and colocation with partner agencies.</i>	31 December 2023	30 Sept 2024	Grade 3	70%	GREEN									
	Progress to Update (Update provided 23/01/24)	The Asset Management Department will continue to explore opportunities to streamline use of its property portfolio, for example through the Shared Services Estates Collaboration group. A paper was presented to the Board on 30 th March 2023 with a recommendation to declare the West SDA office block in Hamilton as surplus and offer this site to other public sector bodies as per the guidelines contained within the Scottish Public Finance Manual. Only the Occupational Health team are now in the Hamilton offices, with the majority of moves having taken place. The desk booking system for Cambuslang HQ will be operational in quarter 1 of this year. Communication and training plan for this software is nearing completion.														

Outstanding actions to close the recommendation	Findings and recommendations from the Agile Working Framework review, once known, will be used to ensure offices are being used effectively and efficiently. In order to ensure that the remainder of SFRS office accommodation estate is being best utilised, the Asset Management Department have been asked to undertake an office accommodation review, this will report back later in 2024. A number of site visits are scheduled for later this year to review office accommodation. Request to move this action back to 30 th September 2024 due to workload and governance arrangements.
Azets Comments	Awaiting evidence of outcome of office accommodation review to determine whether accommodation is being utilised effectively in order to close action.

2022-23	Revenue & Funding Maximisation	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented				
				4	3	2	1	4	3	2	1	4	3	2	1	
		8	38%	0	0	3	0	0	3	2	0	0	0	0	0	0

Rec No. 1.3a	RISK	There is a risk that if the processes for external fund maximisation and funding opportunity identification are not formalised to maximise all available opportunities then SFRS could miss potential uses for existing funds and opportunities for further external funding.														
	<u>Funding, Revenue Opportunity Identification and Maximisation</u> <u>External Funding Maximisation</u> In order to ensure maximisation of external funding opportunities for SFRS, oversight should be centralised under the job role of either a single individual or group. The responsible party for the centralised approach should consider whether current funding in place is being fully utilised and assess all available funding opportunities to ensure that SFRS applies for and maximises the identified opportunities, As part of this role a log should be kept with all funding opportunities, whether they are applicable to SFRS, reason for applicability an the current status of the application.											Report Agreed Date	3rd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of Finance & Contractual Services (formerly Acting Head of Finance & Procurement)	<i>Agreed to improve the visibility of external funding by reporting progress on external funding through Good Governance Board for scrutiny.</i>											31 December 2022	31 March 2024	Grade 3	100%
Progress to Update (Update provided 24/01/24)	A centrally held repository has now been created and will be overseen by the Deputy Accounting Manager with collaboration between the Accounting and Decision Support sections feeding into this repository. As appropriate times, the Deputy Accounting Manager will produce a report to the Head of Finance and Procurement that will be presented to the GGB. GGB TOR has been updated to allow inclusion of reviews of external funding – pending the receipt of future funding to be available and progressed through governance.															
Outstanding actions to close the recommendation	Supporting Evidence forward & reviewed by Azets. Further supporting evidence is required by Azets before action can be closed. Email forwarded to finance 19/12/23 outlining additional supporting evidence still required.															
Azets Comments	Review of the evidence provided found that the GGB ToR only mentions oversight of the Policy, there was no mention within the ToR regarding the responsibilities and scrutiny of external funding and funding generated activities. There was also no mention regarding if consideration is being given to whether current funding in place is being fully utilised and all available funding opportunities are being assessed to ensure that SFRS applies for and maximises the identified funding. Awaiting evidence to confirm this in order to close the action.															

Rec No. 1.3c	RISK	There is a risk that if the charging process for accommodation is not revised to maximise all available chargeable opportunities, then SFRS could miss significant revenue generating opportunities. If revenue is not maximised for accommodation then there is a risk that SFRS are operating with unnecessary outgoing costs that could otherwise be recuperated.													
	<u>Funding, Revenue Opportunity Identification and Maximisation</u> <u>Accommodation Revenue Maximisation</u> There is an opportunity to maximise revenue for SFRS accommodation usage. The current cost basis for charging for accommodation should be reviewed to ensure all recoverable costs are recovered. This includes ensuring that there is a built-in charge to contribute to the capital costs of the building.											Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete

	Responsible Owner Agreed Response Director of Finance & Contractual Services (Formerly Acting Director of Asset Management)	<i>To maximise sharing opportunities and encourage participation we have sought to share with partners recovering running costs. We will consider with partners an amendment to sharing agreements that includes contribution to minor works to support normal wear and tear. For Capital, the contribution point may be at time of refurbishment or the need for a replacement building but this could be included in the agreement.</i>	30 June 2023	31 March 2024	Grade 2	90%	AMBER
Progress to Update (Update provided 23/01/24)	Space occupation agreements have been reviewed to determine if there is scope for an amendment to sharing agreements that includes contribution to minor works to support normal wear and tear. Preliminary discussions with collaboration partners at a Finance and Estates level have taken place at the Shared Services Meeting in October 2023. Collaboration partners are facing similar funding challenges as The SFRS are experiencing and for this reason they have rejected any changes to existing agreements. There has also been no major Capital investment since MacDonald Road Fire station project. Where there is a new project a different form of sharing agreement will be agreed.						
Outstanding actions to close the recommendation	This Action has been superseded by the consultation on Police and Fire shared services. Documentation forwarded to Azets 24/01/2023 for Review & decision of status of action.						
Azets Comments	Clarification required regarding evidence provided – meeting to be arranged between SFRS management and Azets Senior Manager to clarify outstanding issues prior to closing action.						
Rec No. 2.1	RISK	There is a risk that funds cannot be actively monitored in line with any specific requirements for monitoring and reporting, they cannot be assessed on an ongoing basis as to whether they meet the conditions and they cannot be reviewed post completion to see if the defined objectives have been met and that the funds have been maximised.					
	<u>External Funding Documentation</u> An exercise should be undertaken to identify which external funds have the applications and grant conditions on file. For those funds that do not have the documentation on files a re-engagement should be done to define the purpose, scope, objectives, conditions and monitoring arrangements for the existing funding projects. Further for all new external funding there should be a centralised shared file location where the funding documentation is saved. A specific staff member from each region should be assigned to centrally oversee record keeping and ensure that all funds have the required documentation on file.	Report Agreed Date	3rd Agreed Revised Date	Priority	% Complete	Status	
	Responsible Owner Agreed Response Director of Finance & Contractual Services (formerly Acting Head of Finance & Procurement)	<i>SFRS will review current external funding and seek appropriate documentation to support. In addition, a central repository for grants that include the applications and conditions will be created.</i>	31 March 2023	31 March 2024	Grade 3	60%	RED
Progress to Update (Update provided 24/01/24)	In conjunction with actions 1.3a and 1.3b this will complement the process of centralisation and will allow for a clearer oversight of funding documentation and in turn funding opportunities. Centralised process and repository have now been determined and evidence to be provided – Extension to date required to support timing of evidence to be provided to and reviewed by Azets						
Outstanding actions to close the recommendation	Further work is required to review existing funding projects to ensure all documentation has been capture & re-engage if needed.						
Azets Comments	Awaiting evidence of applications and grant conditions being retained on file centrally and/or re-engagement having taken place to agree details of the funding in order to close the action.						

		RISK	There is a risk that if there is no overarching group to scrutinise funding and revenue generating activities then SFRS will not have a consolidated top-level awareness of whether activities have been successful against deliverables and objectives and that use of funds and revenue opportunities are maximised.				
		<u>Funding and Revenue Generation Scrutiny Group</u>	Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status
Rec No. 3.1		<p>Scrutiny of external funding and revenue generating activities should be assigned to an existing governance group. The group should act as a central controller and monitoring point for fund and revenue generating activities. The group's remit should be amended to also cover:</p> <p><u>Scrutiny of funding beyond BAU capital funds</u></p> <ul style="list-style-type: none"> Monitoring of existing funds against defined objectives, Review of funds post completion for meeting objectives and maximising usage of funds, Scoping of future funding opportunities and which SFRS should apply for. <p><u>Revenue generating activities</u></p> <ul style="list-style-type: none"> Monitoring of existing activities for both maximisation of revenue from activities and to gain assurance that activities are conducted in line with defined objectives of the activity, Review of activities post completion to assess success and whether appropriate charges have been invoiced, Overview of key figures for current activities and planned future activities. <p>The group chosen to oversee this should be made up of senior staff members who act as central coordinators for each activity. Reports highlighting key activities, overall statistics, progress and planned future activities should be reported to the group. Having a centralised reporting process will allow for a greater top-level awareness of all revenue and funding streams and allow senior staff to have an oversight of whether opportunities are being maximised.</p>					
		<p>Responsible Owner Agreed Response</p> <p>Director of Finance & Contractual Services (formerly Acting Head of Finance & Procurement)</p>	<p><i>Agree to further oversight of external funding. SFRS has a Good Governance Board and it would be appropriate that the processes for external funding are monitored and reviewed by this Executive Board. The Service is setting up a SLT led Capital Programme Investment Group (CPIG) and additional capital will be reviewed by this new group. SFRS to amend the terms of reference of GGB to include external funding monitoring and scrutiny and to include as appropriate when terms of reference for the CPIG are agreed.</i></p>	31 December 2022	31 March 2024	Grade 3	100%
	Progress to Update (Update provided 24/01/24)	Linking into action 1.3a this will allow appropriate reporting to the GGB – in turn this will naturally grow the process to maximise the communication between departments and in subsequently provide an overall improvement to the full process of revenue maximisation. GGB TOR has been updated to allow inclusion of reviews of external funding – The Income generation policy clearly states the process for reporting through the GGB and the process of all income information being centrally held. At this time no income from External Funding has been received, however the process and methodology of governance has all been implemented to allow for governance to be followed in line with this action as and when income is received.					
	Outstanding actions to close the recommendation	Supporting Evidence has been forwarded to Azets for Review. Email forwarded to finance 19/12/23 outlining additional supporting evidence still required. Extension to date required to support timing of evidence to be provided and reviewed by Azets					
	Azets Comments	As per comments at 1.3a above.					

Rec No. 4.1	RISK	If there is no formal evaluation framework in place to evaluate the effectiveness of funding and revenue generating activities out with the P&P directorate, there is a risk that funds may not have met the defined objectives and opportunities for maximising fund usage and revenue generation. If this is not identified in an evaluation process, then missed opportunities for fund usage and revenue generation could occur and amount to a potential loss of revenue.														
	Evaluation Framework The evaluation framework should be expanded to other external funding areas not currently covered to improve consistency of approach and to ensure that lessons learned are captured and fed into planning for the use of future external funding.											Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of Finance & Contractual Services (formerly Acting Head of Finance & Procurement)											30 June 2023	30 Sept 2024	Grade 2	15%	AMBER
	The Service will expand the evaluation approach used by P&P to cover all external funding opportunities.															
Progress to Update (Update provided 24/01/24)		Initial discussions have been ongoing around a process to accommodate this however further work will be completed post the review of policy and procedures and centralisation of external funding initiatives – this will allow the whole process to be joined, understood and compliment the organisational aims and objectives														
Outstanding actions to close the recommendation		Work had been halted due to other commitments, ie, Year end. Work on action will now be accelerated. New date requested to allow for the collaborative engagement with other directorate to assist with the embedding of framework														
Azets Comments		Awaiting evidence of evaluation framework being extended to areas outwith P&P in order to close action.														

2022-23	Corporate Performance Management	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
				4	3	2	1	4	3	2	1	4	3	2	1
		4	50%	0	0	2	0	0	1	1	0	0	0	0	0

Rec No. 2.1	RISK	There is a risk that poor performance outcomes may not be identified as targets for achievement have not been set and data cannot be measured.														
	KPI Targets KPIs should be revised to ensure that each performance indicator has an appropriate target to ensure performance can be monitored effectively over time and appropriate action taken to address underperformance where it occurs. All KPIs should be SMART in nature, any current KPIs which are set as 'monitor' should be revised and potentially excluded from the performance indicator list and reported on elsewhere.											Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Head of Governance, Strategy & Performance											30 April 2023	30 April 2024	Grade 2	90%	AMBER
	Agreed. SFRS are currently reviewing the Performance Management Framework (PMF) key performance indicators. The indicators currently without an appropriate target will be reviewed.															
Progress to Update (Update provided 19/01/24)		<ul style="list-style-type: none"> - Majority of indicators for the SFRS Performance Management are in place. Targets have been finalised throughout March and April. - Not all indicators will have a target for 23/24 but those that can, will. Only 11 KPIs from 65 have no target but are actively being 'tracked' - PMF agreed by the SFRS Board. - New PMF reporting dashboards for Q1 23-24 - July 2023 used for SFRS Board papers August Meeting. 														
Outstanding actions to close the recommendation		Met with Azets. Of the remaining 11 KPI's Head of Governance, Strategy & Performance will review these in Q4 to determine targets where appropriate.														
Azets Comments		Awaiting evidence of targets being set for remaining 11 KPIs as stated above in order to close action.														

Rec No. 3.1	RISK	There is a risk that decisions are made based on incorrect or incomplete data, due to lack of processes in place to gather and review information related to KPIs, which could lead to financial loss and/or reputational damage.					
	<u>Data Accuracy and Quality</u>	Management need to ensure that a strong focus is placed on ensuring the quality and accuracy of performance data which is being produced and reported upon. This includes the following: 1. Looking at ways to improve the quality of the data produced by focussing on the integration of management information systems and the automatic production of performance data, whilst at the same time endeavouring to minimise the use of spreadsheets and manual intervention in the process. 2. Ensuring data is quality assured and validated to supporting information prior to being reported. Management should ensure that sufficient resources are in place to perform this important task.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Head of Governance, Strategy & Performance	1. <i>SFRS is establishing new data governance and quality management arrangements through the Data Governance Group. Integration or pipelining of SFRS systems to enable both greater automation and minimising of manual data processing has been identified as a priority. Requirements have been detailed, prioritised and submitted to ICT to be progressed throughout 2023.</i> 2. <i>SFRS will establish a central capability within the BI team to manage data quality and will put in place data quality action plans for key data sources.</i>	30 April 2024	n/a	Grade 3	70%	GREEN
Progress to Update (Update provided 19/01/24)	<ul style="list-style-type: none"> - Data Governance Group established. - OSR Standards adopted. - Systems pipelining and connectivity identified and prioritised. - Data quality framework in draft. - Design of reporting product between BI and Data Services and all SFRS directorates is on-going. - SFRS Data literacy Conference held in May 2023. 						
Outstanding actions to close the recommendation	<ul style="list-style-type: none"> - Work to progress the Office for Statistical Regulations (OSR) Standards as part of data quality work but is on hold due to lack of resources. - Pipeline of SFRS systems providing direct access to the Business Intelligence function by ICT is ongoing – it has not been prioritised. - Business Case submitted for dedicated Data Quality role within the service – approved in principle during January 2023 but no resources provided to create post. 						
Azets Comments	Awaiting evidence of the implementation of tasks stated above in order to class action as closed.						

2022-23	Training	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
				4	3	2	1	4	3	2	1	4	3	2	1
		6	50%	0	1	2	0	1	1	1	0	0	0	0	0

Rec No. 3.1	RISK	There is a risk that SFRS is not achieving best value for money as there has been limited consideration of training delivery options with all training currently delivered in-house.					
	<u>Cost Efficiency</u>	As well as considering savings on in-house training delivered, management should undertake a cost/benefit evaluation to access if better value could be sought by using external training providers for at least some elements of mandatory training, e.g. casualty care. This evaluation should be reviewed on a periodic basis to ensure best value continues to be achieved.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response AC Training Delivery & Performance	Training will, as part of its continuous improvement and through its governance processes, consider the outsourcing of training delivery to ensure best value is achieved and that it is reviewed as necessary.	01 April 2024	n/a	Grade 3	65%	GREEN

Progress to Update (Update provided 23/01/24)	Work continues in relation to the development of a robust process and system that will ensure best value is fully considered when looking at our training delivery options and programme of review. This has now been built into our governance arrangements which align with the <u>SFRS Good Governance Framework</u> and its principles, making sure that we secure best value. This will also be considered as part of the development of our Training Delivery Framework.
Outstanding actions to close the recommendation	The production of our Training Delivery Framework in the coming months will ensure that all elements of Training Delivery are carried out in a manner that's as effective and efficient as possible. External Training Provision will form part of these ongoing considerations. Additionally, a new zero-based budgeting approach within SFRS will ensure that all elements of training provision are considered within the scope of current budgetary challenges.
Azets Comments	Awaiting evidence of Training Delivery Framework to demonstrate VFM and that where appropriate, external training provision has been considered and utilised in order to close action.

Rec No. 4.1	RISK	There is a risk that firefighters are not adequately trained to perform in their role as they are not compliant with the TfOC or National Training Programme completion rates and are allowed to remain on active duty. In the event of serious harm or injury this could have operational and legal consequences leading to reputational and financial loss.				
	<u>Compliance Reporting</u> During the refresh of the Training Needs Analysis, roles and responsibilities for generating compliance reports and enforcing compliance are agreed and clearly set out. Where compliance with mandatory training is below the target of 95%, SFRS should provide explanations for this and develop action plans with assigned action owners and timescales to improve completion rates. In addition, competency should be assessed more formally on a frequent basis, with management devising appropriate methods for performing this assessment and providing clear guidance on the action to take should a firefighter be deemed to be not competent. Guidance should also be devised in respect of the process to be followed should an operational firefighter's refresher training not be fully up to date. The Training Function should also review reporting on compliance rates to ensure that if a firefighter has completed mandatory training, it is reported as compliant regardless of any subsequent change in position or location.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response AC Training Delivery & Performance	Training will develop a Skills Maintenance Framework that will clearly set out what is required within each skill set to ensure compliance. This will detail how skills will be assessed and what action will be taken should any personnel be deemed to be not yet competent or are out with their refresher training current periods.	01 April 2024	n/a	Grade 4	65%

Progress to Update (Update provided 23/01/24)	The development of this framework is progressing well. A workshop was held at the start of Nov'23, with the key Strategic leads and a Group Commander has been specifically tasked with leading this work which is now well underway with a first draft currently scheduled to be available by Feb/Mar'24 for scrutiny by the Director of TSA.
Outstanding actions to close the recommendation	Develop and produce the Skills Maintenance Framework.
Azets Comments	Awaiting evidence of completed Skills Maintenance Framework and its application in order to close this action.

Rec No. 5.1	RISK	There is a risk that staff do not feel their feedback is taken on board as the feedback implementation cycle is not fully transparent, leading to valuable staff feedback not being provided and the potential for reduced staff morale.				
	<u>Training Feedback</u> When improvement actions are agreed at MRG based on analysis of feedback, they should be assigned action owners and implementation timeframes. Once actions have been implemented by the responsible owner, communications should be issued to staff to demonstrate that feedback received is duly considered and taken on board, where appropriate to encourage further feedback.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status

	Responsible Owner Agreed Response AC Training Design & Development	Improvement actions identified through candidate experience and feedback will be fully captured by Training. Responsibility will be given to action owners to ensure the completion of agreed improvements and communicated to relevant stakeholder to demonstrate its value and encourage future submissions. Work is underway to improve how training capture and analysis feedback, moving from a paper-based system to an easy to complete e-form.	01 April 2024	n/a	Grade 2	90%	GREEN
Progress to Update (Update provided 23/01/24)		The electronic Nintex candidate feedback form is now complete and is being quality assured and in the process of being passed to Central Staffing Team C in order they can trial it against a sample of courses delivered over the next 6 to 8 weeks.					
Outstanding actions to close the recommendation		During the quality assurance stages and following the trial period, some further work is being carried out by the LED team to develop the capability of the form so it automatically sent out to candidates on the completion of their course. This is still on target for full implementation by April'24.					
Azets Comments		Awaiting evidence of electronic candidate feedback form being operational, evaluation of feedback taking place and outcome being communicated to staff in order to class this action as closed.					

2022-23	Personal Protection Equipment	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
				4	3	2	1	4	3	2	1	4	3	2	1
		6	67%	0	0	2	2	0	1	1	0	0	0	0	
Rec No. 2.2	RISK	There is a risk that new firefighters do not receive appropriately fitted fit in time to start their foundation training as roles, responsibilities and timescales in this regard are not clearly set out between staff within the Stores department and HR which could result in a delay in firefighters being able to take part in their foundation training.													
	<u>New Firefighter PPE</u> We acknowledge the interdependency between HR and the ARCs in relation to issuing new firefighters with PPE and that, to a certain degree, some of the issues identified are out with the control of the Stores department. However, in order to remedy this, HR and the ARCs should collaborate to develop a clearly defined protocol setting out responsibilities and timelines for fitting out firefighters with their PPE with appropriate communication between HR and the ARCs to ensure Stores staff have the capacity to carry out the fittings and are made aware in advance of the bookings made by HR.	Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response Scottish Equipment Manager/People	<i>We will work with colleagues from POD to develop and agree a clearly defined process setting out responsibilities and timelines for fitting out firefighters with their PPE. The process will include the need for appropriate communication between POD and the Asset Resource Centres to ensure Stores staff have the capacity to carry out fittings and are made aware in advance of the bookings made by POD.</i>	31 December 2023	30 June 2024	Grade 2	50%	GREEN								
Progress to Update (Update provided 23/01/24)		Further meeting with staff from the People Directorate and Asset Management have taken place. A process map / flow chart is being created that will clearly document the process for the issue of PPE. This will then be made available on iHub, recruiting managers page, and communicated throughout the Service													
Outstanding actions to close the recommendation		Continue to meet with People Directorate colleagues to agree the process map and thereafter meet with colleagues from corporate communications to agree communications plan. Extension to end of June 2024 requested to allow for completion and approval of final process map.													
Azets Comments		Awaiting evidence of defined process being put in place to ensure new firefighters receive their PPE in a timely manner in order to close action.													
Rec No. 5.1	RISK	There is a risk that the lack of a documented procedure and enforcement of such leads to PPE failing to be returned, creating a security risk as well as financial loss.													
	<u>Retrieval of PPE</u> Management should continue to explore options to incentivise leavers to return their PPE and seek legal advice on options available prior to agreeing approach. The agreed process should be set out within a procedure document which defines roles and responsibilities, and timescales for the return of PPE and clearly sets out the consequences of not returning PPE. This should be widely circulated to all relevant persons.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status									

	Responsible Owner Agreed Response Scottish Equipment Manager/People	<i>Asset Management have commenced work, in conjunction with POD and Service Delivery colleagues on a procedure which defines roles, responsibilities and timescales for the return of PPE. The procedure will include a methodology for the monitoring of items that have and have not been returned. This procedure will be incorporated within a SFRS Leavers process, which will be prepared by the POD Directorate.</i>	31 March 2024	n/a	Grade 3	60%	GREEN								
Progress to Update (Update provided 23/01/24)	People Directorate are reviewing the existing Exit Interview Policy this financial year, which will become a guidance note in future. In the meantime, the People Services Team have received an updated Leavers Kit Return List from Asset Management, which is issued to staff upon receipt of receipt of resignation/retiral. Correspondence issued to staff from People Services emphasises the actions required by both staff and line managers to ensure safe return of kit.														
Outstanding actions to close the recommendation	Schedule further meetings and continue to monitor return of kit against monthly leavers list. Finance and People Directorate colleagues have met to discuss the consequential action for not returning Kit, awaiting outcomes from this meeting. Communications Plan to be agreed explaining consequences for non-return of kit.														
Azets Comments	Awaiting evidence of appropriate arrangements being put in place to ensure leavers return of their kit in order to close action.														
2022-23	Capital Investment Strategy	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
				4	3	2	Ad	4	3	2	Ad	4	3	2	Ad
		3	66%	0	0	1	1	0	0	1	0	0	0	0	0
Rec No. 4.1	RISK	There is a risk that in the event of slippage, the most appropriate project to bring forward may not be selected due to it not being clearly identified through the risk assessment process potentially resulting in capital not being distributed appropriately and increased costs for maintenance in the long term.													
	<u>Evidence of prioritisation in the event of slippage</u> As per our recommendation at MAP 2.2, management should apply the same principle to documenting the rationale behind the selection of projects to bring forward into the capital programme in the event of slippage in order to make it more explicit as to why one project has been chosen to be brought forward over another.		Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status								
	Responsible Owner Agreed Response Director of Finance & Contractual Services (formerly Acting Head of Finance & Procurement)	<i>In order to maximise capital funding any slippage in projects is reallocated to projects included within the approved three year capital programme. Details of changes in funding allocation to projects are included in the capital monitoring reports. As part of Capital Monitoring Group, there is a discussion on appropriate reallocation, however "in year" spend relies upon availability of procurement contract and resources to deliver. The rationale for reallocating in these circumstances will be captured going forward as part of Capital Monitoring Group and included in capital monitoring reports to SLT and Board.</i>	30 Sept 2023	30 Sept 2024	Grade 2	90%	AMBER								
Progress to Update (Update provided 24/01/24)	The Capital Investment Strategy works on a risk-based approach which highlights a priority basis for any slippage in the financial year.														
Outstanding actions to close the recommendation	Ongoing assessments will continue to be reviewed within the Capital Monitoring Group each Financial Year going forward and further information to be forwarded to Azets as outlined below.														
Azets Comments	In order to class this action as closed, further evidence is required to demonstrate the rationale behind investment decisions and why one project has been selected over another with a clear explanation of and link to the degree of risk associated with the project.														

2022-23	Sickness Absence Management		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented				
					4	3	2	1	4	3	2	1	4	3	2	1	
			6	66%	0	3	1	0	0	1	1	0	0	0	0	0	
Rec No. 1.1	RISK	There is a risk of incomplete employee files with incorrect or mitted evidence relating to their sickness periods. Furthermore, this increases the risk of increased absences as sickness absence is not being managed effectively and employees may be felling unsupported within their job roles.															
	<u>Compliance with Policies and Procedures</u> Line managers should be given reminders or a fresher course on the requirements of the sickness absence policies and procedures and the role they play in managing sickness absence, with particular emphasis on the issues identified relating to E-Self Cert forms, Fit Notes and Attendance Support Meetings. In addition to this, sickness absence files should be checked over by another member of the management team after a period of absence to ensure all documentation is up to date and stored correctly to enforce consistency in relation to record keeping with the Service.			Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response People Manager (Advice & Employee Relations) & People Manager (Talent)	<i>Review current guidance for managers and update to include requirements for absence recording, monitoring of absence and management of data. Incorporate into new supervisory management development course and Middle manager development sessions.</i>		31 October 2023	30 April 2024	Grade 3	90%	AMBER									
Progress to Update (Update provided 23/01/24)		The review of the current guidance documentation has taken place. People Adviser leads have completed the action plan to progress the revisions to the middle manager development sessions and develop the inclusion of a managing absence toolkit in the management induction toolkit for implementation in 2024. Communication managers' reminder was issued in January 2024 and will be shared periodically. This includes reminding managers of the procedures and their responsibilities for the completion of E-self-certs, ensuring fit notes cover whole of absence period, submission and storage of fit notes and recording of ASMs. The Management Capability framework will be rolled out iteratively which will also encompass these aspects. Design of the broader framework beyond the 1 day session based on Senior Leadership Team feedback and an extension of content/ requirements/ delivery model will be discussed and confirmed in Q4. The one day development session will be piloted in the East Service Delivery Area early Q4 and reviewed to inform actions for 2024/25 and will remain iterative.															
Outstanding actions to close the recommendation		Discussion around the development of an independent periodic verification process of compliance between People and Audit & Risk commenced in Quarter 4 (this is covered in Rec No 4.2 below so propose that this action could be marked as 100% complete with 4.2 remaining open to cover this?)															
Azets Comments		Awaiting evidence of checks being undertaken by management to ensure all documentation has been correctly retained in order to close this action.															
Rec No. 4.2	RISK	Failure to hold Attendance Support Meetings means that the underlying reasons for repeated periods of sickness may remain undetected and appropriate support may not be offered to help the employee reduce their periods of absence due to sickness.															
	<u>Absence Triggers</u> Checks should be performed by a senior staff member on a frequent basis to ensure Attendance Support Meetings have been carried out and appropriately documented with any outstanding meetings being completed at the next available opportunity.			Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response People Manager (Advice & Employee Relations) & People Manager (Talent)	<i>Attendance Management Guidance to be updated to ensure managers responsibility to review absences within their area and ensure appropriate action and documentation is clear. Management development sessions to incorporate this.</i>		31 October 2023	30 April 2024	Grade 2	90%	AMBER									
Progress to Update (Update provided 23/01/24)		The improvements identified in the Guidance documentation will be implemented in 2024 and is supported in the meantime by the managers reminders communication issued in January 2024.															

	Discussions with SDA DACO's were delayed due to absence to consider an independent process for managers vetting of case work within their areas or alternative options which may assist in providing similar assurance, with the view being that whilst local managers would monitor compliance, the preference would be for an independent verification process to provide assurance of compliance across the Service. Discussions have commenced around the development of an independent periodic verification process of compliance between People and Audit & Risk, with further development of this across Quarter 4.
Outstanding actions to close the recommendation	Development and agreement of internal independent verification process to take place on a periodic basis to ensure continued compliance.
Azets Comments	We understand that arrangements with the Verification team are still to be discussed and agreed. Evidence of the independent verification process (once agreed) is required to close this action.

2022-23	SVQ Review	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented				
				4	3	2	1	4	3	2	1	4	3	2	1	
		3	33%	0	1	0	0	0	1	1	0	0	0	0	0	0

Rec No. 4.3	RISK	Failure to have appropriate arrangements in place for monitoring and succession planning in respect of Internal Assessors and Verifiers thereby ensuring that an appropriate number of qualified and experienced staff are retained to perform IA and IV duties, could result in failing to replace staff key to the award of the SVQ leading to the organisation's ability to award the qualification being withdrawn once again.										
	<u>Resourcing</u>	Management must ensure that the quota of qualified and experienced Internal Assessors and Verifiers is continuously monitored to ensure that sufficient numbers are retained to aid the SVQ award. Appropriate succession planning arrangements should be put in place to ensure that Internal Assessors and Verifiers leaving the Service are suitably replaced.						Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Deputy Head of People	<i>Deliver training to increase the number of assessors and verifiers, across the SFRS to an appropriate level. Establish a process with Workforce Planning to ensure that the retirement profile is monitored and planning arrangements in place to replace those who exit SFRS.</i>						31 March 2024	n/a	Grade 3	75%	GREEN

Progress to Update (Update provided 23/01/24)	<p>Training to Increase SFRS Assessor and Verifier Numbers Engagement with Service Delivery Area colleagues has identified priority nomination for training for an additional 55 assessors and verifiers training. This training has been procured and commenced across a framework of external providers and is being proactively monitored on a monthly basis by the Service's Vocational and Apprenticeship Coordinators. Progress and updates are shared and discussed with the established SVQ/MA working group which includes Service Delivery, Training and People colleagues.</p> <p>The development of the internal Assessor/ Internal Verifier training course and induction has been approved by SQA and the hold partially lifted to allow a course to take place. An initial cohort of 15 will attend the revised training course in January 2024. Following this, with SQA approval, further mandatory training will be scheduled, appropriate to role. Colleagues who commenced the external training course are continuing to complete this.</p> <p>SFRS Assessor and Verifier Succession Planning Arrangements Initial discussions have commenced between the Vocational and Apprenticeship team and Workforce Planning team to establish a process to monitor the retirement profile, including assessor and verifier succession planning arrangements. Weekly meetings have now been established to monitor and discuss the retirement profile, including in relation to Assessor and Verifier planning arrangements</p>
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Outstanding actions to close the recommendation	Complete the initial training course in January and consider feedback from SQA.
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Azets Comments	Evidence of Internal Assessor/Verifier training course required as well as evidence of succession planning arrangements in order to close action.
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Rec No. 5.4	RISK	Inadequate governance arrangements including the lack of oversight and ownership of the SVQ has no doubt been an issue which has contributed to the failures associated with the SVQ award.									
	<u>Governance – Ownership & Oversight</u>	Going forward it is essential that ownership of the Internal Assessment and Verification functions as well as oversight of the operation of the SVQ award in general is assigned with responsibilities for monitoring compliance and scrutiny clearly defined. This will ensure SFRS is well positioned to stay compliant with SQA guidance and will assist in mitigating the likelihood of similar issues occurring again. To achieve this SFRS should require an annual review of SVQ award arrangements to confirm alignments with SQA requirements. This review should be undertaken at a sufficiently senior level jointly within the People and Service Delivery Areas.						Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete

Responsible Owner Agreed Response Deputy Head of People	<i>Establish a review panel, comprising of Strategic Managers from People, Service Delivery and Training to provide an annual review and assurance of the SVQ process.</i>	31 December 2023	29 Feb 2024	Grade 2	40%	GREEN
Progress to Update (Update provided 23/01/24)	Internal discussion within the People Directorate have commenced and will continue through established People Meeting structures. Discussions have progressed with the SQA (External Verification Body), Training and Service Delivery. An SVQ Working Group has been established with includes the SVQ team, Alasdair Cameron, Area Commander as lead Training representative and colleagues from across all three Service Delivery Area. Further engagement has taken place regarding the direction of the SVQ / MA. An annual review and assurance process will now be finalised to be incorporated into this.					
Outstanding actions to close the recommendation	A terms of reference will be developed detailing the role and responsibility of the review panel, incorporating the future direction of the SVQ process. An extension to the 29 February 2024 is requested to enable this action to be concluded due to the requirement to reprioritise resources for the recent SQA Systems Audit, SQA Development session and HMIE Inspection.					
Azets Comments	Awaiting evidence of terms of reference of review panel and how oversight of the operation of the SVQ will be carried out in order to close the action.					

2023-24	Workforce Planning – On Call Firefighters (Attraction & Recruitment)	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented				
				4	3	2	1	4	3	2	1	4	3	2	1	
		5	0	0	0	0	0	0	5	0	0	0	0	0	0	
Rec No. 1.1	RISK	Inappropriate recruitment and selection processes may be applied, due to the Policy not being current which could result in financial loss and/or reputational damage.														
	<u>Recruitment & Selection Policy</u>	The Recruitment and Selection Policy should be refreshed and should cover On Call recruitment considering the changes introduced as a result of the On Call Improvement Programme. A review schedule should be agreed and consistently applied to ensure the policy is kept up to date going forward.										Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response People Manager (Talent)	<p><i>Review of the R&S Policy will take place in 2024, following a number of delays due to competing organisational priorities. However, the approach is to streamline SFRS People Policies with these covering aims, principles and overall approach however, the detail associated with R&S processes including the On Call end-to-end R&S process will be captured in separate guidance rather than in the Policy itself.</i></p> <p><i>Ensure that guidance in respect of the On Call R&S process is refreshed (with role responsibilities detailed i.e. local area accountability for timely candidate progression) and communicated to both Recruiting Managers and colleagues to ensure transparency around the revised process and that this is fairly and consistently applied.</i></p>										31 March 2024	n/a	Grade 2	70%	GREEN
Progress to Update (Update provided 23/01/24)	A review of the R&S Policy has commenced. The Policy will outline the Service's overall approach to R&S and will signpost separate guidance documents that detail the arrangements for specific recruitment processes such as the On Call R&S process. A short guidance document is being developed that will clearly summarise recruiting manager and stakeholder responsibilities during the On Call process. The guidance document will be shared with stakeholders for review and finalised aligned to implementation in March 2024.															
Outstanding actions to close the recommendation	Draft guidance document to be finalised and shared with stakeholders for review. The guidance document will be saved on the On Call Recruitment SharePoint Site (accessible to all recruiting managers) and a short brief provided at the first available On Call Practitioners Forum (31 Jan Forum postponed) to inform all stakeholders and seek feedback. R&S will remain a standing agenda item on this Forum Agenda to allow ongoing updates/cascade of messaging and re-enforcement of responsibilities. Any changes to process will be captured and guidance updated timeously.															
Azets Comments	Awaiting evidence of review of R&S Policy and guidance produced on the recruitment process in order to close the action.															

Rec No. 2.1	RISK	There is a risk that continuous improvement is not achieved, due to a lack of feedback mechanism in place, resulting in financial loss and/or reputational damage.					
	PREP Feedback	A formal feedback mechanism should be introduced to obtain feedback from recruits/candidates who have successfully completed their assessments and participated in the Pre-Recruitment Engagement Programme. The feedback obtained should be analysed and used to inform the future of the Pre-Recruitment Engagement Programme.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response People Manager (Strategic Partnering)	<i>Develop evaluation form for On Call candidates who have participated in the Pre-Recruitment Engagement Programme to capture their individual feedback on this programme and its effectiveness. Communicate this and develop accompanying process to ensure this is issued, collated and analysed for each candidate, with outcomes shared through appropriate governance/Directorate structures to inform the ongoing evaluation and evolution of PREP as a tool in supporting recruitment of On Call colleagues.</i>	31 January 2024	n/a	Grade 2	100%	GREEN
Progress to Update (Update provided 23/01/24)	A Candidate Feedback Form has been developed and embedded within the administration workflow. The feedback form will be issued by the resourcing admin team, to ALL applicants as they leave the process or are successful in securing an offer. Returns will be regularly monitored, and analysis undertaken quarterly. A summary of themes/trends will be shared with stakeholders for consideration of actions required. Recruiting Managers will be briefed at the next available Local Practitioners Forum (31 Jan Forum postponed) and asked to encourage feedback is provided. First Review/Analysis scheduled for end of April. Template for sharing outcomes to be finalised and follow up engagement with managers to be scheduled. Reporting will be to the On Call Strategic Co-ordination Group which meets monthly.						
Outstanding actions to close the recommendation	Evidence of final candidate feedback form and Resourcing administration workflow to be provided to Azets. Supporting evidence to be forwarded by responsible owner						
Azets Comments	Awaiting evidence of feedback as described above in order to close recommendation.						
Rec No. 2.2	RISK	There is a risk SFRS are not identifying the reasons behind withdrawn applications and potential barriers to candidates continuing on with the PREP, due to a lack of consistent analysis of candidate figures, resulting in potential loss of good candidates and reputational damage.					
	PREP Analysis	The analysis currently being performed should be enhanced to include further detail on the uptake of PREP such as: • The number of recruits who were given the opportunity to participate in PREP against those who did participate and those who chose not to; and • The number of recruits who did participate in PREP, but subsequently went on to withdraw their applications and the reason why. This will assist in determining the effectiveness of the programme and future recruitment activities.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response People Manager (Strategic Partnering)	<i>Review and revisit current On Call R&S dashboard to include additional detail regarding what stage candidates participating in PREP withdraw from the process and the reasons for this. Ensure that this dashboard information is being presented to the appropriate SFRS forums to ensure this can fully inform decision making in respect of the evolution of PREP in supporting On Call recruitment.</i>	31 March 2024	n/a	Grade 2	40%	GREEN
Progress to Update (Update provided 23/01/24)	Improvements to the dashboard to capture dropout rates are under review at present.						
Outstanding actions to close the recommendation	Changes to the Candidate Tracker are being explored to support dashboard analysis. Recruiting manager guidance being developed to help reaffirm stakeholder responsibilities and encourage timely review/updates to candidate tracker. Template for sharing information is yet to be developed.						

Azets Comments		Awaiting evidence of enhanced analysis of candidate numbers in order to close recommendation.					
Rec No. 2.3	RISK	There is a risk candidates are not given the opportunity to participate in PREP, due to inconsistent completion of the suitability discussion checklist, resulting in a lack of appropriate support to candidates through the recruitment process and potentially failing to attract good candidates to the Service.					
	PREP Documentation	Recruiting managers should be reminded of the need to ensure that the suitability discussion template is consistently completed in full for each candidate.	Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response People Manager (Strategic Partnering)	<i>Guidance to be updated and issued, supported by LSO briefings, to reflect the requirement for all On Call Recruiting Managers to ensure full completion of the suitability discussion template for each candidate, including discussions around the suitability of PREP to support the individual. Also capture this more fully within R&S Recruiting Manager briefing sessions so this responsibility is clear to new Recruiting Managers</i>	31 December 2023	29 Feb 2024	Grade 2	85%	GREEN
Progress to Update (Update provided 23/01/24)	Guidance reinforcing recruiting manager responsibilities for fully completing the Suitability Discussion Checklist has been captured within the guidance document being collated (Ref to Action 1.1 due to be implemented fully in Mar 24). In meantime, the resourcing admin team are currently reviewing all checklists submitted and returning to the recruiting manager if not fully completed.						
Outstanding actions to close the recommendation	Recruiting Managers will be briefed at the next available Local Practitioners Forum (31 Jan Forum postponed)						
Azets Comments		Awaiting evidence to demonstrate recruiting managers have been reminded of the need to complete the suitability discussion template in a consistent manner in order to close the action.					
Rec No. 4.1	RISK	There is a risk of fraudulent activity and/or errors, due to the lack of review and segregation of duties when completing and authorising new starter information forms, leading to financial loss and/or reputational damage.					
		All new start information forms should be completed and subsequently reviewed/authorised by a suitable member of staff in accordance with internal procedures.	Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Area Commander, People	<i>Issue reminder to Recruiting Managers to ensure new start forms are fully authorised prior to being submitted and amend administration process to ensure this is returned for completion if missing prior to processing appointee.</i>	31 December 2023	31 Jan 2024	Grade 2	100%	GREEN
Progress to Update (Update provided 23/01/24)	While the action relates to reminding recruiting managers, this is an internal admin team process - the People Services Resourcing Team compile the New Start Form and use this to create an employee record on ITrent. As such, the team workflow/guidance has been updated to reflect requirement for fully completed forms and an internal check process applied. The People Manager – People Services has briefed the admin team and will monitor compliance.						
Outstanding actions to close the recommendation	Evidence of People Services administration workflow or email communications to team re internal check/verification process to be provided to Azets. Supporting evidence to be forwarded by responsible owner						
Azets Comments		Awaiting evidence of administration workflow/email communications to team setting out the internal check/verification process in order to close action.					

2023-24	Budgetary Control *4.2 is classed as 1 recommendation		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented				
					4	3	2	1	4	3	2	1	4	3	2	1	
			4	25%	0	0	0	1	0	2	1	0	0	0	0	0	
Rec No. 1.1	RISK	There is a risk that budget holders are not appropriately informed or consulted on their draft budgets prior to submission for approval. This could lead to disagreements on budgetary requirements, and incorrect allocation of funds, resulting in future variances against projected and actual spend.															
	Consultation with budget holders SFRS should ensure that all budget holders are consistently given the opportunity to review and provide comment on their budgets prior to submission for SLT/Board approval. The reason for any significant variance between the final approved budget and that expected by the budget holder should be investigated so that the budget holder is satisfied that there is a reasonable explanation for any difference.			Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response Decision Support Manager	The budgetary control framework and timetable will be updated to include: • A final consultation with budget holders prior to the budgets being scrutinised by SLT. • A review of the final budgets with budget holders once they have been approved and loaded into the finance system.		01 December 2023	n/a	Grade 2	90%	GREEN									
Progress to Update		The budgetary control framework has been updated to include: <ul style="list-style-type: none"> A final consultation with budget holders prior to the budgets being scrutinised by SLT. A review of the final budgets with budget holders once they have been approved and loaded into the finance system. A summary paper has been drafted setting out the changes to the Budgetary Control Framework and this will require approval by the Good Governance Board.															
Outstanding actions to close the recommendation		The updated Budgetary Control Framework will be presented to the Good Governance Board on the 12 th December for approval. Once approved the updated version will be uploaded onto Ihub.															
Azets Comments		Awaiting evidence of updated budgetary control framework and associated timetable in order to close recommendation.															
Rec No. 4.1	RISK	There is a risk that, due to the lack of clarity over the circumstances where a business case is required, decisions may be made in relation to significant spends without sufficient information upon which to base them, leading to potential significant overspends and resulting in financial sustainability not being achieved															
	Business Case Process The monetary value which determines when a business case is required and which type needs to be clearly defined, in order to promote clarity and ensure high value spends and business altering projects are subject to the correct level of scrutiny and approval.			Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response Decision Support Manager	The business cases process will be updated to set out the financial parameters that dictate when a business case should be prepared and which level of business case is required.		01 December 2023	30 September 2024	Grade 3	10%	GREEN									
Progress to Update		Drafting of the updated Business Case is in progress, however this also links to the determination of stewardship of the Business Case process sits within the Service. Discussion underway to determine Stewardship, financial parameters and governance routes.															
Outstanding actions to close the recommendation		Agreement of Stewardship, Financial parameters and approval through governance – Due to other work priorities including 24/25 budget prep and year end and to allow for time for appropriate decisions on Stewardship and resulting process, as well as progress through SFRS governance.															
Azets Comments		Awaiting evidence re agreement of stewardship, financial parameters and approval route for business cases in order to close action.															

Rec No. 4.2*	RISK	There is a risk that the process for business cases is not always followed consistently and decisions are not adequately informed or evidenced. This could lead to an inability to evidence that expenditure is being committed consistently with procurement and value for money principles applied, resulting in expenditure being committed that may be detrimental to the Service's financial health.									
		SFRS needs to ensure that all relevant steps required for processing business cases are completed and fully documented including following the agreed governance route. In addition, it needs to be made clear as to who is responsible for overseeing the business case process and ensuring compliance with internal procedures.	Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete	Status				
	Responsible Owner Agreed Response Decision Support Manager	<i>A corporate communication will be issued to reiterate the need for business cases to be completed in full. And offering training to anyone completing business cases.</i>	01 December 2023	n/a	Grade 3	90%	GREEN				
Responsible Owner Agreed Response Acting Head of Finance & Procurement	<i>A review of where best, within the Service, the stewardship of the business case process sits will be undertaken and the business case process will be updated accordingly.</i>	30 November 2023	30 September 2024	10%		GREEN					
Progress to Update	Corporate comms drafted and in process of approval. Stewardship of Business Cases being reviewed as part of task at 4.1										
Outstanding actions to close the recommendation	Comms to be approved and published on iHub. Stewardship of Business Cases being reviewed as part of task at 4.1										
Azets Comments	As per 4.1 above.										

2023-24	Equality, Diversity & Inclusion <small>*2.1 & 5.1 are classed as one recommendation</small>	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
		5	25%	4	3	2	1	4	3	2	1	4	3	2	1
Rec No. 1.2	RISK	The Equality and Diversity Charter may become outdated and obsolete if it is not subject to periodic review to ensure it remains fit for purpose.													
		Review of Equality and Diversity Charter SFRS should ensure the Equality and Diversity Charter is subject to periodic review and that this is evidenced by ensuring appropriate version control is recorded on the document. Should any updates be required if there are any changes in Scottish Regulations for Mainstreaming Equality, these should be made in a timely manner.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status								
	Responsible Owner Agreed Response EDI Manager	Review as required the Equality and Diversity Charter to ensure this remains up-to-date and relevant, taking account of the outcomes of the review of the Scottish Regulations for Mainstreaming Equality. This should include appropriate version control.	31 March 2025	n/a	Grade 2	0%	GREEN								
Progress to Update (update provided 29/01/24)	This item will not progress until Q3 2024 following receipt of further information regarding renewal of Public Sector Equality Duty regulations.														
Outstanding actions to close the recommendation	Review of Charter following receipt of changes to PSED regulations and introduction of version control onto the document.														
Azets Comments	Awaiting updated Equality and Diversity Charter which includes version control in order to close action.														

Rec No. 2.1*	RISK	There is a risk that there are errors in the tracking of completion rates for EDI training, this could lead to incomplete mandatory training going unaddressed, and result in staff not having an appropriate awareness of and approach to EDI matters.					
	Monitoring of training completion data	Management should ensure that the system is being updated with relevant employee data (new joiners/ leavers/ transfer of location) regularly in order for it to produce accurate training completion rates. An overall summary table should be included in the report that differentiates completion rates for operational and non-operational staff to improve the presentation of the report and make it easier to understand.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response EDI Manager/ People Services Manager	A process to be developed and introduced between People and Training, Safety and Assurance colleagues that enables the employee data on the Learnpro system to be periodically updated to ensure accurate reporting of training completion data.	31 March 2024	n/a	Grade 2	5-10%	GREEN
	Responsible Owner Agreed Response EDI Manager/ Learning Content, E-Systems and Performance Manager	Reporting of E&D/Professional Behaviours training completion rates to be reviewed and enhancements to the presentation of the report introduced, including a summary table containing breakdown by employee group.	31 March 2024	n/a	Grade 2	5%	GREEN
Progress to Update (update provided 29/01/24)	A meeting between EDI and Training function has been scheduled for early February.						
Outstanding actions to close the recommendation	An agreed process to provide TAS with current workforce profile data and a renewed reporting template of completion rates.						
Azets Comments	Awaiting evidence of agreed process for reporting EDI training completion rates in order to close action.						

Rec No. 4.1	RISK	In the absence of a centralised record of EHRIAs, there is an increased risk that an EHRIA may not have been performed where required. There is also a risk of the EHRIAs not being reviewed and updated in a timely manner which could result in SFRS not having given adequate consideration to EDI matters when approving policies etc.					
	Central record of Equality and Human Rights Impact Assessments	SFRS should maintain a centralised record of Equality and Human Rights Impact Assessments which have been performed along with their respective review dates. As part of this, SFRS should consider whether there are any common issues identified as part of the assessment process from which lessons for future improvement could be learned	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response EDI Manager	Develop and collate a register of existing Equality and Human Rights Impact Assessments and introduce guidance to assist managers in updating the register as they complete an EHRIA.	30 June 2024	n/a	Grade 2	10%	GREEN
	Progress to Update (update provided 29/01/24)	Collation of a centralised record of Equality and Human Rights Impact Assessments has commenced.					
Outstanding actions to close the recommendation	Completion of centralised record of impact assessments and review of method of capturing information about impact assessments.						
Azets Comments	Awaiting evidence of centralised register of EHRIAs and capture of lessons learned for future improvements in order to close action.						

Rec No. 5.1*	RISK	There is a risk that important actions raised as part of the Equal Pay and Gender Pay Gap report have not been monitored and progressed as required. In addition, there is a risk that as part of making EDI 'business as usual', directorates may not give sufficient consideration to EDI matters and monitor EDI related actions appropriately in order to provide the EDI team with sufficient information for them to perform their role effectively and efficiently.					
	5.1 Action Plan Monitoring	Management should review the Action Plan created as part of the Equal Pay and Gender Pay Gap report 2023 to ascertain how these actions are being taken forward and monitored, if still required. In addition, the EDI Manager should consider what enhancements could be made to the current monitoring/reporting arrangements in relation to EDI actions with particular consideration given to the role of the Equality Partnership Group and ways in which the Directorates could facilitate this process in order to improve effectiveness and efficiency of the EDI monitoring and reporting arrangements.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response EDI Manager/Reward Manager	Undertake a mapping exercise of the Action Plan within the Equal Pay and Gender Pay Gap report 2023 to identify where and how each action is being progressed. A summary of progress against each action to be provided to Corporate Board.	30 June 2024	n/a	Grade 2	40%	GREEN
	Responsible Owner Agreed Response EDI Manager	Review the Terms of Reference and attendees of the Equality Partnership Group to incorporate clear expectations regarding the role of the group in relation to EDI monitoring and reporting and reinvigorate the group itself	31 March 2024	n/a	Grade 2	0%	GREEN
Progress to Update (update provided 29/01/24)	A mapping exercise of the Equal Pay and Gender Pay Gap Report action plan against other reporting lines of those actions has been completed by the EDI Manager. A meeting between EDI and Reward Teams on 31/1/23 to discuss mapping exercise and to inform how the biennial Report to Corporate Board can access the information required to provide an update on the action plan element of the Report. No progress to report on the review of the Equality Partnership Group.						
Outstanding actions to close the recommendation	Review of the Equality Partnership Group and report Equal Pay and Gender Pay Gap information to Corporate Board.						
Azets Comments	Awaiting evidence of progress re Equality Partnership Group and review/reporting on progress made in relation to actions taken arising from the Equal Pay and Gender Pay Gap Report in order to close action.						

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/11-24

Agenda Item: 8

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	26 MARCH 2024						
Report Title:	AUDIT ACTION PLANS AND CLOSING REPORTS UPDATE						
Report Classification:	For Information Only	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		A	B	C	D	E	F
1	Purpose						
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with an overview update of the current audit and inspection action plans.						
1.2	There are no closing reports to consider.						
2	Background						
2.1	The Auditor General reports to the Scottish Government on our performance. Following the publication of the reports, action plans are prepared to address the issues or recommendations that are highlighted within the report.						
2.2	Similarly, HMFSI inspects and reports on the Scottish Fire and Rescue Service (SFRS) with the purpose of assuring the public and Scottish Ministers that we are working in an efficient and effective way, and to promote improvement in the Service.						
2.3	In line with the thematic process agreed in May 2020 once approved, action plans will be presented to ARAC to scrutinise progress.						
3	Main Report/Detail						
3.1	ARAC members are presented with the current Audit and Inspection overview dashboard, attached as Appendix A , for information. This provides high level details of all action plans (HMFSI Actions Plans and Auditor General Action Plans) and includes a section detailing ongoing and forthcoming inspections and reports.						
3.2	The dashboard shows that 16 out of the 19 total Action Plans are complete. Of the three remaining live Actions Plans: <ul style="list-style-type: none"> • Health and Safety: An Operational Focus is amber due to a slip in some timescales. The majority of Actions are expected to be completed by April 2024; however, two actions are dependent on the completion of the iHub/Website Project. At the time of reporting, anticipated completion dates of this project were not available. • Firefighting in Highrise Buildings remains amber due to a slip in timescales. The overall end date of the action plan has moved from December 2023 to March 2024. It is expected that the full Action Plan will be completed by this extended end date. <i>NB: This update was made to the Corporate Coard in February 2024 and is dependent on completion of the iHub/Website Project.</i> • Command and Control Mobilising System is progressing well, is green, and 95% complete. 						

3.3	<p>There are three new Action Plans that have recently been presented to the Strategic Leadership Team (SLT):</p> <ul style="list-style-type: none"> • Climate Change – Impact on Operational Activity: approved by SLT in February 2024, the first progress update will be presented to the Corporate Board in June 2024. • East Service Delivery Area: approved by SLT in February 2024, the first progress update will be presented to the Corporate Board in June 2024. • Review of contingency planning arrangements in relation to potential industrial action: presented to SLT in March 2024 alongside an interim progress update, the first formal progress update will be presented to the Corporate Board in June 2024.
3.4	The Mental Health and Wellbeing Support in the Scottish Fire and Rescue Service Report was published in December 2023 and presented to SLT on 23 January 2024.
3.5	The report contains 20 recommendations and requires collective ownership across the Service. There are plans to engage with stakeholders to identify the actions, timescales and owners for each of the actions. However, the Wellbeing Development resource who would normally progress this has been seconded to support the current Modern Apprentice and SVQ activity. As such, the period of engagement will require to be extended with the intention that the action plan is submitted to SLT in April 2024.
4	Recommendation
4.1	<p>The ARAC members are invited to:</p> <ul style="list-style-type: none"> • Note the progress of all action plans as presented in the Audit and Inspection Dashboard, attached as Appendix A.
5	Key Strategic Implications
5.1	Risk
5.1.1	There are no risks associated with the recommendations of this report.
5.2	Financial
5.2.1	There are no financial implications associated with the recommendations of this report.
5.3	Environmental & Sustainability
5.3.1	There are no environmental implications associated with the recommendations of this report.
5.4	Workforce
5.4.1	There are no workforce implications associated with the recommendations of this report.
5.5	Health & Safety
5.5.1	There are no health and safety implications associated with the recommendations of this report.
5.6	Health & Wellbeing
5.6.1	There are no health and wellbeing implications associated with the recommendations of this report.
5.7	Training
5.7.1	There are no training implications associated with the recommendations of this report.
5.8	Timing
5.8.1	Each HMFSI Action Plan will be reported to the Senior Management Board on a quarterly cycle until completion.

5.9 5.9.1	Performance This process supports robust challenge and scrutiny of our performance against HMSFI recommended improvements.
5.10 5.10.1	Communications & Engagement There is no implication associated with the recommendations of this report.
5.11 5.11.1	Legal The arrangements for independent inquiries into the state and efficiency of the SFRS are a statutory requirement as laid out in Section 43 of the Fire Scotland Act 2005.
5.12 5.12.1	Information Governance A Data Protection Impact Assessment (DPIA) is not required for this report as there is no sensitive information to consider.
5.13 5.13.1	Equalities An Equality and Human Rights Impact Assessment (EHRIA) is not required for this this report. These will be captured by Directorate and LSO EHRIAs.
5.14 5.14.1	Service Delivery There are no service delivery implications associated with the recommendations of this report.
6	Core Brief
6.1	Not applicable
7	Assurance (SFRS Board/Committee Meetings ONLY)
7.1	Director: Mark McAteer, Director of Strategic Planning, Performance and Communications
7.2	Level of Assurance: (Mark as appropriate) Substantial/ Reasonable /Limited/Insufficient
7.2	Rationale: Following receipt of Audit Reports, Action Plans are developed in conjunction with Directorates and approved via the Strategic Leadership Team and the nominated Executive Committee of the Board. Quarterly reporting is made to the Senior Management Board and nominated Executive Board until full completion of the Action Plan.
8	Appendices/Further Reading
8.1	Appendix A: Audit and Inspection Overview Dashboard
Prepared by:	Louise Patrick, Strategic Planning and Partnerships Coordinator
Sponsored by:	Richard Whetton, Head of Governance, Strategy and Planning
Presented by:	Mark McAteer, Director of Strategic Planning, Performance and Communications
Links to Strategy and Corporate Values	
Our audit and inspection process contributes to Strategic Outcome 5 of the Strategic Plan 2022-25: We are a progressive organisation, use our resources responsible and provide best value for money to the public.	

OFFICIAL

Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Strategic Leadership Team</i>	<i>20 February 2024</i>	<i>For Decision (East SDA and Climate Change Action Plans)</i>
<i>Corporate Board</i>	<i>21 February 2024</i>	<i>For recommendation (Firefighting in High Rise Buildings; Health and Safety; and Command and Control)</i>
<i>Service Delivery Committee</i>	<i>27 February 2024</i>	<i>For scrutiny (Firefighting in High Rise Buildings)</i>
<i>People Committee</i>	<i>7 March 2024</i>	<i>For scrutiny (Health and Safety)</i>
<i>Strategic Leadership Team</i>	<i>19 March 2024</i>	<i>For Decision (Industrial Action)</i>
<i>Audit and Risk Assurance Committee</i>	<i>26 March 2024</i>	<i>For information</i>
<i>Change Committee</i>	<i>2 May 2024</i>	<i>For scrutiny (CCMS)</i>

AUDIT AND INSPECTION OVERVIEW DASHBOARD

HMFSI Thematic Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAU	Void	% Complete	RAG
Apr-22	Health and Safety: An Operational Focus	PC	Aug-24	-	18	Feb-23	Jun-24	0	7	0	10	0	0	1	0	0	90%	Yellow
Sep-22	Firefighting in Highrise Buildings	SDC	Mar-24	-	8	Feb-23	Jun-24	0	4	0	4	0	0	0	0	0	80%	Yellow
Apr-23	Command and Control Mobilising System (CCMS)	CC	Apr-24	-	6	Feb-23	Jun-24	0	1	0	5	0	0	0	0	0	95%	Green
Sep-23	Climate Change – Impact on Operational Activity - action plan presented to SLT in February 2024	TBC	Apr-25	-	-	-	Jun-24	-	12	-	-	-	-	-	-	-	-	-
Oct-23	East Service Delivery Area (ESDA) - action plan presented to SLT in February 2024	TBC	Mar-25	-	-	-	Jun-24	-	9	-	-	-	-	-	-	-	-	-
Dec-23	Mental Health and Wellbeing Support in SFRS - action plan going to SLT in April 2024	TBC	TBC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

HMFSI Focused Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAU	Void	% Complete	RAG
May-23	Review of contingency planning arrangements in relation to potential industrial action - action plan presented to SLT in March 2024	TBC	Apr-24	-	-	Mar-24	Jun-24	-	7	-	-	-	-	-	-	-	75%	Green

HMFSI Local Area and Service Delivery Area Inspection Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAU	Void	% Complete	RAG
N/A	Local Area Inspection National Recommendations	SDC	N/A	N/A	11	Dec-22	N/A	0	0	0	11	0	0	0	0	0	100%	Inactive

Closed Audit and Inspection Action Plans

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAU	Void	% Complete	RAG	Closed Date
Apr-15	HMFSI - Performance Management Systems	SDC	Jul-20	May-20	32	May-20	N/A	0	0	0	26	0	2	4	0	0	100%	Closed	
Jul-17	HMFSI - Operations Control Dundee and Highlands and Islands Support	SDC	Dec-20	May-20	24	May-20	N/A	0	0	0	24	0	0	0	0	0	100%	Closed	
Jan-18	HMFSI - Fire Safety Enforcement	SDC	Mar-20	Mar-23	20	Mar-23	N/A	0	0	0	19	0	0	0	0	1	100%	Closed	May-23
May-18	Audit Scotland - Scottish Fire and Rescue Service Update	ARAC	Dec-21	Feb-23	36	Feb-23	N/A	0	0	0	33	0	0	0	1	2	100%	Closed	Mar-23
Feb-19	HMFSI - Provision of Operational Risk Information	SDC	Mar-22	Dec-22	25	Feb-23	N/A	0	0	0	20	0	0	0	5	0	100%	Closed	Feb-23
May-19	HMFSI - Management of Fleet and Equipment	SDC	Mar-22	May-22	38	May-22	N/A	0	0	0	32	0	0	6	0	0	100%	Closed	May-22
Feb-20	LAI - Dumfries and Galloway	N/A	Jun-21	N/A	12	Dec-22	N/A	0	4	0	7	0	1	0	0	0	100%	Closed	
Jun-20	LAI - Edinburgh City	N/A	Apr-21	N/A	11	Dec-22	N/A	0	5	0	0	0	6	0	0	0	100%	Closed	
Aug-20	HMFSI - Command and Control: Aspects of Incident Command	SDC	Mar-22	Dec-23	25	Nov-22	N/A	0	0	0	25	0	0	0	0	0	100%	Closed	Nov-22
Mar-21	HMFSI - Assessing the Effectiveness of Inspection Activity	ARAC	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	Closed	
May-21	LAI - Midlothian	N/A	Mar-22	Mar-23	7	Dec-22	N/A	0	0	0	7	0	0	0	0	0	100%	Closed	
Dec-21	LAI - Argyll & Bute and East & West Dunbartonshire	N/A	Apr-23	N/A	6	Dec-22	N/A	0	5	0	1	0	0	0	0	0	100%	Closed	
May-22	SMARTeU Covid 19 Structured Debrief Summary	SDC	Mar-23	May-23	7	Mar-23	N/A	0	0	0	7	0	0	0	0	0	100%	Closed	May-23
Dec-20	Planning and Preparedness for COVID Review	SDC	May-26	Aug-23	15	Aug-23	N/A	0	0	0	12	0	0	0	3	0	100%	Closed	Aug-23
Mar-23	Training of RDS Personnel	PC	Mar-23	Aug-23	31	Aug-23	N/A	0	0	0	27	0	0	0	4	0	100%	Closed	Sep-23

HMFSI Inspection Forecast

Expected	Title	Type
2023-24	West Service Delivery Area (WSDA) - audit ongoing	SDA
2024-25	North Service Delivery Area (NSDA)	SDA

HMFSI Possible Areas of Interest as outlined within the 2023-25 Inspection Plan

Expected	Title	Type
TBC	SFRS Planning and preparedness for a response to Marauding Terrorist Attack	Focused
TBC	The state of provision of specialist resources (appliances, equipment and staff inc. training)	Focused
TBC	Recognising and embedding organisational learning	Focused
TBC	National resilience assets - provision, location, skills and usage	Focused
TBC	Fire cover - distribution, modelling and standards	Focused
TBC	HR/Workforce planning - recruitment, attrition, diversity, skills (all duty systems); support to LSO areas	Focused
TBC	Administration and use of technology	Focused
TBC	Operations Control	Focused
TBC	RVDS Duty System	Focused



Report No: C/ARAC/12-24

Agenda Item: 9.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	26 MARCH 2024						
Report Title:	EXTERNAL AUDIT UPDATE REPORT						
Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		A	B	C	D	E	F
1	Purpose						
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with the progress report on external audit activity following the appointment of Audit Scotland.						
2	Background						
2.1	Following the appointment of Audit Scotland, as external auditors to SFRS, Audit Scotland are reviewing progress against recommendations made by Deloitte to ensure actions remain relevant and provide added value to SFRS.						
2.2	Previous reports, provided quarterly, to the Audit and Risk Assurance Committee identified outstanding actions in relation to: <ul style="list-style-type: none"> • Deloitte's Audit Dimensions and Best Value review. • 2020/21 Annual Report and Accounts. • 2021/22 Annual Report and Accounts. 						
2.3	Audit Scotland will now incorporate previous work into future planned activity where relevant, with any remaining actions to be completed with evidence to be provided to Audit Scotland to allow closure.						
3	Main Report/Detail						
3.1	The ARAC receive quarterly reports on progress against external audit recommendations.						
3.2	Previous reports provided three separate updates, as outlined in para 2.2 above, detailing progress against each recommendation and work still required before actions could be closed. Following discussions with Audit Scotland, Appendix A now incorporates all remaining actions, identified through work undertaken by Deloitte, into a single template.						
3.3	In relation to the 12 actions identified within Appendix A, Audit Scotland will now meet with relevant functions to gain a better understanding of the areas of business that the recommendations relate to.						
3.4	Once completed, Audit Scotland will review all outstanding actions and recommendations, aligned to future planned audit activity, providing a view on those areas which may form part of future audit activity and may be superseded with new recommendations and required actions where appropriate.						

3.5	Where any actions are outwith future planned activity these areas will continue to be managed by responsible officers, with evidence provided to Audit Scotland and future reporting to ARAC.
3.6	The Verification Team will continue to engage with relevant action owners to update the monitoring plan and further discussions will be held with Audit Scotland to determine the format of future reports to ARAC.
4	Recommendation
4.1	The Audit and Risk Assurance Committee is asked to scrutinise the report and progress against the External Audit recommendations.
5	Key Strategic Implications
5.1	Risk
5.1.1	The report identifies progress against the Audit Dimensions and Best Value Reports undertaken by External Audit. Risks associated with the report are aligned to those identified by External Audit.
5.2	Financial
5.2.1	Financial implications associated with the report are aligned to those identified within the final report and actions taken by responsible officers to manage identified risks.
5.3	Environmental & Sustainability
5.3.1	Any implications arising from the report will be managed by the relevant Directorate.
5.4	Workforce
5.4.1	Any implications arising from the report will be managed by the relevant Directorate.
5.5	Health & Safety
5.5.1	Any implications arising from the report will be managed by the relevant Directorate.
5.6	Health & Wellbeing
5.6.1	Any implications arising from the report will be managed by the relevant Directorate.
5.7	Training
5.7.1	Any implications arising from the report will be managed by the relevant Directorate.
5.8	Timing
5.8.1	The report will be provided to the Corporate Board to ensure any relevant information can be presented to the Audit and Risk Assurance Committee on a quarterly basis.
5.9	Performance
5.9.1	The report is provided to the Good Governance Board to ensure any relevant information can be presented to the Audit and Risk Assurance Committee on a quarterly basis.
5.10	Communications & Engagement
5.10.1	Any implications arising from the report will be managed by the relevant Directorate.
5.11	Legal
5.11.1	Any implications arising from the report will be managed by the relevant Directorate.
5.12	Risk
5.12.1	The report identifies progress against the Audit Dimensions and Best Value Reports undertaken by External Audit. Risks associated with the report are aligned to those identified by External Audit.

5.13 5.13.1	Financial Financial implications associated with the report are aligned to those identified within the final report and actions taken by responsible officers to manage identified risks.	
5.14 5.14.1	Environmental & Sustainability Any implications arising from the report will be managed by the relevant Directorate.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial/ Reasonable /Limited/Insufficient
7.2	Rationale:	The report is based upon previous work undertaken by Deloitte as external auditors to SFRS and management responses reviewed by external audit and agreed by the Service. Audit Scotland are now in the process of reviewing this information to align future reports to current audit activity. I have confidence that the information is correctly reported based upon these returns.
8	Appendices/Further Reading	
8.1	Appendix A – External Audit Outstanding Actions	
Prepared by:	David Johnston, Risk and Audit Manager	
Sponsored by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Presented by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Links to Strategy and Corporate Values		
External Audit forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6:		
Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.		
<ul style="list-style-type: none"> • Objective 5.1: Remaining open and transparent in how we make decisions. • Objective 5.6: Managing major change projects and organisational risks effectively and efficiently. 		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>26 March 2024</i>	<i>For Scrutiny</i>

APPENDIX A

EXTERNAL AUDIT OUTSTANDING ACTIONS

STATUS KEY				
GREEN	AMBER	RED	WHITE	BLUE
On Target	Sight Delay	Major Delay	Not Started	Complete

* Marked Complete subject to confirmation from External Audit

FINANCIAL MANAGEMENT

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
1.3	Director of Finance & Contractual Services (formerly Acting Director of Finance & Procurement)	HIGH	31/03/2023	30/06/2024	24.03.2023	-	✓	-	-	10%	AMBER

FINANCIAL SUSTAINABILITY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
2.2	Director of Finance & Contractual Services (formerly Acting Director of Asset Management)	HIGH	31/03/2022	30/06/2024	19.11.2023	-	✓	-	-	65%	GREEN
2.3	Director of Finance & Contractual Services (formerly Acting Director of Finance & Procurement)	HIGH	31/03/2023	30/09/2024	24.03.2023	-	✓	-	-	10%	AMBER
2.5	Director of People (formerly Director of People & Organisational Development)	HIGH	31/12/2022	30/09/2023	14.11.2023	-	✓	-	-	100%	AMBER
2.8	Director of Finance & Contractual Services (formerly Acting Director of Asset Management)	MEDIUM	31/03/2022	30/06/2024	19.11.2023	-	✓	-	-	65%	GREEN
2.10	Director of Training, Safety & Assurance	MEDIUM	31/03/2022	18/10/2023	14.11.2023	-	-	✓	-	100%	BLUE*
2.11	Director of People (formerly Director of People & Organisational Development)	MEDIUM	31/03/2022	31/03/2023	14.11.2023	-	✓	-	-	100%	AMBER

VALUE FOR MONEY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
4.1	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	31/01/2023	17.11.2023	-	-	✓	-	100%	BLUE*
4.3	Director of Service Development	HIGH	31/03/2022	30/06/2023	16.11.2023	-	-	✓	-	100%	AMBER
4.5	Director of People (formerly Director of People & Organisational Development)	MEDIUM	31/12/2022	31/03/2024	21.11.2023	-	✓	-	-	90%	GREEN

EXTERNAL AUDIT REPORT dated 15 December 2021 – OTHER SIGNIFICANT FINDINGS – INTERNAL CONTROLS

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
7	Director of Finance & Contractual Services (formerly Acting Director of Finance & Procurement)	LOW	31/10/2023	31.10.2024	02.10.2023	-	✓	-	-	25%	GREEN

EXTERNAL AUDIT FINAL ISA260 SFRS 2022 REPORT dated 23 January 2023 – OTHER SIGNIFICANT FINDINGS – INTERNAL CONTROLS

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
13	Director of Finance & Contractual Services (formerly Acting Director of Finance & Procurement)	LOW	31.12.2024	-	02.10.2023	✓	-	-	-	0%	GREEN

Outstanding Actions

STATUS KEY	
GREEN	On Target to complete within agreed date
AMBER	Slight delay but evidence of progress
RED	Major delay or No evidence of progress
BLUE	Action Completed

* Marked Complete subject to confirmation from External Audit

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – FINANCIAL MANAGEMENT		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		9	89%	2	5	0	1	0	0	0	1	0
Rec No.	Financial Reporting	The annual budget should provide a high-level summary of how resources are allocated against the Service’s outcomes, to enable the Board to challenge whether resources are appropriately allocated and sufficiently targeted to address areas of poor performance.		Action Date Due	1 st Agreed Revised Date	Priority	% Complete	Status				
1.3	Responsible Owner Agreed Response Director of Finance & Contractual Services (Formerly Acting Director of Finance & Procurement)	SFRS agree with this recommendation and will seek to engage with the Board on the presentation of the budget to demonstrate how resources are allocated to outcomes to aid scrutiny.		31/03/2023	New Revised Date 30/06/2024	HIGH	10%	Amber				
Progress to Update		Discussion with Audit Scotland on action. Auditors have confirmed there are no examples to follow. Audit Scotland have suggested a revised action (s) 1) That SFRS present regular resource monitoring to the Board that includes Actual V Budget spend by Directorate to enable greater scrutiny of financial information and linkage to outcomes 2) That SFRS considers developing financial reporting against a single outcome being Climate Change. This would facilitate learning and also provide information to support Scottish Government’s objectives of net zero.										
Outstanding actions to close the recommendation		The above actions will now be progressed. Audit Scotland will consider update for future ARAC meetings.										
External Audit Comments		We understand that Home Fire Safety Visits will be considered rather than climate change as a budget area on which to develop an approach for allocating costs to outcomes. Audit Scotland will continue to work with finance on this project. As action is not yet complete, we have no further comment at this time.										

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – FINANCIAL SUSTAINABILITY		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		12	50%	2	4	0	3	3	0	0	0	0
Rec No. 2.2	Capital Planning & Asset Management Instead of reporting against a single 'backlog' figure, the Service should differentiate between required capital investment to transition from the current asset base to the required asset base, and actual maintenance/repair/replacement backlogs, to enable appropriate assessment of the risk of asset failure and the impact of delayed capital investment on service delivery.	Target Due	3rd Agreed Revised Date	Priority	% Complete	Status						
	Responsible Owner Agreed Response Director of Finance & Contractual Services (formerly Acting Director of Asset Management)	As part of the work for the new Asset Strategy documents for Fleet, Property and Equipment, a detailed examination of current maintenance backlog figures will be undertaken. The intention will be to differentiate the backlog figure between required capital investment to transition from the current asset base to the required asset base, as well as to highlight actual maintenance/ repair/ replacement backlogs.	31/03/2022	30/06/2024	HIGH	65%	GREEN					
Progress to Update		Work on an updated document detailing a 10-year risk-based approach to the Capital Programme for Property, Fleet and Equipment is now complete and will be presented to the Board in February 2024.										
Outstanding actions to close the recommendation		A formal reporting document will be produced for submission to Scottish Government; although it is recognised that this will have to be revisited at a future date to align the strategy with the outcomes from the SDMP process.										
External Audit Comments		As the agreed action is not yet complete, external audit has not commented at this time.										
Rec No. 2.3	Medium-to-Long Term Financial Planning The LTFS should be revised to demonstrate how the Service plans to allocate resources against outcomes over the length of the Strategy. Alternatively, the MTFM could be revised to serve this purpose.	Action Date Due	1 st Agreed Revised Date	Priority	% Complete	Status						
	Responsible Owner Agreed Response Director of Finance & Contractual Services (Formerly Acting Director of Finance & Procurement)	Agreed. As indicated at 1.3 the Service will review the LTFS and will include how the service applies budget resources to outcomes.	31/03/2023	New Revised Date 30/09/2024	HIGH	10%	AMBER					
Progress to Update		Audit Scotland have confirmed there are no examples to follow. The revised action will be to consider how SFRS could present Directorate information over MTFM to enable greater scrutiny by Board. In addition, in developing the LTFS considers budget allocation on a single outcome being climate change.										
Outstanding actions to close the recommendation		Development of the LTFS based on discussions with Audit Scotland and will considered within future updates to ARAC.										
External Audit Comments		As the agreed action is not yet complete, external audit has not commented at this time.										

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		Action Date Due	2nd Agreed Revised Date	Priority	% Complete	Status
Rec No. 2.5	<p>Workforce Planning Subject to ongoing work on the vision for the future, the Workforce and Strategic Resourcing Plan needs to be reviewed to clearly set out how it is aligned to the Strategic Plan, LTFS, and other key strategic documents – including any successor to the Transformation Programme.</p>					
	<p>Responsible Owner Agreed Response Director of People (formerly Director of People and Organisational Development)</p> <p>Agreed. The Service will ensure that this is achieved via the Strategic Workforce & Resourcing Plan (WFP) which is already commissioned by the POD Workforce Planning and Resourcing Team with an expected publish date of Q4 2021/22. This document is developed in line with the aims of the SFRS Strategic Plan, the Future Vision, AOP, and any other relevant future plans via focus groups which assess the key data and ensure it is integrated into the WFP. The plan is organic in nature and is adjusted in accordance with any change factors identified via the aforementioned Forums and will align in the same way with any future strategic plans. These are scrutinised and approved via through a chain of governance from POD DMT through to the SFRS Board and any challenges, risks and mitigations are identified in the relevant Risk Registers.</p>	31/12/2022	30.09.2023	HIGH	100%	AMBER
Progress to Update		<p>Work continues on the Strategic Resourcing approach, including modelling scenarios based on available data related to the Pensions Remedy. These impacts are dynamic due to factors such as recent changes to Pensions entitlement including increased commutation factors, implementation of legislation relating to the Deferred Choice Underpin in October 2023 and Average Weekly Earnings amendments. Additionally, workforce planning models are adapted to take account of organisational change delivered via the Strategic Service Review Programme which has led to interim and permanent changes to the Wholetime Uniformed Target Operating Model, the potential impact at Flexi Duty Officer level of increased forecast leavers of “in scope” personnel and the transition to the new structure of the People Directorate. A detailed Workforce Planning update is provided to the SLT on a monthly basis to enable agile, data based decision making.</p>				
Outstanding actions to close the recommendation		Awaiting to have discussion with the auditors for them to gain a better understanding of the area of business the action relates in.				
External Audit Comments		The agreed action is seeking linkages between the Workforce and Strategic Resourcing Plan and the service’s long term plans. We have sighted evidence which provides a flavour of the range of activity being undertaken to plan for the future. At this stage in the audit process, we do not have a sufficient enough understanding of the wider workforce planning landscape to be conclude on the action. Further audit review to be undertaken.				
Rec No. 2.8	<p>Capital Planning & Asset Management The Service should ensure that the Capital Programme is linked to the LTFS, AMS and Resource Budget, setting out how the Capital Programme progresses these and the anticipated consequences of the capital investment decisions on the resource budget over the period.</p>					
	<p>Responsible Owner Agreed Response Director of Finance & Contractual Services (formerly Acting Director of Asset Management)</p> <p>Agreed. The Service recognises that capital funding received is less than required to fully address the asset backlog from legacy services. SFRS has worked with Scottish Government to secure additional funding where possible and has agreed to share premises at 51 stations with other public sector organisations including police and ambulance service. SFRS has applied for funding to support decarbonisation of its activities and this includes fleet and property which will partially support addressing our asset backlog. SFRS will continue to work with Scottish Government to seek additional funding where this is available. Within this context, the Service will update the LTFS, based on the revised AMS and highlight the impacts on the resource budget.</p>	31/03/2022	30.06.2024	MEDIUM	65%	GREEN
Progress to Update		<p>The Asset Management and Finance Departments are developing a new report, which will be presented on an annual basis. The report will show how the Capital Programme is linked to the LTFS and the Strategic Asset Management Plan document for Property, which is scheduled for completion on 31st March 2023. This report will further detail how delivery of the Capital Programme progresses the LTFS and the AMS, whilst also showing the consequences of the capital investment decisions on the resource budget over the year.</p>				

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Outstanding actions to close the recommendation		Staff from the Asset Management and Finance Departments will continue to meet to develop the format of the new report based on the Strategic Asset Management Plan (SAMP) for Property and the risk-based approach to the Capital Programme Report.				
External Audit Comments		As the agreed action is not yet complete, external audit has not commented at this time.				
Rec No. 2.10	Workforce Planning The Training Strategy should be clearly linked to the Strategic Plan and the Workforce and Strategic Resourcing Plan, including measurable actions and targets	Action Date Due	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of Training, Safety and Assurance	31/03/2022	18.10.2023	MEDIUM	100%	BLUE*
Progress to Update		Having completed all stakeholder engagement and scrutiny through executives and non-executive meetings, our finalised/design version of our Training Vision & Strategy was presented to SLT and approved on the 8 th November 2023. This will now be published.				
Outstanding actions to close the recommendation		Work is complete and discussion to be held with Audit Scotland to allow action to be closed.				
External Audit Comments						
Rec No. 2.11	Workforce Planning Progress on implementing the Workforce and Strategic Resourcing Plan should be considered on a periodic basis the relevant committee or the Board, to ensure that there are effective targets in place and to assess performance against them.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of People (formerly Director of People and Organisational Development)	31/03/2022	31/03/2023	MEDIUM	100%	AMBER
Progress to Update		Ongoing workforce planning and resourcing activity is maintained as Business as Usual with resilient recruitment and promotional Holding Pools in place. Ongoing engagement and reporting within SFRS governance maintains oversight on current landscape and horizon scans for future risk. The refreshed Strategic Resourcing plan, once agreed, will be progressed via appropriate governance routes and a monthly report is produced for the Senior Leadership Team to ensure organisational awareness of any resourcing related risks.				
Outstanding actions to close the recommendation		Awaiting to have discussion with the auditors for them to gain a better understanding of the area of business the action relates in.				
External Audit Comments		Monthly workforce updates are provided to the Strategic Leadership Team. These cover operational stats e.g. TOM headcount, potential retirement numbers, recruitment, transfers, support staff numbers, and are used to inform forecasting and decision making. Comprehensive workforce management information reports are provided quarterly to the People Committee. At this stage, Audit Scotland have not sighted reports providing progress updates on performance against the plan e.g. no reference to targets etc. More evidence required.				

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – VALUE FOR MONEY			Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
					H	M	L	H	M	L	H	M	L
						5	40%	2	0	0	2	1	0
Rec No. 4.1	Performance Management Framework The Service should report on the process it has undertaken to attempt benchmarking of performance internally, in order to ensure that local areas learn from good practice elsewhere in the Service. This report should identify those areas where effective benchmarking can be carried out and how this will be done going forward, as well as reporting on those areas where effective benchmarking cannot be carried out and why this is the case.		Target Date	2 nd Agreed Revised Date		Priority		% Complete		Status			
	Responsible Owner Agreed Response Director of Strategic planning, Performance & Communications	Agreed. As part of the annual review of the Performance Management Framework (PMF) an annual performance report detailing trends in performance including relevant benchmarking data from Services elsewhere in the UK will be produced for the Board. The Business Intelligence and Data Services Team continues to support the Service Delivery Directorate on internal benchmarking and sharing of improvement practices across the Service. The development of performance monitoring across the service will be reported to Good Governance Board. This will include reporting on benchmarking of internal performance.	31/03/2022	31/03/2023		HIGH		100%		BLUE*			
Progress to Update			The PMF reports on indicators which affect ‘Scotland’ and at present there is no national standards to benchmark selected indicators against. SFRS official statistics published each year does provide a ‘Great Britain’ comparison for fires, types of fire and resulting casualties but not for ‘organisational’ statistics. For local area consideration, work is still on-going through the NFCC to redesign EFRS family groups. Once complete this will allow SFRS to compare Local Senior Officer (LSO) areas to EFRS of similar geodemographic structure. The timescale for SFRS cannot be determined until conclusion of NFCC work (unknown). Reporting solutions (dashboards) have been rolled out to Service Delivery at a management level (Continuous Improvement Forums (CIF)) and in local solutions for LSO areas. This has been done using Power BI. These provide the means for localised comparison of operational activity and for some community safety engagement such as Home Fire Safety Visits. Improvements in all aspects of data management is required in order to broaden local comparisons to organisational data which is now a focus of the Data Governance Group. There is no update on Fire Service family groupings from NFCC. Engagement is still on-going with Heads of Function to identify which key indicators within their area of business can be built to demonstrate success towards the Strategic Plan. The draft PMF in that respect is delayed but planned steps have been revised aiming to have document with SMB on the 15 th February and still presented to the Board on the 31 st March										
Outstanding actions to close the recommendation			Action has been marked as 100% complete as we have identified how local areas can consider operational performance across other areas. This is done to suit their management arrangements where the ‘good practice’ can be shared in settings such as CIF. It is possible for commanders within Service Delivery to benchmark across all areas of Scotland now. We also have benchmarking published within the official stats publications. Regional performance is also published within our organisational performance material. This is all inter-Scotland benchmarking, but this was very much our starting point, and are planning on introducing UK benchmarking from Q1 24-25. This will make use of the CIPFA fire services benchmarking tool which the service has agreed to purchase. This tool is used by the majority of other UK FRS services and by His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). This tool will show how SFRS compares to all other UK FRS against a range of indicators. (It won’t be perfect, but it will be standard). Also discussed, is a desire to undertake international comparison activity and we about to commence some initial international benchmarking with Fire Emergency New Zealand (FENZ).										
External Audit Comments			The revised Performance Management Framework was approved by the Board in April 2023. This contains an approved suite of performance indicators which will be regularly monitored. Internally, a ‘dashboard’ has been developed using software called PowerBi which will enable the performance of different parts of the service to be compared and to drill down to different levels of the service. While tools are in place, more evidence of benchmarking and improvement is required.										
Rec No. 4.3	Performance Management Framework Consideration should be given to the development of a systematic programme of operational self-assessment to demonstrate the Service’s commitment to continuous improvement.		Action Date Due	2 nd Revised Date		Priority		% Complete		Status			
	Responsible Owner Agreed Response Director of Service Development	Agreed. SFRS does not have at this time a specific forward-looking plan for service improvement. The service improvement team work proactively with Directorates to support Service Improvement across the Service to ensure appropriate methodologies are being used and good practice applied. A Service Improvement Framework to ensure the systematic approach to continuous improvement will be developed to demonstrate the commitment to continuous	31/03/2022	30/06/2023		HIGH		100%		AMBER			

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		improvement across the service. That is to say, we do not have a defined framework in place today that has a specific and structured approach to Self-Assessment required to assess SFRS wide performance and for the identification of service wide improvements. The Deloitte finding is specific to operational self-assessment. SFRS do align to and train our internal employees on the use of the Public Service Improvement Framework (PSIF) designed by NHS National Education for Scotland (NES) for continuous improvement and are currently going through a 2 nd cohort of training delivered by NHS. However, the Embedding of those skills, practices and frameworks that allow for self-assessment and continued improvement across SFRS that is seen as sustainable would be our next maturity step. In addition, the forward-looking objective has to be how we integrate self-assessment into our existing planning and review frameworks, along with how we introduce a process of identification and prioritisation of improvement to ensure we align organisation resources appropriately. Lastly, we need to consider how we might bring transparency and visibility to the results of these assessments and share widely within the organisation and highlight agreed actions resulting from it. The target date set across for this recommendation is for the development of the relevant framework, with adopting and embedding across the Service expected to occur beyond this date.					
Progress to Update	We have concluded our consideration of a systematic programme of operational self-assessment to demonstrate the Service's commitment to continuous improvement. This involved selecting a methodology, the European Foundation for Quality Management (EFQM), training key staff in this, developing a test of change, and implementing this test of change within the D&G LSO Area. Local Areas for Improvement and expansion of strengths have been prioritized and embedded in the local improvement plan, whilst national findings are being given consideration in support of prioritization within the Strategic Service Review. The Test of Change on EFQM Self-Assessment will now not go to CPIG, but is being included into Corporate Services Review of SSRP.						
Outstanding actions to close the recommendation	Awaiting to have discussion with the auditors for them to gain a better understanding of the area of business the action relates in.						
External Audit Comments	Supporting evidence demonstrating completed actions has yet to be provided by the service. No further comment at this point.						
Rec No. 4.5	Equalities Annual reporting on equality outcomes should provide reporting against targets (where they exist) and summarised trend data to demonstrate where inequalities are being reduced and where further work is required.	Action Date Due	1 st Agreed Revised Date	Priority	% Complete	Status	
	Responsible Owner Agreed Response Director of People (formerly Director of People and Organisational Development)	Agreed. This will be collated throughout the year and summarised for the Annual Report.	31/12/2022	31/03/2024	MEDIUM	90%	GREEN
Progress to Update	A Mainstreaming Report for 2022-23 was published in April 2023. The Equality Partnership Group has been reconvened with a series of meetings scheduled for 2023/24. Further support in gathering information on progression of the Equality Outcomes is being provided by the introduction of the Strategic People Partner role providing closer working relationships between the People Directorate functions and senior management across SFRS.						
Outstanding actions to close the recommendation	Evidence on progress against the Equality Outcomes is being progressed principally through the Equality Partnership Group and the EDI business partnership route and will form the basis of a published report in April 2024, with governance taking place in Q4 of 2023/24. This will provide evidence of three successive annual reports and allow this action to be closed. The Mainstreaming Report for April 2024 is being prepared during Q3 2023/24 with contributions from across SFRS.						
External Audit Comments	As the agreed action is not yet complete, external audit has not commented at this time.						

EXTERNAL AUDIT FINAL ISA260 SFRS 2021 REPORT dated 15 December 2021 – OTHER SIGNIFICANT FINDINGS – INTERNAL CONTROL		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented			
				H	M	L	H	M	L	H	M	L	
				8	88%	1	4	2	0	0	1	0	0
Rec No.	Impairment Review	Action Date Due	1 st Agreed Revised Date	Priority	% Complete	Status							
7	<p>Non-current assets that are not subject to the formal revaluation review in the year should be reviewed for impairment indicators. As part of the year-end financial reporting process this should be documented in a management paper clearly setting out the process and discussions that have taken place. This should address impairment indicators for each asset class i.e. Vehicles, ICT Equipment, Operational Equipment.</p> <p>Responsible Owner Agreed Response Director of Finance & Contractual Services (Formerly Acting Director of Finance & Procurement)</p>	The SFRS will carry out an annual review for different categories of assets to take into account potential changes in value.	31/10/2023	31.10.2024	LOW	25%	GREEN						
Progress to Update		Impairment reviews have been carried out in previous years on Ops Equipment and Heritage Assets. Reviews of ICT completed. A review of Vehicles has started and will be carried out over the next 2 financial years. Properties are reviewed for revaluation purposes at least once every 2 years and are therefore considered for impairment at that point. ICT and Intangible Assets reviews completed and adjusted where necessary.											
Outstanding actions to close the recommendation		An impairment review of vehicles is required to complete the action. This was planned as part of the year end processes for 2022/23, however additional work involved in implementing IFRS 16 Leases has led to this work being delayed. Change date to 31 October 2024 in line with expected completion of audit and approval of Accounts for sign-off.											
External Audit Comments as per 2022/23 Update – 16/02/2024		From our work, we have identified that management have not yet completed this action. It should therefore remain open and will be further reviewed as part of the 2034/24 audit.											

EXTERNAL AUDIT FINAL ISA260 SFRS 2022 REPORT dated 23 January 2023 – OTHER SIGNIFICANT FINDINGS – INTERNAL CONTROL		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		14	93%	0	1	12	0	0	1	0	0	0
Rec No. 13	<p>FFPS: Booth Case In March 2019, the High Court ruled in favour of an individual challenging the exclusion of certain pay allowances (paid to firefighters in addition to basic pay) from the definition of Pensionable Salary used in relation to their benefit entitlement in the Firefighters’ Pension Scheme (Wales) (“Booth v Mid and West Wales”). As a result of this judgement, it was decided that certain pay supplements awarded to Instructors and Fire Investigation Officers in the SFRS should be pensionable for the purposes of calculating benefit entitlements in the FPS. GAD have advised that they will review the position again once further information on the retrospective impact of this change is available. We recommend that this should be revisited for the 2023 year-end when further information should be available to make a reliable estimate for inclusion in the 2023 accounts.</p>		Action Date Due	Agreed Revised Date	Priority	% Complete	Status					
	<p>Responsible Owner Agreed Response Director of Finance & Contractual Services (Formerly Acting Director of Finance & Procurement)</p>	Agreed	31/12/2024	n/a	LOW	0%	GREEN					
Progress to Update		The SPPA will set up a working group to progress this task which in turn will provide the information that will allow GAD to include the impact in the IAS19 Pension benefit reports. This work has still to be done. The SFRS will engage with the SPPA and GAD on progress however may be 2023/24 Accounts before the impact can be quantified.										
Outstanding actions to close the recommendation		GAD have noted that they will not have the correct information to allow incorporation in the 2022/23 Accounts. The Action due date is based on inclusion in 2023/24 Accounts.										
External Audit Comments as per 2022/23 Update – 16/02/2024		As work remains in progress, this action should remain open and be carried forward.										

SCOTTISH FIRE AND RESCUE SERVICE

Audit Risk and Assurance Committee



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No: C/ARAC/13-24

Agenda Item: 10

Report to:	AUDIT RISK AND ASSURANCE COMMITTEE						
Meeting Date:	26 MARCH 2024						
Report Title:	ACCOUNTING POLICIES 2023-24						
Report Classification:	For Information Only	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		A	B	C	D	E	F
1	Purpose						
1.1	The purpose of this report is to present the Accounting Policies to be adopted in the Annual Report and Accounts 2023-24 to the Committee. These are attached as Appendix A.						
2	Background						
2.1	The Scottish Fire and Rescue Service (SFRS) is required to follow the Government Financial Reporting Manual (FReM) and Scottish Public Finance Manual (SPFM) when preparing the Annual Report and Accounts.						
2.2	During the year, amendments to the FReM are formally published by Audit Scotland. A review of these documents is built into year-end processes to ensure that any relevant changes are incorporated, through reading of the Technical Bulletins prepared by Audit Scotland and discussions with our external auditors, also Audit Scotland.						
3	Main Report/Detail						
3.1	Changes to the FReM 2023-24						
3.1.1	HM Treasury publish an overview of amendments to the FReM. There are no major changes affecting the SFRS in 2023/24.						
3.2	Accounting Policies						
3.2.1	The Accounting Policies have been reviewed to confirm they remain relevant and if any changes are required.						
3.2.2	There is an underlying assumption that the financial statements will be prepared on a going concern basis, i.e. they should be prepared on the basis that the Service's functions will continue in operational existence for the foreseeable future. This is an area of interest for our auditors as our pension liabilities are significant due to participation in the unfunded firefighters pension schemes. The Service will continue to prepare the accounts on a going concern basis, recognising that the auditors will seek confirmation from Scottish Government regarding ongoing funding being provided.						
3.2.3	The depreciation policy is reviewed annually in March and it was considered appropriate to retain the current policy for 2023/24 to depreciate a full year in the year after the asset is purchased. This will continue to be reviewed on an annual basis.						
3.2.4	The review has concluded that no material changes are required. The proposed Accounting Policies for 2023-24 are attached at Appendix A.						

4	Recommendation
4.1	The Committee is asked to note that a review of the Accounting Policies has been carried out and these will be adopted for 2023/24.
5	Key Strategic Implications
5.1	Risk
5.1.1	There are no accounting policies that directly impact risk. The Annual Report and Accounts includes an Accountability Report that highlights our risk management and corporate governance processes that supports the achievement of the SFRS' policies, strategic aims and objectives.
5.2	Financial
5.2.1	There are no financial implications relating to this report. The Annual Report and Accounts will include the financial performance of the Service.
5.3	Environmental & Sustainability
5.3.1	There are no environmental and sustainability implications relating to this report. The Annual Report and Accounts includes a Sustainability Report which highlights our performance in response to climate change and environmental sustainability.
5.4	Workforce
5.4.1	There have been no changes to the accounting policies that impact our workforce. SFRS includes accounting policies on benefits payable during employment as well as post-employment benefits (pensions). The Annual Report and Accounts includes a Sustainability Report which highlights our performance in response to workforce matters including gender pay gap and workforce profile. The Annual Report and Accounts includes a Remuneration Report covering Board and Directors remuneration during the year, as well as workforce numbers and salary information.
5.5	Health & Safety
5.5.1	There are no health and safety implications relating to this report.
5.6	Health & Wellbeing
5.6.1	There are no health and wellbeing implications relating to this report.
5.7	Training
5.7.1	There are no training implications relating to this report.
5.8	Timing
5.8.1	These accounting policies relate to financial year 2023-24.
5.9	Performance
5.9.1	The Annual Report and Accounts communicates SFRS performance for the year and is formally audited before being laid by Ministers before Scottish Parliament.
5.10	Communications & Engagement
5.10.1	There are no accounting policies that directly impact our engagement.
5.11	Legal
5.11.1	The SFRS is required to follow the Government Financial Reporting Manual (FReM) and Scottish Public Finance Manual (SPFM) when preparing the Annual Report and Accounts.
5.12	Information Governance
5.12.1	DPIA completed <i>No</i> . There are no implications for information governance relating to this report.

5.13 5.13.1	Equalities EHRIA completed <i>No</i> . There are no implications of equality relating to this report.	
5.14 5.14.1	Service Delivery There are no Service Delivery implications relating to this report.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial/ Reasonable /Limited/Insufficient
7.3	Rationale:	We have reviewed the accounting policies to ensure they align with the latest FReM published by Audit Scotland. The external audit of the accounts by Audit Scotland will confirm if we have correctly interpreted the FReM requirements but we will work with Audit Scotland where we need any further clarity.
8	Appendices/Further Reading	
8.1	Appendix A: Accounting Policies 2023/24	
Prepared by:	Alan Duncan, Accounting Manager	
Sponsored by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Presented by:	Lynn McGeough, Head of Finance and Procurement	
Links to Strategy and Corporate Values		
<p>SFRS Strategic Plan 2022-25 Outcome 1: Community safety and wellbeing improves as we deploy targeted initiatives to prevent emergencies and harm.</p> <p>SFRS Strategic Plan 2022-25 Outcome 2: Communities are safer and more resilient as we respond effectively to changing risks.</p> <p>SFRS Strategic Plan 2022-25 Outcome 3: We value and demonstrate innovation across all areas of our work.</p> <p>SFRS Strategic Plan 2022-25 Outcome 4: We respond to the impacts of climate change in Scotland and reduce our carbon emissions.</p> <p>SFRS Strategic Plan 2022-25 Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.</p> <p>SFRS Strategic Plan 2022-25 Outcome 6: The experience of those who work for SFRS improves as we are the best employer we can be.</p> <p>SFRS Strategic Plan 2022-25 Outcome 7: Community safety and wellbeing improves as we work effectively with our partners.</p>		
Governance Route for Report		Meeting Date
<i>Audit and Risk Assurance Committee</i>		<i>26 March 2024</i>
		Report Classification/ Comments
		<i>For Information</i>

Scottish Fire and Rescue Service

Annual Report and Accounts 2023/24 – Draft Accounting Policies

Accounting Policies

These Annual Accounts have been prepared in accordance with the 2023/24 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public-sector context. The SFRS has selected the most appropriate accounting policy or estimation technique, as permitted by the FReM, to ensure the statements present a true and fair view.

The particular policies adopted by the SFRS in preparing these Annual Accounts are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

The Accounts have been prepared with reference to the following objectives:

- to provide information about the financial position, performance and cash flows in a way that meets the “common need of most users”, and
- to show the results of the stewardship and accountability of Board members and management for the resources entrusted to them.

The following underlying assumptions have been adhered to:

- **Accruals** – with the exception of cash flow information, the statements have been prepared using the accrual basis of accounting, where the non-cash effects of transactions are included in the Annual Accounts in the year in which they occur, not the year in which cash is paid or received, and
- **Going concern** – the Accounts have been prepared on the basis that the SFRS will continue to function for the foreseeable future.
- **Currency** – the Accounts have been prepared in pounds sterling.

Application of new and revised Accounting Standards

a. Standards, amendments and interpretations early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

b. Standards, amendments and interpretations issued but not adopted this year

At the date of authorisation of these Annual Accounts, the Board has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- **IFRS 16:** Leases on sale and leaseback. Applicable for periods beginning on or after 1 January 2024.
- **Amendment to IAS 1:** Non-current liabilities with covenants. Applicable for periods beginning on or after 1 January 2024.
- **Amendment to IAS 7 and IFRS 7:** Supplier Finance. Applicable for periods beginning on or after 1 January 2024.

The Board does not expect that the adoption of the Standards listed above will have a material impact on the Annual Accounts in future periods.

c. Standards, amendments and interpretations effective in the current year

There are no standards, amendments or interpretations effective in the current year.

Accounting Convention

These Accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

Accounting Period

The accounting period commenced on 1 April 2023 and ended on 31 March 2024.

Going Concern

The Resource Budget for the financial year ended 31 March 2025 has been approved by the Scottish Government and is considered adequate to allow the SFRS to meet its liabilities in the foreseeable future. In terms of future years, funding will be confirmed as part of the normal budget cycle in December 2024 and January 2025. The Service also featured in the Scottish Government's Resource Spending Review which set indicative budget allocations up to 2025-26.

These Annual Accounts have therefore been produced on a going concern basis. The Scottish Fire and Rescue Service is fulfilling a statutory function and there are no plans to amend the primary legislation setting out those functions. The SFRS is therefore required to continue delivering fire and rescue activity in Scotland and the Scottish Government is in turn committed to providing the SFRS with grant in aid funding for that purpose. For the avoidance of doubt, Scottish Government funding also covers all ongoing employer and officer pension contributions and the pension liability which is not met directly from GiA.

Segmental Reporting

The SFRS is operated as a single service and is reported in this same format. Costs and support service overheads are not allocated to other parts of the organisation, and therefore there are no requirements for segmental reporting, however, a reconciliation between the management accounts position and the accounting statements is included in a Note to the Accounts.

Revenue Recognition

Revenue is recognised net of VAT to the extent that it is probable that the economic benefits will flow to the SFRS and the revenue can be reliably measured.

Grant in Aid and Revenue Grants

The SFRS is funded by the Scottish Government. Grant in Aid is received throughout the year and is intended to meet estimated expenditure for both capital and revenue purposes. It is accounted for as financing on a cash basis, not income, and is therefore credited to the SFRS reserves and not incorporated within the Statement of Comprehensive Net Expenditure (SoCNE). Grant in Aid cannot be drawn down in advance of need.

Grant in Aid, whether for revenue or capital purposes, is to be treated as a contribution from controlling parties giving rise to a financial interest in the residual interest of the reporting entity and is to be credited to general reserves and not to income or deferred income.

Where grants are subject to conditions such that non-compliance would result in the grant being repaid, the potential liability to repay, and the conditions to be met, should be disclosed in a Note to the Accounts.

The profit or loss on disposal of an asset financed by grant or Grant in Aid is taken to the Statement of Comprehensive Net Expenditure.

Capital Grants

Capital grants are accounted for in accordance with IAS20 *Accounting for Government Grants and Disclosure of Government Assistance* and recognised in the SoCNE once conditions are met. Grant is treated as a *capital grant received in advance* where carry forward is permitted and any conditions have not been met.

Provision of Services

Revenue from the provision of services is recognised when the SFRS can measure reliably the percentage completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the SFRS.

Rental Income

Rental income from operating leases is recognised on a straight-line basis over the terms of the lease.

Expenditure Recognition

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the SoFP.

Expenses in relation to services received (including those rendered by the SFRS employees) are recorded as expenditure when the services are received, rather than when payments are made.

Interest payable on borrowings is accounted for on the cash flows that have been fixed or determined by the contract, or based on an annuity basis where borrowings have been provided by a local authority.

Where revenue and expenditure have been recognised but cash has not been received or paid, a receivable or payable for the relevant amount is recorded in the SoFP. Where there is evidence that debts are unlikely to be settled, the balance of receivables is written down and a charge made to revenue for the income that might not be collected.

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees, are recognised as an expense in the year in which employees render service to the SFRS. An accrual is made in the SoCNE for the year for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year end and which employees can carry forward to the next financial year. The accrual is made at the remuneration rates applicable in the following financial year.

Post-Employment Benefits

As at 31 March 2024, the SFRS participates in two pension schemes: The Local Government Pension Scheme (Scotland) for support staff and the Fire 2015 Scheme for Wholetime / On Call uniformed personnel. For the year ended 31 March 2024, the administration of the Firefighters' Scheme was undertaken by the Scottish Public Pensions Agency (SPPA) and the administration of LGPS remained with local authorities.

- Local Government Pension Scheme (Scotland)

The LGPS provides members with defined benefits related to pay and service. It is supported by contributions from both employer and employee. There are 8 schemes covering staff in Scotland, detailed in Note 13. The LGPS is a Career Average Revalued Earnings (CARE) Scheme whereby pension benefits are based on earnings received within each year worked, which are index-linked and combined on retirement to provide an annual pension.

- Fire 2015 Scheme

The Fire 2015 Scheme was introduced on 1 April 2015 and is a CARE scheme rather than a final salary pension scheme. It is an unfunded defined benefit scheme where payments are made on a "pay as you go" basis. All new employees entering the Service will join this Scheme automatically. The normal pension age for firefighters is 60.

Contributions to the schemes are calculated to spread the cost of pensions over employees' working lives, in line with IAS19 *Employee Benefits*. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method and, in the intervening years, by rolling forward the scheme assets and liabilities in a desk top review.

Variations from regular cost are spread over the expected average remaining working lives of scheme members, taking into account future withdrawals. The expected cost of providing staff pensions to contributing employees is recognised in the SoCNE in accordance with IAS19, recognising retirement benefits as they are earned not when they are due to be paid.

Pension Scheme Assets

The Fire 2015 Scheme, being unfunded, has no assets built up to meet pension liabilities. The attributable assets of the various Local Government Pension Schemes (LGPS) have been measured at fair value and are identified in a Note to the Accounts.

Pension Scheme Liabilities

The attributable liabilities of each scheme are measured on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc.

The change in the Net Pension Liability shown in the SoFP consists of the following:

- **Current Service Cost** - This refers to the increase in liabilities as a result of years of service earned this year and is allocated to the cost of services in the SoCNE.
- **Expected Net Return on Assets** - The expected annual investment return on assets for the LGPS is based on long-term expectations as at 31 March 2024. This is shown net of the interest cost of each scheme, based on the discount rate and the present value of the scheme liabilities as at 31 March 2024.

- **Past Service Costs** - This refers to the increase in liabilities arising from current year decisions whose effect relates to years of service earned in previous years. This is debited to the surplus/deficit in the SoCNE.
- **Gains/Losses on Settlements and Curtailments** -The result of actions to relieve the SFRS of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the SoCNE.
- **Actuarial Gains and Losses** - Changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve.
- **Contributions Paid to the LGPS Pension Funds** - Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.
- **Discretionary Benefits** - The SFRS has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as those applied to the relevant pension schemes.

Injury Awards

The SFRS has powers to make awards of injury benefits in the event of firefighters leaving through injury. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as those applied to the relevant compensation schemes.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Asset Recognition

All expenditure on the acquisition, creation or enhancement of property, plant and equipment (including Firefighter personal protective equipment) has been capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the SFRS and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Asset Measurement

Assets are initially measured at cost, comprising:

- the purchase price.
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Land and Buildings are included at Depreciated Replacement Cost (DRC) where there is no market-based evidence of fair value because of the specialist nature of the assets. In all other cases, Existing Use Value (EUV) has been used. As a minimum, five yearly valuations of Land, Buildings and Dwellings are carried out as part of a rolling programme, on the basis of current

market value for land and depreciated replacement cost for buildings. In addition, impairment reviews are carried out on major assets and assets on which there has been significant expenditure, to determine if there has been any change in value in the years between valuations.

Assets included in the SoFP at fair value are revalued regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but every five years as a minimum. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

At 31 March 2024, all land, buildings and dwellings assets due for valuation under the five-year rolling programme (61% of portfolio), were re-valued by the SFRS' in-house Estates and Valuations Surveyor, Russell Munn (BSC MRICS). Consideration will be given to the potential for material changes in value for properties not included in the rolling programme.

Where decreases in value are identified, the revaluation loss is accounted for:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line in the SoCNE.

Donated Assets

Assets classified as donated are measured at fair value on receipt. The funding element is recognised as income and taken to the SoCNE. Any subsequent revaluations are taken to the Revaluation Reserve.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line in the SoCNE.
- Where an impairment loss is reversed subsequently, the reversal is credited to the relevant line in the SoCNE, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to Other Operating Charges in the SoCNE. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the SoFP (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Net Gain/Loss on Disposal of Property, Plant and Equipment line in the SoCNE. Receipts from disposals (if any) are credited to the same line in the SoCNE (i.e. netted off against the carrying value of the asset at the time of disposal).

Assets Held for Sale

An asset is classified as held for sale when it meets all of the following criteria:

- It is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.
- A plan agreed by management is in place and steps are actively being taken to conclude a sale, and
- It is actively being marketed with an expectation of a sale within the next 12 months.

Assets meeting these criteria are revalued and measured at the lower of their carrying amount immediately prior to reclassification and fair value less costs to sell. There is no depreciation on Assets Held for Sale.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts on a straight-line basis over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land, Heritage Assets, surplus assets and assets held for sale) and assets that are not yet available for use (i.e. assets under construction).

Useful economic lives as estimated by experts are shown in the following table:

Category	Useful economic life
Buildings	10-64 years
Cars & Vans	5 years
Fire Appliances (including specialist appliances)	10-15 years
Equipment	3-20 years

Assets under construction are recognised at cost and are depreciated in the year they are transferred to operational assets.

Componentisation

In accordance with IAS16 *Property, Plant and Equipment*, a componentisation policy for material assets has been adopted with effect from 1 April 2013. The SFRS will componentise material assets with a carrying value over £0.5 million, unless, in the expert opinion of our professional valuer, it does not lend itself to componentisation by its complex nature. This will be carried out where material assets are acquired, revalued or enhanced.

The SFRS policy noted above has been applied to all relevant assets brought on from legacy services and will continue to be applied as they are revalued through the five-year rolling programme of valuations.

Intangible Assets

Intangible assets have no physical substance but are identifiable and controlled by the SFRS. It can be established that there is an economic benefit or service potential associated with the item which will flow to the SFRS. This expenditure is mainly in relation to software licenses. Expenditure on the acquisition, creation or enhancement of intangible assets is capitalised on an accruals basis when it will bring benefits of longer than one year.

Intangible assets are initially measured at cost and included in the SoFP at net historical cost. Intangible assets are depreciated on a straight-line basis over the life of the asset (3 years).

Inventories

Inventories are included in the SoFP on an average cost basis.

Leases

IFRS 16 *Leases* came into effect on 1 April 2022. All leases are classified as a finance lease unless the underlying value is low or the lease term is less than 12 months.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee.

Where a lease covers both land and buildings, the land and building elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy, where fulfilment of the arrangement is dependent on the use of specific assets.

Operating Leases

Leases that are not recognised as right-of-use assets under IFRS 16 (either because the underlying asset is of low value or the lease term is less than 12 months) will be classified as operating leases. Rentals payable under operating leases are charged to the SoCNE on a straight-line basis, over the term of the lease.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the SFRS a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the SFRS. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the SoFP but disclosed in a Note to the Accounts.

Reserves

The General Reserve represents the excess of expenditure over income on Grant in Aid funded operations, or other grant income streams, e.g., transitional funding.

The Revaluation Reserve represents the increase in value of land and buildings over their historical costs.

The Pensions Reserve represents timing differences arising from the accounting and funding arrangements required by IAS19 for post-employment benefits.

Taxation

Value Added Tax (VAT) is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

Corporation Tax is payable on profit generated from business activities (including the disposal of assets no longer required) undertaken by the SFRS. Income from GiA is not subject to Corporation Tax.

Financial Instruments

Financial Assets

Financial assets held by the SFRS consist of Trade and Other Receivables and Cash and Cash Equivalents. Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

As the Cash requirements of the SFRS are met through Grant in Aid provided by the Safer Communities Directorate, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. Cash balances are held with the Government Banking Service (GBS). Transactional services are provided by NatWest, with corporate banking arrangements held with The Royal Bank of Scotland. Therefore, the SFRS is not exposed to significant credit, liquidity or market risk in respect of financial assets. There is no difference between book value and fair value for cash and cash equivalents shown in the SoFP.

Financial Liabilities

Financial liabilities within the SFRS consist of Trade and Other Payables, Borrowings and Lease Liabilities. Trade payables are held at fair value and are typically non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the SFRS receives goods or services with no intention of trading the liability.

There are two types of Borrowings held by the SFRS:

- i) Public Works Loan Board (PWLB) loans were taken out by legacy services that carried out the Treasury Management function (i.e. borrowings and investments) in their own right. These are recognised in the SoFP at the point when the SFRS becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost, i.e. including accrued interest. For borrowings held by the SFRS therefore, the amount presented in the SoFP is the outstanding principal repayable including accrued interest, and annual charges to the SoCNE for interest payable is the amount payable in the year on an accruals basis.

- ii) The second type of financial liability arises where the Treasury Management function for legacy Fire Services was carried out by the lead authority. Schedules have been provided by the lead authorities showing total outstanding debt, amounts of principal repayable each year, and indicative amounts of related interest payable each year. The interest is calculated by each former lead authority using a pooled interest rate which is applied to all loans in their portfolio.
- In these cases, financial liabilities are shown in the SoFP at the values provided by the former lead authorities. Annual charges to the SoCNE for interest payable are based on the carrying amount of the liability multiplied by the effective rate of interest for the instrument, as calculated by each former lead authority.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

Review of Accounting Policies and Estimation Techniques

These Annual Accounts have been prepared under IFRS incorporating any departures required by the FReM, and all accounting policies have been reviewed to ensure their continued relevance. Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates and underlying assumptions are continuously reviewed.

The main areas of estimation relate to the following:

- The valuation of land and buildings, where the services of professionally qualified surveyors are used to ensure that best practice and consistency of approach is applied, and
- The valuation of Pension Scheme assets and liabilities, where professionally qualified actuaries are employed to provide the information required under IAS19 *Employee Benefits*.

Changes in Accounting Estimates

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change.

Events after the Reporting Period

Events after the reporting period end represent those events which occur between the end of the reporting period and the date when the Annual Report and Accounts are authorised for issue by the Board.

Material events for which conditions exist at 31 March are reflected on an accruals basis within the financial year. The Note to the Accounts contain details of material events where their conditions did not exist as at 31 March.

There are no significant events affecting the SFRS which have occurred since the end of the financial year. Future developments have been included in the Performance Report.

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No: C/ARAC/14-24

Agenda Item: 11

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	26 MARCH 2024							
Report Title:	DRAFT INTERNAL AUDIT STRATEGY UPDATE AND ANNUAL PLAN 2024/25							
Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>						
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
1	Purpose							
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with the draft Internal Audit Strategy Update and Annual Plan for 2024/25 as set out in Appendix 1.							
2	Background							
2.1	Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve the operations of Scottish Fire and Rescue Service (SFRS). It helps senior management accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.							
2.2	The provision of an Internal Audit framework is a key dimension of assurance that is required by the Accountable Officer to enable them to sign the governance statement as part of the annual accounts, for which they are responsible.							
2.3	Within SFRS, internal audit engagement is led by the Director of Finance and Contractual Services, and audit planning is developed in conjunction with the Strategic Leadership Team (SLT) and the Audit and Risk Assurance Committee (ARAC). Draft audit scoping papers, completed assignment reports, and quarterly progress updates are reported to SLT in advance of submission to ARAC, to ensure internal audit work is meeting the organisation's needs.							
2.4	The proposed Internal Audit Plan for 2024/25 was prepared by AZETS, as Internal Auditors to SFRS. The proposed audit areas have been subject to discussions with SLT, Members of ARAC and Audit Scotland, with feedback received incorporated within the draft plan.							
3	Main Report/Detail							
3.1	AZETS internal audit plan for 2024/25 is designed to provide the Scottish Fire & Rescue Service (SFRS), through the Audit & Risk Assurance Committee, with the assurance it needs to prepare an Annual Governance Statement that complies with best practice in corporate governance.							
3.2	In order to develop the plan, AZETS held discussions with the Chief Officer, the Director of Finance and Contractual Service and the Strategic Leadership Team (SLT) and took cognisance of feedback from an ARAC workshop. In addition, discussions were held with							

	Audit Scotland on potential areas for review. The feedback received, and management's comments, have been incorporated into this draft.
3.3	Following discussions with SLT, it was agreed that this year's work would focus on four high risk areas, thereby allowing more time to cover these areas in more depth. Appendix 1 provides the draft audit plan and provides additional information on these areas.
3.4	When carrying out the individual assignments AZETS will require engagement with all Directorates to determine whether processes and related controls are fully embedded and supported throughout the Service.
3.5	Due to the role of Finance and Contractual Services in three of the four audits, AZETS anticipate delivering the reviews in the following order to share the workload and ensure continued assurance is provided to ARAC throughout the year. The timetable will be discussed in more detail with Responsible Officers to ensure required capacity is made available: <ul style="list-style-type: none"> • Cyber • Environmental Management • Anti-Fraud Arrangements • Change Management
3.6	In addition to these 4 Key Priority Audit Areas, AZETS have identified 3 alternative areas for consideration. These areas are also high risk, but the 4 Key Priority Audit Areas were considered by SLT to present a higher degree of risk to the Service.
3.7	AZETS have set out within Appendix C of their paper the updated Internal Audit Strategy from 2020/21 to 2024/25. Where relevant, AZETS will consider the performance of SFRS against relevant good practice guidance and the delivery of similar activities at other organisations.
4	Recommendation
4.1	The Audit and Risk Assurance Committee is asked to: <ul style="list-style-type: none"> • scrutinise the draft Internal Audit Strategy Update and Annual Plan for 2024/25.
5	Key Strategic Implications
5.1	Risk
5.1.1	Associated risks relate to any interruption in the continued provision of an independent, objective assurance to add value and improve the organisations operations.
5.2	Financial
5.2.1	The inflationary increase for the 2024/25 internal audit plan has been notified to Decision Support within Finance and Procurement and has been incorporated within the budget for 2024/25.
5.3	Environmental & Sustainability
5.3.1	Any implications arising from the report will be managed by the relevant Directorate.
5.4	Workforce
5.4.1	Any implications arising from the report will be managed by the relevant Directorate.
5.5	Health & Safety
5.5.1	Any implications arising from the report will be managed by the relevant Directorate.
5.6	Health & Wellbeing
5.6.1	Any implications arising from the report will be managed by the relevant Directorate.

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5.7 5.7.1	Training Any implications arising from the report will be managed by the relevant Directorate.	
5.8 5.8.1	Timing The report is provided to ARAC to allow the 2024/25 Internal Audit plan to be agreed and implemented for 1 April 2024.	
5.9 5.9.1	Performance The report provides information on the internal audit plan for SFRS. The internal audit contract will outline a number of agreed key performance indicators to demonstrate whether contract requirements are being met. Performance data will be provided by the Internal Auditor and reported quarterly to the ARAC.	
5.10 5.10.1	Communications & Engagement Any implications arising from the report will be managed by the relevant Directorate.	
5.11 5.11.1	Legal Any implications arising from the report will be managed by the relevant Directorate.	
5.12 5.12.1	Information Governance DPIA completed - No. The report provides a summary of information and actions to be taken by Directorates, and named individuals, to manage any significant risk identified. The responsible Directorate will ensure that any relevant DPIA is completed as required.	
5.13 5.13.1	Equalities EHRIA completed - No. Where an equalities assessment is required, this will be determined by the responsible Directorate and progressed accordingly.	
5.14 5.14.1	Service Delivery Any implications arising from the report will be managed by the relevant Directorate.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Sarah O'Donnell, Director of Finance and Contractual Service
7.2	Level of Assurance: (Mark as appropriate)	Substantial/Reasonable/Limited/Insufficient
7.3	Rationale:	The proposed Internal Audit Plan for 2024/25 was prepared by AZETS, as Internal Auditors to SFRS. The proposed audit areas have been subject to discussions with SLT, Members of ARAC and Audit Scotland, with feedback received incorporated within the draft plan.
8	Appendices/Further Reading	
8.1	Appendix 1 – Azets Draft Internal Audit Strategy Update and Annual Plan for 2024/25	
Prepared by:		David Johnston, Risk and Audit Manager
Sponsored by:		Sarah O'Donnell, Director of Finance and Contractual Services
Presented by:		Matt Swann, Director Azets

Links to Strategy and Corporate Values		
<p>The Risk Management Framework forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6:</p> <p>Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.</p> <ul style="list-style-type: none"> Objective 5.1: Remaining open and transparent in how we make decisions. Objective 5.6: Managing major change projects and organisational risks effectively and efficiently. 		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Strategic Leadership Team</i>	<i>19 March 2024</i>	<i>For Recommendation</i>
<i>Audit and Risk Assurance Committee</i>	<i>26 March 2024</i>	<i>For Scrutiny</i>



Scottish Fire and Rescue Service

Internal Audit Strategy Update and Annual Plan for 2024/25

Draft

March 2024



Scottish Fire and Rescue Service

Internal Audit Strategy Update and Annual Plan 2024/25

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Introduction

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

Section 3 – Definition of Internal Auditing, Public Sector Internal Audit Standards

Our internal audit plan is designed to provide the Scottish Fire & Rescue Services (SFRS), through the Audit & Risk Assurance Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the continuous improvement of governance, risk management and internal control processes through the implementation of this plan.

Azets internal audit methodology complies fully with the Public Sector Internal Audit Standards (PSIAS), which cover the mandatory elements of the Chartered Institute of Internal Auditors' International Professional Practices Framework.

The PSIAS require the Chief Internal Auditor to produce a risk-based plan, which takes into account SFRS's risk management framework, its strategic objectives and priorities and the views of senior managers and the Audit & Risk Assurance Committee. The objective of audit planning is to direct audit resources in the most efficient manner to provide sufficient assurance that key risks are being managed effectively and value for money is being achieved.

This document addresses these requirements by setting out an internal audit plan for the year 2024/25.

Audit & Risk Assurance Committee action

In order to develop the plan, we held discussions with the Chief Officer, the Director of Finance and Contractual Service and the Strategic Leadership Team (SLT) and took cognisance of feedback from the ARAC workshop. In addition, we discussed potential areas for review with Audit Scotland. The feedback received and management's comments have been incorporated into this draft.

We now ask the Audit & Risk Assurance Committee to review and approve the proposed Internal Audit Plan for 2024/25.

Internal audit approach

Supporting the Governance Statement

Our Internal Audit Plan is designed to provide SFRS, through the Audit & Risk Assurance Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the improvement of governance, risk management and internal control processes by using a systematic and disciplined evaluation approach.

Risk based internal auditing

Our methodology links internal audit activity to the organisation's risk management framework. The main benefit to SFRS is a strategic, targeted internal audit function that focuses on the key risk areas and provides maximum value for money.

By focussing on the key risk areas, internal audit should be able to conclude that:

- Management has identified, assessed and responded to SFRS's key risks;
- The responses to risks are effective but not excessive;
- Where residual risk is unacceptably high, further action is being taken;
- Risk management processes, including the effectiveness of responses, are being monitored by management to ensure they continue to operate effectively; and
- Risks, responses and actions are being properly classified and reported.

We have reviewed SFRS's risk management arrangements and have confirmed that they are sufficiently robust for us to place reliance on the Service's Directorate risk registers as one source of the information we use to inform our audit needs assessment.

Audit needs assessment

Our internal audit plans are based on an assessment of audit need. "Audit need" represents the assurance required by the Audit & Risk Assurance Committee from internal audit that the control systems established to manage and mitigate the key inherent risks are adequate and operating effectively. The objective of the audit needs assessment is therefore to identify these key controls systems and determine the internal audit resource required to provide assurance on their effectiveness.

Our audit needs assessment involved the following activities:

- Reviewing SFRS Directorate risk registers,
- Reviewing SFRS's strategic and operational plans and objectives,
- Reviewing previous internal audit reports,
- Reviewing external audit reports and plans,
- Reviewing SFRS's website and internal policies and procedures,
- Utilising our experience at similar organisations, and
- Discussions with senior management and the Audit & Risk Assurance Committee.

Best value

Our work helps SFRS to determine whether services are providing best value. Where we identify opportunities for improving value for money, we raise these with management and include them in the report action plan.

Liaison with external audit

As part of the internal audit planning process, we met with Audit Scotland to discuss their external audit plan as well as potential areas we could include in our internal audit plan. The aim of this meeting was to ensure a co-ordinated approach and that there was no duplication in the work both auditors will undertake thereby maximising the use of total audit resource.

Key priority audit areas

Following discussion with members of the SLT, it was agreed that for this year our work would focus on four high risk areas thereby allowing more time to cover these in more depth. These areas are set out at Appendix A as the Key Priority Audit Areas. In addition, we have also added three alternative areas. These areas are also high risk, but the Key Priority Audit Areas are considered by SLT members to present a higher degree of risk to the Service. At Appendix B, we have set out the updated Internal Audit Strategy from 2020/21 to 2024/25. Where relevant, we will consider performance of SFRS against relevant good practice guidance and the delivery of similar activities at other organisations.

When carrying out the individual assignments included in the audit plan we will require engagement with all Directorates to determine whether processes and related controls are fully embedded and supported throughout the Service. Due to the role of Finance and Contractual Services within three of the four audits, we would anticipate delivering the reviews in the following order to share the workload across the year and ensure continued assurance is provided to ARAC throughout the year:

- Cyber
- Environmental Management
- Anti-Fraud Arrangements
- Change Management

ARAC members are asked to consider whether they agree with the prioritisation given to the key areas or, if not which of the suggested alternative areas they would rather see included in this year's plan.

Internal audit team

Below we have set out our senior team responsible for overseeing the delivery of SFRS's internal audit service.

Gary Devlin CA



Chief Internal Auditor

email: gary.devlin@azets.co.uk

telephone: 0141 567 4500

Matt Swann CA



Director

email: matthew.swann@azets.co.uk

telephone: 01612 451000

Gill Callaghan CMIIA QIAL GIAC



Senior Internal Audit Manager

email: gillian.callaghan@azets.co.uk

telephone: 0141 567 4500

Appendix A - Internal Audit Plan 2024/25

Key Priority Audit Areas

Audit area	No. of days	Indicative audit scope (subject to detailed planning)
C. CORPORATE		
C.9 Anti-Fraud Arrangements	35	<p>This review will focus on the arrangements SFRS has in place to prevent fraud from taking place and the process to be followed should fraudulent activity be suspected. This will include a review of policies and procedures designed to promote an anti-fraud culture within SFRS e.g. Anti-Fraud & Corruption (including the arrangements in place to deal with a suspected fraud), Whistleblowing, Gifts & Hospitality, and Declaration of Interests etc.</p> <p>This review will also review the arrangements to ensure that fraud risk has been adequately assessed throughout the organisation and that appropriate mitigating actions are put in place to prevent and detect fraud.</p> <p>We will also evaluate the arrangements to ensure that staff, including those working in the regions, are aware of the Service's policies and procedures in relation to fraud.</p> <p>As part of the review, we will perform data analytics on a sample of areas (to be agreed with management) which present a high risk of fraud in order to ascertain whether controls in operation are effectively mitigating this risk.</p>
C.10 Environmental Management	20	<p>The exact scope of this review is to be determined with management. However, we envisage that it will look to ascertain how SFRS is progressing in relation to the achievement of the following strategies/plans: Energy and Carbon Strategy 2020-30; Climate Change Response Plan 2045; Carbon Management Plan 2020-25; and how the Service has implemented its Environmental policy which set out the</p>

Audit area	No. of days	Indicative audit scope (subject to detailed planning)
		<p>Service's commitment to minimising and mitigating the environmental impact of delivering its service.</p> <p>We will also consider how the Service is endeavouring to maximise funding opportunities in relation to environmental matter and the effectiveness of communications linked to funding to stakeholders including Scottish Government.</p>
C.11 Change Management	30	<p>We will examine the controls over change management to ensure that robust processes exist in respect of changes to be implemented as a result of the Service Delivery Model Programme as well as any other significant changes required. We will review change processes across the portfolio to ensure that changes: align to the Service's strategic objectives; have been clearly set out with roles and responsibilities defined as well as clear monitoring and reporting structures; have been approved; and are being enacted in a controlled manner to ensure the successful delivery of the changes and to promote continuous improvement within the Service. As part of this review, we will examine the Business Case process including consistency in the application of the process and ensuring appropriate approval is obtained.</p>
Subtotal C:	85	
E. IT		
E.3 Cyber Security	25	<p>We will perform a review of cyber security controls to identify compliance with specific areas of the Scottish Government's Cyber Resilience Framework. The areas to be reviewed will be discussed and agreed with SFRS management. We will assess the outcomes of this review and highlight areas of targeted future audit activity to support the development of a long term robust environment.</p>
Subtotal E:	25	
F. Follow Up		

Audit area	No. of days	Indicative audit scope (subject to detailed planning)
F.1 Follow Up Reviews	10	Follow Up reviews to be undertaken on a quarterly basis to confirm that management actions have been implemented as agreed.
Subtotal F:	10	
G. Management		
G.1 Audit needs assessment / annual plan preparation	5	
G.2 Audit & Risk Assurance Committee planning and attendance	8	
G.3 Annual and internal audit progress reports, meetings with management	8	
G.4 Contingency	9	
Subtotal G:	30	
TOTAL	150	

Alternative Audit Areas

Audit area	No. of days	Indicative audit scope (subject to detailed planning)
X.1 Business Continuity Planning	TBA	<p>This review would focus on the business continuity arrangements SFRS has in place to minimise the risk of disruption to its operations in the event of a serious incident.</p> <p>Whilst this was noted as an important area, it was recognised that the most crucial continuity concerns related to the cyber environment, making a more general review a lower priority.</p>
X.2 Health and Safety	TBA	<p>This review would focus on the arrangements SFRS has in place to ensure that it complies with relevant Health & Safety legislation and regulations.</p> <p>Whilst this is an area that has not been subject to internal audit review since before 2019, we consider other assurance to be provided and as such this is a lower priority area that the four audits included in the plan. A new action plan to address identified issues and requires time to embed prior to external review.</p>
X.3 Organisational Performance	TBA	<p>This review would focus on that arrangements for monitoring and reporting on performance at a local/regional level to ensure that this is being carried out in a consistent manner throughout the Service and that improvements are made where any shortfalls are identified.</p> <p>In the context of a balanced plan, whilst organisational performance was seen as an important issue, this was seen as a drill down of work performed in 2022/23 and as such was a lower priority than the selected reviews.</p>

Appendix B - Links to Directorate Risk Registers

Below we have demonstrated the link between the key priority audit areas and the Directorate Risk Registers.

Audit Area	Risk Ref	Risk Description	Risk Rating
Anti-Fraud Arrangements	FCS011	There is a risk to the Service where incidents of fraud are undetected. This may be due to an unwillingness or a lack of awareness by individuals to follow policy and guidance on fraud prevention. Issues of fraud can impact the reputation of the Service, cause increased internal and external scrutiny and may have an impact upon financial reporting arrangements.	12
Environmental Management	FCS008	There is a risk that the Service will be unable to achieve environmental and carbon reduction commitments due to limited investment or anticipated saving targets not being achieved through current projects. This can lead to lost saving opportunities, potential fines if required targets are not met and possibly negative media coverage.	12
Change Management	SDD009	There is a risk of the Directorate being unable to embed Strategic Change capabilities across the SFRS as a result of organisational constraints that limit critical resource capacity and capability both within the Portfolio Office and across SFRS functions, which includes the necessity to further develop and build the skills and competencies that are required of a Strategic Change function. This could result in a number of consequences for SFRS which would include our ability to deliver change on time and within budget and to quality standards	15
Cyber Security	SDD007	There is a risk that we will be unable to maintain adequate levels of Cyber Security to avoid any breach due to lack of resources/ skills or appropriate policy and process being in place. This could result in failure of access to or stability of systems affecting SFRS activity.	20

Appendix C - Internal Audit Strategy 2020/21 - 2024/25

Audit Assignment	2020/21	2021/22	2022/23	2023/24	2024/25
FINANCIAL SYSTEMS					
Financial Systems Health-check	✓				
Procurement and Tendering	✓				
Expenses Policy	✓				
Revenue & Funding Maximisation			✓		
Capital Investment Strategy			✓		
Budgetary Control				✓	
PEOPLE					
Learning & Development		✓			
Sickness Absence Management			✓		
Training			✓		
Equality, Diversity & Inclusion				✓	
CORPORATE					
Implementation of Governance Structure & Reporting	✓				
Risk Management	✓				
Environmental Sustainability		✓			
Fire Safety Enforcement		✓			
Corporate Performance Management			✓		
Post Pandemic Review			✓		
Risk Assurance (Advisory)				✓	
Anti-Fraud Arrangements					✓
Change Management					✓
Environmental Management					✓
OPERATIONAL					
Estate Asset Management & Maintenance	✓				
Operational Equipment	✓				
Remote Working		✓			
Personal Protective Equipment			✓		
Workforce Planning (On Call Firefighters)				✓	
Partnership Working				✓	
Contract Management				✓	

Audit Assignment	2020/21	2021/22	2022/23	2023/24	2024/25
IT					
ICT & Data Security	✓				
Portfolio Office		✓			
Cyber Security					✓
FOLLOW UP ASSURANCE					
Follow Up	✓	✓	✓	✓	✓
ICT & Data Security Follow Up		✓			

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SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No: C/ARAC/15-24

Agenda Item: 13

Report to:		AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:		26 MARCH 2024							
Report Title:		AUDIT, RISK & ASSURANCE COMMITTEE QUARTERLY PERFORMANCE - Q3 2023/24							
Report Classification:		For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>						
			<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
1	Purpose								
1.1	To provide members with the third quarter performance of KPIs 35 – 42 for fiscal year 2023-24.								
2	Background								
2.1	The Performance Management Framework (PMF) 2023/24 defines how we, the Scottish Fire and Rescue Service (SFRS), manage our performance and how we use performance information to inspire change and improvement.								
2.2	Fifty six quarterly indicators and 9 national indicators were identified across directorates to provide senior leaders, committees and the SFRS Board with relevant information on our performance to support their role in scrutinising the Service and accounting to the people of Scotland for how we perform in delivering our Strategic Plan Outcomes.								
2.3	The quarterly performance dashboard (& report) provide an overview for those indicators and through the use of statistical process control charts (SPC) alerts stakeholders to situations deteriorating or improving or where performance is stable and in control.								
3	Main Report/Detail								
3.1	This paper covers performance indicators outlined in the PMF which are intended for scrutiny by Audit, Risk & Assurance Committee.								
3.2	Exceptional variation &/or for monitoring:								
3.2.1	<ul style="list-style-type: none"> 39 - Confirmed Frauds 40 - % Invoices in 30 Days 								
3.3	Deteriorating (long-term):								
3.3.1	<ul style="list-style-type: none"> 38 - % FOI within Timeframe 								
3.4	Improving (long-term):								
3.4.1	<ul style="list-style-type: none"> 37 - Data Breaches 								
3.5	Not changing:								
3.5.1	<ul style="list-style-type: none"> 35 - Cyber Security Breaches 36 - % Subject Access within Timeframe 								

3.6 3.6.1	<ul style="list-style-type: none"> • 42 - % Service Desk Requests within SLA (2023-24 Q3 data missing) <p>Not known – missing data:</p> <ul style="list-style-type: none"> • 41 - % Service Desk Incidents within SLA (2023-24 Q3 data missing)
4	Recommendation
4.1	Members are invited to scrutinise the contents of the Organisational Performance dashboard and provide feedback on practical use to ensure continuous development of user experience.
5	Key Strategic Implications
5.1 5.1.1	<p>Risk</p> <p>SFRS has a specific risk SPPC001 There is a risk of the service not consistently providing accurate performance management information from some sources due to inaccurate data or inadequate systems resulting in loss of confidence in reporting service performance.</p>
5.2 5.2.1	<p>Financial</p> <p>There are no specific financial issues raised within this paper.</p>
5.3 5.3.1	<p>Environmental & Sustainability</p> <p>There are no specific Environmental & Sustainability implications addressed in this paper.</p>
5.4 5.4.1	<p>Workforce</p> <p>There are no workforce implications in this paper</p>
5.5 5.5.1	<p>Health & Safety</p> <p>There are no specific Health and Safety implications addressed in this paper.</p>
5.6 5.6.1	<p>Health & Wellbeing</p> <p>There are no specific Health and Wellbeing implications addressed in this paper.</p>
5.7 5.7.1	<p>Training</p> <p>There are no specific Training implications addressed in this paper.</p>
5.8 5.8.1	<p>Timing</p> <p>Some performance indicators rely on manual collation of data and are a ‘snapshot’ in time (2/3 weeks ahead of scrutiny) and may be subject to change dependant on relevant business areas business practices.</p>
5.9 5.9.1	<p>Performance</p> <p>All performance measures reported are linked to Strategic Outcomes 5.</p>
5.10 5.10.1	<p>Communications & Engagement</p> <p>There are no specific Communications & Engagement implications addressed in this paper.</p>
5.11 5.11.1	<p>Legal</p> <p>There are no specific Legal implications addressed in this paper.</p>
5.12 5.12.1	<p>Information Governance</p> <p>DPIA completed - No</p>
5.13 5.13.1	<p>Equalities</p> <p>EHRIA completed - No</p>

5.14	Service Delivery	
5.14.1	There are no specific Service Delivery implications addressed in this paper.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Mark McAteer, Director for Strategic Planning, Performance and Communications
7.2	Level of Assurance: (Mark as appropriate)	Substantial / Reasonable / Limited / Insufficient
7.3	Rationale:	The service has continued to develop its approach to performance reporting. The Organisational Performance Dashboard, aligned to the SFRS Performance Management Framework, is now live and available across the service with a pdf version made available to the public. Scrutiny of service performance is evident across the service, at executive level and by the SFRS Board at committee and board level.
8	Appendices/Further Reading	
8.1	Link to PBI0068 – Organisational Performance Dashboard	
8.2	Appendix A: PDF copy of PBI0068 Organisational Performance Dashboard	
Prepared by:	Chris Fitzpatrick, Business Intelligence and Data Services Manager	
Sponsored by:	Richard Whetton, Head of Corporate Governance, Strategic Planning, Performance and Communications Directorate	
Presented by:	Mark McAteer, Director for Strategic Planning, Performance and Communications	
Links to Strategy and Corporate Values		
<u>Strategy</u> Outcome 5 – We are a progressive organisation, use our resources responsibly and provide best value for money to the public <ul style="list-style-type: none"> • Remaining open and transparent in how we make decisions. • Improving levels of Service performance whilst providing value for money to the public. • Improving the use of data and business intelligence to support decision making. 		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Corporate Board</i>	<i>21 February 2024</i>	<i>For scrutiny</i>
<i>Audit, Risk & Assurance Committee</i>	<i>26 March 2024</i>	<i>For scrutiny</i>



SCOTTISH

FIRE AND RESCUE SERVICE

Working together for a safer Scotland

Corporate Board Performance Report



**LIVE
MANAGEMENT
INFORMATION**

Latest quarter shown: **2023-24 Q3**

APPENDIX A

You can use these navigational buttons to go to other pages, or use the contents panel at the left-hand side of the screen



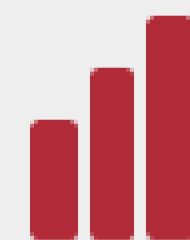
Welcome

The Corporate Board Performance Report provides a view of how the Scottish Fire and Rescue Service is performing against its corporate performance measures, as mapped against our Strategic Plan Outcomes.

Our Performance Management Framework 2023-24 defines these corporate performance measures, whilst the Strategic Plan 2022-25 outlines the high-level outcomes through which the Service will continually work towards its overall purpose.

This report is a tool to support and scrutinise effective delivery of the Strategic Plan 2022-25. Each KPI has an owner, who's responsible for monitoring and commenting on its performance.

Key contact: BI@firescotland.gov.uk



**BUSINESS
INTELLIGENCE**



LIVE MANAGEMENT INFORMATION

There is no confidential information in this report – content can be shared with partners.
Data is subject to change.

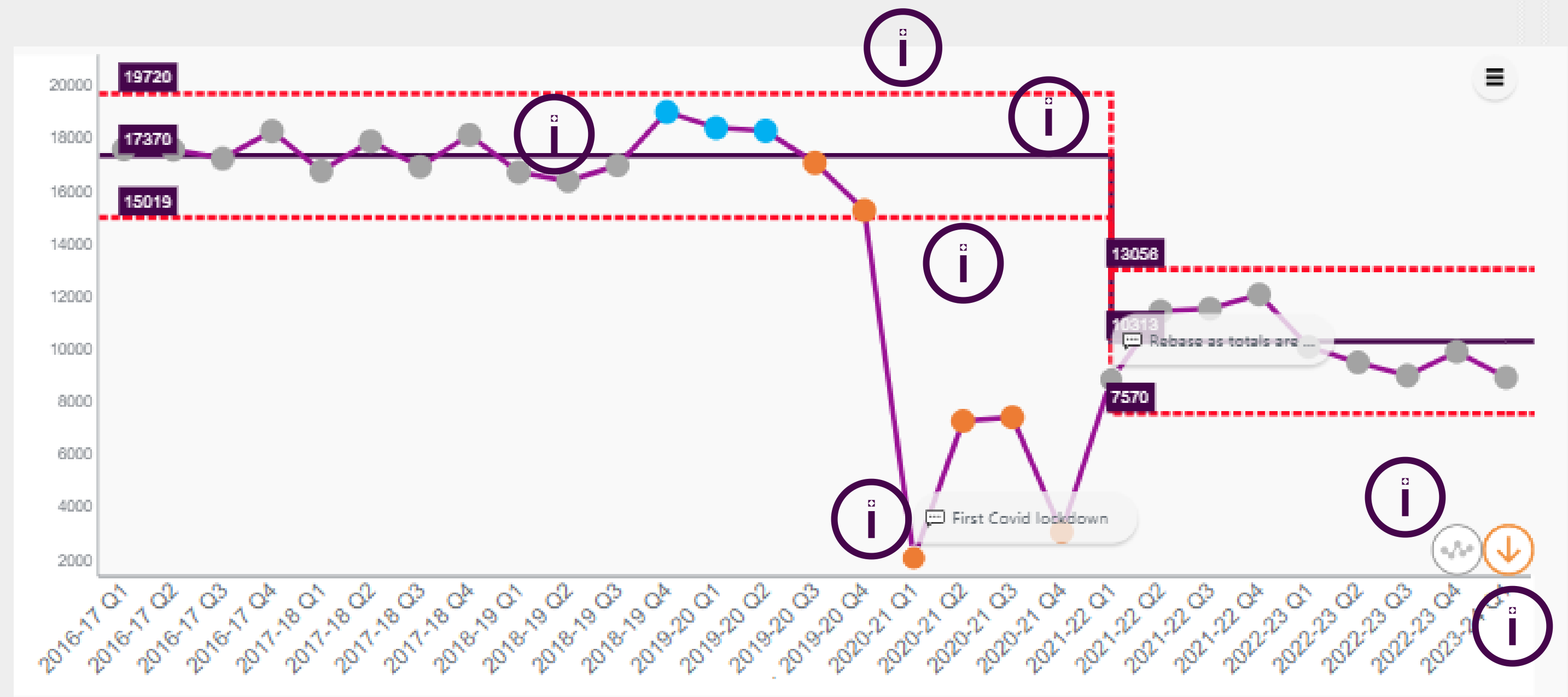
This report presents data over time for each of the quantitative performance measures as detailed in the [Performance Management Framework 2023-24](#), broken down into the Strategic Plan Outcomes. The Contents page (next) provides direction as to where you can find certain information.

SPC Charts

In this PMF Board Report, we use **Statistical Process Control (SPC) charts** to analyse and visualise how the Service is performing against each of its corporate performance measures. We also use commentary as provided by the KPI owner to provide context and highlight key messages. This approach to analysis is how the Business Intelligence Team will analyse, interpret and present performance data going forwards.

SPC is an analytical technique that **plots data over time**. It helps us to **understand variation** and guides us to take the most appropriate action.

SPC alerts us to a situation that may be deteriorating, shows us if a situation is improving, shows us how capable a system is of delivering a standard or target, and shows us if a process that we depend on is reliable and in control.



Above: anatomy of a SPC chart

How to Interpret SPC Charts - see chart - anatomy of a SPC chart

Normally data points will fall **between the upper and lower control limits**. If any of the following scenarios apply, the change needs to be investigated and an explanation provided. Over time this lets us analyse performance in a meaningful way.

- An **ORANGE** data point indicates special cause variation of particular concern and needing action. For example, whenever a data point falls outside of a control limit, or if 2 out of 3 data points are close to a control limit.
- A **BLUE** data point indicates where improvement appears to lie.
- A **GREY** data point indicates no significant change (common cause variation) as well as the baseline.

The following variation icons will also appear on each SPC chart:

Common cause – no significant change	Special cause of concerning nature or higher pressure due to (H)igher or (L)ower values	Special cause of improving nature or lower pressure due to (H)igher or (L)ower values

Data source for this report:

Details of each data source can be found on the Index page. Some of these are automated whilst others are manual.

Frequency of update:

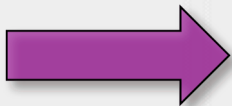
This report will be updated quarterly.

Source: [making-data-count-getting-started-2019.pdf \(england.nhs.uk\)](#)



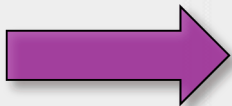
OUTCOME 05 (Effective Governance & Performance)

We are a progressive organisation, use our resources responsibly and provide best value for money to the public.



OUTCOME 06 (People)

The experience of those who work for SFRS improves as we are the best employer we can be.



We are a progressive organisation, use our resources responsibly and provide best value for money to the public.

KPI	Indicator	Purpose	Geography	Frequency	Target	Business Area
35	Number of Cyber Security Breaches	To record the number of successful cyber breaches experienced by the Service	National	Quarterly	0	Information and Communication Technology
36	% of subject access requests responded to within the statutory timescales	Demonstrates if we are meeting the statutory timescales of GDPR/Data Protection legislation	National	Quarterly	95%	Corporate Communications
37	Number of Data Breaches	Demonstrates if staff are complying with GDPR/Data Protection legislation to avoid data breaches	National	Quarterly	0	Corporate Communications
38	% of FOIs responded to within statutory timescales	Demonstrates if we are meeting the statutory timescales of Freedom of Information legislation	National	Quarterly	95%	Corporate Communications
39	Number of confirmed frauds	Unavailable	National	Quarterly	0	Finance and Procurement
40	% of invoices paid in 30 days	Unavailable	National	Quarterly	98%	Finance and Procurement
41	% Service Desk incidents resolved within Service Level Agreement	To demonstrate the level of compliance with Service Level Agreement for dealing with incidents (eg broken equipment or no access to an ICT system or service)	National	Quarterly	85%	Information and Communication Technology
42	% Service Desk requests resolved within Service Level Agreement	To demonstrate the level of compliance with Service Level Agreement for dealing with service requests (eg new or additional equipment or improvement to an ICT system or service)	National	Quarterly	85%	Information and Communication Technology



Effective Governance and Performance

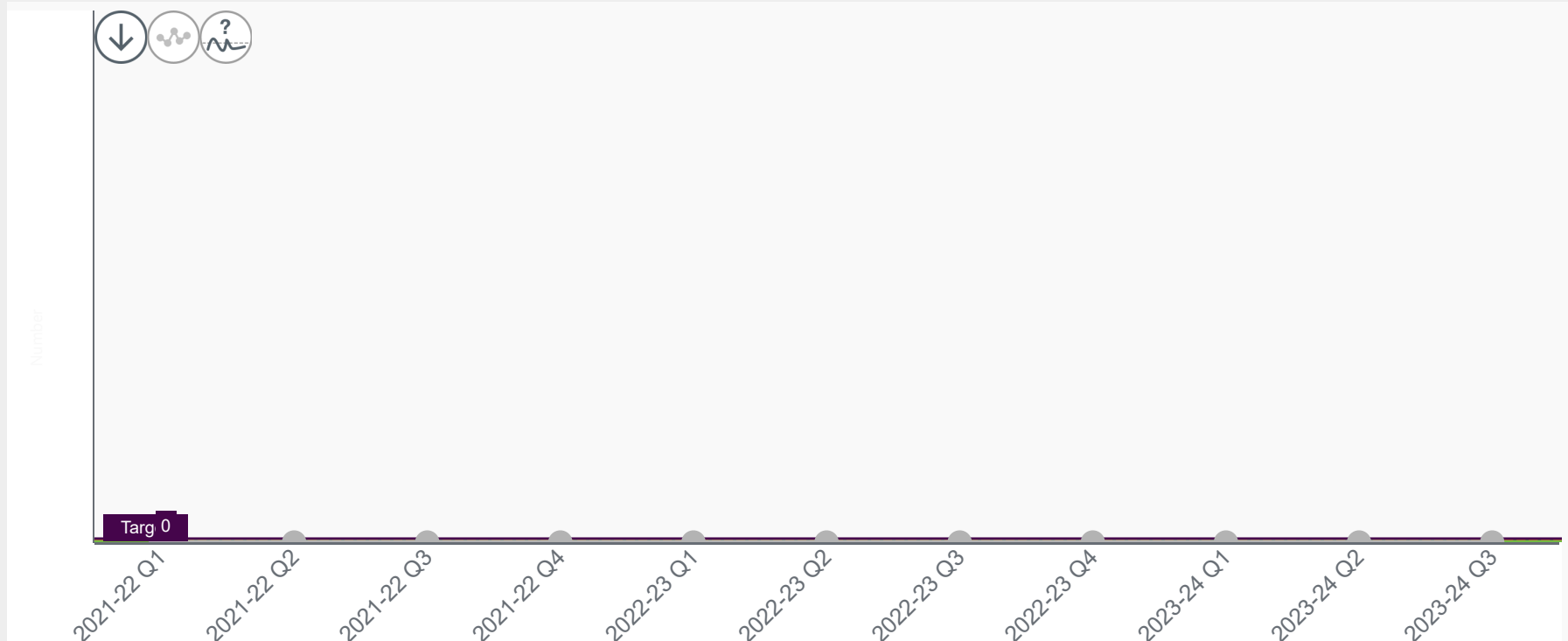
We are a progressive organisation, use our resources responsibly and provide best value for money to the public.



KPI 35 Cyber Security Breaches

PURPOSE: To record the number of successful cyber breaches experienced by the Service

OWNER: Head of ICT



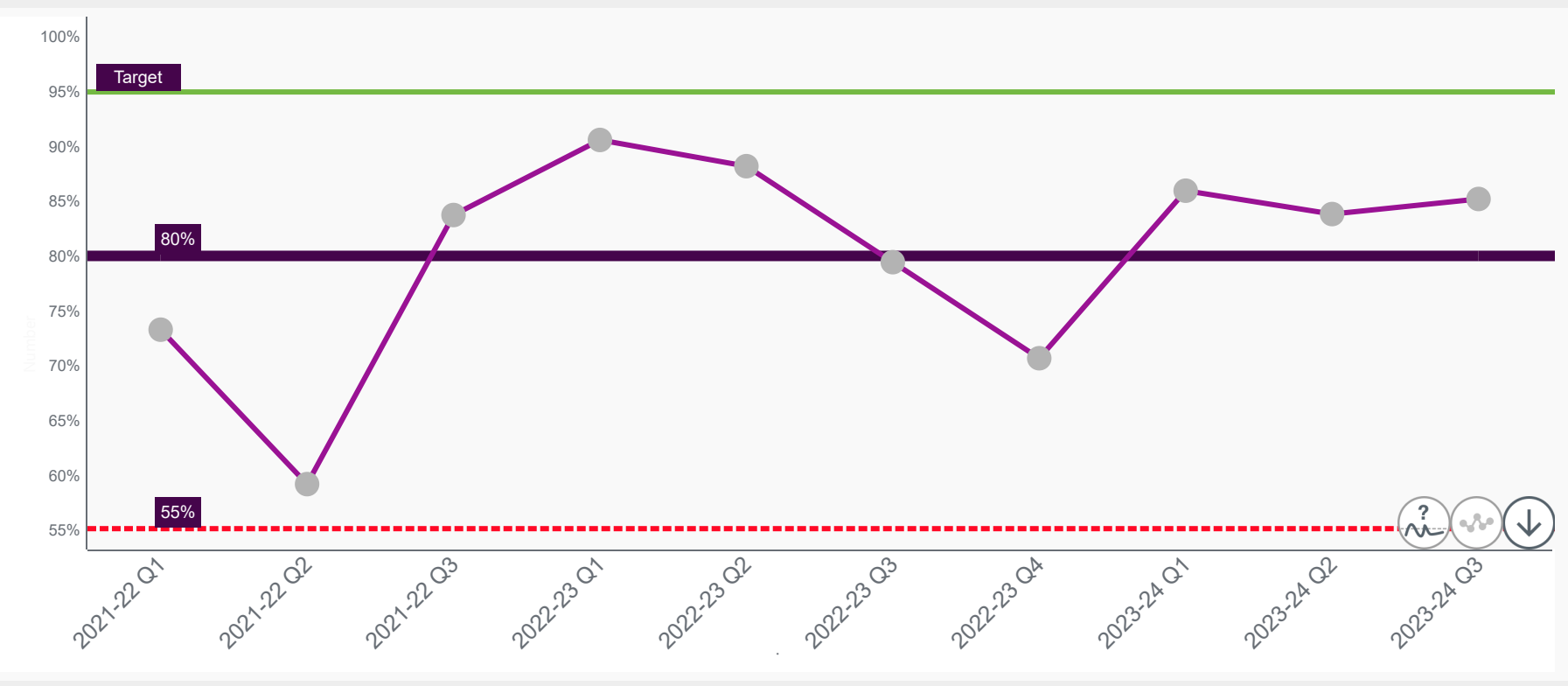
SUMMARY

The recorded number of Cyber breaches remains at 0 which gives some indication that our current risk mitigation factors remain effective at this time.

KPI 36 % Subject Access within Timeframe

PURPOSE: Demonstrates if we are meeting the statutory timescales of GDPR/Data Protection legislation

OWNER: Head of Corporate Communications



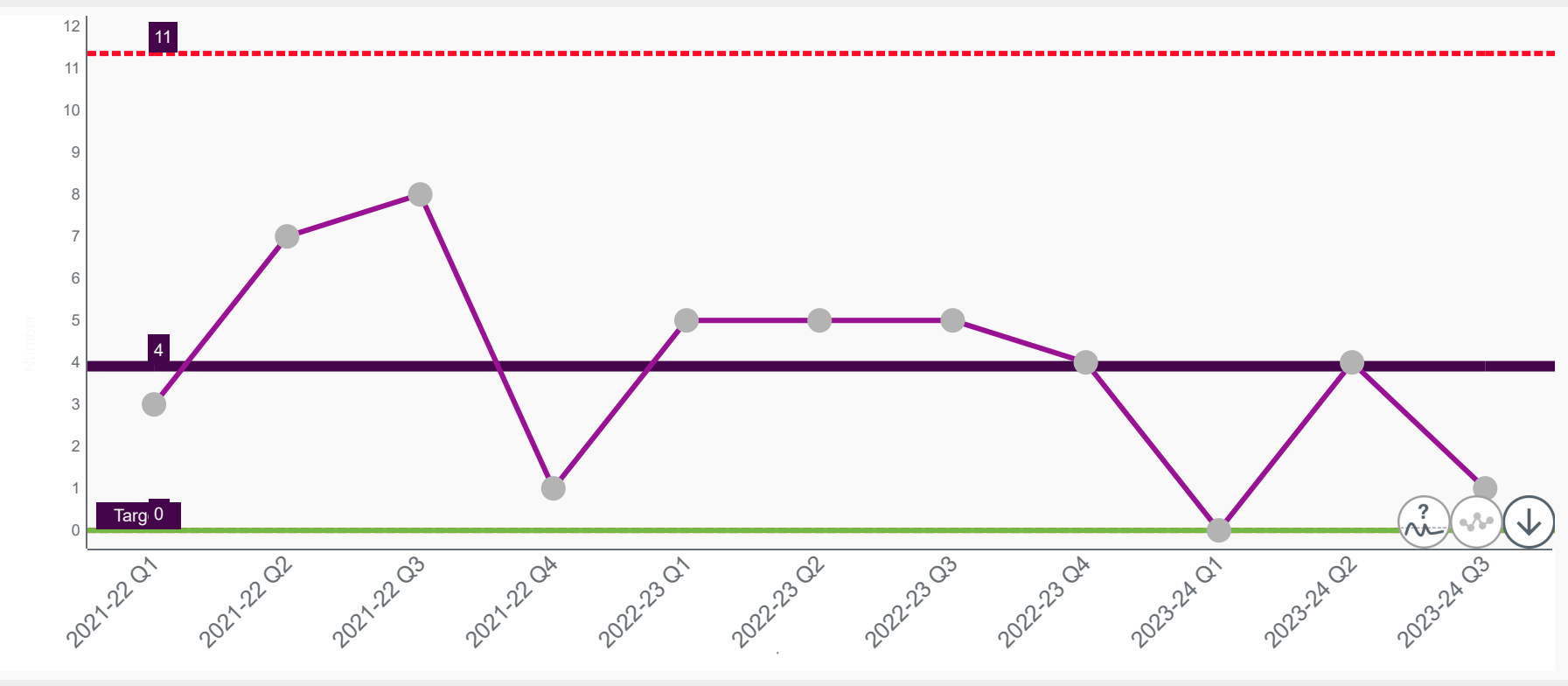
SUMMARY

SLT are being presented with a report asking to ensure each directorate has a SPOC in place to support the management of FOIs/EIRS and SARs, ensure teams understand the need to respond quickly to requests and provide all of the necessary information, Business Case being developed to review resources

KPI 37 Data Breaches

PURPOSE: Demonstrates if staff are complying with GDPR/Data Protection legislation to avoid data breaches

OWNER: Head of Corporate Communications



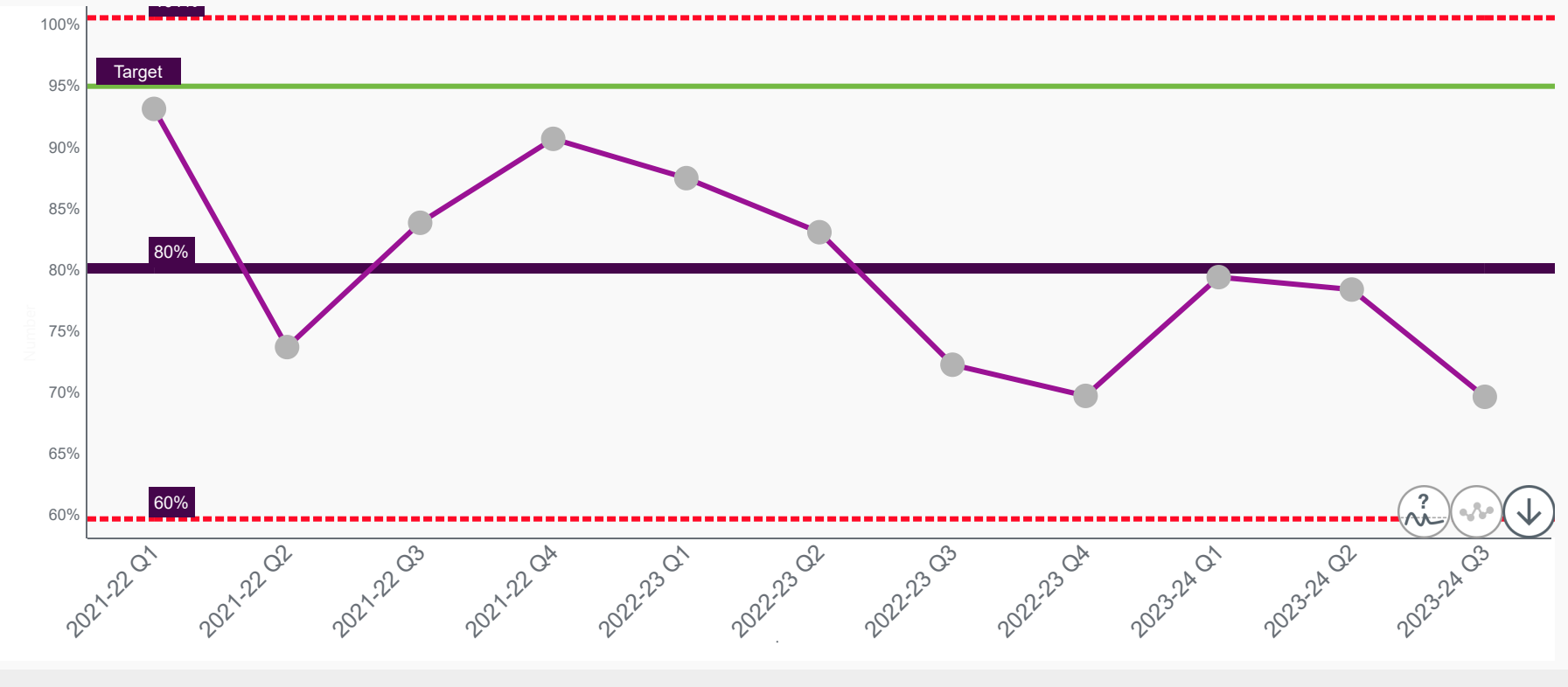
SUMMARY

Continue to review breaches and learn from incidents to make improvements and reduce breaches.

KPI 38 % FOI within Timeframe

PURPOSE: Demonstrates if we are meeting the statutory timescales of Freedom of Information legislation

OWNER: Head of Corporate Communications



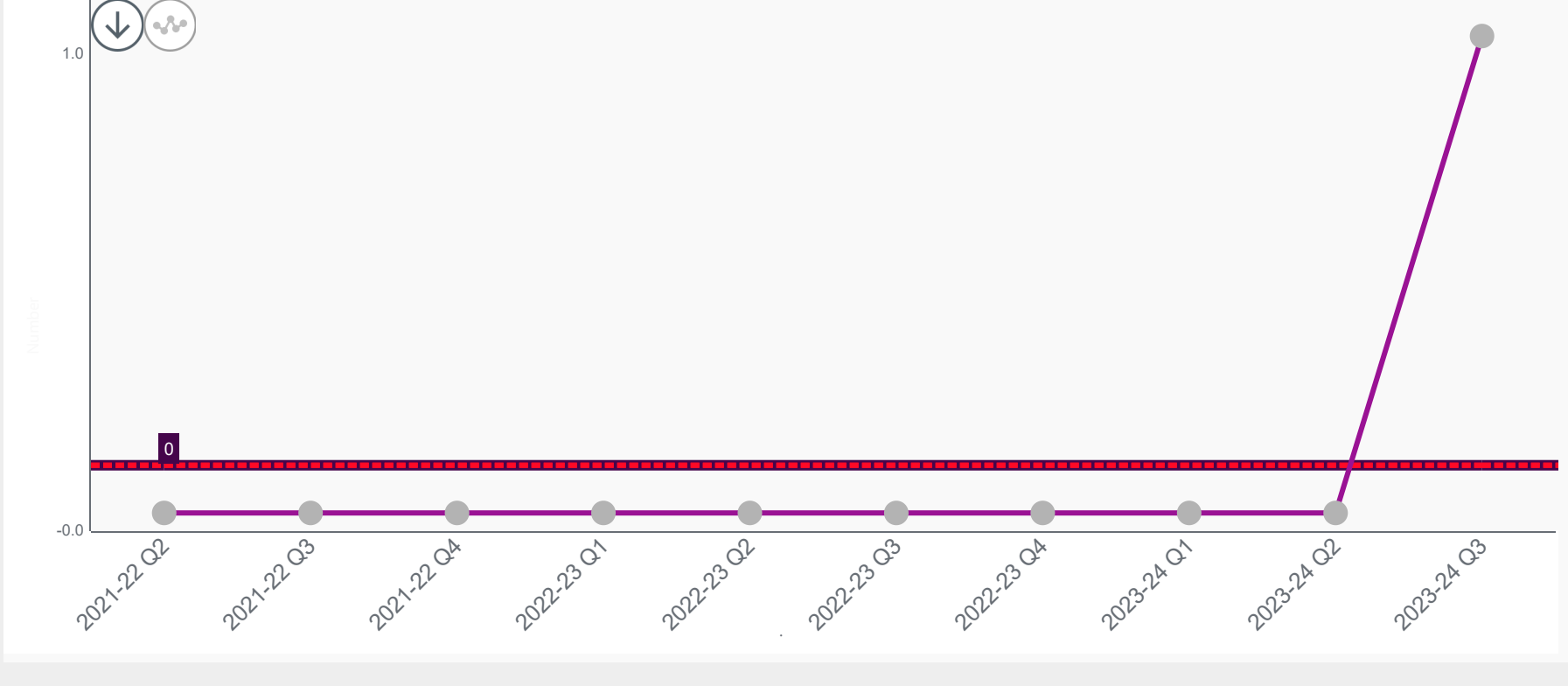
SUMMARY

SLT are being presented with a report asking to ensure each directorate has a SPOC in place to support the management of FOIs/EIRS and SARs, ensure teams understand the need to respond quickly to requests and provide all of the necessary information, Business Case being developed to review resources

KPI 39 Confirmed Frauds

PURPOSE: Unavailable

OWNER: Systems Manager



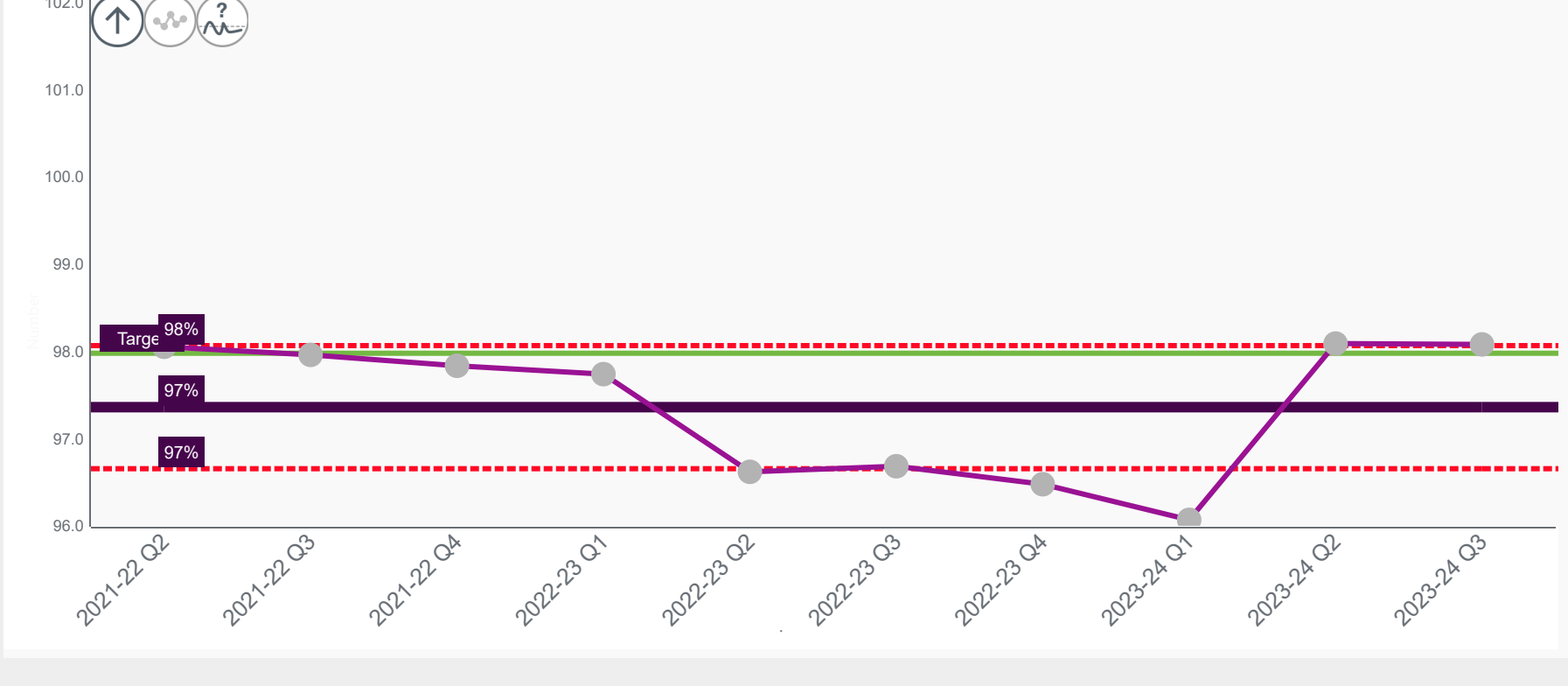
SUMMARY

A formal investigation is being undertaken to identify agreed control actions resulting from this event. Quarterly monitoring reports, of progress against actions, will be provided to the Audit and Risk Assurance Committee following agreement of the action plan.

KPI 40 % Invoices in 30 Days

PURPOSE: Unavailable

OWNER: Systems Manager



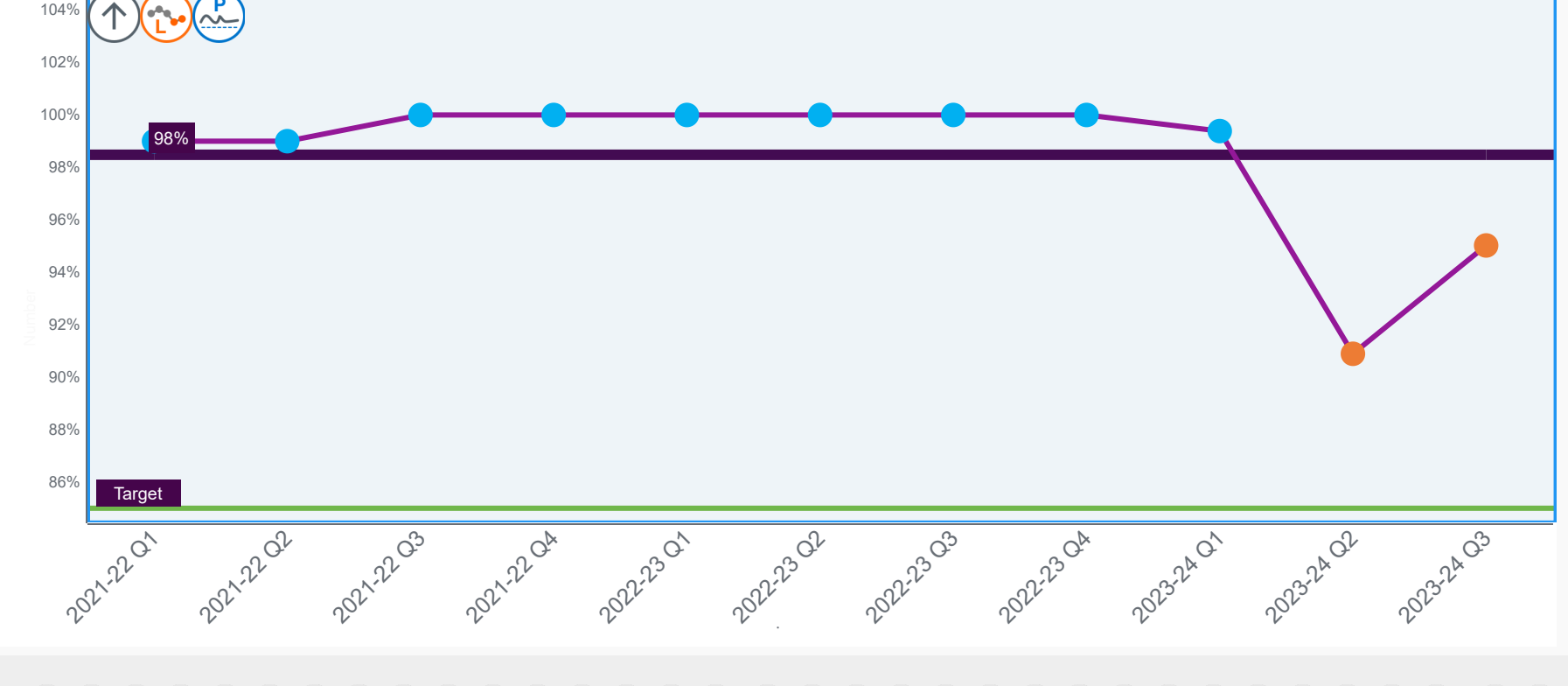
SUMMARY

All invoices are processed in Technology 1 as soon as possible (usually within 1 day of receipt). They are workflowed to the appropriate budget holder for checking / coding before authorising. Outstanding invoices are followed up with budget holders on a weekly basis.

KPI 41 % Service Desk Incidents within SLA

PURPOSE: To demonstrate the level of compliance with Service Level Agreement for dealing with incidents (eg broken equipment or no access to an ICT system or service)

OWNER: Head of ICT



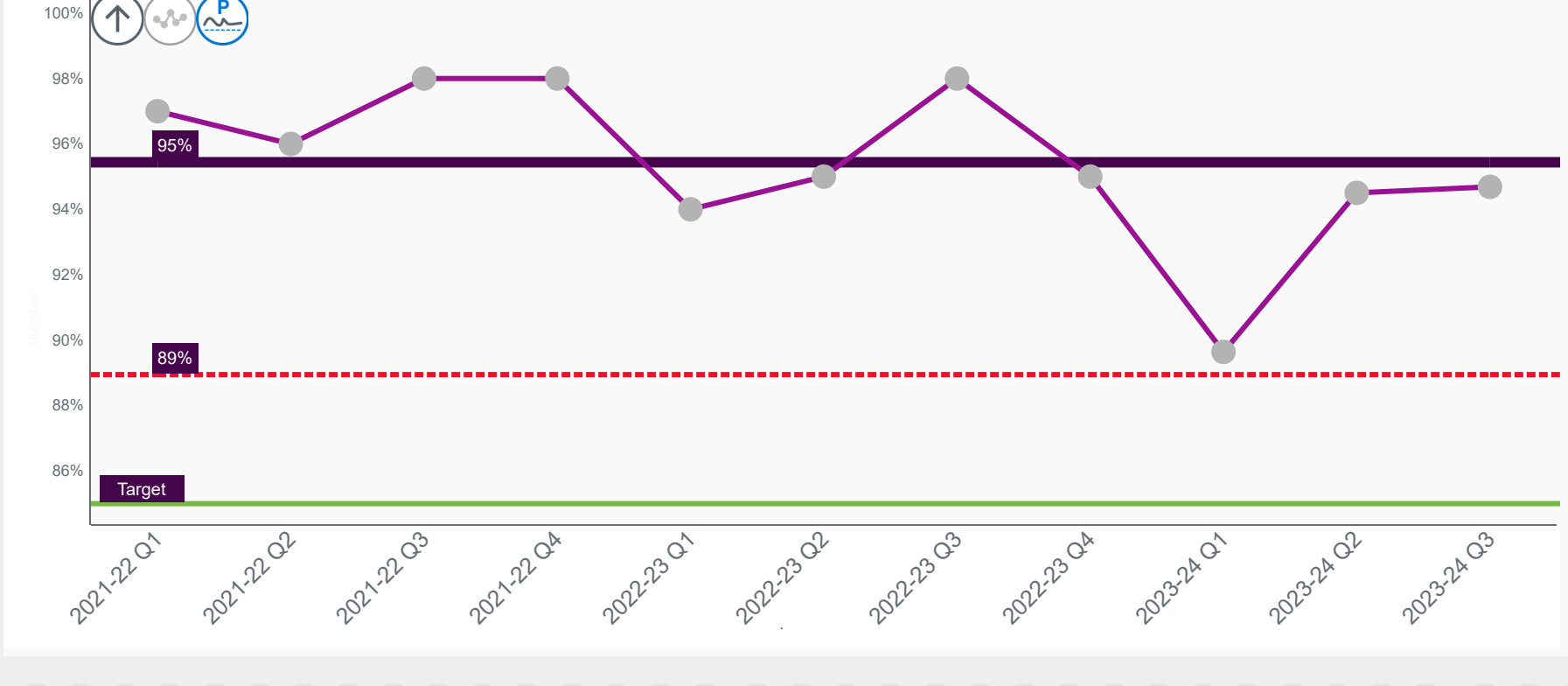
SUMMARY

This equates to 95.03% of all incidents logged in Q3 were resolved within SLA. This is expected performance considering the level of resources and workload available to deal with BAU.

KPI 42 % Service Desk Requests within SLA

PURPOSE: To demonstrate the level of compliance with Service Level Agreement for dealing with service requests (eg new or additional equipment or improvement to an ICT system or service)

OWNER: Head of ICT



SUMMARY

This equates to 94.07% of all Service Requests logged in Q3 were fulfilled within SLA. This is expected performance considering the level of resources and workload available to deal with BAU.

The experience of those who work for SFRS improves as we are the best employer we can be.

KPI	Indicator	Purpose	Geography	Frequency	Target	Business Area
46	Actual Full Time Equivalent (FTE) staff against Target Operating Model - Flexi	This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.	National	Quarterly	Track	People
46	Actual Full Time Equivalent (FTE) staff against Target Operating Model - OC	This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.	National	Quarterly	Track	People
46	Actual Full Time Equivalent (FTE) staff against Target Operating Model - OS	This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.	National	Quarterly	Track	People



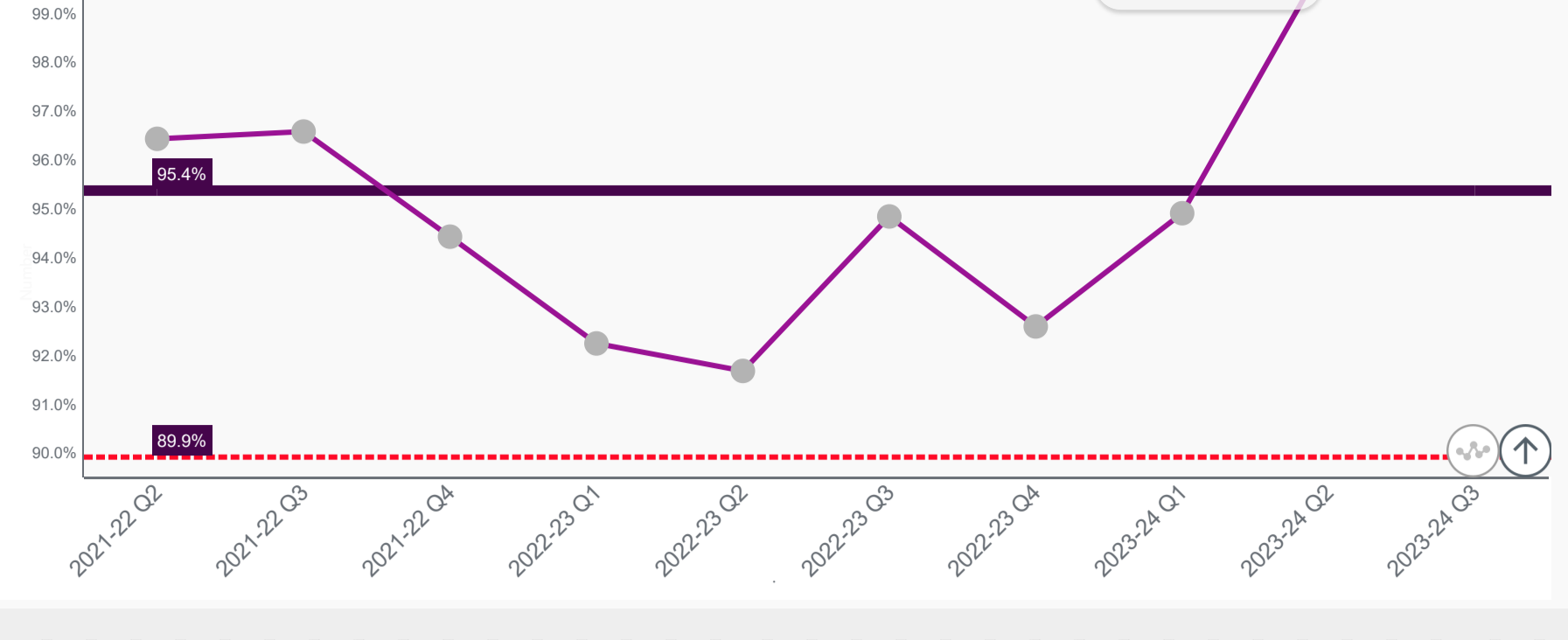


People

The experience of those who work for SFRS improves as we are the best employer we can be.

KPI 46 Resource Based Crewing FTE

PURPOSE: This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.



Track

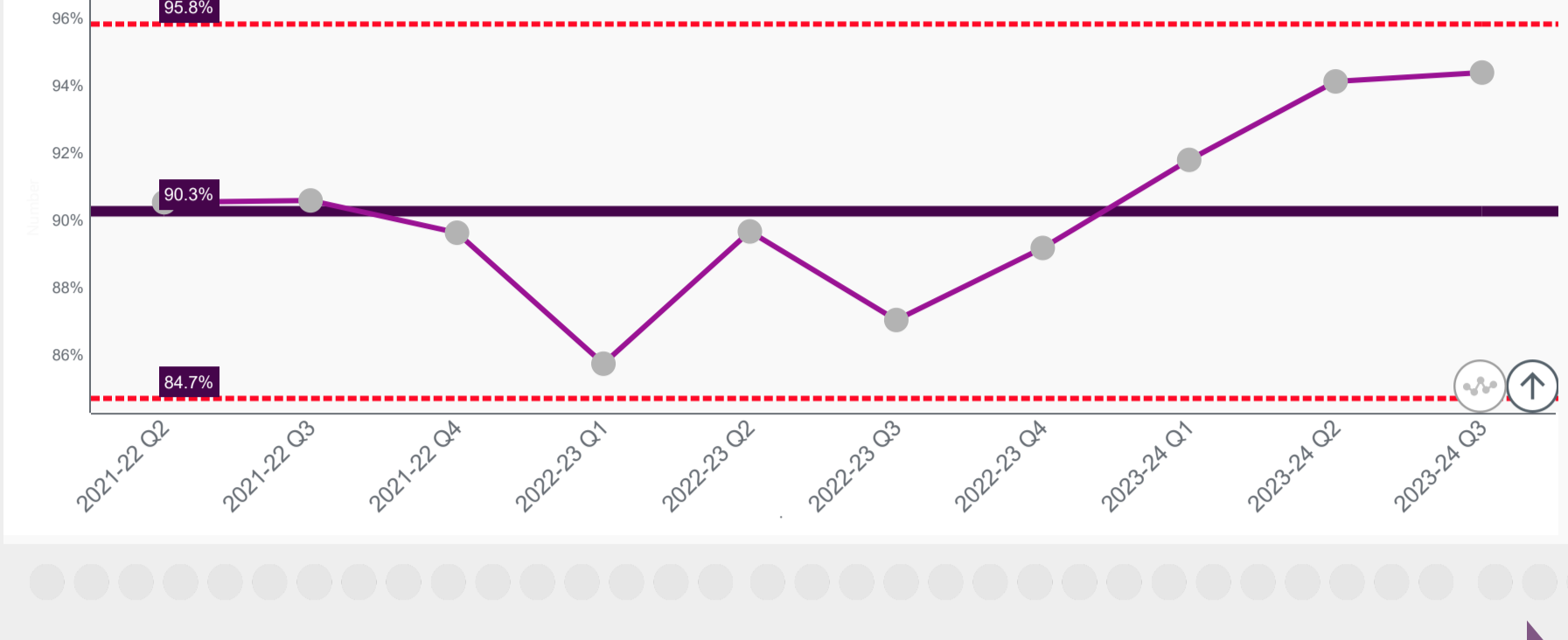
OWNER: Head of People

SUMMARY

Current headcount in RBC aligns to interim Target Operating Model, implemented in September 2023. 48 WFFF trainees are scheduled for April 2024. Workforce Planning data continues to be monitored to determine evidence led recruitment activity within this Staff Group.

KPI 46 Off Station FTE

PURPOSE: This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.



Track

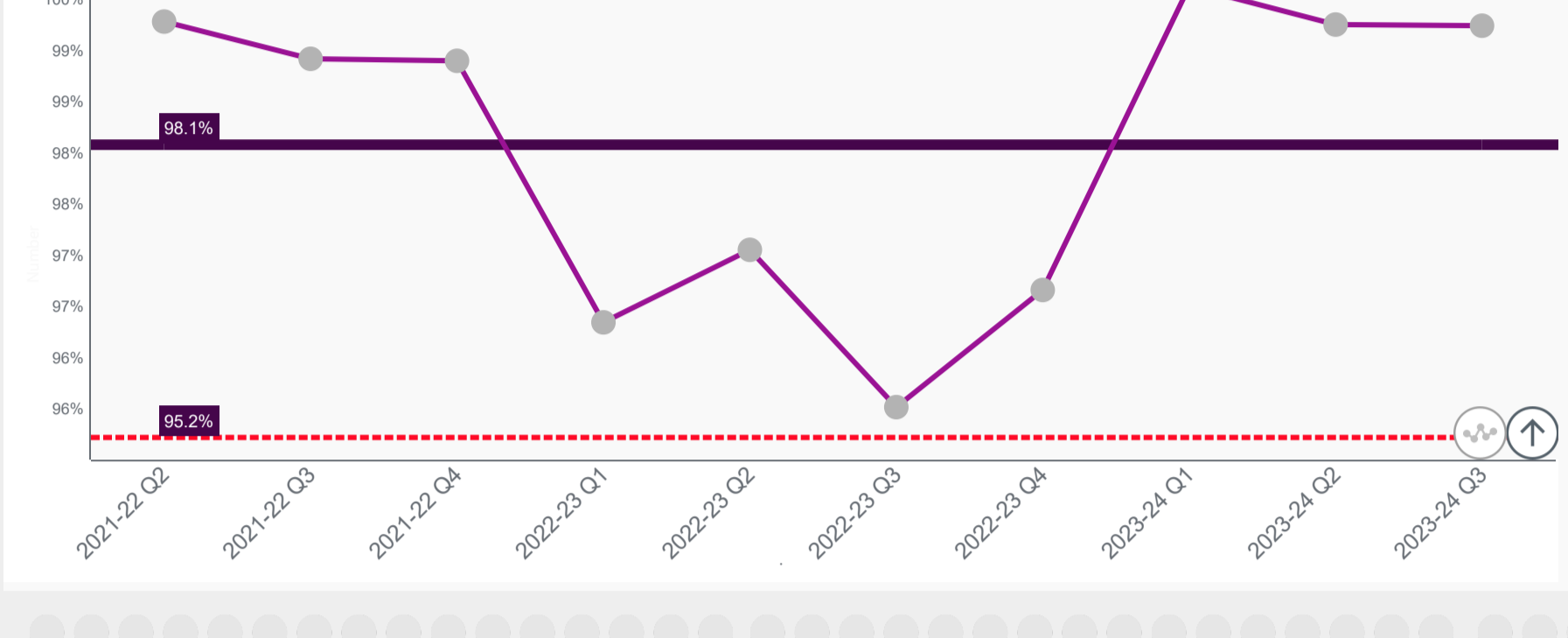
OWNER: Head of People

SUMMARY

Off Station FTE shows an increase against the Target Operating Model, indicating vacant posts are being filled. This will partly be due to backfill arrangements for recent promotional processes at Group and Station Commander level

KPI 46 Flexi Officer FTE

PURPOSE: This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.



Track

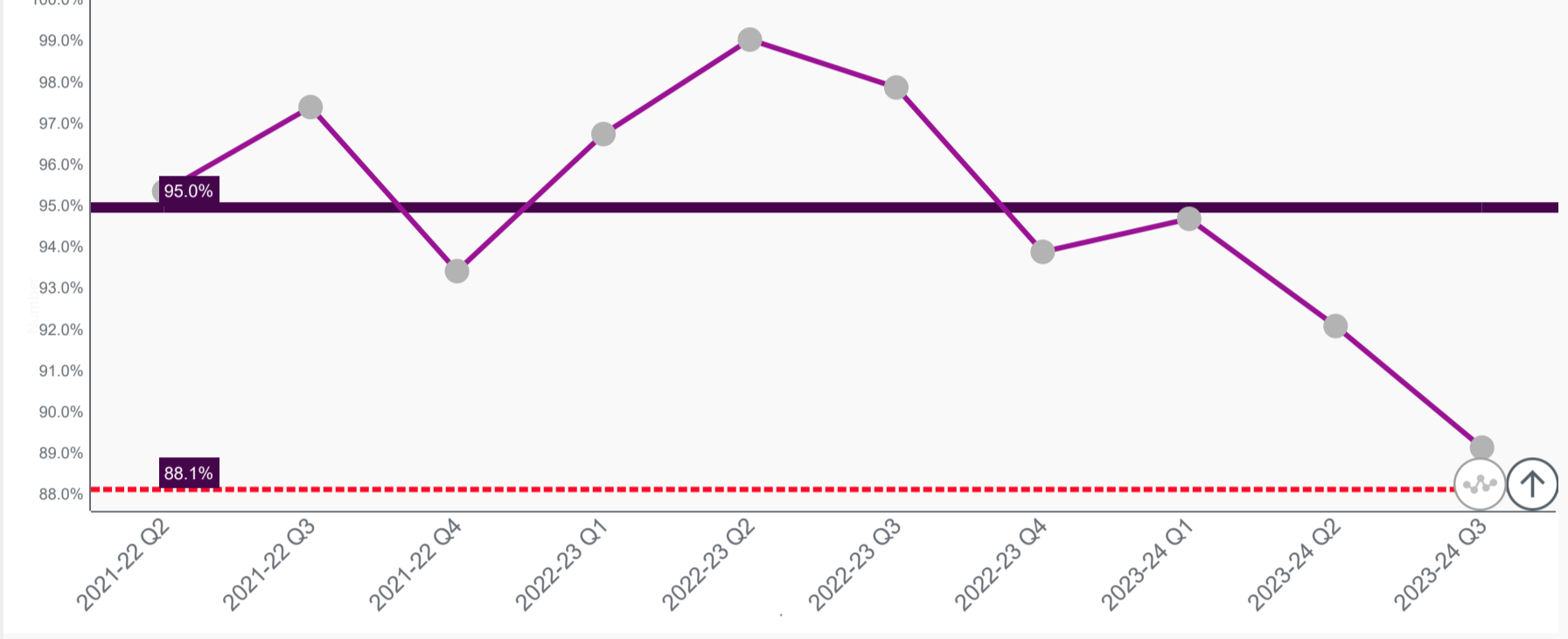
OWNER: Head of People

SUMMARY

The Flexi Officer FTE is aligned to the Target Operating Model, due to 2 promotional processes delivering in Quarter 3 2023/2024 and additional posts relating to secondments and project work

KPI 46 Operations Control FTE

PURPOSE: This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.



Track

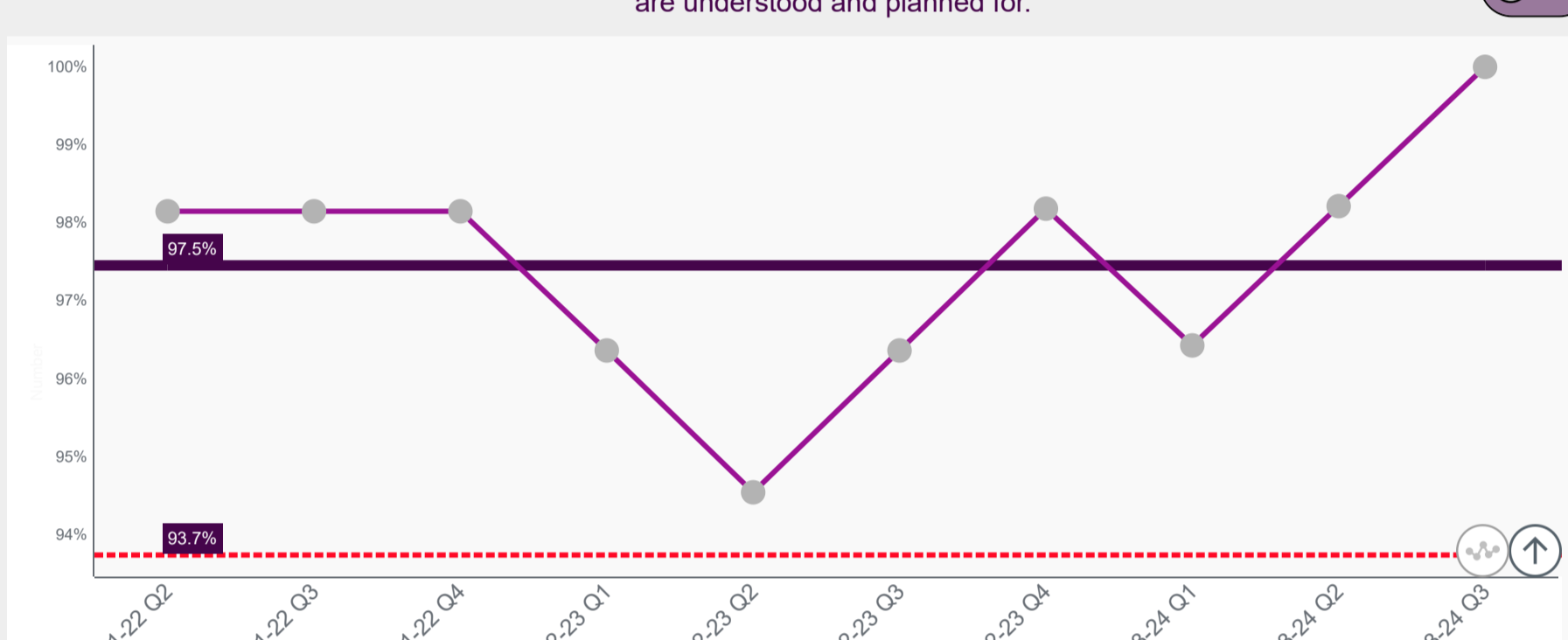
OWNER: Head of People

SUMMARY

The Operations Control FTE shows an increasing deficiency against the Target Operating Model, mainly due to unforecast leavers through resignations. Recruitment activity is underway, including 15 Operations Control Firefighters being onboarded and Group and Station Commander promotion processes.

KPI 46 Rural Full-time FTE

PURPOSE: This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.



Track

OWNER: Head of People

SUMMARY

Rural Full Time FTE is at full complement of 100% due to a recent appointment into a vacancy.

KPI 46 On Call Retained FTE

PURPOSE: This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.



Track

OWNER: Head of People

SUMMARY

On Call Retained FTE shows an increasing deficiency due to an observed trend of leavers specifically in Staff with less than 5 years Service. Ongoing enhancements to recruitment activity and actions within the On Call Strategic Co Ordination Group are expected to assist in addressing this.

KPI 46 On Call Volunteer FTE

PURPOSE: This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.



Track

OWNER: Head of People

SUMMARY

On Call Volunteer FTE shows an improvement over the last 3 quarters due to slowdown in leavers and effects of recent recruitment activity.

KPI 46 Support Staff FTE

PURPOSE: This allows the Strategic Leadership Team and other SFRS forums to make evidence led decisions on staffing arrangements, including recruitment and promotional activity, to ensure organisational requirements can be met and so that current and future workforce requirements are understood and planned for.



Track

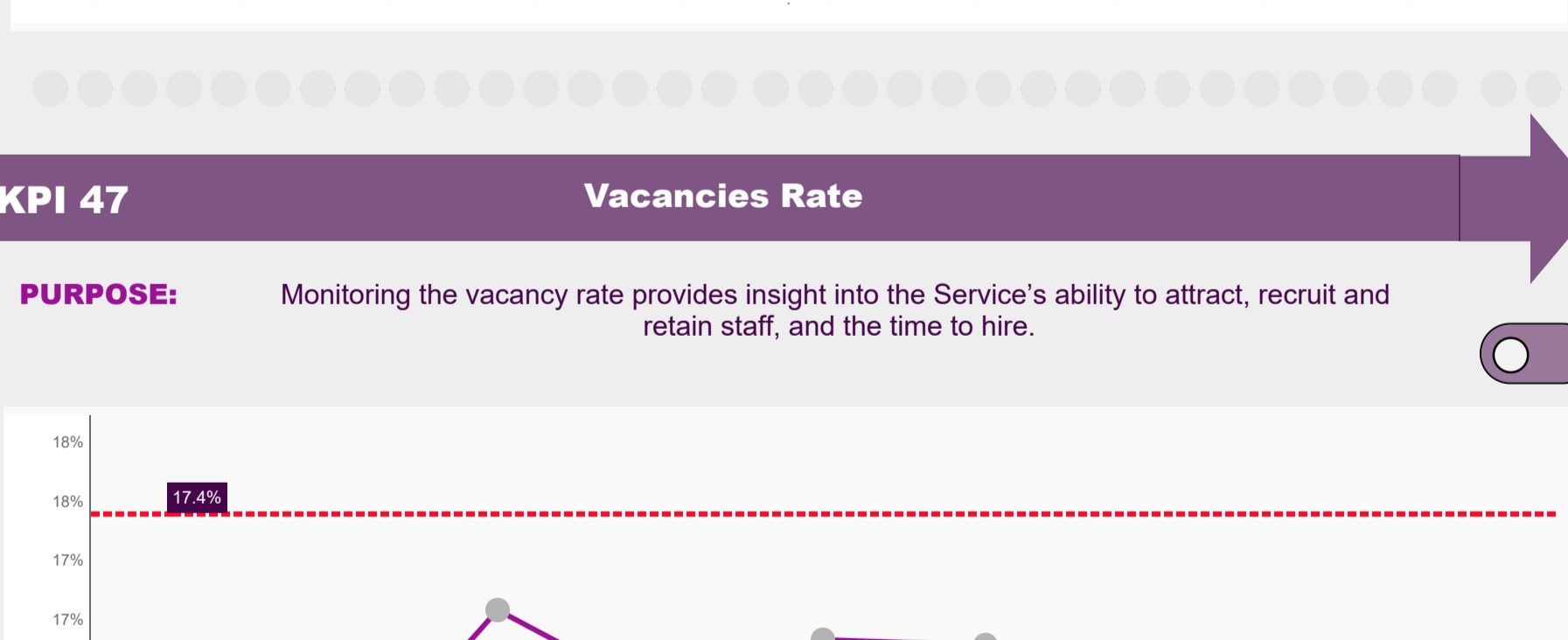
OWNER: Head of People

SUMMARY

Support Staff FTE shows an increasing deficiency against the Target Operating Model due to challenges in recruitment due to a highly competitive labour market impacting on attraction and retention.

KPI 47 Vacancies Rate

PURPOSE: Monitoring the vacancy rate provides insight into the Service's ability to attract, recruit and retain staff, and the time to hire.



Track

OWNER: Head of People

SUMMARY

The vacancy rate shows a slight increase following the implementation of the interim TOM in the Wholetime RBC Staff Group due to ongoing challenges to recruitment across the SFRS, particularly in ICT and Assets / Fleet.

KPI 48 Turnover Rate

PURPOSE: Monitoring staff turnover and the underlying reasons provides insight into SFRS' attractiveness as an employer, aligned to our ambition to develop and sustain a positive and inclusive workplace culture where all employees are treated with respect and dignity.



Track

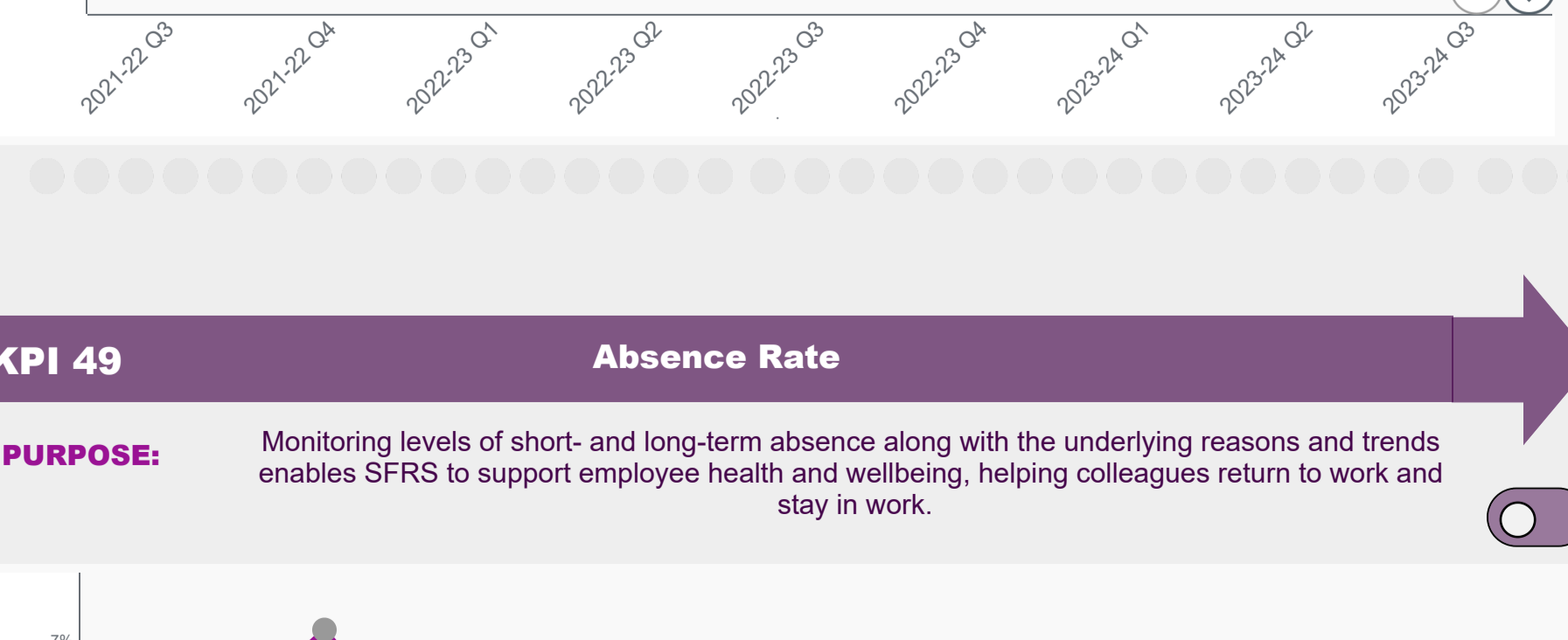
OWNER: Head of People

SUMMARY

The turnover rate shows a decrease from Quarter 2. This is attributed to several factors including a slowdown in forecast leavers from the Wholetime Uniformed Staff Group and a reduction in the end of Fixed Term Contracts in Quarter 3 2023 / 24

KPI 49 Absence Rate

PURPOSE: Monitoring levels of short- and long-term absence along with the underlying reasons and trends enables SFRS to support employee health and wellbeing, helping colleagues return to work and stay in work.



Reduce against previous year

OWNER: Head of People

SUMMARY

The absence rate is within the expected range and is broadly consistent with both the last quarter of this year and the same quarter of last year.

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- Look out for the hint buttons on pages, which tell you how you can interact with the dashboard:



- You can view the details of data that make up a visualisation by **hovering over a chart/visual** (e.g. a point on a map or bar/line on a chart).
- You can change how a visual looks by sorting it, for example by numeric values or text data. To sort a visual, first select it and then click on the **More actions (...)** button on the visual, which will bring up the sorting options. Power BI reports retain the filters, slicers, sorting, and other data view changes that you make.
- You can use the filters on the report page to target specific areas or time periods etc. To select more than one option in a filter (for example more than 1 business area), **press and hold the Ctrl button on your keyboard** whilst you click on the filter selections.

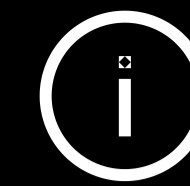
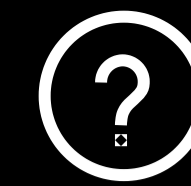
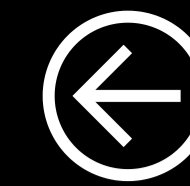
Interpreting statistics and trends:

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Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	26 MARCH 2024						
Report Title:	QUARTERLY UPDATE OF GIFTS, HOSPITALITY & INTERESTS REGISTER						
Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with the 2023/24 Q4 update on the Gifts, Hospitality and Interests Register.						
2	Background						
2.1	The Scottish Fire and Rescue Services (SFRS) Gifts, Hospitality and Interests policy establishes a formal and consistent approach in relation to the offer, refusal and acceptance of gifts and hospitality and ensures that conflicts of interest are identified and avoided where possible.						
2.2	The policy reflects the general underlying principle that SFRS will operate in an open and transparent manner and aims to ensure that the conduct of all staff is impartial, honest and beyond reproach at all times, ensuring that SFRS suffers no reputational damage.						
2.3	As part of the policy the Director of Finance and Contractual Services will publish a register of Gifts, Hospitality and Interests with a value in excess of £50 submitting a report on a quarterly basis to the Audit and Risk Assurance Committee and the Corporate Board for noting. The Risk and Audit Section will be responsible for managing any relevant information.						
3	Main Report/Detail						
3.1	The Gifts, Hospitality and Interests (GHI) register for 2023/24, up to 6 March 2024, identifies 47 entries, with further information identified within Appendix A to this report. The GHI register published on the website has been updated to include this information.						
3.2	Engagement in relation to gifts, hospitalities and interests has continued with meetings held with all Directorates Management Teams, Local Senior Officer (LSO) meetings and Functional meetings to communicate the requirements of the policy and examples of declarations that need to be made.						
3.3	A Gifts, Hospitality and Interests module was created within LCMS and is currently held within the Induction Programme of Learning. Following discussions with Training the module will now be included within Training for Operational Competence (TFOC) and will now form part of the mandatory training for all personnel.						

3.4	The GHI policy will be updated, outlining additional criteria which can be used to identify declarations requiring further evaluation and/or escalation. This will be supported by additional reporting to Directorates on the number and type of declarations being received for their Function, ensuring oversight is retained by those responsible for operational management.
4	Recommendation
4.1	The report is provided to the Audit and Risk Assurance Committee for scrutiny.
5	Key Strategic Implications
5.1	Risk
5.1.1	The report reflects the general underlying principle that SFRS will operate in an open and transparent manner and aims to ensure that the conduct of all staff is impartial, honest and beyond reproach at all times, ensuring that SFRS suffers no reputational damage and minimises the risk of fraud to the Service.
5.2	Financial
5.2.1	The report identifies declarations made in relation to Gifts, Hospitality and Interests, minimising the risk of fraud and associated financial loss to the Service.
5.3	Environmental & Sustainability
5.3.1	Any implications arising from the report will be managed by the relevant Directorate.
5.4	Workforce
5.4.1	Any implications arising from the report will be managed by the relevant Directorate.
5.5	Health & Safety
5.5.1	Any implications arising from the report will be managed by the relevant Directorate.
5.6	Health & Wellbeing
5.6.1	Any implications arising from the report will be managed by the relevant Directorate.
5.7	Training
5.7.1	Any implications arising from the report will be managed by the relevant Directorate.
5.8	Timing
5.8.1	The report is provided to the Audit and Risk Assurance Committee on a quarterly basis as required.
5.9	Performance
5.9.1	The report provides information on declarations received and actions taken to increase awareness and ownership within the Service, the result of which will be increased levels of reporting.
5.10	Communications & Engagement
5.10.1	Any implications arising from the report will be managed initial through Finance and Procurement and by the relevant Directorate to ensure policy is adhered to.
5.11	Legal
5.11.1	Any implications arising from the report will be managed by the relevant Directorate.
5.12	Information Governance
5.12.1	DPIA completed – Yes, in relation to the Gifts, Hospitality and Interests Policy.

5.13 5.13.1	Equalities EHRIA completed – Yes, in relation to the Gifts, Hospitality and Interests Policy.	
5.14 5.14.1	Service Delivery Any implications arising from the report will be managed by the relevant Directorate.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance:	Substantial/ Reasonable /Limited/Insufficient
7.3	Rationale:	It is acknowledged that further work is required to mature the GHI framework and build additional ownership and awareness throughout the Service, ensuring declarations received are accurate and timely. The LCMS GHI module will now be made mandatory ensuring that additional awareness is increased.
8	Appendices/Further Reading	
8.1	Appendix A – Gifts Hospitality and Interests Register Q4 2023-24	
Prepared by:	Hazel Buttery, Fraud, Risk and Compliance Officer	
Sponsored by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Presented by:	David Johnston, Risk and Audit Manager	
Links to Strategy and Corporate Values		
<p>External Audit forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6:</p> <p>Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.</p> <ul style="list-style-type: none"> Objective 5.1: Remaining open and transparent in how we make decisions. Objective 5.6: Managing major change projects and organisational risks effectively and efficiently. 		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>26 March 2024</i>	<i>For Scrutiny</i>

Date	Employee Name	Employee Position	Area/Directorate/Function	Details of Gift / Hospitality (G/H) & Interest	G/H or Interest	Estimated Value	From (Organisation offering)	Exceptional Circumstances	Any other Organisation involved	Accepted / declined	Comments
17/04/2023	Paul Timmons	SC	East Ayrshire, North Ayrshire and South Ayrshire	Paint & brushes for Kilwinning FS rear garage. Area used as a safe space by key partners for the community	Gift	£50	Crown Paints Irvine	N/A	Crown Paints Irvine	Accepted	Discussion with Property, when costings & further plans for safety hub are realised a paper will be submitted to AMLB for approval
18/04/2023	Liz Barnes	SLT	SLT	Opera at Theatre Royal with a range of clients from different organisations	Hospitality	£100	Miller Samuel Hill Brown Solicitors	N/A	Miller Samuel Hill Brown Solicitors	Accepted	Networking with other employers
15/06/2023	William Stoops	WC	Service Delivery North - Perth & Kinross, Angus and Dundee	Olympic style free weights to SFRS Community Fire Stations in Dundee area	Gift	£100	David Lloyds Gym Group	N/A	David Lloyds Gym Group	Accepted	Weight plates of various denominations
15/06/2023	William Stoops	WC	Service Delivery North - Perth & Kinross, Angus and Dundee	Part personal trainer with David Lloyds Gym Group	Interest	Unknown	David Lloyds Gym Group	N/A	David Lloyds Gym Group	N/A	
02/07/2023	Richard Whetton	Support Staff	Corporate Governance	Charity golf day including round of golf & lunch	Hospitality	£100	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	
02/07/2023	Roddy MacKinnon	Support Staff	Finance & Contractual Services	Charity golf day including round of golf & lunch	Hospitality	£60	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	
02/07/2023	Iain Morris	Support Staff	Asset Management	Charity golf day including round of golf & lunch	Hospitality	£60	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	
02/07/2023	Ijaz Bashir	Support Staff	Asset Management	Charity golf day including round of golf & lunch	Hospitality	£60	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	
02/07/2023	Scott Roberts	Support Staff	Asset Management	Charity golf day including round of golf & lunch	Hospitality	£60	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	
02/07/2023	Stuart Free	Support Staff	Asset Management	Charity golf day including round of golf & lunch	Hospitality	£60	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	
07/07/2023	Russell Munn	Support Staff	Asset Management	Invitation to comedy evening in Edinburgh Festival Venue	Hospitality	£100	Stantec	N/A	Stantec	Declined	
12/07/2023	Graham Davidson	RWMB	Service Delivery North - Perth & Kinross, Angus and Dundee	Sub-contractor to Robertson FM	Interest	Unknown	G.A Davidson	N/A	Roberston FM	N/A	
25/07/2023	Ross Haggart	Chief Officer	SLT	A2 piece of art	Gift	£367	Drew Carr	N/A	N/A	Accepted	A tribute to the Service following efforts at both School of Arts fires
25/07/2023	Barry Florence	RCMC	Service Delivery North - City of Aberdeen, Aberdeenshire and Moray	Company director of H.M Sheridan	Interest	Unknown	H.M Sheridan	N/A	H.M Sheridan	N/A	H.M Sheridan supply packed lunches to SFRS
10/08/2023	Andy Watt	ACO	Training, Safety and Assurance	BBC commentary covering shinty Camanachd Cup Semi Final & MacAulay Cup Final	Interest	£800	BBC Alba	N/A	BBC Alba	N/A	
14/08/2023	Roddy MacKinnon	Support Staff	Finance & Contractual Services	Entertainment and refreshments at the Belfry Hotel	Hospitality	£50	MSA Safety	N/A	MSA Safety	Declined	
14/08/2023	Iain Morris	Support Staff	Asset Management	Entertainment and refreshments at the Belfry Hotel	Hospitality	£50	MSA Safety	N/A	MSA Safety	Declined	
15/08/2023	Iain Morris	Support Staff	Asset Management	Dinner and drinks event	Hospitality	£50	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Accepted	Concert in aid of Scottish Fire Brigades Heritage Trust and the Soldiers charity
15/08/2023	David McCarrey	AC	East Renfrewshire, Renfrewshire and Inverclyde	Charity concert	Hospitality	£50	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	Concert in aid of Scottish Fire Brigades Heritage Trust and the Soldiers charity
15/08/2023	Stephen Wright	DACO	West Service Delivery	Charity concert	Hospitality	£50	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	Concert in aid of Scottish Fire Brigades Heritage Trust and the Soldiers charity
15/08/2023	Mark McAteer	Support Staff	Strategic Planning	Attendance at a networking conference and overnight accommodation	Hospitality	£500	Blue Light Partnership Network	N/A	Blue Light Partnership Network	Declined	Offer declined due to conflict with current role
16/08/2023	William Stoops	WC	Service Delivery North - Perth & Kinross, Angus and Dundee	Invite to the Edinburgh Tattoo	Hospitality	£120	Mr JJ Chalmers	N/A	Mr JJ Chalmers	Accepted	To enhance the SFRS role of Veterans/Reserve Forces Co-Ordinator
18/08/2023	Iain Morris	Support Staff	Asset Management	Overnight stay and a la carte industry networking dinner	Hospitality	£500	Platform Events UK	N/A	Platform Events UK	Declined	UK Projects & Development platform
22/08/2023	Iain Morris	Support Staff	Asset Management	Fundraising dinner & drinks	Hospitality	£50	Fire Aid and International Development	N/A	Angloco (sponsors)	Declined	

23/08/2023	Chloe Alexander	FFC	Edinburgh Operations Control	2 x tickets Royal Military Tattoo	Hospitality	£220	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Allan Day	FFC	Service Delivery East - City of Edinburgh	1 x ticket Royal Military Tattoo	Hospitality	£110	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Caroline Gallagher	FFC	Edinburgh Operations Control	1 x ticket Royal Military Tattoo	Hospitality	£110	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Ryan Hall	FF	Service Delivery East - City of Edinburgh	2 x tickets Royal Military Tattoo	Hospitality	£220	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Meg Hutchison	FFC	Edinburgh Operations Control	2 x tickets Royal Military Tattoo	Hospitality	£220	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Magda Kozłowska	SCC	Edinburgh Operations Control	2 x tickets Royal Military Tattoo	Hospitality	£220	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
31/08/2023	Graeme Junner	FF	Service Delivery West - East Renfrewshire, Renfrewshire and Inverclyde	FF Junners wife is a partner for Miller Samuel Hill Brown who SFRS trade with	Interest	Data retained by Compliance	Miller Samuel Hill Brown Solicitors	N/A	Miller Samuel Hill Brown Solicitors	N/A	
31/08/2023	Ross Haggart	CO	SLT	Charity Gala concert	Hospitality	£100	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	
31/08/2023	Ross Haggart	CO	SLT	The Clyde Recycling Charity Sports Dinner in aid of the FF Charity	Hospitality	£80	Kevin Biles	N/A	Fire Fighters Charity	Declined	
19/09/2023	Richard McInnes	SC	Service Delivery East - City of Edinburgh	Meal after the emergency services show	Hospitality	£50	learnPro Group	N/A	learnPro Group	Accepted	CEO had paid the bill and wouldn't accept any payment
19/09/2023	Andy Scott	Support Staff	Training, Safety and Assurance	Meal after the emergency services show	Hospitality	£50	learnPro Group	N/A	learnPro Group	Accepted	CEO had paid the bill and wouldn't accept any payment
19/09/2023	Darran Dunsmore	Support Staff	Training, Safety and Assurance	Meal after the emergency services show	Hospitality	£50	learnPro Group	N/A	learnPro Group	Accepted	CEO had paid the bill and wouldn't accept any payment
22/09/2023	Sandra Fox	Support Staff	ICT	Dinner at Gaucho Edinburgh	Hospitality	£50	Matt Rockall, Motorola	N/A	Motorola	Declined	
26/09/2023	Brian Saunders	Support Staff	ICT	Evening meal before a Motorola Demonstration and installation of new Airwave Radios into Fire Appliances	Hospitality	£50	Motorola Solutions	N/A	Motorola	Declined	In line with current contracts and on-going procurement exercises, this invite presented a conflict of interest
27/09/2023	Liz Barnes	SLT	SLT	Evening event	Hospitality	£50	The Leaders Council of Great Britain and Northern Ireland	N/A	The Leaders Council of Great Britain and Northern Ireland	Declined	
02/10/2023	John Thomson	Support Staff	Finance & Contractual Services	Dinner and drinks event	Hospitality	£50	Scottish Fire Brigades Heritage Trust	N/A	Scottish Fire Brigades Heritage Trust	Declined	Concert in aid of Scottish Fire Brigades Heritage Trust and the Soldiers charity
10/10/2023	Stephen Davies	Support Staff	Asset Management	VSA's Best of Care Ball	Hospitality	£100	Atkins Realis	N/A	Atkins Realis	Declined	
19/10/2023	Donald MacAulay	RCMC	Service Delivery North - Western Isles, Orkney Islands and Shetland Islands	Donald's partner is a listed director of Ness Sports & Recreation Association who SFRS trade with	Interest	Unknown	Ness Sports & Recreation Association	N/A	Ness Sports & Recreation Association	N/A	Identified through NFI
24/10/2023	Hamish Thomson	RFFC	Service Delivery North - Western Isles, Orkney Islands and Shetland Islands	RFF Thomsons wife is a member of Orkney Islands Council & on the board of Orkney Ferries who SFRS trade with	Interest	Unknown	Orkney Ferries Ltd	N/A	Orkney Ferries Ltd	N/A	Orkney Ferries are the only Ferry company that links the outer islands to mainland Orkney. Orkney Ferries would have been approved as a supplier prior to Mellisa being nominated on 2022
10/11/2023	Bryan Todd	GC	Training, Safety and Assurance	3 course evening meal & lunch	Hospitality	£50	Draeger Safety UK Limited	N/A	Draeger Safety UK Limited	Accepted	Hospitality provided by Draeger UK users group meeting in Cardiff
15/11/2023	Ross Haggart	CO	SLT	Excellence in Fire & Emergency Awards luncheon & sponsors dinner	Hospitality	£100	Fire Knowledge Magazine	N/A	Fire Knowledge Magazine	Declined	
09/01/2024	Jonathan Boal	Support Staff	Training, Safety and Assurance	Has employment with a Health & Safety Risk Consultancy and PAT testing company	Interest	Unknown	Salus Risk Consultancy Ltd	N/A	Salus Risk Consultancy Ltd	N/A	

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/18-24

Agenda Item: 15.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	26 MARCH 2024						
Report Title:	RISK UPDATE REPORT						
Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with an overview of the current risks highlighted by Directorates.						
2	Background						
2.1	The purpose of the risk register is to inform decision making through Scrutiny and Assurance processes, providing additional awareness of the risks we face and the actions required to minimise these risks.						
2.2	The ARAC is responsible for advising the Board and the Accountable Officer on the adequacy and effectiveness of the Service's arrangements for risk management and has oversight of the Strategic Risk Register.						
2.3	The Strategic Leadership Team (SLT) has responsibility for the identification and management of risk and will ensure that Risk Registers present a fair and reasonable reflection of the most significant risks impacting upon the organisation. The SLT will champion the importance of risk management in supporting the achievement of the Service's strategic outcomes and objectives.						
2.4	Risk Registers are prepared in consultation with the Board and SLT and are managed collectively by the SLT, with each Directorate Risk allocated to an identified Head of Function. These Responsible Owners provide information on the current controls in place and identify additional actions still required.						
3	Main Report/Detail						
3.1	Risk Overview						
3.1.1	The risk register is a management tool that provides assurance to the Service and its scrutiny bodies that the significant risks of the organisation have been identified, managed and are subject to ongoing monitoring, review and discussion.						
3.1.2	Following discussion within SLT all Directorate risks will be aligned to the Strategic Plan with only those risks rated 15 or above to be included within reporting templates. This will allow scrutiny to be focused on the most significant risks impacting upon Directorates and consideration of related control actions.						

3.1.3 The table below identifies the alignment between the 2022-25 Strategic Outcomes and the current Directorate Risks:

Strategic Outcomes		Directorate Risks				Total
		VH	H	M	L	
Outcome 1	Community safety and wellbeing improves as we deploy targeted initiatives to prevent emergencies and harm.					0
Outcome 2	Communities are safer and more resilient as we respond effectively to changing risks.	4	5	2		11
Outcome 3	We value and demonstrate innovation across all areas of our work.	1	1	4		6
Outcome 4	We respond to the impacts of climate change in Scotland and reduce our carbon emissions.			1		1
Outcome 5	We are a progressive organisation, use our resources responsibly and provide best value for money to the public	4	6	3		13
Outcome 6	The experience of those who work for SFRS improves as we are the best employer we can be.	2	3	2		7
Outcome 7	Community safety and wellbeing improves as we work effectively with our partners		1			1
		11	16	12		39

3.1.4 Directorates are currently reviewing the alignment of risk to the Strategic Plan with revisions to be made within future reports to ensure the accuracy of this information.

3.1.5 Risk Registers have also been updated to reflect common themes. Initial work has identified themes from within the Key Strategic Implications section from corporate reports and the table below provides an alignment between these themes and identified risk.

Themes	Directorate Risks				Total
	VH	H	M	L	
Communication and Engagement		1	2		3
Environmental and Sustainability			1		1
Financial	2	3	1		6
Health and Safety	1	1			2
Health and Wellbeing			2		2
Information Governance		1	1		2
Legal		3	1		4
Performance		1	1		2
Service Delivery	2	2	1		5
Training	1				1
Workforce	5	4	2		11
		11	16	12	39

3.1.6 Further work is required in relation to the development of relevant themes, ensuring they aid discussions by accurately reflecting the common areas of risk identified. By focusing on these themes, the Service can look more widely across risk areas rather than focusing on single risks. Consideration of control actions is then able to consider the wider implications to the Service.

3.1.7 In relation to the current period Directorates reviewed registers identifying 39 Directorate risks, aligned to all Committee's and Executive Boards, with 11 risks rated at 15 or above. All risks rated 15 or above are now coloured red, with the table below providing the current status of each risk:

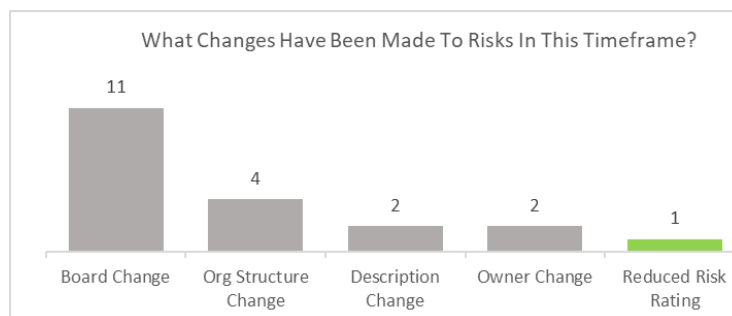
What is the current status of each risk?						
		Probability				
		1	2	3	4	5
Impact	1					
	2			2	4	1
	3		1	5	13	2
	4			2	6	1
	5			2		

3.1.8 Appendix A to the report provides information on the 11 risks rated 15 or above. The information is also available through the risk dashboard and a copy of the link is attached for information - [Risk Dashboard](#).

3.1.9 Following changes within the corporate structure, work on developing a number of new registers is being progressed:

- Service Development has been removed from the corporate structure.
- The Portfolio Office now reports to the Interim Deputy Chief Officer (Corporate Services) and a new risk register is currently being developed.
- The new Directorate of Prevention, Protection and Preparedness (PPP) are developing a register, incorporating any relevant risks taken from the former Service Delivery Directorate. There are no risks currently identified for the PPP Directorate within this report.
- ICT risks have moved to Finance and Contractual Services and further risks will be considered within a FCS risk workshop.
- Risks SDD001 and SDD009, relating to ICT, SDMP and the Portfolio Office, are identified within Appendix A but will be subject to change and review and have not been updated since the last report.
- Risks taken from previous registers, whilst realigned to current Directorates, still retain previous ID references. Work is required within the risk dashboard to reflect new reference numbers and this will be changed within future reports.

3.1.10 Following review in February the following changes have been made to risks over the last quarter. The changes reflect the realignment of risk to new Executive Boards and the changes made to the corporate structure.



3.1.11 In relation to FCS016 the risk rating has been reduced from 16 to 15:

Risk ID	Risk Name	Change Type	Changes Made
FSC016	Overspend of Expenditure	Reduced Risk Rating	The reduced rating reflects a reduction in the projected overspend and ongoing discussions with the Scottish Government which together present a more positive funding position for the Service. The impact rating has reduced from 4 to 3 and the probability rating has increased from 4 to 5.

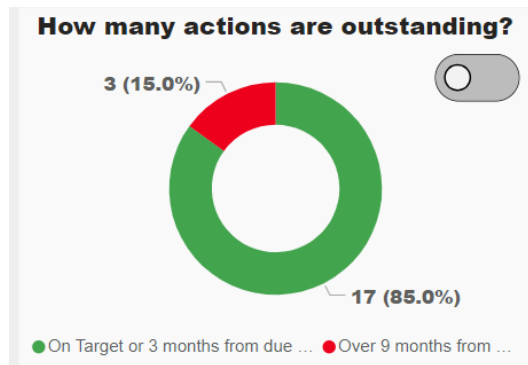
3.2

Control Actions

3.2.1

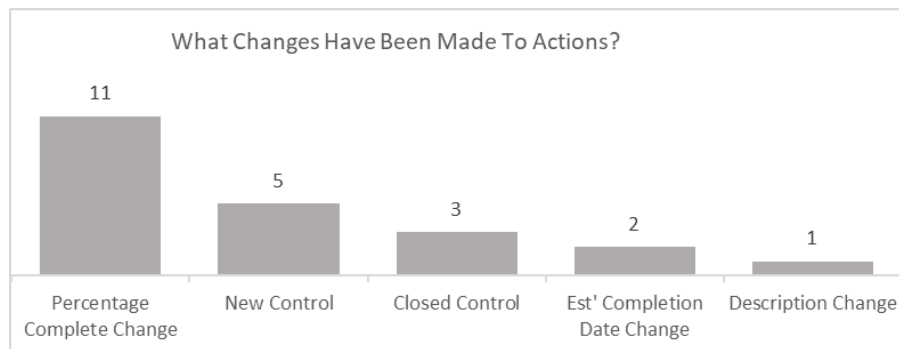
Without action taken on progressing identified controls, risks are likely to remain static and additional reporting has now been put in place to manage control actions through a RAG status, aligned to the reporting process agreed for Internal Audit. This will focus scrutiny on priority areas, allowing responsible officers to provide assurance updates.

Green	On target or within 3 months of original due date
Amber	3-9 months delay from original due date
Red	Delay of over 9 months from original due date



3.2.2

Following review, the following changes have been made to control actions:



3.2.3

Information on the 3 control actions, now classed as 9 months or more from their original due date, is attached in Appendix A. These control actions relate to the Portfolio Office, SDMP and ICT and are currently being reviewed following the change within the corporate structure.

- Discussions have been held with the Head of the Portfolio Office to identify control actions specific to the PO. Where relevant these will incorporate current controls outlined within Appendix A.
- Risks and control associated to ICT are being reviewed and updated and will be included within the FCS risk register following a Directorate risk workshop.
- SDMP is now within the transition to programme end phase and is expected to complete at the end of March 2024. The programme has developed process and methodology which will be taken forward within business as usual activity and will support the Strategic Service Review programme. Control actions for SDMP have been completed.

4

Recommendation

4.1

The Audit and Risk Assurance Committee is asked to:

- Scrutinise the information presented within the report.

5	Key Strategic Implications
5.1	Risk
5.1.1	The report identifies risks from each Directorate together with the significant changes made since the last update. Each Directorate will be responsible for the identification and mitigation of any associated risk and for the update of relevant risk registers.
5.2	Financial
5.2.1	The report identifies risks from each Directorate with financial implications arising from control decisions to be managed by the relevant Directorate.
5.3	Environmental & Sustainability
5.3.1	Any implications arising from the report will be managed by the relevant Directorate.
5.4	Workforce
5.4.1	Any implications arising from the report will be managed by the relevant Directorate.
5.5	Health & Safety
5.5.1	Any implications arising from the report will be managed by the relevant Directorate.
5.6	Health & Wellbeing
5.6.1	Any implications arising from the report will be managed by the relevant Directorate.
5.7	Training
5.7.1	Any implications arising from the report will be managed by the relevant Directorate.
5.8	Timing
5.8.1	The report is provided to the Audit and Risk Assurance Committee on a quarterly basis.
5.9	Performance
5.9.1	The risk report is used to ensure risks are identified and suitably managed by relevant Directorates.
5.10	Communications & Engagement
5.10.1	Any implications arising from the report will be managed by the relevant Directorate.
5.11	Legal
5.11.1	Any implications arising from the report will be managed by the relevant Directorate.
5.12	Information Governance
5.12.1	DPIA completed - No. The report provides a summary of risks identified by Directorates. Each Directorate will ensure that any relevant DPIA is completed as required.
5.13	Equalities
5.13.1	EHRIA completed - No. An assessment was undertaken in relation to the Risk Management Policy. Any individual elements of work, which may have an impact upon Equalities, will require to be assessed and managed by the relevant Directorate.
5.14	Service Delivery
5.14.1	Any implications arising from the report will be managed by the relevant Directorate.
6	Core Brief
6.1	Not applicable

7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial/Reasonable/Limited/insufficient: There is room for improvement in the identification of the right risks, controls and the completion of mitigating actions within identified timescales.
7.2	Rationale:	The report is based upon information identified by each Directorate and I have confidence that the information is correctly reported based upon these returns.
8	Appendices/Further Reading	
8.1	Appendix A – Significant Risks	
Prepared by:		David Johnston, Risk and Audit Manager
Sponsored by:		Sarah O'Donnell, Director of Finance and Contractual Services
Presented by:		Sarah O'Donnell, Director of Finance and Contractual Services
Links to Strategy and Corporate Values		
<p>Risk Management forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6:</p> <p>Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.</p> <ul style="list-style-type: none"> • Objective 5.1: Remaining open and transparent in how we make decisions. • Objective 5.6: Managing major change projects and organisational risks effectively and efficiently. 		
Governance Route for Report		Meeting Date
<i>Strategic Leadership Team</i>		<i>19 March 2024</i>
<i>Audit and Risk Assurance Committee</i>		<i>26 March 2024</i>
		Report Classification/ Comments
		<i>For Scrutiny</i>
		<i>For Scrutiny</i>

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description	Governance Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
FCS012	2	There is a risk that the significant supply chain shortages will be experienced in relation to the supply of commodities for construction, fleet and ICT equipment because of a lack of global manufacturing capacity as a result of Covid-19. This will result in delay to projects specified within the capital programme and potential increases in both capital and revenue costs as demand outstrips supply.	SDC (SDB)	Director of Finance and Contractual Services	16	8	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Continue to monitor and re-phase 2023/24 Capital Programme as required, ensuring required levels of governance maintained.		31/03/2024	31/03/2024	Head of Asset Management	Continue to monitor and re-align workplan to address current challenges experienced, accelerating or delaying projects, and moving priorities aligned to available supplies		On Target or 3 months from due date

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating	
POD015	2	There is a risk that the People and Finance teams are unable to effectively support the significant number of concurrent Pensions related exercises and associated implementations due to competing priorities and capacity constraints, and not receiving timely information and engagement from the Scottish Public Pensions Agency resulting in lack of clarity and discontent for employees, and potential legal challenge and / or employee relations issues resulting in delays, employee discontent , uncertainty over procedures and entitlements, and financial disadvantage.	PC (CB)	Director of People	16	4	16	
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment			Action Status
Continue to monitor the resource requirements related to each Pensions exercise and capacity within the People and Finance teams to support this as a result of reprioritising work activities or the need for business case for additional resource if appropriate.		31/03/2025	31/03/2025	Deputy Head of People	This is being progressed alongside business as usual work activity within existing teams/roles in People, Finance & Comms. Workshop with SPPA has enabled a clearer understanding of the potential roles / responsibilities of SFRS in relation to each workstream, and detailed project plans will outline this along with timescales (currently being developed). Consideration being given to business case for small core team of dedicated resource to support concurrent activity over next 12 months which will be subject to SLT approval.			On Target or 3 months from due date
Engage with Scottish Public Pensions Agency and stakeholders to develop appropriate employee communications on each Pension related exercise to ensure current and former employees are updated on the potential impacts and implementation arrangements timeously.		31/03/2025	31/03/2025	Deputy Head of People	Workshop took place between SFRS and SPPA on 10 Jan 24 and a joint comms plan is going to be developed and agreed between SFRS/SPPA. SPPA will lead on comms (to ensure single source of information) with SFRS signposting as appropriate, however internal and external comms will need to be issued to both current and former SFRS/legacy staff. Detailed project plans are being developed and will set out timescales and responsibilities for comms on each workstream and monthly meetings are in place to discuss comms on an ongoing basis.			On Target or 3 months from due date
Ensure regular participation in process planning, and ongoing dialogue is in place with Scottish Public Pensions Agency and Finance colleagues through a number of informal and formal forums and provide regular progress updates to SFRS management teams and stakeholders to ensure appropriate oversight and escalation of potential challenges should these arise.		31/12/2023	31/03/2025	Deputy Head of People	Workshop took place between SFRS and SPPA on 10 Jan 24 to discuss each pension workstream, interdependencies and actions to establishing a detailed, clear project plan with timelines and responsibilities for each pension theme. SPPA developed project plans for discussion/agreement with SFRS by end of Feb 24. Weekly and monthly meetings now in place between SFRS and SPPA leads, with any challenges being escalated to internal SFRS working group or so SMB/SLT as appropriate. Monthly meeting in place between members of SLT and SPPA's Head of Policy which enables escalation at strategic level. Additional risk spotlight to be tabled at People Committee on 7 Mar 24.			On Target or 3 months from due date

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
TSA019	2	There is a Directorate risk, of an inability to maintain or improve our training delivery due to the limited finance/budget available for capital investment, condition and location of our Training Estate and therefore lack of access to appropriate facilities, which could result in current and future negative impact on currency in operational skills & capacity and associated legal, regulatory, compliance, financial and reputational cost.	PC (CB)	Director of Training, Safety and Assurance	16	8	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment	Action Status	
Implementation of the recommendations from the draft contaminants POG with a timeline of Immediate, Medium and Long-term actions.		31/03/2025	31/03/2025	Head of Training	A Group Commander continues to provide feedback and support for the formulation and implementation of the Contaminants SOP. As part of the Training re-structure a SC within the Function is being given a specific reference for Contaminants along with supporting other areas of business.	On Target or 3 months from due date	
Review of BA,CFBT & TV courses to see if learning outcomes can be met without the need for live fire exercises.		13/03/2024	13/03/2024	Head of Training	Review of TFF BA Training ongoing with proposal to increase BA phase by 1 week (to Three weeks) to be provided for consideration. Proposal for On Call to remain 2 weeks with additional learning completed by a modular approach.	On Target or 3 months from due date	
Engagement with Asset Management and Fleet, Equipment & Workshop FEW regarding facilities and equipment.		31/03/2024	31/03/2024	Head of Training	Site specific engagement with Asset Management and Property around the replacement, refurbishment or addition of equipment and facilities to be progressed locally by GC's. Asset Management Plan (AMP) - All Training personnel have had the opportunity to help inform the AMP through participation in face-to-face sessions as well as an opportunity to complete an online questionnaire reflecting their knowledge of the training estate. Questionnaires were issued to Training Teams on the 13th December with a closing return date of the 29th February 2024. These returns will be reviewed and discussed as required.	On Target or 3 months from due date	
Scope out options to utilise temporary structures to increase venue capacity / improve welfare facilities.		31/03/2024	31/03/2024	Head of Training	The National Property Manager (NPM) has been in discussion with DACO linked to increase in costings (Dundee Airport) and NPM will now communicate with relevant staff to progress this matter. Meeting scheduled for 28th February to specifically discuss Dundee Airport facilities linked to further cost analysis / welfare provision.	On Target or 3 months from due date	

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
SD001	2	There is a risk of failure to mobilise to an incident due to a technical failure of the existing mobilising systems. As a result, we would be failing to meet our statutory duty and also potentially bring reputational damage to the Service.	SDC (SDB)	Director of Operational Delivery	15	10	15
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Procurement and implementation of Vision 5 Disaster Recovery System (for EOC and DOC)		31/12/2023	30/04/2024	Head of Function	Training of DOC personnel in the Vision 5 DR system now complete. Some minor configuration amendments required. End user tests commencing 04/03/24. Service transition paper due to be signed off for DOC once testing is complete. Due to complexities of data transfer for EOC, Ops FMT have agreed the minimum requirements to be added to the system. Work is currently progressing and training for EOC personnel will follow.		On Target or 3 months from due date
Procurement and implementation of DS300 ICCS (for DOC and JOC)		31/03/2024	31/03/2024	Head of Function	DS3000/ICCS built and configured at NEC premises. Factory testing to continue until the end of February. Installation at JOC & DOC in March 2024. Go-live aligned to DCS go-live Q3 2024.		On Target or 3 months from due date
Support the design, procurement, delivery and implementation of the New Mobilising System (NMS) - Phase 1		31/12/2023	31/12/2025	Head of Function	ITT is currently live with submission date at 28/03/24. Evaluation will then take place, length dependent on number of bids. Award of contract anticipated mid May 2024. Once contract awarded movement will take place into Phase - Planning and Implementation.		On Target or 3 months from due date

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description			Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
SDD007	3	There is a risk that we will be unable to maintain adequate levels of Cyber Security to avoid any breach due to lack of resources/ skills or appropriate policy and process being in place. This could result in failure of access to or stability of systems affecting SFRS activity.			ARAC (CB)	Director of Finance and Contractual Services	20	12	20
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment			Action Status	
Carry out second bi-annual test exercise of the Cyber Security Incident Plan.		31/03/2024	31/03/2024	Acting Head of ICT	This control action aims to confirm the controls implemented including awareness training for users are effective in protecting the Service from cyber attack.			On Target or 3 months from due date	
In conjunction with Multi Factor Authentication (MFA), enhance the current M365 conditional access policies to control all devices and apps that connect to our M365 data and enforce our organisational policies.		31/03/2024	31/03/2024	Acting Head of ICT	This control action aims to introduce further technical measures to minimise the opportunity for cyber-attacks			On Target or 3 months from due date	

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description			Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
FCS005	5	There is a risk that the Service may be unable to secure levels of funding required to achieve its strategic objectives. Additional pressure has been placed upon government finances causing uncertainty over future funding settlements. This could result in delays to agreed and future projects requiring a resetting of the Services objectives.			ARAC (CB)	Director of Finance and Contractual Services	16	8	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment			Action Status	
Continue to secure Capital and Resource Funding and review spending in line with the Resource Spending Review action plan		31/03/2024	31/03/2024	Head of Finance and Procurement	In relation to the 2023/24 budget outturn, the projected overspend has reduced, and discussions with the Scottish Government have given a degree of comfort. In relation to the 2024/25 budget, funding allocation has now been agreed and proposals are due to be presented to the Board in March that enable a balanced budget.			On Target or 3 months from due date	

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description			Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
FCS016	5	There is a risk to the Service where the forecasted financial position exceeds Departmental Resource Expenditure Limits (RDEL) set by Scottish Government, caused by an overspend of expenditure in the current financial year. This could result in adverse publicity of the Service within media and an inability to provided required Services aligned to the Services Strategic Plan. In addition, it could lead to negative external scrutiny for SFRS’s Accountable Officer through ARAC and potential escalation by Scottish Government and our external auditors to the Public Audit Committee.			ARAC (CB)	Director of Finance and Contractual Services	15	9	16
Controls Actions		Original Due Date	Est’ Completion Date	Owner	Comment			Action Status	
Approval of business case by Scottish Government by Director General for Justice Portfolio		29/02/2024	29/02/2024	Head of Finance and Procurement	SFRS awaiting a decision from Scottish Government on submitted business case.			On Target or 3 months from due date	

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description			Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
SDD001	5	There is a risk that the Directorate is unable to deliver against stated commitments and ambitions, due to limited resources and capacity whilst responding to concurrent events, and in light of the constraints brought about by the strategic resource spending review. This could result in a lack of ability to deliver, impacting on the support and delivery performance as a Directorate across the wider SFRS.			CC (CPPG)	Director of Service Development	15	4	15
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment			Action Status	
Development of business cases, recruitment and implementation of posts to allow the population of proposed Directorate Structure in line with organisational need		31/03/2022	31/03/2024	Heads of Function	Business Cases for ICT and SDMP have been completed. Portfolio Office Business Case Target operating model approved in principle with required funding to be identified. Work ongoing to review ICT structure. (Control action to be considered further within PO risk register)			Over 9 months from original due date	
Development of market allowance business cases, recruitment and implementation of posts to improve the recruitment to vacant posts and ensure retention of existing ICT staff.		31/12/2022	31/03/2024	Acting Head of ICT	Market Allowance process completed successfully. Recruitment to vacant posts restarted subject to potential operating model changes and SLT approval. Awaiting outcome of ICT structure review. (Control action to be considered further within a FCS risk workshop)			Over 9 months from original due date	
New ICT structure to be developed and implemented within quarter 2 of 24/25.		01/08/2024	01/08/2024	Acting Head of ICT	A consultation exercise has been undertaken with Trade Unions and work is now progressing in relation to a staff consultation exercise.			On Target or 3 months from due date	

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
SDD009	5	There is a risk of the Directorate being unable to embed Strategic Change capabilities across the SFRS as a result of organisational constraints that limit critical resource capacity and capability both within the Portfolio Office and across SFRS functions, which includes the necessity to further develop and build the skills and competencies that are required of a Strategic Change function. This could result in a number of consequences for SFRS which would include our ability to deliver change on time and within budget and to quality standards	CC (CPPG)	Director of Service Development	15	6	15
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Development of business cases, recruitment and implementation of posts, Partnership working across the service and continued professional development (CPD) of Strategic Change related roles will essential in the mitigation of this risk		31/03/2023	31/03/2024	Head of Portfolio	Business Cases for ICT and SDMP have been completed. Portfolio Office Business Case Target operating model approved in principle with required funding to be identified. Further business case requested by acting director of finance for roles support SSRP. (Control action to be considered further within PO risk register)		Over 9 months from original due date

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description			Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
TSA014	6	There is a risk of not being able to demonstrate legislative compliance because of gaps identified in risk control measures, management arrangements and alignment with recognised standards resulting in potential criminal/civil litigation, and reputational damage.			PC (TSAB)	Director of Training, Safety and Assurance	16	4	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment			Action Status	
Identify areas for improvement within risk assessments in SFRS and develop a programme of work to collaborate with business partners		31/03/2024	31/03/2024	Head of Safety and Assurance	Progress continues on the development of Risk Assessment's			On Target or 3 months from due date	

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
TSA015	6	There is a risk of insufficient resources within SA to meet the changing needs of the service due to the impact of new and emerging organisational priorities, failure to attract and retain suitably qualified and experienced candidates etc. This may result in reduced engagement with employees, an inability to enhance the delivery model to complete the 2022-26 HS Strategy, criminal/civil litigation, and associated financial and reputational cost, adverse scrutiny and an impact upon the well-being of staff.	PC (TSAB)	Director of Training, Safety and Assurance	16	4	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Develop strategic workforce plan and process that enable a workforce that will deliver Health and Safety Strategy 2022-2026.		31/03/2024	31/03/2024	Head of Safety and Assurance	Discussions to be held with Asset Management and People Directorate in 4 th Quarter.		On Target or 3 months from due date



HM Fire Service Inspectorate

Report to: SCOTTISH FIRE AND RESCUE SERVICE
AUDIT AND RISK ASSURANCE COMMITTEE

Meeting Date: 26 March 2024

Report By: HM Fire Service Inspectorate

Subject: Routine Report on HMFSI business

1. PURPOSE

- 1.1 To provide the Audit and Risk Assurance Committee with an update on HMFSI inspection and reporting activity.

2. RECOMMENDATIONS

- 2.1 That the Committee notes the update from HMFSI.

3. ACTIVITY AND PROGRESS

3.1 Service Delivery Area Inspection

The first report of this type, for the East Service Delivery Area (ESDA) was published on 19 October 2023. Following on from the successful completion of the ESDA Inspection, HMFSI commenced its inspection process within the West Service Delivery Area (WSDA).

As such, we continue to engage with the WSDA DACO and his Senior Management Team for the Area to discuss our ongoing report development and answer any questions. We continue to work through an inspection schedule and have completed all fieldwork within the SFRS and with Partners.

The overall inspection schedule and draft report is scheduled to be complete by early 2024 with the final report due thereafter, in the late spring/early summer of 2024.

Early planning and engagement for the North SDA (NSDA) Inspection has begun and will continue over the coming period. There are a number of planning challenges relating to the geography and accessibility of areas of the NSDA which need to be considered with SFRS colleagues before the inspection plan is produced. It is envisaged that the Inspection will begin its visits in April 2024 and run for up to eighteen months.

3.2 Thematic Inspection Work

Organisational Culture

HMFSI are currently preparing to carry out an inspection of organisational culture within the SFRS.

The original consultation period for this inspection outline closed on 1 November 2023, and following comments from SFRS, a HMFSI/SLT Workshop took place on 10 January 2024 to further discuss the draft outline. The Chief Inspector then met with members of the representative bodies under the auspices of the 'Employee Partnership Forum' to assist in the development of our inspection approach and initial terms of reference.

We have also secured some external support from a range of partners to add to the transparency and credibility of the inspection process and final report. We anticipate this inspection will take around 8-12 months to complete.

3.3 Chief Inspector's Update 2021-2024

The Chief Inspector decided it was appropriate to reflect on the work of the Inspectorate, to look back at inspection activity, consider the activity, work and organisation of the Inspectorate during the three-year tenure of the current Chief Inspector and report on some of the changes in practice that have been introduced. The report is now complete and was laid in the Scottish Parliament on 6 March 2024

3.4 Additional Inspection Activity

Northern Ireland Fire and Rescue Service

The Chief Inspector continues to support improvement in the Northern Ireland Fire and Rescue Service and has met with the newly appointed Chief Fire and Rescue Officer and Chair of the Board to consider Action Plans relative to recommendations contained within the recent HMFSI Inspection report. The Chief Inspector continues to act as an adviser to the Department of Health in NI.

4. Additional Update Information

The Chief Inspector is delighted to advise the Committee that GC Lynne Gow has been seconded from SFRS to HMFSI. Lynne took up post on 12 February 2024. HMFSI are grateful to the Service for their ongoing support in relation to such secondments. We also look forward to welcoming Ms Shirley Hartridge, who will join us from SFRS's ICT team where she serves as a Project Manager.

HM Chief Inspector Robert Scott QFSM

Date: 26 March 2024



Report No: C/ARAC/16-24

Agenda Item: 16.2

Report to:	AUDIT RISK AND ASSURANCE COMMITTEE (ARAC)						
Meeting Date:	26 MARCH 2024						
Report Title:	ARRANGEMENTS FOR PREPARING THE 2023-24 ANNUAL GOVERNANCE STATEMENT						
Report Classification:	For Information	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	This report outlines the preparatory arrangements and reporting methods developed to provide sufficient levels of assurance in support of the 2023/24 Annual Governance Statement (AGS).						
2	Background						
2.1	The Scottish Public Finance Manual (SPFM) issued by the Scottish Ministers provides guidance on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety.						
2.2	It requires the Accountable Officer to produce an AGS for inclusion within the accountability section of the Annual Report and Accounts.						
2.3	In summary the AGS outlines the effectiveness of the arrangements that are in place for internal control, risk management and corporate governance, during the period under review.						
3	Main Report/Detail						
3.1	This report details Scottish Fire and Rescue Service's (SFRS) approach for preparing the AGS for the year ended March 2024. The approach and related documentation is outlined in the SFRS Policy for Preparing AGS for the Accountable Officer. This policy enables the Service to ensure SPFM compliance in a co-ordinated and structured way.						
3.2	The content, layout and style of the AGS will be prepared to align with the: <ul style="list-style-type: none"> • Essential features outlined in the SPFM • Recent updates (March 2024) to the Internal Control Checklist with updated guidance supplied to support those completing • Strategic risks • Best practice of other public bodies • Changes to the structure of the Annual Report and Accounts • Greater focus on highlighting where assurances can be provided, demonstrated by achievements and outcomes during the period under review • Board and Committee effectiveness 						
3.3							

3.4	Administering the SFRS Assurance Framework and preparing the 2023/24 AGS within the prescribed timescales requires engagement across the organisation. The Corporate Business Manager is responsible for the administration of the Framework, working in partnership with the Risk and Audit Manager to prepare the 2023/24 AGS on behalf of the Accountable Officer for inclusion in the end of year Annual Report and Accounts.
3.5	Collation of the Internal Control Checklist returns will continue to be co-ordinated and managed online using the 'Executive Support' SharePoint site with the appropriate access rights granted. This will support ongoing monitoring and improve oversight.
3.6	Formal guidance and a training module are hosted on the online Learning Content and Management System (LCMS) for those who are new to the process or require refresher training.
3.7	Improvement Action Plans (IAP's) produced following the review of Internal Controls are monitored and scrutinised through the Corporate Board (CB) and Audit Risk and Assurance Committee (ARAC) by exception reporting.
3.8	Fraud Risk Assessment (FRA) Checklists provide increased scrutiny around potential areas of Fraud. FRA Plans are monitored and scrutinised through the CB and ARAC by exception reporting.
3.9	The SFRS policy and related documents for preparing the AGS for the Accountable Officer have been reviewed. Amendments have been made to reflect amended Executive Governance structures where AGS plans and reporting are now aligned through the Corporate Board. Staff preparing Certificates of Assurance list has been updated to reflect current roles. The Internal Control Checklist has been updated to improve layout moving to an Excel format and will be updated to reflect any changes to the content of the checklist made by Scottish Government when received in the coming months.
3.10	Action has been taken to strengthening SFRS's assurance framework in 2023/24 through requesting confirmation from Director's on their levels of assurance in relation to individual Corporate Reports. This change allows for discussion and agreement on assurance in relation to reports and ultimately decision making and will be used to support Committee Assurance statements.
3.11	External Audit's annual programme of work for auditing the SFRS requires the AGS to be completed for audit by the end of June each year. The Assurance Framework is owned by the Accountable Officer who will sign off the 2023/24 AGS as a statement of the adequacy and effectiveness of the SFRS's governance, risk and internal control arrangements. Directorates will assist in the preparation of the AGS by confirming the evidence against the areas highlighted in the SFRS Internal Control Checklist are in place.
3.12	It will continue to be the responsibility of the Heads of Function (HoF) to ensure the evidence in support of their Certificates of Assurance is readily available should this be required for any further Internal or External Audit purposes or further scrutiny by the CB and/or ARAC. Throughout this time there may also be a direct request for the responsible managers to attend the ARAC to answer any questions the Committee may wish to ask on progress being made.
3.12	The ARAC will have complete oversight of the SFRS Assurance Framework and will scrutinise the 2023/24 AGS at its public meeting planned for Tuesday 25 June 2024.
4	Recommendation
4.1	The Committee are requested to note the legislative background and SFRS approach towards the AGS preparations.

5	Key Strategic Implications
5.1	Risk
5.1.1	The Annual Governance Statement is linked to the Risk Management framework and is a core element of the Service's governance arrangements.
5.2	Financial
5.2.1	Not applicable
5.3	Environmental & Sustainability
5.3.1	Not applicable
5.4	Workforce
5.4.1	As this is a significant piece of work, which must be completed within relatively short timescales, resourcing will be reviewed by the Corporate Business Manager and Audit and Risk Manager on a regular basis. They will provide ongoing support and guidance to the identified HoF who are responsible for providing evidence to support the AGS.
5.5	Health & Safety
5.5.1	Not applicable
5.6	Health & Wellbeing
5.6.1	Not applicable
5.7	Training
5.7.1	Guidance is available on the iHub and a training module hosted on the online Learning Content and Management System (LCMS), along with support from the Corporate Business Manager and Risk and Audit Manager to HoF's. Follow-up support sessions will be available to assist with AGS co-ordination and returns hosted on the 'Executive Support' SharePoint Site with access granted to HoF's and a designate responsible for co-ordinating the return.
5.8	Timing
5.8.1	The support arrangements have been scheduled to ensure that the Timeline for Preparing Certificates of Assurance contained within the SFRS Policy for Preparing the AGS is adhered to.
5.9	Performance
5.9.1	Further scrutiny in relation to the Internal Control Checklists, Improvement Actions Plans and Fraud Risk Assessments will be conducted by CB and ARAC. The Annual Operating Plan or business as usual arrangements remain in place to ensure that these are monitored and reviewed thereby ensuring continuous improvement.
5.9.2	The Annual Governance Statement forms part of the Services wider governance arrangements and will collectively ensure improved performance.
5.10	Communications & Engagement
5.10.1	The 2023/24 AGS will be reported to the CB and ARAC.
5.11	Legal
5.11.1	The Public Finance and Accountability (Scotland) Act 2000 (PFA Act), which is framed in resource terms, sets out the rules for spending money, accounting requirements, accountability of officials and auditing arrangements. The basic principle is that spending can take place only if authorised by the Parliament in Budget Acts and must not exceed any amount so authorised in relation to that purpose. The AGS is a requirement of the SPFM and is a key feature of the Annual Report and Accounts, both of which are published to meet statutory and parliamentary compliance. The SFRS Assurance Framework will

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	therefore enable the Service to manage the evidence required to prepare the AGS in a structured and co-ordinated manner.	
5.12 5.12.1	Information Governance DPIA completed No. If not applicable state reasons. Issues associated with GDPR are covered within existing policy, procedure and practice. There are no anticipated specific additional requirements associated with the implementation of this report.	
5.13 5.13.1	Equalities EHRIA completed No. If not applicable state reasons. There are no key strategic equalities implications arising from the recommendations set out in this paper. An Equality Impact Assessment has been undertaken in relation to the Risk Management Policy. There are no additional equality implications associated with this report.	
5.14 5.14.1	Service Delivery The SFRS Assurance Framework will assist in compliance and will support the oversight of Improvement Action Plans to ultimately improve Service Delivery.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Mark McAteer, Director of Director of Strategic Planning, Performance and Communications (SPPC)
7.2	Level of Assurance: (Mark as appropriate)	Substantial/Reasonable/Limited/Insufficient
7.3	Rationale:	We have continued to develop processes for the AGS annually. Allied to our adherence to the Governance Assurance Framework, this enables me to provide substantial assurance.
8	Appendices/Further Reading	
8.1	Annual Governance Statement Document List	
Prepared by:	Marion Lang, Corporate Business Manager	
Sponsored by:	Richard Whetton, Head of Governance, Strategy and Performance	
Presented by:	Mark McAteer, Director of Strategic Planning, Performance and Communications	
Links to Strategy and Corporate Values		
This links to the SFRS Strategic Plan 2022-25 and forms part of the Services Governance arrangements and links to Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.		
Governance Route for Report		Meeting Date
<i>Corporate Board</i>		<i>21 February 2024</i>
<i>Strategic Leadership Team</i>		<i>5 March 2024</i>
<i>Audit and Risk Assurance Committee</i>		<i>26 March 2024</i>
		Report Classification/ Comments
		<i>For Information</i>
		<i>For Information</i>
		<i>For Information</i>

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

Agenda Item 18.1

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
25 JUNE 2024	ANNUAL PRIVATE MEETING WITH INTERNAL AUDIT				
	<ul style="list-style-type: none"> Chair’s Welcome Apologies Consideration of and Decision of any items to be taken in Private Declaration of Interests Minutes of Previous Meeting Action Log Review of Actions Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days Date of Next Meeting <p>HOT DEBRIEF</p>	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> HMFSI Quarterly Report <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> Internal Audit Progress Report 2024/25 Final reports: <ul style="list-style-type: none"> - TBC Progress Update – Internal Audit Recommendations <p>External Audit</p> <ul style="list-style-type: none"> Wider Scope and Other External Audit Actions (SOD) HMFSI Independent Audit/ Inspection Action Plan Update Internal Controls Updates <ul style="list-style-type: none"> - Strategic Risk Register - Anti Fraud/Whistleblowing Gifts and Hospitality – Quarterly Update SFRS Annual Governance Statement 2023/24 Quarterly Performance report <p><u>New Business</u></p> <ul style="list-style-type: none"> National Fraud Initiative Report (SOD) Risk Spotlight: – TBC 	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> Committee Audit Annual Report 2023/24 to the Accountable Officer and Board (BB) <p><u>New Business</u></p> <ul style="list-style-type: none">

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
17 OCTOBER 2024	ANNUAL PRIVATE MEETING WITH EXTERNAL AUDIT				
	<ul style="list-style-type: none"> Chair’s Welcome Apologies Consideration of and Decision of any items to be taken in Private Declaration of Interests Minutes of Previous Meeting Action Log Review of Actions Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days Date of Next Meeting <p>HOT DEBRIEF</p>	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> HMFSI Quarterly Report 	<p><u>Standing/Regular Reports</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> Internal Audit Progress Report 2024/25 Progress Update – Internal Audit Recommendations <p>External Audit</p> <ul style="list-style-type: none"> External Audit – 2023/24 Audit Plan Progress Report Wider Scope and Other External Audit Actions (SOD) HMFSI Independent Audit/ Inspection Action Plan Update Internal Controls Updates - Strategic Risk Register - Anti Fraud/Whistleblowing Gifts and Hospitality – Quarterly Update Quarterly Performance report 	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> SFRS Draft Annual Report and Accounts 2023/24 (Private) <p>External Audit</p> <ul style="list-style-type: none"> Private Session – Annual Report to Members and Auditor General for Scotland 	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none">
		<p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>New Business</u></p> <ul style="list-style-type: none">

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
23 JANUARY 2025	<ul style="list-style-type: none"> Chair’s Welcome Apologies Consideration of and Decision of any items to be taken in Private Declaration of Interests Minutes of Previous Meeting Action Log Review of Actions Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days Date of Next Meeting <p>HOT DEBRIEF</p>	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> HMFSI Quarterly Report <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> Internal Audit Progress Report 2024/25 Progress Update – Internal Audit Recommendations <p>External Audit</p> <ul style="list-style-type: none"> Wider Scope and Other External Audit Actions (SOD) HMFSI Independent Audit/ Inspection Action Plan Update Internal Controls Updates - Strategic Risk Register - Anti Fraud/Whistleblowing Gifts and Hospitality – Quarterly Update Quarterly Performance report <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> Draft Internal Audit Plan 2025/26 <p>External Audit</p> <ul style="list-style-type: none"> <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <p><u>New Business</u></p> <ul style="list-style-type: none">

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
25 MARCH 2025	<ul style="list-style-type: none"> Chair’s Welcome Apologies Consideration of and Decision of any items to be taken in Private Declaration of Interests Minutes of Previous Meeting Action Log Review of Actions Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days Date of Next Meeting <p>HOT DEBRIEF</p>	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> HMFSI Quarterly Report <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> Internal Audit Progress Report 2024/25 Progress Update – Internal Audit Recommendations <p>External Audit</p> <ul style="list-style-type: none"> Wider Scope and Other External Audit Actions (SOD) HMFSI Independent Audit/ Inspection Action Plan Update Internal Controls Updates - Strategic Risk Register - Anti Fraud/Whistleblowing Arrangements for Preparing the AGS 2024/25 (Annual) Gifts and Hospitality – Quarterly Update Quarterly Performance report <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> Draft Internal Audit Plan 2025/26 <p>External Audit</p> <ul style="list-style-type: none"> External Audit – The Audit Plan 2024/25 <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> Accounting Policies <p><u>New Business</u></p> <ul style="list-style-type: none">

Item to be still be scheduled:

- Security Strategy – Periodic Update (Dates TBC)