



SCOTTISH
FIRE AND RESCUE SERVICE

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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

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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

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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:

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- 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 Cultural Inspection, 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)

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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.**