PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

THURSDAY 21 JANUARY 2021 @ 1000 HRS

BY CONFERENCE FACILITIES

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 PUBLIC MEETING: 8 OCTOBER 2020
(attached)   *B Baverstock*

The Committee is asked to approve the minutes of this meeting.

6   ACTION LOG *(attached)*   *A Cameron*

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

7   INTERNAL AUDIT
7.1   SFRS Internal Audit Progress Report 2020/21 (*attached*)   *Azets*
- *Final Report – SFRS Financial Controls*
- *Final Report – SFRS ICT and Data Security*
- *Final Report – SFRS Corporate Governance*
7.2   Progress Update – Internal Audit Recommendations (*attached*)   *Azets*
- Update on Progress with Service Level Agreement with Scottish
  Water *(verbal)*   *S Stevens*

The Committee is asked to scrutinise these reports.

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

8   EXTERNAL AUDIT
8.1   Annual Report to Members and Auditor General for Scotland (*link*)   *Deloitte*
8.2   Update on 2020/21 Planning (*verbal*)   *Deloitte*

        The Committee is note the verbal report.

9   AUDIT SCOTLAND INSPECTION ACTION PLAN UPDATE (*attached*)   *M McAteer*

        The Committee is asked to scrutinise this report.

**10   HMICFRS: STATE OF FIRE AND RESCUE: THE ANNUAL
        ASSESSMENT OF FIRE AND RESCUE SERVICES IN ENGLAND
        2019** (*attached*)   *M McAteer*

        The Committee is asked to scrutinise this report.

11   GIFTS, HOSPITALITY AND INTERESTS POLICY REVIEW (*attached*)   *D Johnston*

        The Committee is asked to scrutinise this report -

12   INTERNAL CONTROLS UPDATE
12.1   Strategic Risk Register (*attached*)   *D Johnston*
12.2   InPhase Risk Update (*verbal*)   *D Johnston/*
                                            G Welsh
12.3.   Spotlight Report – SPCC11 - Reform Collaboration Group (*attached*)   *R Whetton*
12.4   Anti-fraud (*verbal*)   *S O'Donnell*

        The Committee is asked to scrutinise these reports.

**13   QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS
        REGISTER** (*attached*)   *D Johnston*

        The report is for information only

14   HMFSI ROUTINE REPORT (*attached*)   *HMFSI*

        The report is for information only

15   REVIEW OF ACTIONS   *A Cameron*

16   FORWARD PLANNING   *B Baverstock*
16.1   Committee Forward Plan Review (*attached*)
16.2   Items for Consideration at Future Integrated Governance Forum, Board
        and Strategy Day meetings

17   DATE OF NEXT MEETING
        Wednesday 24 March 2021 @ 1000 hrs

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

PRIVATE SESSION

18   **MINUTES OF PREVIOUS PRIVATE MEETING: 8 OCTOBER 2020**
(attached)   *B Baverstock*

The Committee is asked to approve the minutes of this meeting.

19   **PRIVATE ACTION LOG** *(attached)*   *A Cameron*

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

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

Agenda
Item 5

PUBLIC MEETING - AUDIT & RISK ASSURANCE COMMITTEE

THURSDAY 8 OCTOBER 2020 @ 1000 HRS

BY CONFERENCE FACILITIES

PRESENT:

Brian Baverstock (BB), (Chair)	L Bloomer (LBI) (Deputy Chair)
Sid Patten (SP)	Mhairi Wylie (MW)
Tim Wright (TW)	

IN ATTENDANCE:

Martin Blunden (MB)	Chief Officer
Ross Haggart (RH)	Deputy Chief Officer
Sarah O'Donnell (SO'D)	Director of Finance and Contractual Services
Kirsty Darwent (KD)	Chair of SFRS Board
John Thomson (JTh)	Head of Finance and Procurement
David Johnston (DJ)	Risk and Audit Manager
Gary Devlin (GD)	Internal Audit (Azets)
Matthew Swann (MS)	Internal Audit (Azets)
Caroline Jamieson (CJ)	External Audit (Deloitte)
Pat Kenny (PK)	External Audit (Deloitte)
Simon Routh-Jones (SRJ)	HMFSI (Item 11 Only)
Richard Whetton (RW)	Head of Governance, Strategy & Performance
Marion Lang (ML)	Corporate Business and Administration Manager
Debbie Haddow (DH)	Board Support/Minutes

OBSERVERS:

Asha Narsapur, Legal Services
Karen Horrocks, Assistant Verification and Risk Officer

1   CHAIR'S WELCOME

1.1   The Chair opened the meeting and welcomed those participating via conference facilities.

2   APOLOGIES

2.1   Mark McAteer, Director of Strategic Planning, Performance and Communications
Alasdair Cameron, Group Commander Board Support
Hilary Sangster, Group Commander Business Support

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

3.1   The Committee discussed and agreed that Item 15 (External Audit – Annual Report to Members and Auditor General for Scotland), Item 16 (SFRS Draft Annual Report and Accounts 2019/20), Item 17 (Fraud Risk Assessments) and Item 18 (Audit Scotland Red Flag Procurement Report) would be heard in private session due to confidential financial information not already in the public domain and matters considered of a confidential nature in line with Standing Orders (Item 9E and 9G).

3.2   No further items were identified.

4   DECLARATION OF INTERESTS

4.1   None.

5   MINUTES OF PREVIOUS PUBLIC MEETING: 9 JULY 2020

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

5.2   **Matters Arising**

5.2.1   There were no matters arising.

5.3   **The minutes of the public meeting held on 9 July 2020 were approved as a true record of the meeting.**

6   ACTION LOG

6.1   The Committee considered the action log and noted the updates.

         Item 12.4 – HMFSI Routine Annual Report (09/07/2020) –   Action log narrative was deemed to be misleading and would be amended to better reflect action.

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 2020/21**

7.1.1   MS presented a report to the Committee which summarised the progress on the delivery of the 2020/21 Internal Audit Plan and the following key points were highlighted:
- New branding to Azets.
- Overall good progress on 2020/21 Internal Audit Plan and previous outstanding recommendations.
- ICT and Data Security final report delayed due to challenges with remote working.
- Risk Management final report (circulated separately), overall positive review with specific comments in relation to further development of risk appetite.

7.1.2   It was agreed that progress against internal audit's KPIs would be incorporated into future progress reports.

ACTION: MS

7.1.3   It was agreed that the Risk Management Review Final Report should be published on the SFRS website.

ACTION: BST

7.1.4   SO'D commented on the Risk Management final report, in particular the focus on risk appetite which had been discussed previously at both Board and Strategic Leadership Team. The Committee welcomed this review and the recommendations. The Committee discussed the Service's current risk maturity level (Risk Defined) and the work required to progress to the Risk Managed level.

7.1.5   In regard to addressing the recommendations, SO'D stated that the challenge would be developing the process and embedding this within the Service.

7.1.6   **The Committee noted the progress report.**

7.2   **Assurance Mapping**
7.2.1   GD informed the Committee of the recent discussion regarding assurance mapping with the Management Team which included the approach to assurance mapping, implementation, gaining assurance and improvements to the current process. Overall good balanced approach, RAG rating on assurance being provided to be introduced and proposals on the practical use of framework of assurance mapping to be developed.

7.2.2   SO'D stated that the process was reviewed annually (presented to the Committee in March 2021) and due consideration would be given to the proposed improvements to develop further into a useful tool that will benefit the Service. It was agreed that greater consideration should be given to the required level of assurance at the outset.

7.2.3   The Committee welcomed the progress being made, in particular the proposed RAG rating, consideration being given to practical application, early consideration on assurance required and ensuring the co-ordination between assurance providers is comprehensive.

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

7.3   **Progress Update – Internal Audit Recommendations**
7.3.1   MS presented a report to the Committee outlining the current status of the recommendations raised by Internal Audit noting the inclusion of a comments section from Azets on previous outstanding recommendations. The following key areas were highlighted:
•   Dashboard summarised the current position.
•   Several pre-dated 2019/20 actions awaiting final completion due to governance route, impact of COVID-19 or external factors.
•   Consideration to be given to realistic timescales to be assigned.

7.3.2   SO'D commented on the positive partnership working with Azets and proactive follow up process.

7.3.3   In regard to the Complaints, Comments and Compliments policy, the Committee were informed that the policy was currently being progressed through the appropriate governance route. RW confirmed that the complaint and compliment dashboard was presented at the Service Delivery Committee and that further development was still required to gather data from local areas.

7.3.4   Once again the Committee expressed concern about the slow progress in getting the Service Level Agreement (Hydrants) agreed. However, SO'D noted that positive progress is being made with Scottish Water. The Committee requested a further update on the progress with the SLA at the next meeting.

ACTION: SO'D

7.3.5   It was agreed that further narrative would be provided in future reports to clarify the work undertaken/actual position on progress implementing recommendations.

ACTION: SO'D

7.3.6   **The Committee noted the report.**

8   AUDIT SCOTLAND/HMFSI INSPECTION ACTION PLAN UPDATE

8.1   RW presented a report to the Committee outlining the new arrangements for managing audits/inspections reports and associated action plans and provided an update on the progress relating to the Audit Scotland report.

8.2   In regard to Audit Scotland's performance management recommendation, RW reminded the Committee of the additional resources allocated to this area and noted that the implementation of InPhase (Phase 1) was nearing completion and Phase 2 was being developed. RW noted that targeted training would be provided once specific aspects of InPhase system came online. He anticipated that the outstanding recommendations would be completed by the end of the financial year with the caveat that some elements will be continuous ie training.

8.3   In regard to the Management Action 2.5 (Develop Training and Development Programmes to build knowledge and understanding of performance management.), the Committee asked whether there was a need for training and if this was being progressed. RW noted that the key issue moving forward was to create a reliable and standardised approach to performance management and analysis across the service. It is his view that training and development in this area will focus on staff within the Data Services and Strategic planning functions as they will be the main users (and producers) of performance and analytical information. There may be specific training required for other colleagues on certain systems

8.4   The Committee discussed the importance of scrutinising performance information with a view to identifying improvements. It was acknowledged that there were still challenges in this area primarily due to how and when the performance information was presented. RW reminded the Committee of the progress being made in this area.

8.5   RW confirmed that a rigorous process had now been introduced when setting due dates for actions and the continued focus of the Senior Management Board for progressing actions timeously.

8.6   **The Committee noted the report.**

9   QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS REGISTER

9.1   DJ presented the report to the Committee providing an update on the Gifts, Hospitality and Interests Register for Quarter 4 2019/20 and highlighted the following key points:
*   Only one entry due to the ongoing COVID-19 situation.
*   Review of Gifts, Hospitality and Interests policy.

9.2   **The Committee noted the report.**

10   INTERNAL CONTROLS UPDATE

10.1   **a) Strategic Risk Register**

10.1.1 SO'D presented the revised Strategic Risk Register (SRR) along with the aligned Directorate Risks to the Committee. The following key points were highlighted:
*   Risk narrative adapted to improve the articulation of risk ie risk (x), why (y), result (z)
*   Work ongoing to apply this approach to the 9 strategic risks.
*   Ongoing development of risk appetite.
*   Changes incorporated into the revised strategic register.

10.1.2 The Committee welcomed the change in how risks were now being articulated which provided greater clarity.

10.1.3 DJ noted that the previous iteration of the risk matrix had been included within the report in error.

10.1.4   The Committee commented on the current risk rating on several risks being higher than the target. It was suggested that the narrative (action column) be expanded to include how the targets would be achievable. DJ noted that InPhase will further improve reporting on risk.

ACTION: SO'D/DJ

10.1.5   **The Committee thanked David Johnston and all those involved in the development of the risk register and noted the report.**

(SRJ joined the meeting at 1115 hrs)

10.2   **Spotlight Risk Report – FSC10 Ability to link financial performance with service**
10.2.1   **delivery objectives**
JT presented a risk spotlight report to the Committee, noting the following key points:
- Current risk rating (9) and target rating (9) were reflective of the ongoing management.
- Controlled through detailed discussions with budget holders on spend to date/ forecasting/variances on continuous basis.
- Business cases are developed to justify/highlight impact and are considered by Senior Management Board and onwards to the Strategic Leadership Team for approval to take forward.
- Overall risk well controlled with the Finance team focused on financial performance and how this is taken through to delivery on strategic delivery objectives.

10.2.2   The Committee were informed of the £50,000 threshold requirement to develop business cases. The Committee asked whether the Service were flexible enough to be agile whilst still retaining the necessary oversight. JT highlighted the current COVID-19 situation and the need to retain financial control, whilst being agile enough to relocate budget to still meet strategic objectives. He briefly outlined the process of creating initiatives to monitor and manage financial control.

10.2.3   JT noted that reference to spending budgets in a sub-optimal manner related to the potential lack of integration/communications within the Service to challenge proposed spend/performance measures.

10.2.4   JT confirmed that the Service use Scottish Government's standard approach to business case models as well as an overall summary business case which captures sufficient detail to provide a good understanding.

10.2.5   JT confirmed that spend to save proposals were also subject to the business case process, were appropriately challenged and prioritised if short term savings were anticipated.

10.2.6   **The Committee noted the report.**

10.3   **b) Anti-fraud**
10.3.1   SO'D noted that there were no issues to report.

10.3.2   SO'D noted a small number of cases where personal money had gone missing on SFRS premises. These were investigated in-house and reported to Police Scotland. Guidance has been re-issued to local management to strengthen controls.

11   HMFSI ROUTINE ANNUAL REPORT
11.1   SRJ presented his annual report to the Committee and the following key areas were noted:
- Local Area Inspections (LAI) programme adjusted to replace Fife with Mid Lothian.
- LAI fieldwork commences in Argyll & Bute under Scottish Governance/SFRS guidance.
- Adjusted timescale for follow up reviews.
- Command and Control Thematic Inspection completed and published.

- Thematic review for Assessing the Effectiveness of Inspection Activities had commenced. This would provide a platform to regular reviews on the outcomes and objectives on an annual basis.
- Thematic review for Management of Operational & Protective Equipment to commence in the near future.

11.2 The Committee asked whether as part of the process of making recommendations, there was a clear expectation around the intended benefits that would result from implementation against which actual outcomes could be measured. SRJ noted the main elements were Firefighter Safety, continual Service improvement as a critical friend and landscaping against UK wide best practice.

11.3 **The Committee noted the report.**

12 REVIEW OF ACTIONS
12.1 ML confirmed the 5 actions arising during the meeting.

13 FORWARD PLANNING
13.1 **a) Committee Forward Plan Review**
13.1.1 The Committee considered and noted the Forward Plan.

13.2 The following additional items were noted:
13.2.1
- Gifts, Hospitality and Interests Policy – January 2021
- Assurance Mapping – March 2021

13.3 **b) Items for Consideration at Future IGF, Board and Strategy Days Meetings**
13.3.1 No items were noted.

14 DATE OF NEXT MEETING
14.1 On behalf of the Committee, BB thanked Sid Patten for his contributions to the Committee and Board and wished him well in his retirement.

14.2 The next meeting is scheduled to take place on Thursday 21 January 2021 at 1000 hrs.

14.3 There being no further matters to discuss the public meeting closed at 1150 hrs.

PRIVATE SESSION

15 EXTERNAL AUDIT – ANNUAL REPORT TO MEMBERS AND AUDITOR GENERAL FOR
15.1 **SCOTLAND**
CJ presented the Annual Report to Members and Auditor General for Scotland and noted some key areas. The Committee scrutinised the report and congratulated both the Finance team and the External Auditors for their efforts during this particularly challenging year.

16 SCOTTISH FIRE AND RESCUE SERVICE DRAFT ANNUAL REPORT AND ACCOUNTS 2019/20
16.1 The Committee scrutinised the draft Annual Report and Accounts 2019/20 and recommended these for approval by the Board on 29 October 2020.

16.2 Thanks were extended to all those involved in the preparation of the annual report and accounts.

17 FRAUD RISK ASSESSMENT
17.1 JT presented a report to the Committee seeking scrutiny of the first SFRS Fraud Risk Assessment and highlighted the key areas/actions. Actions were being progressed and would be reported back to the Committee on an exception basis only.

18   AUDIT SCOTLAND RED FLAG PROCUREMENT REPORT

18.1   SO'D presented a report to the Committee outlining the Procurement Fraud Action Plan which was developed in response to the Audit Scotland report "Red Flags Procurement" published in October 2019.

AUDIT AND RISK ASSURANCE COMMITTEE
ROLLING ACTION LOG

SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

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 5 Actions. A total of 4 of these actions have been completed.

The Committee is therefore asked to approve the removal of the 4 actions noted as completed (Blue status), note the one actions categorised as Green status and note zero 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: 8 October 2020						
7.1.2	**SFRS Internal Audit Progress Report 2020/21:** KPI data to be incorporated into future progress reports.	MS	January 2021		January 2021	**Completed (21/01/21):** KPI data now included.
7.1.3	**SFRS Internal Audit Progress Report 2020/21:** Risk Management Final Report to be published on the SFRS website.	BST	January 2021		October 2020	**Completed (21/01/21):** Final report published on website.
7.3.4	**Progress Update – Internal Audit Recommendations:** The Committee requested a further update on the progress with the SLA with Scottish Water at the next meeting.	SO'D	January 2021		January 2021	**Completed (21/01/21):** ACO Stevens to provide verbal update to the Committee on 21 January 2021.
7.3.5	**Progress Update – Internal Audit Recommendations:** Further narrative would be provided in future reports to clarify the work undertaken/actual position on recommendations	SO'D	January 2021		January 2021	**Completed (21/01/21):** Information required as part of the Internal Audit follow up process has been widened to incorporate work still required to close action. Together with the % complete figure this provides additional information to Committee. New format will be reported to ARAC in January 2021 and is already in place.
10.1.4	**Strategic Risk Register:** It was suggested that the narrative (action column) be expanded to include how the targets would be achievable.	SO'D/DJ	January 2021			**Updated (21/01/21):** Additional information on work still required to mitigate the risk will be requested from Directorates, expanding upon the action description. This additional assurance/comment will enhance information to Committee.

SCOTTISH FIRE AND RESCUE SERVICE
Audit and Risk Assurance Committee

Report No: C/ARAC/01-21

Agenda Item: 7.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE
Meeting Date:	21 JANUARY 2021
Report Title:	INTERNAL AUDIT PROGRESS REPORT 2020/21

Report Classification:	For Scrutiny	**Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to Board Standing Order 9**						
		A	B	C	D	E	F	G

1	Purpose
1.1	To provide a summary of progress in the delivery of the 2020/21 Internal Audit plan.

2	Background
2.1	This report is intended to enable Audit and Risk Assurance Committee (ARAC) to consider the progress to date in the delivery of the audit plan for 2020/21.

3	Main Report/Detail
3.1	Progress in the delivery of the audit plan is on track to deliver all audits as anticipated for 2020/21. The full reports for Corporate Governance, Financial Controls and ICT and Data Security are included as an Appendix to this agenda item

4	Recommendation
4.1	To note the report and consider any changes required to the plan for the year ahead in light of emerging risks

5	Key Strategic Implications
5.1 5.1.1	**Financial** Not applicable
5.2 5.2.1	**Environmental & Sustainability** Not applicable
5.3 5.3.1	**Workforce** Not applicable
5.4 5.4.1	**Health & Safety** Not applicable
5.5 5.5.1	**Training** Not applicable
5.6 5.6.1	**Timing** The report notes progress in relation to audits undertaken in the 2020/21 financial year.

5.7 5.7.1	**Performance** Internal audit is intended to support the service and where relevant identify areas where performance can be enhanced.
5.8 5.8.1	**Communications & Engagement** Not applicable
5.9 5.9.1	**Legal** Not applicable
5.10 5.10.1	**Information Governance** Not applicable
5.11 5.11.1	**Risk** The internal audit programme forms part of the Service's Assurance Framework
5.12 5.12.1	**Equalities** Not applicable
5.13 5.13.1	**Service Delivery** Not applicable
6	**Core Brief**
6.1	Not applicable
7	**Appendices/Further Reading**
7.1	Appendix A: Progress Report
7.2	Appendix B: Final Report – Financial Systems Health Check
7.3	Appendix C: Final Report – ICT and Data Security
7.4	Appendix D: Final report – Implementation of Corporate Governance Structure, Strategy and Reporting

Prepared by:	Matt Swann Associate Director, Azets
Sponsored by:	Sarah O'Donnell, Director of Finance and Contractual Services
Presented by:	Gary Devlin, Partner, Azets

Links to Strategy and Corporate Values
Working Together for a Safer Scotland

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Audit and Risk Assurance Committee	*21 January 2021*	*For scrutiny*

AZETS

Scottish Fire & Rescue Service
Internal Audit
Progress Report
January 2021

Scottish Fire & Rescue Service

Internal Audit Progress Report

Summary

This paper provides the Audit and Risk Assurance Committee with a summary of internal audit activity since its last meeting and confirms the reviews planned for the coming quarter, identifying any changes to the annual plan.

We have completed three audits in this period

Status of internal audit reviews 2020/21

- 🟩 Complete — 3
- 🟦 Draft report
- 🟥 Fieldwork complete — 1
- 🟨 Fieldwork in progress — 1
- 🟪 Planned — 2
- 🟦 Planning — 4
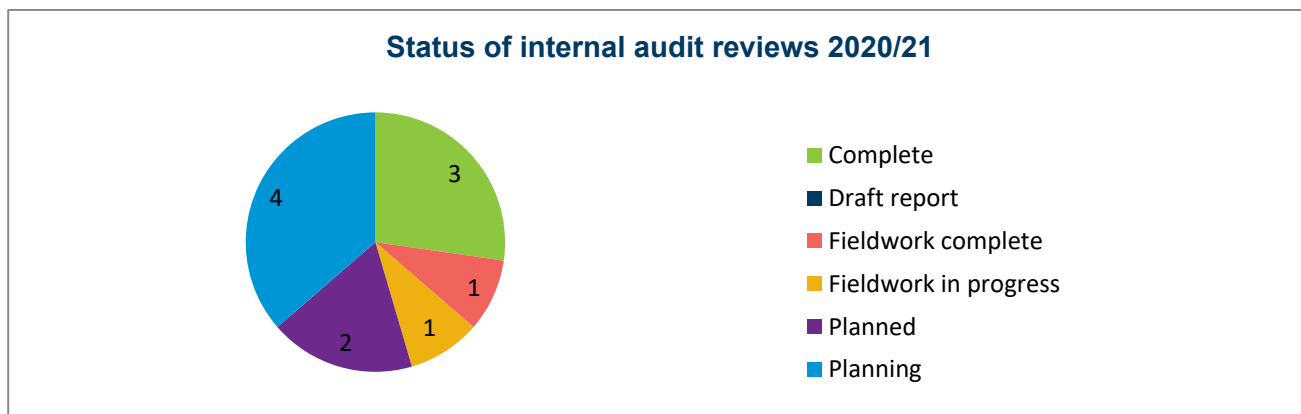
Plan for next quarter

The following reports are due to be presented to the March 2021 Audit and Risk Assurance Committee:

- Expenses policy;
- Internal audit follow up Q4
- Internal audit annual plan 2021/22

Action for Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is asked to note the contents of this report and to approve the plan for the next quarter. 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, Associate Director	matthew.swann@azets.co.uk	0131 473 3500

2020/21 audit plan progress

Ref and Name of report	Days	Current status	Planned ACC	Actual ACC
A1. Financial systems health check	15	Complete	Jan 21	Jan 21
A2. Procurement and tendering	12	Planned	Jul 21	
A3. Expenses policy	12	Planned	Mar 21	
B1. Implementation of SFRS Corporate Governance structure, Strategy and Reporting	15	Complete	Jan 21	Jan 21
B2. Risk management review	20	Complete	Oct 20	Oct 20
C1. Estates asset management and maintenance	10	Planned	Jul 21	
C2. Operational equipment	10	Planned	Jul 21	
D1. ICT and data security	20	Complete	Oct 20	Jan 21
E1. Follow up of outstanding recommendations Q1	2.5	Complete	Jul 20	Jul 20
E1. Follow up of outstanding recommendations Q2	2.5	Complete	Oct 20	Oct 20
E1. Follow up of outstanding recommendations Q3	2.5	Planned	Jan 21	
E1. Follow up of outstanding recommendations Q4	2.5	Planned	Mar 21	
F3. Annual report	n/a	n/a	Jul 21	

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
Planning	The scope and/or timing of the audit has yet to be agreed with management

KPI status

KPI description	Performance standard	Status	Comments
1. Actual v planned hours per audit	Audits completed within days approved by ARAC		All audits completed within agreed allocated days
2. Cost of service by grade	Allocation of time per grade as agreed with management and provided for approval prior to invoicing		All invoices have been approved prior to being issued by Azets
3. Cost per audit	Costs per audit based on allocated staff undertaking audits		
4. Completion of customer feedback on each audit demonstrating satisfactory performance	Risk and Audit Manager to hold post audit discussion with key contacts		Key matters to be fed back to Azets at quarterly contract management meetings, with agreed actions implemented to drive further improvement in service delivery.
5. Percentage of follow up recommendations completed on time	For recommendations raised by Azets 90+% of recommendations completed within agreed timescales		To be assessed on completion of first full year. Discussion have been held with management to ensure completion dates are prompt but realistic.

Key

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

AZETS

Scottish Fire and Rescue Service

Internal Audit Report 2020/21

October 2020

Scottish Fire and Rescue Service

Internal Audit Report 2020/21

Financial Systems Health Check

Audit Sponsor	Key Contacts	Audit team
John Thompson, Head of Finance and Procurement	*Alan Duncan, Accounting Manager*	*Gary Devlin, Partner*
		Matthew Swann, Associate Director
		Holly Clayton-Littler, Internal Auditor

Executive Summary

Conclusion

> *We have gained assurance that, in general, SFRS's financial systems procedures reflect good practice and have been well designed.*
>
> *We have noted a number of minor instances where the design of certain controls could be improved in order to reduce the risk of material misstatements and improve the documentation of processes.*

Background and scope

The boards of all public bodies need assurance that assets and other resources are used effectively and efficiently and that financial affairs are well managed. Internal financial controls are essential checks and procedures that help public bodies:

- meet their legal duties to safeguard public assets;
- administer public funding in a way that identifies and manages risk; and
- ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information.

A financial control checklist covering expected key controls over SFRS's main financial systems, for management to use as a basis for self-assessment has been created. This self-assessment was sent out to management and once completed a sample of controls have been selected for validation testing as part of the review.

In accordance with the 2020/21 Internal Audit Plan, we have reviewed how SFRS manages in-year resource allocations and income.

Control assessment
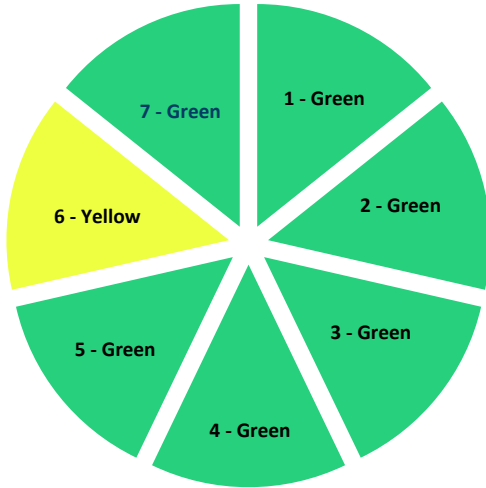
■ 1. The controls in place over income and receivables are as reported in the self-assessment and are adequate and effective in mitigating risk.

■ 2. The controls in place over expenditure and payables are as reported in the self-assessment and are adequate and effective in mitigating risk.

■ 3. The controls in place over funding requirements are as reported in the self-assessment and are adequate and effective in mitigating risk.

■ 4. The controls in place over VAT are as reported in the self-assessment and are adequate and effective in mitigating risk.

■ 5. The controls in place over non-current assets are as reported in the self-assessment and are adequate and effective in mitigating risk.

■ 6. The controls in place over payroll are as reported in the self-assessment and are adequate and effective in mitigating risk.

■ 7. The controls in place over management information are as reported in the self-assessment and are adequate and effective in mitigating risk.

Improvement actions by type and priority
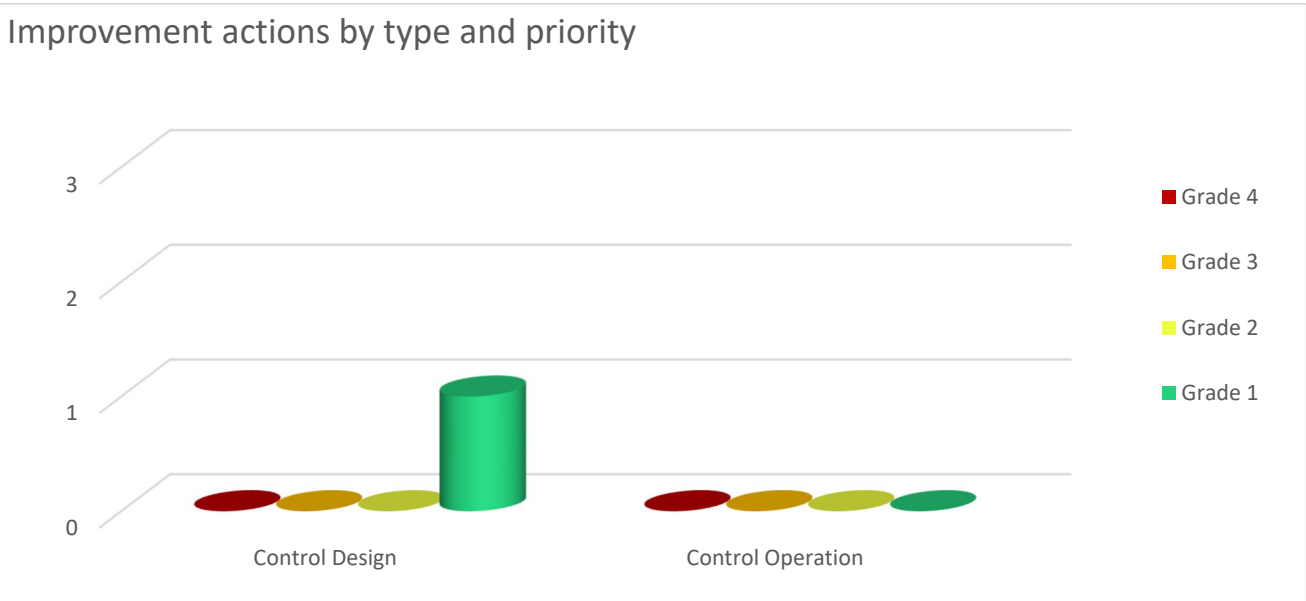
One improvement actions has been identified from this review which relate to the design of the control itself. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that SFRS's procedures reflect good practice in a number of areas:

- Invoices are appropriately monitored and authorised before they are distributed. are monitored regularly to identify and action any outstanding payments.

- Cash flow forecasts are produced monthly and approved by appropriate.

Areas for improvement

We have identified a number of low risk areas for improvement which, if addressed, would strengthen SFRS's control framework

These are further discussed in the Management Action Plan below.

Impact on risk register

No impact on the risk register has been noted.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: The controls in place over income and receivables are adequate and effective in mitigating risk.

Green

No weaknesses identified

It was identified that invoices are subject to review to ensure that they are accurate, invoice runs are also completed on a regular basis to ensure that all the required invoices are promptly despatched. Receivables are monitored using an age analysis, this is carried out monthly in order to review and keep track of the outstanding balances. Monthly reconciliations are also produced to review transactions and monitor any unusual balances.

The monitoring processes and other relevant areas are documented within the accounts receivable procedures documents. We deem the controls in place over income and receivables to be adequate and effective in mitigating the risk of misstatements.

Control Objective 2: The controls in place over expenditure and payables are adequate and effective in mitigating risk.

Green

2.1   Segregation of Duties

No weaknesses identified

Management outlined that the responsibilities for ordering, receipting, invoicing and authorising payments are appropriately segregated between different employees.

When a new user is to be set up on the Accounts Payable system, Tech One, the user is assigned a specific role which determines the access and functionality allocated to the user. Each user can only have one role allocated to ensure segregation of duties.

There are workflow guidance documents and an authorisers workflow guidance document which contain process instructions for transactions to be passed to the next user for action, i.e. pass to the Payment Run Authoriser or the BCAS Authoriser.

2.2   Exception Reports

No weaknesses identified

Exception reports are run monthly to identify any incorrect or duplicate payments. Where any queries are identified, these are investigated and rectified.

Control Objective 3: The controls in place over funding requirements are adequate and effective in mitigating risk.

Green

No weaknesses identified

Cash flow forecasts are prepared monthly and the forecasts identify the cash requirement for the organisation over the short to medium term. The cash flow forecasts are reviewed by the appropriate personnel before being signed off. Therefore, the cash flow documents are produced with sufficient detail and information to mitigate the risk of error.

Control Objective 4: The controls in place over VAT are adequate and effective in mitigating risk.

Green

No weaknesses identified

VAT returns are prepared regularly and recorded within the tax documentation. All invoices are reviewed to ensure that the correct rate of output VAT is applied.

VAT procedures are documented clearly within the VAT procedures document. This document contains comprehensive information and was recently reviewed and updated to include a section on making tax digital.

We deem that the controls in place over VAT are adequate and effective in mitigating risk.

Control Objective 5: The controls in place over non-current assets are adequate and effective in mitigating risk.

Green

No weaknesses identified

Items of significant expenditure are subject to review through capital monitoring meetings, capital monitoring reports and brought to the attention of the Senior Management Team and the Board. The Capital monitoring reports are generated monthly and subject to scrutiny by the senior management team and the board before they are officially approved.

We are satisfied that the controls in place over capital spend are adequately authorised and recorded.

Control Objective 6: The controls in place over payroll are adequate and effective in mitigating risk.

Yellow

6.1 Payroll Procedures Document

Three departments contribute to the monthly payroll run – Admin, HR and Payroll. The Admin Team will update any absence, special leaves, and changes of basic details such as bank details, addresses and changes of name. The HR Team will update any moves, leavers and new starters.

The Admin Team have several procedure documents identifying activities and specific processes. However, the procedure documents are undated and have no version control. As part of this audit, no procedures have been reviewed from the HR Team or the Payroll Team.

For payroll to be carried out accurately it is important that procedures are fully documented and reviewed regularly.

Risk

Without clearly documented policies and procedures there is increased scope for the risk of materially misstated accounts resulting in reputational damage for SFRS.

Recommendation

We recommend that the payroll procedures are documented for each team contributing to the payroll for SFRS and that the procedures are reviewed regularly.

Management Action

Grade 1 (Design)

The payroll procedures are considered to be current, to improve the control we agree these should be reviewed and dated accordingly to ensure the correct version is available. We will review the procedures over the coming months and add the review date and version.

Action owner: **Accounting Manager**   **Due date:** 31/12/21

6.2 Payroll Exception Reports

No weaknesses identified

As part of the payroll review, exception reports are run.

An "Errors and warnings report" is reviewed, and any negative nett pay occurrences and zero nett pay occurrences are investigated. There is also a "High nett pay and BACS report" which is reviewed manually to identify any payroll entries that are of significant value that may require further investigation.

All payroll figures, total personnel paid and total amount payed are compared with last month's figures to ensure there is no significant increase/decrease in the monthly payroll run.

Control Objective 7: The controls in place over management information are adequate and effective in mitigating risk.
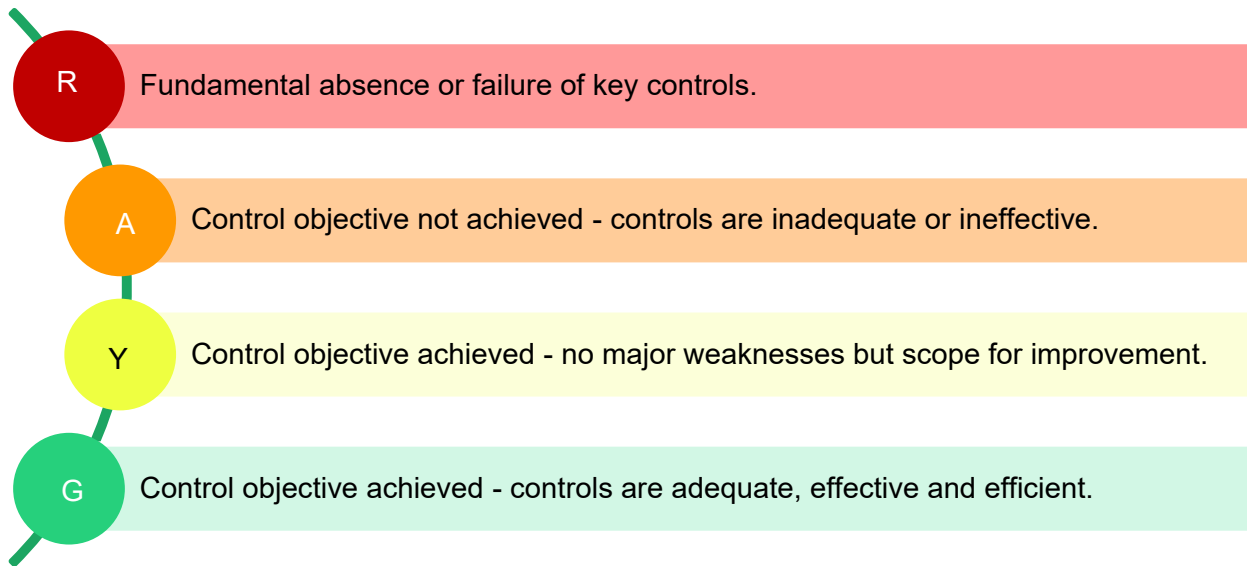
Green

No weaknesses identified

Management outlined that efficiency savings are identified during the year though an efficiency tracker and commodity strategies and fed into the budgeting process during the year.
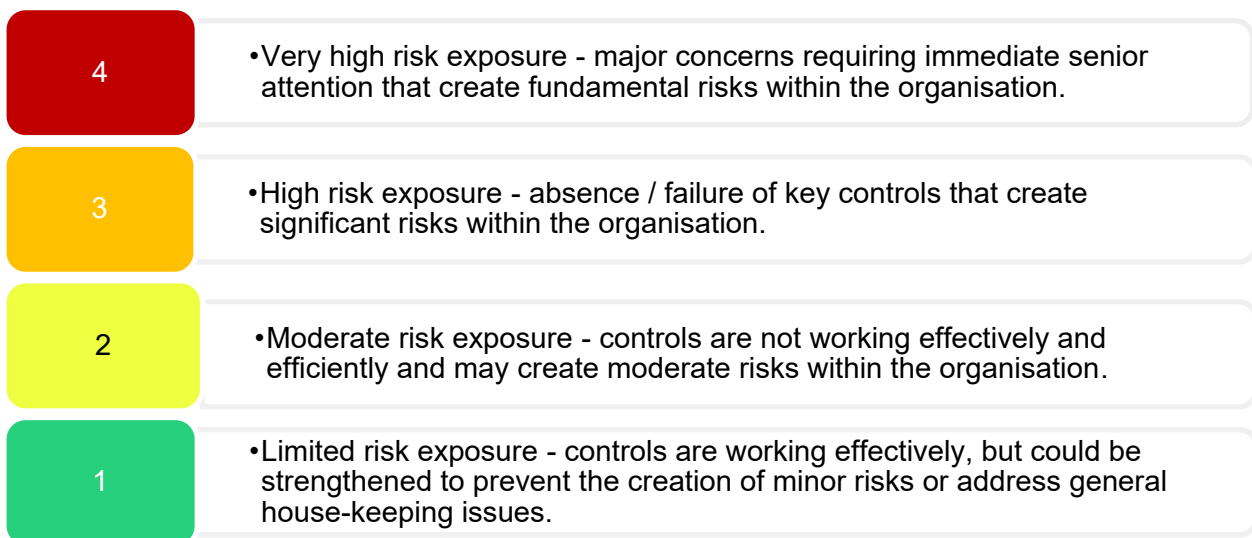
This is an ongoing process that is managed by the Finance Business Partners as efficiency savings are captured throughout the year. There is a list of potential savings areas that are populated and refined throughout the year. Potential savings are identified through monthly financial monitoring, business cases or when the procurement process is initiated via a commodity strategy.

Appendix A – Definitions

Control assessments

R — Fundamental absence or failure of key controls.

A — Control objective not achieved - controls are inadequate or ineffective.

Y — Control objective achieved - no major weaknesses but scope for improvement.

G — Control objective achieved - controls are adequate, effective and efficient.

Management action grades

4 — •Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.

3 — •High risk exposure - absence / failure of key controls that create significant risks within the organisation.

2 — •Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.

1 — •Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

Appendix B – Self-assessment checklist

Validated self-assessment	Status
Required controls are not in place. Details provided in Summary of Findings.	RED
Required controls are not fully in place. Details provided in Summary of Findings.	YELLOW
Required controls reported as in place and effective by SFRS and validated by internal audit, or appropriate compensatory controls are in place	GREEN
Controls are not required to be implemented as systems currently in place will not allow.	N/A

Ref	Control description	Azets Status
1.	**Income and Receivables**	
1.01	All goods and services provided by the organisation are raised through invoice requests approved by appropriately authorised member of staff.	GREEN
1.02	Invoices raised are subject to review to ensure appropriate and accurate.	GREEN
1.03	All invoice requests are marked/ removed to prevent duplicate invoices from being created.	GREEN
1.04	Raising the invoice automatically generates a debtor on SFRS's system and a corresponding entry to income.	GREEN
1.05	All invoices and credit notes are correctly posted to an individual customer account.	GREEN
1.06	Invoice runs are undertaken on a regular basis to ensure that all the required invoices are printed and promptly despatched to customers.	GREEN
1.07	Where significant work is to be provided, potential customers are appraised for credit worthiness and financial stability prior to trading relations being established.	GREEN
1.08	There is an approved list of customers where invoices must be raised. Any changes to the list must be authorised.	GREEN
1.09	All credit notes are checked for validity/accuracy and authorised by an appropriate member of staff.	GREEN
1.10	All income is matched to outstanding balances from suppliers. Reconciliation is undertaken daily between bank account and income records.	GREEN
1.11	All remittances are coded on the system against outstanding debtors. The system requires income to be matched to the corresponding debtor.	GREEN
1.12	A regular review takes place of outstanding balances and the age profile of these balances.	GREEN
1.13	All outstanding balances are subject to review to confirm accuracy.	GREEN
1.14	All rejected or unidentified payments are highlighted and promptly reacted to.	GREEN
1.15	Unauthorised members of staff are prevented from either accessing or amending the Accounts Receivable system and data.	GREEN

Ref	Control description	Azets Status
1.16	Statements are accurately produced for all relevant customers and confirmed as despatched.	GREEN
1.17	Segregation of duties between receipt of cash, allocation of cash, credit control and banking are in place.	GREEN
1.18	All incoming cheques are logged independently prior to being passed for processing and monthly checks are in place to ensure that these have been cashed.	GREEN
1.19	Sales ledger is reviewed on a monthly basis and any unusual balances are investigated.	GREEN
1.20	Specific responsibilities have been allocated for the speedy identification and follow up of overdue accounts.	GREEN
1.21	All overdue accounts (and those approaching being overdue) are highlighted for action.	GREEN
1.22	All reasonable and permitted courses of action are taken to pursue outstanding accounts, and this is clearly evidenced.	GREEN
1.23	Levels of bad debt are accurately and regularly reported to management.	GREEN
1.24	All bad debt write offs authorised by an appropriate member of staff or management.	GREEN
1.25	Documented procedures clearly outline the level of authority required to write off balances.	GREEN
1.26	Documented operational procedures are in place for Accounts Receivable.	GREEN
1.27	Income suspense accounts are reviewed and allocated/cleared on at least a monthly basis.	GREEN
2. Expenditure and creditors		
2.01	Adequate segregation of duties over ordering, receipting of goods and services, invoice authorisation and payments.	GREEN
2.02	All purchase orders / requisitions are approved by an authorised signatory prior to the order being placed. (In line with designated budget limit)	GREEN
2.03	All invoices are matched to Goods Received Notes prior to payment.	~GREEN
2.04	All documentation supporting payments are appropriately filed and easily traced.	GREEN
2.05	Clear guidance is provided within financial procedures on processing of invoices.	GREEN
2.06	Invoices are matched to payment lists prior to payments being made. Discrepancies justified (e.g. returned or unsatisfactory goods / services).	GREEN
2.07	Purchasing limits are set out in Finance procedures and these are adhered to by staff.	GREEN
2.08	Invoices are checked for accuracy and calculation prior to being authorised / processed.	GREEN
2.09	All invoices are appropriately authorised by an approved signatory (or checked against signed goods received note where control not possible)	GREEN
2.10	Finance staff maintain a list of delegated authorities and if payments are not appropriately authorised, they are not processed.	GREEN

Ref	Control description	Azets Status
2.11	The person responsible for ordering / receiving the goods or services does not also authorise the invoice.	GREEN
2.12	Delegated authorities are regularly reviewed and updated to reflect changes in staff.	GREEN
2.13	A transaction listing is regularly produced, and postings are sample checked by a member of Finance staff.	GREEN
2.14	Payments system highlights when payments fall due.	GREEN
2.15	Outstanding payments out with SFRS's payment policy is monitored and pursued for approval for payment.	GREEN
2.16	Expenditure is reported on regular budget monitoring reports which are reviewed against agreed budget.	GREEN
2.17	Staff are prevented from applying unauthorised amendments to the Accounts Payable system data.	GREEN
2.18	Credit notes and other adjustments (i.e. balance write-offs) are confirmed as being correct and authorised for entry.	GREEN
2.19	Exception reports are run to identify any duplicate payments, large or unusual payments.	GREEN
2.20	All payment runs require appropriate authorisation.	GREEN
2.21	Approved list of suppliers maintained which is subject to regular review by senior members of the finance team.	GREEN
2.22	Supplier performance is monitored on an ongoing basis and appropriate actions taken as required.	GREEN
2.23	Purchase ledger is reviewed on a monthly basis for any unusual balances and these are investigated and corrected.	GREEN
2.24	Amendments to supplier bank details are verified through direct contact with supplier.	GREEN
2.25	Supplier statement reconciliations are undertaken each month for outstanding suppliers.	GREEN
2.26	Bank accounts are reconciled to underlying ledger records to ensure that no unauthorised or unrecorded payments have been made.	GREEN
2.27	Expenditure system prevents duplicate payments being made as invoice is 'matched' to goods received note and order.	GREEN
3. Funding Requirements		
3.01	The cash flow forecasts are prepared monthly using standard documentation. The forecast identifies the cash requirement for the organisation over the short to medium term.	GREEN
3.02	The cash flow forecast is prepared using accurate costing information, such as payroll reports.	GREEN
3.03	The cash flow forecast is reviewed and approved by the Interim Director of Finance and Logistics.	GREEN
3.04	The finance team check and verify that the drawdown requested has been received in the bank account.	GREEN

Ref	Control description	Azets Status
3.05	A journal is prepared to allocate the income on the ledger. The journal is reviewed and approved by a senior member of the finance team ahead of processing. The journal has appropriate back-up attached, i.e. the cash flow forecast, bank statement and approved drawdown request.	GREEN
4. VAT		
4.01	VAT is checked for validity and mathematical accuracy prior to processing invoices.	GREEN
4.02	Finance procedures have clear guidance on VAT codes and they are correctly accounted for and recovered where applicable.	GREEN
4.03	VAT returns are checked and signed prior to issue and there is regular VAT reconciliation.	GREEN
4.04	Invoices are reviewed to ensure that the correct rate of output VAT (or equivalent sales tax) is applied to all relevant invoices.	GREEN
4.05	VAT returns are prepared on a quarterly basis and supported by underlying records.	GREEN
4.06	Income system has pre-input VAT rates to ensure that VAT charged is appropriate given the type of service provided.	GREEN
5. Fixed Assets		
5.01	Reconciliation takes place between fixed asset register and financial ledger.	GREEN
5.02	Only authorised asset capital spend is processed for payment.	GREEN
5.03	Items of significant expenditure are subject to review to identify if these should be classified as capital expenditure.	GREEN
5.04	Items of capital spend are identified through a year-end review and are recorded on the asset register.	GREEN
5.05	Depreciation charges on assets are calculated and recorded at the year-end.	GREEN
5.06	Depreciation rates are reviewed at least annually to ensure appropriate.	GREEN
5.07	Transactions (additions, disposals and revaluations) are reviewed to ensure that these have been appropriately recognised in the accounts.	GREEN
5.08	Report generated annually to confirm that additions and disposals have been correctly removed from the system.	GREEN
6. Payroll		
6.01	The payroll system is adequately protected from either misuse or unauthorised access.	GREEN
6.02	All changes to the payroll Masterfile are approved by senior member of the relevant department	GREEN
6.03	All new starts must be appropriately authorised before being added to the system.	GREEN
6.04	All new starts must be verified through national insurance number and appropriate authorisations to ensure only valid employees are being paid via the payroll.	GREEN
6.05	Pay grades / rates are reviewed to ensure appropriate.	GREEN
6.06	Payroll payment transactions (i.e. overtime, bonus, salary increases, etc.) adequately authorised (prior to data entry) and correctly entered.	GREEN

Ref	Control description	Azets Status
6.07	Payroll system identifies duplicate payments or large payments out with a set limit and these are reported to payroll team.	GREEN
6.08	Payments (Potentially sample basis) are reviewed to ensure that amounts paid and deductions made are appropriate before payment is processed.	GREEN
6.09	Income tax and any other statutory deductions are reviewed to ensure calculated correctly.	GREEN
6.10	Monthly reconciliation taken between payroll system and payments made to relevant authorities for tax and other deductions.	GREEN
6.11	All Holiday and Sickness payments are reviewed and authorised to ensure they are valid and within both the company policy and legislative requirements.	GREEN
6.12	All exceptional payments adequately authorised.	GREEN
6.13	Pension and any other welfare deductions accurately calculated, deducted from salary with appropriate review.	GREEN
6.14	Payroll runs adequately reconciled to the accounting system and anomalies promptly identified and resolved.	GREEN
6.15	Payroll data is reviewed to ensure that there is no duplication of payments or multiple payments made to a single bank account.	GREEN
6.16	Payroll payments, automated fund transfer data or salary cheques subject to adequate levels of authorisation.	GREEN
6.17	Payroll exception reports are produced showing, for example, negative net pay, gross pay greater than a given percentage of basic pay etc. and these are independently investigated and resolved.	GREEN
6.18	A reconciliation is undertaken before each pay run to ensure that all leavers have been removed from the payroll system.	GREEN
6.19	Sensitive or confidential payroll data is adequately protected from unauthorised access.	GREEN
6.20	Comprehensive and up-to-date payroll procedures are available to all staff.	GREEN
6.21	Additional checks are in place for individuals with access to the payroll system to confirm amendments to their payroll information.	GREEN

7.   Management Information

Ref	Control description	Azets Status
7.01	SFRS's Financial Strategy, including monitoring the achievement of savings plans, is subject to regular updating and review.	GREEN
7.02	An annual financial planning process in place including defined roles for individual members of staff.	GREEN
7.03	Budget holders are consulted on the budgets as part of the financial planning process.	GREEN
7.04	The needs of individual departments were identified during the budget setting process and linked to strategic priorities.	YELLOW
7.05	There is a timetable for completing the financial process in sufficient time to meet reporting deadlines.	GREEN
7.06	Budgets are monitored and discussed with budget holders monthly.	YELLOW

Ref	Control description	Azets Status
7.07	The financial reports are of sufficient detail to facilitate decision making at management level.	GREEN
7.08	A process for identifying efficiency savings is in place.	GREEN
7.09	Required efficiency savings are identified prior to the start of the financial year.	GREEN
7.10	There is a methodology in place to monitor cash and time releasing savings and this is subject to review on a regular basis.	GREEN
7.11	Financial forecasting reports for the remainder of the financial year and beyond are regularly prepared and issued to senior management and the Board.	YELLOW

Scottish Fire and Rescue Service

Internal Audit Report 2020/21

ICT and Data Security

October 2020

Scottish Fire and Rescue Service

Internal Audit Report 2020/21

ICT and Data Security

Audit Sponsor	Key Contacts	Audit team
Sarah O'Donnell, Director of Finance & Contractual Services	*Sandra Fox, Head of ICT*	*Paul Kelly, Director* *Mitchell Collins, Audit Manager* *Lara Boyaci, IT Auditor*

Executive Summary

Conclusion

The Scottish Fire and Rescue Service (SFRS) has management processes in place for identifying and resolving threats to the network and cyber security. Both the wide area network and the local area networks are regularly monitored and provide instant alerts to SFRS when threats are identified.

However, our audit testing identified a need for improvement in three key areas of IT controls.

Two of these areas related to management of user accounts. One of these areas related to management and control of leavers accounts where processes were not operating as designed. The other issue related to the need to improve management of privileged access accounts. Collectively and individually, these weaknesses increase the risk of unauthorised access to the organisation's network and could compromise the confidentiality, integrity and availability of data.

There is also a need to develop, approve and test an IT disaster recovery plan. Management is aware of this gap in control and, at the time of our audit work, was taking action to address this.

Background and scope

The SFRS is reliant on its technological infrastructure to support the delivery of its key services and business objectives. It is crucial that the infrastructure is maintained at a level capable of supporting the organisation's business plans and strategy and to ensure the confidentiality, integrity and availability of the organisation's data.

The increasing ease of access to corporate networks provides users with greater flexibility to work remotely or when mobile. The proliferation of such solutions underlines the importance of robust IT security measures being in place to reduce the risk of disruption to network availability, unauthorised access to or loss of data.

Our review considered the adequacy of internal and external security of the SFRS network. This included an assessment of the adequacy of management processes in identifying and resolving threats to the network and cyber security.

Control assessment

■ 1. Network Access by users is controlled, managed and supported by appropriate policies.
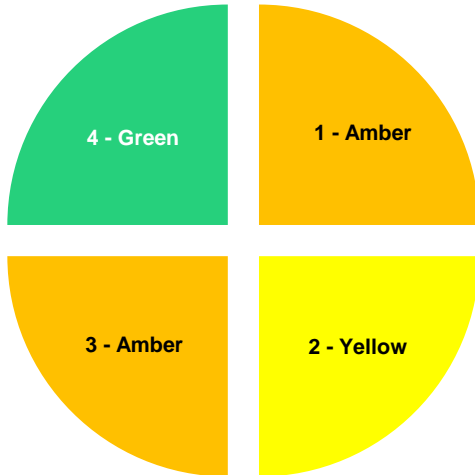
■ 2. There are adequate processes for identification, monitoring and management of technical and cyber security threats and risks to the network.

■ 3. Resilience and recovery are designed into the network, including disaster recovery, backups, incident and breach response.

■ 4. The network is appropriately administered and managed, with adequate error reporting and clearance.

Improvement actions by type and priority
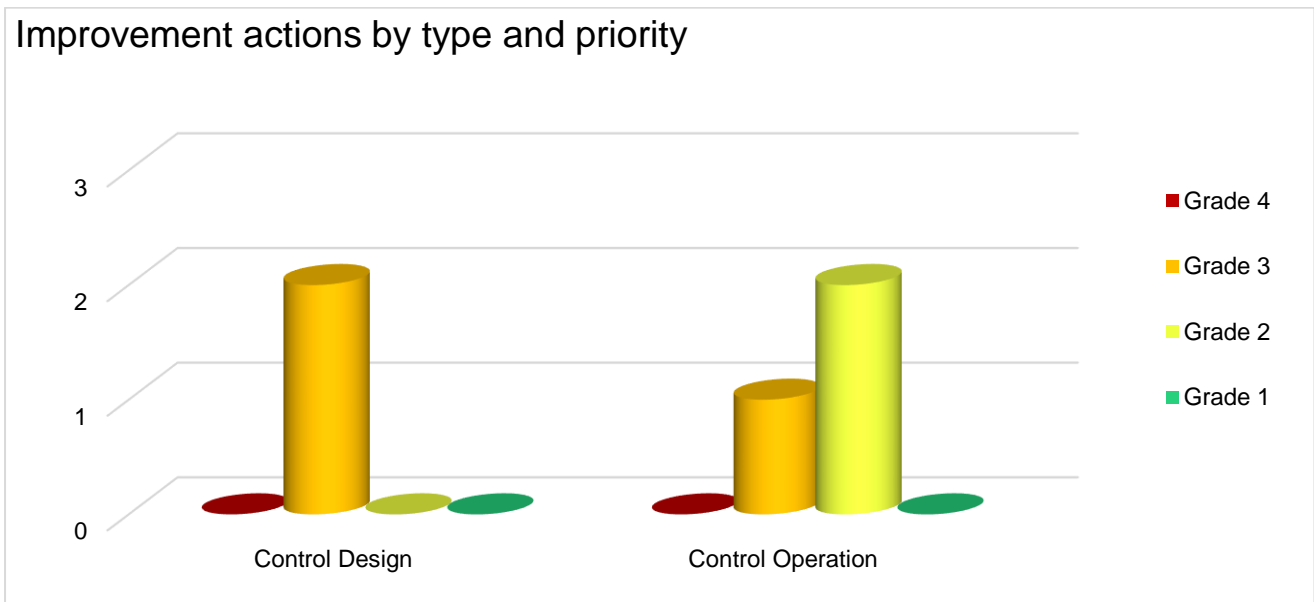
Five improvement actions have been identified from this review, three of which relate to compliance with existing procedures, rather than the design of controls themselves. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that SFRS procedures reflect good practice in a number of areas:

- The wide area network and local area network is monitored constantly and there are measures in place to send alerts of any issues. Network issues not picked up by the automated systems are reported to the ITIL-based service desk and resolved via the incident management process.

- There are routine encrypted backups of the organisations critical data which are regularly tested.

- Those involved with cyber security have multiple subscriptions set up to stay up to date with industry risks. ICT receive notifications and news alerts from subscriptions, such as, CREW notices from the Scottish Government and security notifications from Microsoft, which raise awareness of wider risks.

Areas for improvement

We have identified a number of areas for improvement which, if addressed, would strengthen SFRS control framework. The most important of these are:

- A need for improvement in the operation of controls for the accounts of leavers. Our testing identified that 7 of 15 leavers did not have their accounts disabled or deleted.

- Weaknesses in the management and control of privileged accounts. We identified a large number of active accounts with privileged access to the network. We also noted that there is no monitoring of privileged account activity. Audit logs do not record activity of such accounts and there is no tool which could support automated review of actions.

- There is currently no IT disaster recovery plan in place to support the response to an IT incident.

These are further discussed in the Management Action Plan below.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: Network Access by users is controlled, managed and supported by appropriate policies.

Amber

1.1   Joiners and Leavers

We selected a sample of 24 joiners, 24 movers, 15 dual contractors and 24 leavers to test whether network access by users is controlled and managed. We were not able to obtain the evidence for these samples since they sat on the now-decommissioned system.

We were advised that sample evidence could be retrieved from the system for joiners and movers from April 2020 onwards. Our sample testing was updated to 15 joiners and 15 leavers since April 2020.

For each of the 15 joiners tested, we were able to confirm that the Workforce Planning Team notifications were in place and that the new user requests had been escalated to Senior Support. We confirmed that user accounts had been set up for all of the joiners in our sample.

Our testing of 15 leavers identified that the documented process is not operating effectively. The documented process for leavers is that IT will receive a daily notification from iTrent which sets out staff members leaving that day. Service Desk Analysts within IT are then required to act upon that information and disable leaver accounts. The account should then be moved into the 'Roll Off' group, which places it in quarantine to terminate any active log ins and the ability to reactivate the account. All accounts within the 'Roll Off' group after one month.

We identified seven leaver accounts that remained active, with six of these leavers having left the organisation in April 2020. We also noted from review of Active Directory information that an account of a leaver was accessed after they had left the organisation. This user had a leaving date of 30 June 2020 but their last login was on 4 July 2020.

Risk

An ineffective leavers process increases the risk that former staff could continue to access organisation data after they have left the organisation. This could result in unauthorised access to sensitive information and data contained within corporate systems. There is also a risk that the organisation is unable to confirm that all IT assets have been returned.

Recommendation

We recommend that action is taken as a priority to address weaknesses in the operation of the process for disabling and deleting the network accounts of leavers.

An important initial remedial action in the interim should be to validate all active user accounts listed within Active Directory. Two means of achieving this are to issue lists of users to line managers and request that they validate each listed account; or requesting a list of all leavers from HR over the past 12-18 months and cross-checking this data to active accounts within Active Directory.

In addition, management should ensure that all accounts not logged into for a predefined period (e.g. 90 days) are automatically disabled unless line management are able to confirm that there is good reason for the account not being used e.g. sick leave, maternity leave etc.

We also recommend that the agreed account management process for leavers is followed by the IT team. To confirm that this is the case, a member of IT management should perform sample spot checks of data received from iTrent and review Active Directory records to confirm that accounts have been disabled.

Management Action

Grade 3
(Operation)

1.1.1 A review of all users to ensure validity will be carried out through cross checking of leavers with HR.

Action owner: Jackie Halforty, Service Desk Manager   **Due date:** Nov 2020

1.1.2 An automated process will be put in place to highlight to Service Desk when a user account has not been logged in for 90 days consecutively and a process established to disable such accounts following confirmation with HR.

Action owner: Jackie Halforty, Service Desk Manager   **Due date:** Dec 2020

1.1.3 A process will be put in place for the Operations Manager to carry out spot checks on the leavers data provided by HR on a monthly basis.

Action owner: Greg Aitken, Operations Manager   **Due date:** Dec 2020

1.2   Privileged Users

Our audit testing identified significant weaknesses in the management and control of highly privileged network accounts. We identified that there were in excess of 70 active accounts which have administrative privileges.

Our testing identified the following:

- Four active accounts have not been used in over one year.
- Eight administrator accounts that were not assigned to named individuals (ADMTEST, ADMTRUST (disabled), ADMTUSER, CYBER ESSENTIALS, HR INVESTIGATION, ADMTEST RBAC, SAUATTASSAPI and SCCMREPORTING).
- Three users who have two privileged accounts each. In one case, a user had a named account and a generic account assigned to them. The other two users had two named accounts.
- 14 domain administrator accounts assigned to third parties, with only five being assigned to named individuals.
- 14 accounts, which based on their description, would not normally be expected to have a privileged network account e.g. ICT Trainer, Central Staffing, Accounts Assistant etc.
- Of those 14 accounts, one that remained active was assigned to the external party who performed the penetration test in February 2020.

We noted that there are no logs maintained of privileged account activity meaning that management is unable to confirm that all access has been appropriate.

There is also no third-party access policy in place to set out the procedures governing privileged third-party access to the network. Temporary privileged access for third party users is communicated verbally meaning there is no recorded evidence of third-party access being granted and revoked in a timely manner.

Risk

The high volume of privileged network accounts, coupled with the lack of regular monitoring of activity, creates an increased risk of accidental or deliberate misuse of privileges. This could result in unauthorised access or changes system changes which could have significant impact on confidentiality, integrity and availability of organisational data.

Recommendation

We recommend that management undertakes a detailed review of privileged access to the organisation's network. This should include a review of all active accounts to confirm their validity. As a general rule, access should be granted on a 'least privilege' basis and be provided only where there is a business need.

To support access management, IT management may wish to consider development of an access matrix which defines access permissions according to specific roles within the IT team e.g. network administrators, service desk analysts, third line specialists etc. Access profiles/roles could then be developed to ensure that access is effectively managed according to the needs of the role.

We also recommend that privileged accounts for third parties and contractors should be disabled by default and only activated in response to a service desk ticket which authorises access.

Management should also establish formal processes to review active privileged accounts each quarter to confirm their validity and that users still require that level of access. This should include review of when the account was last used.

We also recommend that all accounts are assigned to a named individual and that this is recorded in the description field within Active Directory. Secure procedures should be developed and implemented so that the passwords for these accounts can be accessed in an emergency if the account owner is not available.

We also recommend that management improves logging and monitoring of privileged account activity to allow assurance to be gained that all access is appropriate. This should include:

- Ensuring that all activity using privileged accounts is subject to logging within Active Directory.
- Consider the implementation of a solution such as a Security Incident and Event Monitoring (SIEM) that will automate reviews of audit logs based on agreed 'use cases' which identify potentially suspect/anomalous activity.
- Management should also develop and implement a third-party access policy that sets out the roles and responsibilities of third parties in preserving the security of the SFRS network and data. This should be provided to the third party.

Management Action

Grade 3 (Design)

1.2.1 A full review of privileged access accounts will be carried out and resulting actions taken to remove or amend accounts ensuring the least privilege principle is adhered to

Action owner: Greg Aitken, Operations Manager   **Due date:** Nov 2020

1.2.2 A Role Based Access Control (RBAC) matrix will be developed to ensure appropriate access levels are allocated to named users. A documented process and procedure will be developed using the RBAC matrix to include quarterly review of access to ensure it remains appropriate.

Action owner: Gary Bellfield, Technical Strategy Manager   **Due date:** Dec 2020

1.2.3 A third party access policy will be developed and implemented to include the roles and responsibilities of the third party.

Action owner: Craig Dundas, Interim Technical Strategy Manager   **Due date:** Dec 2020

1.2.4 A review will be carried out of current solutions for monitoring of privileged accounts to include recommendations for improvement and/or technical solutions.

Action owner: Gary Bellfield, Technical Strategy Manager   **Due date:** Mar 2021

Control Objective 2: There are adequate processes for identification, monitoring and management of technical and cyber security threats and risks to the network.

Yellow

2.1 Risk Registers

The strategic risk register includes a cyber security risk (Risk no. 6) and, at the time of our review, the strategic risk register had been agreed by the SLT and was pending approval from the ARAC.

We noted at the time of our audit work that the ICT risk register was in the process of being updated to the new corporate version. As a result, it was not possible to confirm that appropriate actions were in place to address risks and that these were being reviewed regularly. The last time the ICT risk register was formally updated was in March 2020 and it was stated that it had not been migrated to the new format or updated due to COVID-19.

Risk

SFRS management may not be identifying, managing and monitoring ICT and cyber security risks in an effective manner. This could result in risks materialising which could cause significant business disruption and reputational damage.

Recommendation

We recommend that management formalise the ICT risk register. The risk register should subject to formal review at least quarterly with all identified risks being formally documented, assessed and mitigating actions recorded. Management should also ensure that, as part of the regular review of risk registers, risk assessments are reviewed and progress on mitigating actions is recorded and monitored. Management should also ensure that ICT risk management processes are aligned to corporate risk management processes and allow for significant risks to be escalated as necessary.

Management Action

Grade 2 (Operation)

2.1.1 The ICT Risk Register has been updated and is reviewed on a monthly basis at the ICT Management Team Meeting. The Register is now fully in line with corporate risk management processes.

Action owner: Sandra Fox, Head of ICT   **Due date:** Nov 2020

Control Objective 3: Resilience and recovery are designed into the network, including disaster recovery, backups, incident and breach response.

Amber

3.1 Disaster Recovery Plan

Our review identified that there was no ICT Disaster Recovery (DR) Plan in place which outlines how ICT will recover servers, applications and data to ensure that SFRS can continue to operate in the event of a disaster.

Following a discussion with management, we confirmed that this is known to ICT and that the ICT Operations Manager had taken up responsibility for drafting the ICT DR Plan this year.

Risk

There is a risk that, in the event of a disaster, ICT may not be able to restore critical ICT applications and data in a timely manner. This could result in significant and unnecessary disruption to business services.

Recommendation

We recommend that an ICT DR Plan is drafted and approved as soon as is practical. This should take cognisance of resilience arrangements and set out references to relevant technical recovery documentation that will support the recovery and restoration of services. This should include references to work instructions and other procedural documentation to minimise the risk of recovery being reliant on knowledge and experience of individuals (who may not be available at the time of an incident).

We also recommend that the IT DR Plan is subject to regular testing to confirm it can support an effective response to an incident. The plan should be updated with any lessons learned from tests performed.

Management should also ensure that there are formal processes in place for the maintenance of the ICT DR Plan. This should include alignment to change management processes.

Grade 3 (Design)

Management Action

3.1.1 The Disaster Recovery Plan is currently in development and will be completed and in place by March 2021. This will include the development of a regular testing regime and a formal process to maintain the currency of the Plan.

Action owner: Greg Aitken, Operations Manager   **Due date:** Mar 2021

3.2 Assurance Activities

An internal penetration testing was performed in February 2020 by a third party. We identified that there is a need for improvement in managing and monitoring the actions resulting from that test.

ICT has recorded actions arising from the 40 weaknesses identified from the penetration test in a spreadsheet and these range from hight to medium impact, and from high to low probability. 19 of the weaknesses were high impact and mostly high probability, the remaining 21 are medium impact.

At the time of our review in August 2020, one vulnerability had been closed, 11 were in progress, three had been labelled as 'not started' and the remaining 25 were blank with the status not known.

Two prominent vulnerabilities identified from the penetration test were:

- One which, if used in tandem with a lower risk vulnerability could be used to escalate a user's permissions to that of a domain administrator; and
- To undertake a password audit and change process for all active domain administration accounts and for SFRS to put in place a stricter password policy. Testing had identified that a number of network passwords were easily identified.

The update of the password policy and the password audit and change process for all active domain admin accounts is labelled as 'in progress'. A copy of the most recent password policy shows that it is dated October 2017, and that SFRS is yet to put in place a stricter password policy.

Risk

There is an increased risk of vulnerabilities being exploited if they are not addressed promptly. This could result in an increased risk of malicious attack that could result and could cause system disruption, loss of critical data, and financial and reputational damage.

Recommendation

We recommend that there is improved management and monitoring of outstanding actions from penetration tests. Each action should be assigned a target completion date which reflects the risk it presents to the Service. In addition, there should be regular reporting of progress to the ICT management team to provide assurance that actions are being addressed in a timely manner.

We also recommend that management updates the Password Policy document as well as the Active Directory password policy to increase the security and complexity of passwords. We recommend that the Service considers implementing the latest password/passphrase guidance from the National Cyber Security Centre to reduce the risk of passwords being compromised.

Management Action

<mark>Grade 2
(Operation)</mark>

3.2.1 The outstanding actions from the penetration test are monitored on a weekly basis at a meeting of all relevant parties led by the ICT Operations Manager and also reported to the Cyber Security Project Board on a regular basis.

Action owner: Greg Aitken, Operations Manager   **Due date:** Dec 2020

3.2.2 The Active Directory and Password Policy documents will be reviewed and updated considering latest industry guidance on passwords.

Action owner: Gary Bellfield, Technical Strategy Manager   **Due date:** Dec 2020

Control Objective 4: The network is appropriately administered and managed, with adequate error reporting and clearance.

Green

No Weaknesses Identified

Our testing was able to confirm that the SFRS network is subject to regular monitoring.

The wide area network is a fully managed service, with any related incidents being managed by Virgin Media Business.

The local area network is managed internally with automated systems in place for reporting activity and identifying and monitoring risks to the network.

CISCO intelligence provides security from malware attempts and sends daily reports to ICT of any malware security intelligence events. ICT also receive daily anti-malware activity reports, which informs them of any computer infestations or malware incidents that have occurred. There are also daily ICT reports detailing any DNS and sinkhole security intelligence events. We observed that a full malware scan is run by ICT every Wednesday at 12:30pm.
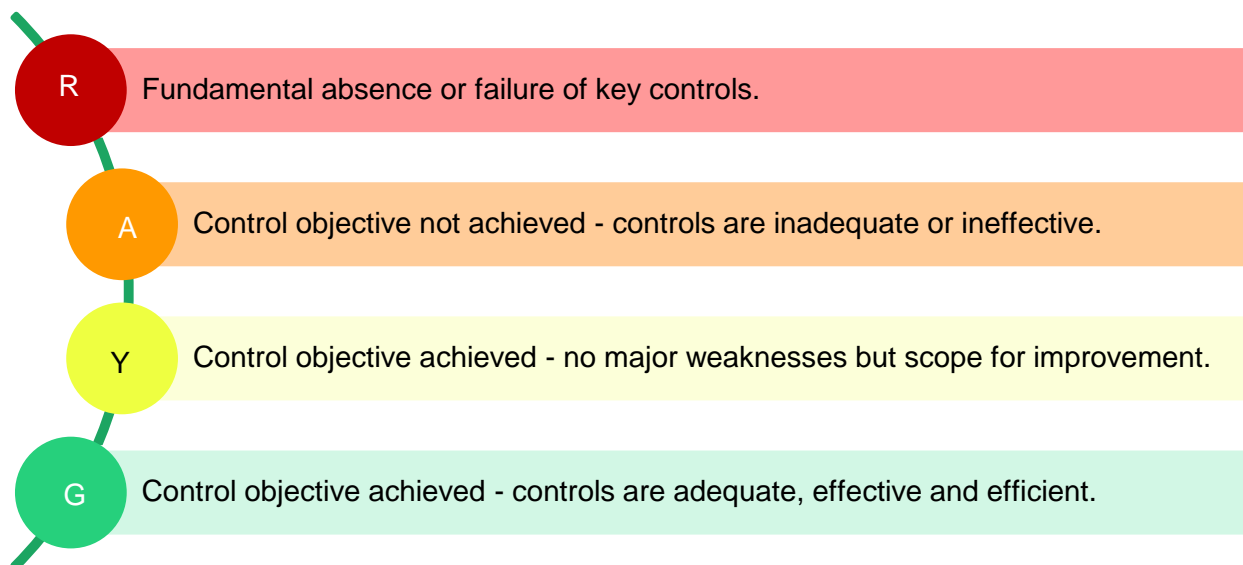
CREW notices from the Scottish Government are also sent to ICT, alerting them of any industry issues or vulnerabilities. If the issue is deemed relevant to SFRS, the issue will be investigated, and a security incident report will be prepared.

Network issues that are not picked up by the automated systems can be reported through the internally managed ITIL-based service desk. These issues will be resolved by the service desk staff the SFRS Incident Management Process and a security incident report will be prepared by the ICT Architect to inform the Head of ICT and other key ICT staff of the incident.
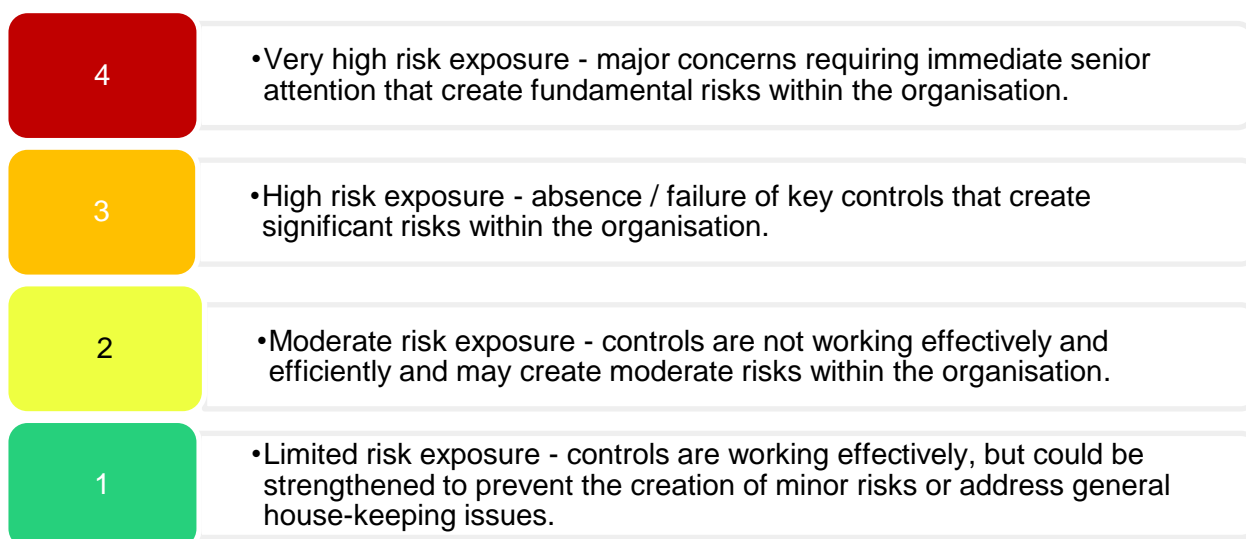
Appendix A – Definitions

Control assessments

R	Fundamental absence or failure of key controls.
A	Control objective not achieved - controls are inadequate or ineffective.
Y	Control objective achieved - no major weaknesses but scope for improvement.
G	Control objective achieved - controls are adequate, effective and efficient.

Management action grades

4	• Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.
3	• High risk exposure - absence / failure of key controls that create significant risks within the organisation.
2	• Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.
1	• Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

AZETS

Scottish Fire and Rescue Service

Internal Audit Report 2020/21

Implementation of Corporate Governance structure, Strategy and Reporting

NOVEMBER 2020

Scottish Fire and Rescue Service

Internal Audit Report 2020/21

Implementation of Corporate Governance structure, Strategy and Reporting

Audit Sponsor	Key Contacts	Audit team
Mark McAteer, Director of Strategic Planning, Performance and Communications	*Richard Whetton, Head of Governance*	*Gary Devlin, Partner* *Matt Swann, Associate Director* *Nadia Goode, Assistant Manager* *Holly Clayton-Littler, Associate*

Executive Summary

Conclusion

We have gained assurance that Scottish Fire and Rescue Service has generally effective corporate governance arrangements. These are supported by procedures, covering recording, monitoring and reporting processes. We found these to be well designed and generally reflect good practice.

We believe this is a good opportunity to now reflect on whether the existing governance arrangements continue to be optimal including consideration of whether previous priorities are now deemed business as usual.

Background and scope

Corporate Governance is concerned with the structures and processes for decision making and accountability, internal control, and standards of behaviour at the top of organisations. Corporate Governance is the process and structures implemented by the Board to inform, direct, manage and monitor the activities of the organisation towards the achievement of its objectives. Good governance should be demonstrated through a clear commitment to effective public performance reporting on the quality of the services being delivered and future service delivery.

The SFRS Board consists of 12 Members, including the Chair. The Board has the following Committees:

- Audit and Risk Assurance;

- Staff Governance;

- Remuneration, Appointments and Nominations (sub-Committee);

- Service Delivery;

- Transformation and Major Projects.

Each committee has been delegated responsibilities by the Board for key areas of the governance framework. There is an Integrated Governance Forum that provides a platform for all Committee Chairs to meet, with the aim of reducing duplication while ensuring robust scrutiny. The effectiveness of the Board is assessed by the Annual Governance Review of Board and Committee Related Items. This was most recently presented to the Board in April 2020.

In line with the 2020/21 internal audit plan, we have reviewed how the SFRS has aligned its corporate governance structure to facilitate monitoring and reporting of the achievements of strategic aims to implement an integrated assurance plan. In addition, we have conducted a survey of several Board and Committee members to obtain their opinion on key areas under the scope of this review. The summary of respondents' views can be found within the Appendix II of this report.

Control assessment

■ 1. There is an effective reporting framework between governance committees and the Board
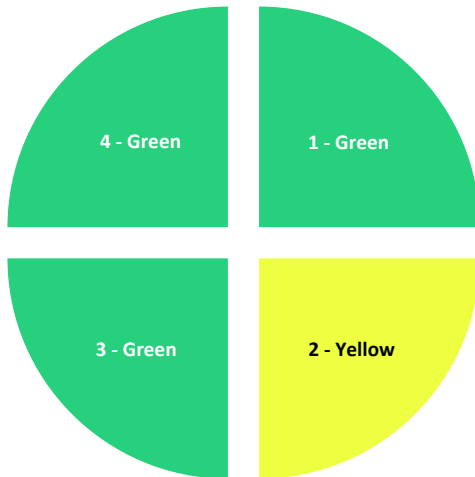
■ 2. The roles and responsibilities of the Board and its committees are clearly defined and supported through documented policies and procedures (e.g. terms of reference, Scheme of Delegation), which are subject to regular review

■ 3. Management reports to the Board and committees are sufficiently clear, understandable and timely, and provide an appropriate level of detail to support efficient and effective decision making and scrutiny

■ 4. Plans and performance against plans are monitored and reviewed to ensure the achievement of SFRS's objectives
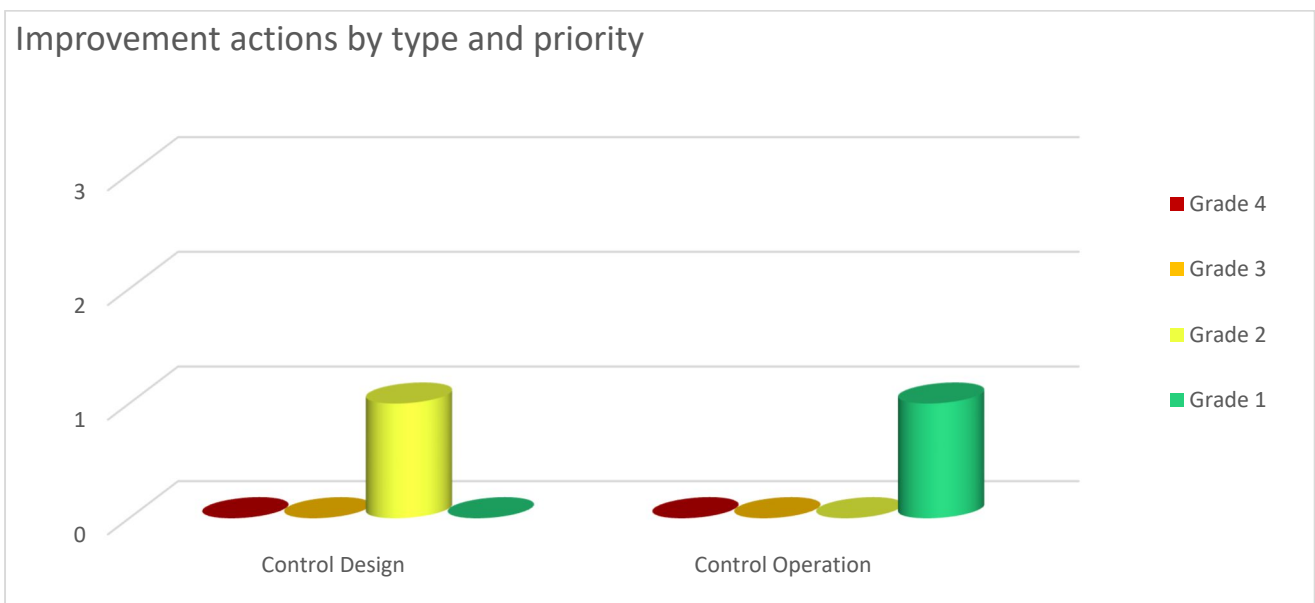
Two improvement areas have been identified for this review, one of which relates to the operation of established controls. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that SFRS' procedures reflect good practice in a number of areas:

- An effective reporting framework has been established to direct the work of SFRS's Board and committees. The governance structure defines remits, roles and responsibilities as articulated by the Standing Orders for Meetings of the Board and its Committees, and relevant Committees' Terms of Reference.

- Management reports to the Board and Committees are timeously and provided to members in advance of meetings and provide an appropriate level of detail to support efficient and effective decision making and scrutiny.

- Performance reports are produced and presented to appropriate committees for discussion on a regular basis. In-depth discussions take place on key areas of interest, including progress and improvement. All decisions and planned actions are appropriately recorded, and progress is traced and updated.

Areas for improvement

Our audit confirms that SFRS has generally good governance arrangements in place. Since the formation of the service in 2013 the Board has on a number of occasions reviewed and revised its committee structures. Most recently the Board met in September 2020 to consider its governance arrangements including the role and remit of the existing committees. We were informed that the Board agreed to retain the existing structure. However, in light of the development of a long term strategic vision for the Service, to be published in Spring 2021, the Board plan to revisit this discussion to ensure its approach to governance remains fit for purpose. . Some feedback has indicated that some committees can become too operational in focus on occasion. We recommend that the Board undertake a review of its committee structures and committee remits and explore potential options for alternative governance arrangements should these be deemed appropriate.

Impact on risk register

Our audit has not identified any new risks or a need to revise the current risk scores

Acknowledgements

We thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: There is an effective reporting framework between governance committees and the Board

Green

No reportable weakness identified

The SFRS Governance and Accountability Framework sets out the governance structures within which the SFRS operates and defines key roles and responsibilities. From examination of the SFRS' Corporate Governance procedures we confirmed that reporting lines between the Board and its Committees have been defined and are supported by an up to date (last reviewed in June 2020) Scheme of Delegation. This outlines responsibilities and decision-making authority.

The Board Support team ensure that meeting agendas, and committee and management reports are prepared in advance and provided to all members in a timely manner, in accordance with the Standing Orders for meetings of the Board and its Committees.

From examination of a sample of committee meeting minutes we confirmed that all information on each committee meeting is available on the organisation's website, including agenda, review of action plans, service delivery and risk register updates. The minutes are well-structured, containing records or attendance / apologies, consideration and decisions on any items to be discussed in private sessions and main agenda items (e.g. projects, reports, actions etc.)

The Integrated Governance Forum has been established to provide assurance to the SFRS Board that issues identified in specific committees are considered, ensuring joined up corporate governance and co-ordinating intended outcomes between different Committees to prevent duplication. The Forum has strategic relationships with all committees and includes their members to enable effective exchange of information.

Control Objective 2: The roles and responsibilities of the Board and its committees are clearly defined and supported through documented policies and procedures (e.g. terms of reference, Scheme of Delegation), which are subject to regular review

Yellow

2.1 Structure of governance arrangements

We obtained copies the of Standing Orders ('Standing Orders') for Meetings of the Board and its Committees and Terms of Reference ('ToR') for the Committees and confirmed that all the documents contain a clear list of roles, remits, responsibilities and areas for review for each governance group. We have considered the responsibilities of each committee and consider the allocations to be appropriate. The remits indicate that all key responsibilities have either been appropriately delegated or have been retained by the Board. The Standing Orders and all Committees' ToR are version controlled, indicating the names of original authors and authoriser of the latest review. All the documents are up to date with the next review date established.

With the merger of the eight local authority services in 2013 there was a need to establish a stable governance structure to address the challenges of the different organisations that were coming together. As outlined above, the structures in place are well established and as the Service has established a mature operating model. With an eye to future developments in the Service's operating environment there is a need to further reflect on the ongoing structure of committees of the Board to ensure they are appropriately aligned to the future direction of the Service.
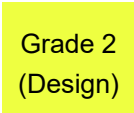
Risk

Without periodic review of the appropriateness of governance structures, there is a risk that scrutiny will be aligned to historic needs rather than the future needs of a changing organisation

Recommendation

We recommend that the Board undertake a review of its committee structures and committee remits and explore potential options for alternative governance arrangements should these be deemed appropriate.

Management Action

Grade 2 (Design)

SFRS conduct an annual governance review which reviews all committee business, remits of committees and overall board governance structures. The findings of the review are agreed and implemented every year, this includes any changes. The 2021 review will include and report on this recommendation.

Action owner: Head of Governance, Strategy and Performance   **Due date:** April 2021

Control Objective 3: Management reports to the Board and committees are sufficiently clear, understandable and timely, and provide an appropriate level of detail to support efficient and effective decision making and scrutiny

Green

3.1 Communication of impact of decisions

Decisions made at the meetings of the Board are recorded in the meeting minutes, logged and published on the SFRS website, to ensure that all decisions of public interest are accurately documented and made available for public scrutiny. The Standing Orders for Meetings of the Board and its Committees state that a decision made by the Board cannot be changed within 6 months, unless the Chair rules that there has been a material change of circumstances. The decision log ensures that there is a means for the Board to keep sight of their decisions and the follow up actions are tracked. From examination of the Board decisions we have not identified occasions where decisions were changed.

The structure of the documented decision log contains references to the published minutes, the brief description of the issue, the decision and the earliest review date.

For the sample of 3 decisions recorded in the log from August 2019 to September 2020 we confirmed that all selected decisions were correctly referenced to relevant minutes and contained adequate descriptions of the issues addressed by decisions. As all minutes are published, the discussion record and more detailed information on the impact of decisions and required actions, including owners, target dates etc. is also available within the minutes and action logs.

The Standing Orders (para 30-33) establish that the Board Support Team will *"electronically collate, circulate and, where necessary, provide papers for the agreed Agenda items at a meeting <…>. Papers will be electronically made available to the meeting attendees at least 5 working days prior to the meeting."*

For the sample of 3 Board decisions we confirmed from discussion with management that relevant information had been provided to members within the target timescales.

Additionally, we have undertook a survey of 15 members of the Board and committees to obtain their views on controls in place.

From the responses received we found that answers provided to the question "*Do you feel like you are adequately informed of the impact of decisions that have been made in order to follow up and review the effectiveness of the decision?*" have indicated that 7 out of 9 respondents were not satisfied about communication of the information in relation to the impact of decisions. This was acknowledged as an area the Board have identified as an issue to be addressed.

Risk

If impact of the members' decisions is not appropriately communicated to members of Committees and the Board, there is a risk that ineffective decisions could be made and not timeously identified and rectified.

Recommendation

A regular communication process should be put in place to inform Committees and the Board members on the impact of their decisions including consideration of the extent to which the work of Committees is sufficiently strategic.

Grade 1
(Operation)

Management Action

SFRS will enhance the existing SFRS Board Decision Log to include an impact assessment of Board decisions. Impact assessment information about Board decisions will be added on a rolling basis throughout the year and reviewed on an annual basis as part of the annual governance review

Action owner: Head of Governance, Strategy and Performance   **Due date:** April 2021

Control Objective 4: Plans and performance against plans are monitored and reviewed to ensure the achievement of SFRS's objectives

Green

No reportable issues identified

From review of the sample of reporting periods we confirmed that performance reports are produced and presented to appropriate committees for discussion. The meeting minutes demonstrated that in depth discussion took place on key areas of interest, including matters of progress and improvement.

Meeting minutes provide evidence that actions resulting from the Committees' discussions were tracked by using of an action log.

From discussion with management and examination of performance reports and meeting minutes we confirmed that areas / instances of poor performance are identified within performance reports. The report format uses a colour coding system to highlight the severity and likelihood of completion of actions.

A COVID-19 Reset and Renew Group had been established under the Senior Management Board (SMB) in response to the pandemic with the purpose to act as the primary method of ensuring robust strategic oversight and decision making is in place, and as the strategic group responsible for overseeing and co-ordinating all activity related to arrangements associated with COVID-19 response.

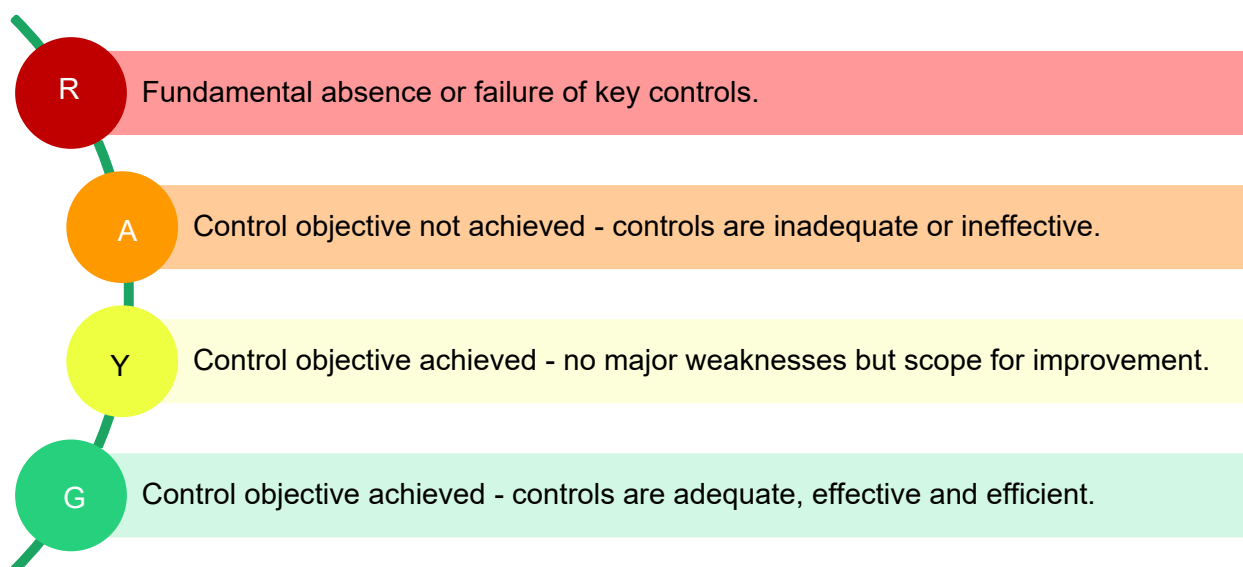The group's Terms of Reference were approved in June 2020, and included the following responsibilities:

- Advise and update the Strategic Leadership Team (SLT) at all times;

- Provide tactical co-ordination for SFRS Directorates relating to COIVD-19 recovery;

- Ensure effective communication in relation to challenges within SFRS during recovery;

- Identify and manage key risks in relation to forward planning and recovery arrangements during pandemic;

- Ensure that the capture of experiential learning and lessons learned;

- Identify recovery strategies that may be required to aid a new normality after the pandemic.

A Coronavirus Tactical Action Group was created to support the SFRS SLT to ensure that the Service has effective Business Continuity Management Plans in place to support the Scottish Government's response to the COVID-19 pandemic. It is also responsible for ensuring that all areas of SFRS's Operational Response are resilient in maintaining service delivery safely in any challenging conditions presented by COVID-19. This group's responsibilities include:
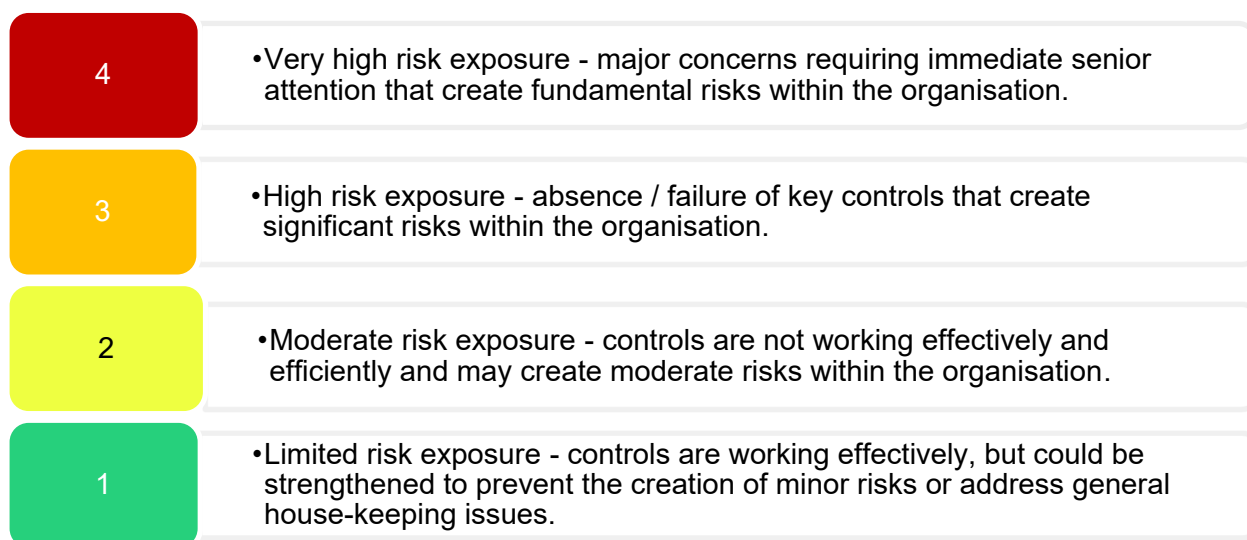
- Co-ordination of activities of staff given duties relating to COVID-19 response;

- Review of all critical COVID-19 challenges and risks to inform improvement actions;

- Provide a focal point for the resolution and / or discussion of COVID-19 tactical management challenges.

Appendix A – Definitions

Control assessments

R — Fundamental absence or failure of key controls.

A — Control objective not achieved - controls are inadequate or ineffective.

Y — Control objective achieved - no major weaknesses but scope for improvement.

G — Control objective achieved - controls are adequate, effective and efficient.

Management action grades

4 — •Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.

3 — •High risk exposure - absence / failure of key controls that create significant risks within the organisation.

2 — •Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.

1 — •Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

Appendix B – Members Survey

Question	Number of participants that agree with statement	Number of participants that disagree with statement
Is the information presented to the Committee prior to meetings and in a timely manner? How long in advance of each meeting do you receive agenda and is that sufficient?	8	1
Do you consider attendance at the committee sufficient for a productive discussion and effective decision-making?	8	1
Have you received training for your role on the Committee? Have you been provided with a Handbook and if so, does it provide a comprehensive guidance in respect of your role and activity as a Committee member/chair?	6	3
Do you feel like you are given enough time to sufficiently consider the decision-making process and the impact decisions made have?	9	0
Do you feel like the supporting information you receive before making a decision clearly identifies the directions to the issue and outlines the risks and impact?	9	0
Do you feel like the supporting information you receive before making a decision is of sufficient quality, completeness, and readability?	9	0
Do you feel like you are adequately informed of the impact of decisions that have been made in order to follow up and review the effectiveness of the decision?	2	7

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SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee

Report No: **C/ARAC/09-21**

Agenda Item: **7.2**

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	**21 JANUARY 2021**						
Report Title:	**PROGRESS UPDATE – INTERNAL AUDIT RECOMMENDATIONS**						
Report Classification:	**For Scrutiny**	**Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to Board Standing Order 9**					
		A	B	C	D	E	F	G

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 a conclusion of the current status from Azets.

3	**Main Report/Detail**
3.1	31 recommendations remain outstanding with the oldest related to 2018/19 audits. 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 extended timelines noted for outstanding recommendations. The ability to close recommendations has been impacted by COVID-19 and the extent to which timelines remain realistic should be considered.

5	**Key Strategic Implications**
5.1 5.1.1	**Financial** Not applicable
5.2 5.2.1	**Environmental & Sustainability** Not applicable
5.3 5.3.1	**Workforce** Not applicable
5.4 5.4.1	**Health & Safety** Not applicable
5.5 5.5.1	**Training** Not applicable

| 5.6 | **Timing** |
| 5.6.1 | The report notes progress made in implementing audit actions from 2018/19 - 2020/21. |

| 5.7 | **Performance** |
| 5.7.1 | Internal audit is intended to support the service and where relevant identify areas where performance can be enhanced. |

| 5.8 | **Communications & Engagement** |
| 5.8.1 | Not applicable |

| 5.9 | **Legal** |
| 5.9.1 | Not applicable |

| 5.10 | **Information Governance** |
| 5.10.1 | Not applicable |

| 5.11 | **Risk** |
| 5.11.1 | The internal audit programme forms part of the Service's Assurance Framework |

| 5.12 | **Equalities** |
| 5.12.1 | Not applicable |

| 5.13 | **Service Delivery** |
| 5.13.1 | Not applicable |

| **6** | **Core Brief** |
| 6.1 | Not applicable |

| **7** | **Appendices/Further Reading** |
| 7.1 | Appendix A: Progress update on Internal Audit Recommendations |

Prepared by:	Matt Swann Associate Director, Azets
Sponsored by:	Sarah O'Donnell, Director of Finance and Contractual Services
Presented by:	Gary Devlin, Partner, Azets

| **Links to Strategy and Corporate Values** |
| Working Together for a Safer Scotland |

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Audit and Risk Assurance Committee	*21 January 2021*	*For scrutiny*

Appendix A – Progress update on Internal Audit Recommendations

Dashboard – Internal Audit Recommendations Still to be Completed

Total number of actions closed since last ARAC meeting		
10		

Previous Audit Years Outstanding actions

Audit Year	Total No Actions	Outstanding Actions			Complete Actions
		High	Medium	Low	
2018/19	41	0	2	0	95%
2019/20	41	4	12	5	49%

Current Audit Year Audit Actions

Total No Actions	Total Still Outstanding				% Complete Actions
	Grade 4	Grade 3	Grade 2	Grade 1	
20	0	8	12	0	0%

*ICT & Data Security Manager response action details will be included within the next report

No. of Actions still to be completed	**31**
Actions within Original Dates	**10**
Actions within Revised Dates	**19**
Actions out with date (new date required)	**2**

Priority level of Previous Audit Years Outstanding Actions

Priority level of Current Year Outstanding Actions

Information highlighted at Follow Up Group meeting held 23rd November 2020 & CAB Meeting 9th December

- The final 20/21 ICT and Data Security report was issued on 25th November with 5 recommendations with 11 Manager Response Actions

Outstanding Recommendations with Responsible Action Owners provided updates

2018/19	Service Improvement Strategy		Total No	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
						High	Medium	Low	High	Medium	Low	High	Medium	Low
			7	7	86%	0	5	1	0	1	0	0	0	0

Rec No. 5b	A structured approach is developed to capture all service improvement activity across the service, additional to the work undertaken by the Service Improvement Team.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **ACO Service Development (formerly owner DACO SPPC) & Service Improvement Manager**	*Investigation will be undertaken into the development of/or procurement of a knowledge management system which will support the capturing of holistic service improvement activities.*	31 March 2020	31 December 2020	MEDIUM	100% Refereed to IA	RED

| Progress to Update | This is the remaining action. Some scoping and preparatory work has taken place by the SI Team with the Performance Team in advance of Si Projects being entered on the InPhase.

Following a meeting with Si Manager and Performance Team on 19 November 2020r, there has been no change to the no progress of development work on InPhase. A Programming Officer has been recruited and will start in Dec 2020. However, the priority for this individual is Risk Management which is Tier 1. SI is incorporated in Tier 2, and therefore it is likely that SI will not see any progress to their InPhase development work until Q1 of 2021-22.
Due to this ongoing delay, SI are in conversation with the Portfolio Office to develop a contingency plan. If this plan is feasible, SI will aim to utilise a blended system approach and use InPhase for local improvement change projects in line with the AOP and a separate system for corporate change projects.

A system is required, and a plan to achieve a blended approach which takes cognisance of the needs of the corporate change projects and the local change and improvement projects is underway.

It is the ambition of the Service Development Directorate to create a single point of reference within SFRS for all things change in terms of change management and change delivery. This will include consolidating and, where appropriate, creating the necessary skills and capacity to deliver against the current and future ambitions of the organisation. The Service Improvement function is very much a part of this and with the creation of the new Directorate, the Director has asked for a review of the Service Improvement function, with the overarching desire to ensure that Service Improvement becomes embedded into BAU processes and becomes a routine consideration in any change process. |
|---|---|
| Outstanding actions to close the recommendation | |
| Azets Comments | Requested further information before considering closure |

2018/19	Corporate Governance – External Engagement		Total No	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
						High	Medium	Low	High	Medium	Low	High	Medium	Low
			4	4	75%	0	3	0	0	1	0	0	0	0

Rec No. 2	The Complaints, Comments and Compliments Policy and Procedure should be reviewed and updated where appropriate with emphasis that centralised recording of all complaints and outcomes is required to ensure that SFRS are dealing with these appropriately and within agree timescales.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Head of Communications & Engagement (previous owner - Head of Corporate Governance)**	*The Complaints, Comments and Compliments Policy will be updated*	31 December 2019	30 April 2021	MEDIUM	80%	AMBER

Progress to Update	The Policy has been updated with the additional guidance the Scottish Public Services Ombudsman (SPSO) have issued to date and currently following the governance process by being presented to CAB on 21st September. The Policy will then be updated accordingly as and when further guidance is released by the SPSO. Policy was agreed at CAB SFRS were already revising the existing Complaints Handling Procedure when the MCHP was launched and have begun adopting the new templates and have prepared parts, 1,3 and 5 as an interim measure to ensure our complaints process is fit for purpose. These parts which were approved by CAB.
Outstanding actions to close the recommendation	Parts 2 and 4 are being developed as part of an ongoing engagement process with Senior Managers throughout SFRS and with support/guidance from SPSO. Full MCHP will be published after Parts 2 and 4 are supported by IGG, approved by CAB, and formal consultation has been carried out. The MCHP will go live April 2021 as requested by SPSO.
Azets Comments	Update noted and agreed

2019/20	Water Planning Arrangements		Total No	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
						High	Medium	Low	High	Medium	Low	High	Medium	Low
			7	7	43%	1	2	0	3	1	0	0	0	0

Rec No. **1**	We recommend that the Service Level Agreement (SLA) with Scottish Water is established and agreed addressed issues around liability and costs.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Response & Resilience DACO**	*Agreement with Scottish Water and SFRS on terms and items to be carried forward for inclusion in future MOU and SLA. Draft, finalise & Sign MOU & SLA between Scottish Water & SFRS.*	31 March 2020	31 March 2021	HIGH	75%	AMBER

Progress to Update	Initial discussions had taken place to identity areas for inclusion within the SLA The latest discussions with Scottish Water towards finalising the Service Level Agreement took place on 4th December 2020.
Outstanding actions to close the recommendation	Resolution still to be met for 3rd party usage attracted by the standpipe licence scheme. Meetings between both parties will continue in 2021
Azets Comments	Update noted and agreed

Rec No. **2**	It is recommended that SFRS ensures that the requirements as detailed within the GIN are implemented consistently with the support of the Deputy Chief Officer.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Response & Resilience DACO/ SM for Water Planning**	*Consider revision of GIN to include a standardised recording document. Discussions with DCO and SDA DACOs regarding inclusion of performance monitoring within SDC quarterly reports and HMS high end user requirements to cater for LSO reporting.*	31 December 2019	31 March 2021	HIGH	60%	AMBER

Progress to Update	A draft of GIN being prepared ahead of ICT development (Rec 4) and can then be updated accordingly to meet the new requirements and coincide with the system rollout.
Outstanding actions to close the recommendation	ICT work still ongoing see Rec 4.
Azets Comments	Update noted and agreed

Rec No. **4**	It is recommended that the HMS system is developed as a matter of urgency to enable the hydrants information to be updated and system introduced that will enable new technologies to be considered.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **SM for Water Planning/ Water Planning Team**	*Work with ICT to address system issues and develop system for SFRS to be rolled out across SDAs*	30 June 2020	31 March 2021	HIGH	50%	AMBER

Progress to Update	Worked with ICT regarding the HMS system to resolve existing issues. The ICT Business Partner met with the User Group and stakeholders to verify requirements. From this, the external developer can start developing the system. The Design and Build has been signed off ready for the external developer. Plan it work to be in 2 phases. Part 1 – Develop system for crews to input directly into system. Progress delay been caused by COViD 19
Outstanding actions to close the recommendation	SFRS have encountered a software build problem and have as such been unable to upload onto any SFRS devices. The ICT project lead is in the process of escalating through the contract management process. Part 2 – Upgrades to actual HMS database would commence after phase 1 is complete
Azets Comments	Update noted and agreed

Rec No. 7	It is recommended that SFRS Water Planning introduce arrangements to oversee the inspection progress and ensure that it is effectively monitored with performance reported to SDC.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Response & Resilience DACO**	*It was agreed to address this action in a staged approach by having discussions with DCO and SDA DACOs regarding inclusion of performance monitoring within SDC quarterly reports. And for guidance to be provided to LSO Management teams on future reporting function of HMS to monitor performance.*	31 March 2020	31 March 2021	MEDIUM	75%	AMBER

Progress to Update	Initial discussions between former R&R DACO and SDA DACO's had taken place.
Outstanding actions to close the recommendation	Guidance/process will be provided to meet the new requirements and coincide with system rollout. (Rec No. 4)
Azets Comments	Update noted and agreed

2019/20	Performance Management Arrangements		Total No	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
						High	Medium	Low	High	Medium	Low	High	Medium	Low
			4	4	25%	0	1	0	0	3	0	0	0	0

Rec No. 1b	SFRS should develop a clear plan to ensure local performance reporting is effectively developed and implemented within a timescale consistent with its risk appetite.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Head of Corporate Governance** **(Former owner DACO Strategic Planning, Performance & Communications)**	*Local performance reporting is already in place. New Local Senior Officer (LSO) dashboards are in development and will be available to LSO's by April 2021. This will provide detailed local data on a variety of metrics and where appropriate this will be down to locality and ward level.*	31 March 2021	31 August 2021	MEDIUM	50%	AMBER

Progress to Update	Local data is available to view in InPhase through filters in the corporate dashboards. Agreed list of PIs for LSOs have been finalised. An additional piece of work focused on local and operational performance is underway.
Outstanding actions to close the recommendation	Through discussion with service delivery we are still exploring what local PI's are required from 'Watch' level through to 'LSO' level and the outcome of the ask will impact on project plan. Workshops with LSO's still to take place then analyse outcomes for interdependencies, identify the correct areas and ensure a constant approach. Development of SD solution is expected to take 6 months from outcomes identified
Azets Comments	Update noted and agreed

Rec No. 2a	SFRS should develop longer-term resourcing, learning and development plans to ensure the sustainability and continuous improvement of In-Phase. These plans should give careful consideration to the need for organisational wide acceptance and ownership of InPhase and its implications for operational roles and structures, including individual employees' objectives and learning plans		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Head of Corporate Governance** **(Former owner DACO Strategic Planning, Performance & Communications)**	*Plans to support the long-term sustainability, management and continuous improvement are being developed by the Performance Management System Implementation Group (PMSIG) as part of the project. Organisational acceptance will be supported by the PMSIG*	30 April 2020	31 December 2020	MEDIUM	99%	RED

Progress to Update	Permanent developer has now been recruited. Post holder expected to start with SFRS January 2021. Going forward, Staff using InPhase will be given support from the Data Service Team. Colleagues will continue to be asked to submit information to the Data Services team and given access to dashboards as required.
Outstanding actions to close the recommendation	Supporting evidence to be provided
Azets Comments	

Rec No.	SFRS should conduct a post-implementation review of InPhase within the first 12 months to inform the longer-term plans referred to above.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status

2b	Responsible Owner Agreed Response **Head of Corporate Governance** **(Former owner DACO Strategic Planning, Performance & Communications)**	*A Full evaluation of the implementation phase will be undertaken in 2021.*	30 April 2021	n/a	MEDIUM	0%	GREEN
Progress to Update							
Outstanding actions to close the recommendation		Will be included in SPPC workplan for 2021/22					
Azets Comments		Update noted and agreed					

2019/20	**Risk Management**			Total No	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
							High	Medium	Low	High	Medium	Low	High	Medium	Low
	*3 actions have been superseded by the 20/21 Risk Management Review			6	6	83%	2	3*	0	0	0	1	0	0	0

Rec No. 3		We recommend that SFRS ensures that its associated strategies and documentation are updated to reflect the new outcomes format of the Strategic Risk Register.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Head of Finance & Procurement**	*The Risk Management Strategy will be updated to reflect recent changes to strategic document and the new template. This will be aligned to the introduction of the new risk register within InPhase.* *Where other strategies need to be realigned with the new risk framework this should be undertaken in line with their normal governance reviews and in line with the new risk management strategy.*		31 March 2020	31 March 2021	LOW	50%	AMBER

Progress to Update	The strategy will be revised aligned to the Internal audit in May/June 2020 and the introduction of InPhase. Work on InPhase has been suspended due to Covid-19. Work on developing the new risk register had been started with initial information provided to SLT. A revised strategic risk register & aligned Directorate risks have been provided to ARAC and other Committees and Executive Boards. Development of a Risk Register within InPhase has been prioritised with initial information to be available in December 2020
Outstanding actions to close the recommendation	Initial Risk Register to be completed in InPhase by the end of Dec 2020. Revised Risk Management Strategy to be developed and implemented in line with relevant governance and will be aligned to InPhase Risk Register by end of March 2021. Publication of Risk Management Strategy with allow alignment to associated strategies & documentation.
Azets Comments	Update noted and agreed

OFFICIAL

2019/20	Fraud Risk Management Arrangements		Total No	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
						High	Medium	Low	High	Medium	Low	High	Medium	Low
			19	19	32%	0	1	5	1	8	4	0	0	0

Rec No. 1	**Risk Assessment** **The specific fraud risk assessment should be undertaken in line with the SPFM, the Risk Management Policy and the Anti-Fraud & Bribery Policy.** **The assessment should incorporate information from sources such as whistleblowing reports, investigations, internal audits, and board and committee meetings, alongside insights from Management and staff.** **Fraud risks should be reassessed every two years, this requirement should be added to the applicable policy.** **Risks in the current risk register should incorporate associated risks of fraud.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Risk & Audit Manager**	*A Fraud Risk Assessment (FRA) document has been produced outlining the requirement for FRA and providing the template through which Directorates will identify their risks. The SFRS Annual Assurance Framework requires senior officers to complete the Internal Control Checklist as provided through the SPFM by Scottish Government. The Fraud Section has been revised to incorporate the FRA process allowing FRA to be collected as part of the annual governance and assurance process.*	31 July 2020	31 March 2021	HGH	90%	AMBER

Progress to Update	The Fraud Risk Assessment document has been issued as part of the Assurance Framework and is now contained within the associated Internal Control Checklist for return early June 2020. From the returns received, it was identified that more engagement and guidance was required. The FRA has been submitted and approved by CAB with a private paper forwarded to ARAC on 8th October 2020 allowing scrutiny of the process. The Head of F& P has engaged with Senior Officers to further embed the process.
Outstanding actions to close the recommendation	This specific action is complete subject to incorporation with the applicable policy. The FRA guidance will be incorporated within the revised fraud policy and will be subject to related governance.
Azets Comments	Update noted and agreed

Rec No. 2	**Policies and standard setting – Anti Fraud & Bribery Policy** **Update the Policy to include specific examples relevant to SFRS, to specific roles within the organisation and its control environment.** **Ensure consistency between the Fraud Response Plan and the Anti-Fraud and Bribery Policy.** **Ensure appropriate signposting to other policies and resources in the main body of the policy to guide the reader and ensure the correct policy is referred to. Inclusion of a diagram showing the policies relevant to the anti-fraud framework could help.** **Following updates, finalise and formally adopt policy.** **Ensure the latest version of the Policy is published on the website.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Risk & Audit Manager**	*The Fraud Policy will be updated to reflect recommendations outlined within the EY Audit Report. The Fraud Policy and Fraud Response Plan will be combined within a single document incorporating the Fraud Risk Assessment.*	31 July 2020	31 March 2021	MEDIUM	50%	AMBER

Progress to Update	The new policy is still being developed and will be completed by the end of August beginning of September. Work has been undertaken & a draft policy has been developed for peer review by Risk & Audit Manager
Outstanding actions to close the recommendation	Once reviewed, the policy requires to be put out for consultation prior to being formally reported to the SFRS Board.
Azets Comments	Update noted and agreed

Rec No. **3b**	*Policies and standard setting – Fraud Response Plan* **Clearly define investigation officer and whistle blowing officer and the duties and responsibilities of each other.** **Clearly define what experience and position an investigating officer should have.** **Provide training to nominated investigative officers** **Ensure the means to identify and record conflicts of interest are clear and declared at the start of an investigation.** **Determine inn which instances an external investigator should be engaged. Factors such as value, severity and complexity should be considered. Examples should also be given.** **Ensure appropriate signposting to other polices and resources in the main body of the policy to guide the reader and ensure the correct policy is referred to. Inclusion of a diagram showing the policies relevant to the antifraud framework could help.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Risk & Audit Manager**	*Update Fraud Response Plan*	31 July 2020	31 March 2021	MEDIUM	50%	AMBER
Progress to Update		Similar to recommendation 2 The new policy is still being developed and will be completed by the end of August beginning of September. Work has been undertaken & a draft policy has been developed for peer review by Risk & Audit Manager					
Outstanding actions to close the recommendation		Once reviewed, the policy requires to be put out for consultation prior to being formally reported to the SFRS Board.					
Azets Comments		Update noted and agreed					

Rec No. **3c**	*Policies and standard setting – Fraud Response Plan* **Clearly define investigation officer and whistle blowing officer and the duties and responsibilities of each other.** **Clearly define what experience and position an investigating officer should have.** **Provide training to nominated investigative officers** **Ensure the means to identify and record conflicts of interest are clear and declared at the start of an investigation.** **Determine inn which instances an external investigator should be engaged. Factors such as value, severity and complexity should be considered. Examples should also be given.** **Ensure appropriate signposting to other polices and resources in the main body of the policy to guide the reader and ensure the correct policy is referred to. Inclusion of a diagram showing the policies relevant to the antifraud framework could help.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager**	*Risk & Audit Team to complete fraud training to enable to provide guidance/training to investigation officers.*	31 March 2021	n/a	MEDIUM	60%	GREEN
Progress to Update		Information has been received regarding a possible fraud course that could be designed to meet requirements of SFRS. Fraud training through CIPFA has been provided to identify staff					
Outstanding actions to close the recommendation		Development of a LCMS Course aligned to fraud training provided by CIPFA					
Azets Comments		Update noted and agreed					

Rec No. 4	*Policies and standard setting – Access to current policies* **Improve the search function regarding key policies on the intranet, and group policies together more clearly to improve ease of navigation for employees.** **Use of diagrams to show the interaction of polices for each key area could help user understand how each interact and those that are relevant for the particular area they are looking for guidance on.** **The intranet could be updated with a "Frequently Asked Questions" (FAQ) section with signposting to key policies. For example, *"What should I do if I think I have discovered a potential fraud?"* with links to the relevant policies.** **Continue to review policies at regular interviews, ensure policies are also reviewed reactively following incidents, changes in risk profile or regulatory changes.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Risk & Audit Manager**	*The search functionality on I-hub returns relevant documentation based on search criteria but can be difficult to find exact requirement.* *Develop a specific Fraud Page on I-hub that includes a diagram of policy interactions and to bring together relevant guidance and include an FAQ.* *Policies have a review date and changes will be considered at that time. Where appropriate a procedural review is completed after any incidents. Timeline not required.*	30 September 2020	31 March 2021	MEDIUM	25%	AMBER
Progress to Update		This action will link to the new fraud policy document which will identify the relevant linkage with other policies and procedures.					
Outstanding actions to close the recommendation		Engagement with the Comms Team regarding development of the fraud page still to commence. The fraud page will be developed and aligned to the policy and other relevant information					
Azets Comments		Update noted and agreed					

Rec No. 5a	*Management & Control Processes – Manual Processes* **Complete a full review following the pilot of the self-service system, including management review and employee focus groups or surveys.** **Rectify any issues before rolling out to the entire organisation.** **Consider sending an email to area managers the week before payroll is processed requiring confirmation of leavers.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Head of Finance & Procurement**	*Agreed an early review of the solution is desirable to ensure to ensure new controls via verification are effective. Review of ESS implementation to consider impacts.*	31 December 2020	31 March 2021	MEDIUM	50%	AMBER
Progress to Update		The ESS for Time & expenses has been implemented for Support Staff. Initial Lessons learned have been incorporated within current processes including engagement with Union Representatives.					
Outstanding actions to close the recommendation		A wider review will be undertaken to enable capture the Verification Team's initial findings. The lessons learned from this will assist in the implementation of the ESS system for uniform.					
Azets Comments		Update noted and agreed					

Rec No. 6a	*Management and Control processes – Approval of New Suppliers* **Consider providing a coding on the Tech One system with key notes and risk factors to allow the Procurement Team to have visibility of the Audit & Risk Teams conclusions when performing due diligence work.** **Understand the full population of third parties to carry out the risk assessment.** **Update process for due diligence of third parties on a risk assessed basis. Assign a "risk rating" to suppliers, which should be shown alongside the credit rating.** **Include requirement to documentation the risk classification, business rationale, value for money and approvals within procedures.** **Ongoing anti-money laundering and adverse media checks should be performed. This could include searches for outstanding court orders, and searches for adverse media on potential suppliers and related individuals. Where risks are identified, safeguards can be put in place to manage these, such as regular reviews or decisions not to use that specific supplier.** **Consider automating the signatory process (see approval process below)**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Finance Systems Manager**	*Information on setting up supplier will be added to supplier notes.*	(a) 31 July 2020	31 March 2021	MEDIUM	20%	AMBER
Progress to Update		This is on the Systems Team workplan and progression has started.					
Outstanding actions to close the recommendation		Working with the system developer around the cloud areas of Tech One as well as liaising with the Compliance Team continues. Contractual amendments in progress to allow purchase of the licences required – continues workplan for 2020/21					
Azets Comments		Update noted and agreed					

Rec No. 6b	*Management and Control processes – Approval of New Suppliers* **Consider providing a coding on the Tech One system with key notes and risk factors to allow the Procurement Team to have visibility of the Audit & Risk Teams conclusions when performing due diligence work.** **Understand the full population of third parties to carry out the risk assessment.** **Update process for due diligence of third parties on a risk assessed basis. Assign a "risk rating" to suppliers, which should be shown alongside the credit rating.** **Include requirement to documentation the risk classification, business rationale, value for money and approvals within procedures.** **Ongoing anti-money laundering and adverse media checks should be performed. This could include searches for outstanding court orders, and searches for adverse media on potential suppliers and related individuals. Where risks are identified, safeguards can be put in place to manage these, such as regular reviews or decisions not to use that specific supplier.** **Consider automating the signatory process (see approval process below)**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Risk & Audit Manager**	*A risk rating field has now been included in the finance system for suppliers. A method of evaluating risk levels will be developed in conjunction with procurement & maintained on system.*	31 March 2021	n/a	MEDIUM	60%	GREEN
Progress to Update		The compliance Officer & Risk & Audit Manager has met with the Procurement Manager on how best to develop this function.					
Outstanding actions to close the recommendation		Compliance Team are now working on recoding suppliers where required on Tech One to enable KPI reporting by the Procurement Manager					
Azets Comments		Update noted and agreed					

Rec No. 7a	*Management & Control Processes – Approval Processes* **Consider including approval and electronic signatory within the Tech One and iTrent systems, so that only the person with the correct system log in details can approve payments and process transactions. This would reduce the risk of forging and reduce administrative tasks, but also improve monitoring and provide a clear audit trial.** **Consider removing manual processes where possible, for example: -** • **Expense claim forms as these could be subject to manipulation.** • **Consider having a system which suppliers can access to update and confirm their own bank details (eg. a supplier portal)** **Utilise online banking processes which can facilitate approval electronically for high value payments using allocated user access privileges**	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Finance Systems Manager**	*System users are given role based access to the finance and HR/Payroll system with appropriate segregation of duties. Financial authority embedded in system for approvals.* *The process for granting access to systems is a manual authorised signatory process and is on this year's workplan to move to electronic where possible.*	31 December 2020	30 June 2021	MEDIUM	20%	AMBER

Progress to Update	This is progressing and is within the System Team's workplan.
Outstanding actions to close the recommendation	Discussions and investigations with system providers in progress and demos provided for review – pending costings to purchase capability and consideration of suitability. Build and testing required once purchase complete
Azets Comments	Update noted and agreed

Rec No. 7b	*Management & Control Processes – Approval Processes* **Consider including approval and electronic signatory within the Tech One and iTrent systems, so that only the person with the correct system log in details can approve payments and process transactions. This would reduce the risk of forging and reduce administrative tasks, but also improve monitoring and provide a clear audit trial.** **Consider removing manual processes where possible, for example: -** • **Expense claim forms as these could be subject to manipulation.** • **Consider having a system which suppliers can access to update and confirm their own bank details (eg. a supplier portal)** **Utilise online banking processes which can facilitate approval electronically for high value payments using allocated user access privileges**	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Finance Systems Manager**	*ESS project is currently being implemented which will remove manual forms.*	30 September 2020	31 March 2021	MEDIUM	50%	AMBER

Progress to Update	This has been fully rolled out to Support staff with the paper claim format still running. Initial work has started with Operational and control Staff pilot sites with pilots going live 23rd November.
Outstanding actions to close the recommendation	Continuation of pilots across SDA's and further amendments where necessary to build with plan to roll out across whole of SFRS
Azets Comments	Update noted and agreed

Rec No. 7c	**_Management & Control Processes – Approval Processes_** **Consider including approval and electronic signatory within the Tech One and iTrent systems, so that only the person with the correct system log in details can approve payments and process transactions. This would reduce the risk of forging and reduce administrative tasks, but also improve monitoring and provide a clear audit trial.** **Consider removing manual processes where possible, for example: -** • **Expense claim forms as these could be subject to manipulation.** • **Consider having a system which suppliers can access to update and confirm their own bank details (eg. a supplier portal)** **Utilise online banking processes which can facilitate approval electronically for high value payments using allocated user access privileges**	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner & Agreed Response **Finance Systems Manager**	_A project was completed last year to move the finance system to the cloud. This work means we can now work remotely if required. This enables SFRS to consider new capabilities including supplier portal and this is on this year's workplan._	31 March 2021	n/a	MEDIUM	20%	GREEN
Progress to Update	This is with System Team's workplan and discussions have started with developers regarding looking at the different areas of finance.						
Outstanding actions to close the recommendation	Contractual amendments in progress to allow purchase of the licences required, once this is complete, purchase areas to be agreed and implementation work to commence Jan 21 with aim for completion of phase 1 improvements still March 21.						
Azets Comments	Update noted and agreed						

Rec No. 9a	**_Monitoring & Speaking Up Processes – Speaking Up Processes_** **Consider using an anonymous third-party whistleblowing hot-line, which enables employees and third parties to report malpractice, potential fraud or unethical behaviour. The hotline must be easily accessible, and the contact information and key details must be communicated to employees.** **Provide examples of situations when reporting to a line manager may not be appropriate, so that employees are able to consider he best course of action.** **Provide examples of situations when matters raised by an individual will not be treated confidentially, as this may encourage individuals to names themselves in a complaint where they understand clearly that the matter will be kept confidential.** **Re-word the policy in relation to anonymous reports to make it clear that the anonymous nature of the report is not a factor that may lead to the decision not to investigate.** **Ensure that employees are educated on the risks of "tipping off" suspected fraud perpetrators.** **Consider, instead of disabling full access of those suspected of fraud, to instead monitor the system, to avoid "tipping off".**	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Head of People & Organisational Development**	_The current Whistleblowing Policy is due for review by the end of the financial year. The review will consider recommendations from the audit as noted._	31 March 2021	n/a	MEDIUM	O%	GREEN
Progress to Update	This will be considered as part of the policy review of the Whistleblowing policy.						
Outstanding actions to close the recommendation	The Whistleblowing Policy is within POD Planner but has yet to be allocated to an owner. This is down to the last 8 months priority being responding to COVID. POD will review planner again to set out POD priorities for the next few months up to 31 March 2021.						
Azets Comments	Update noted and agreed						

Rec No. 10b	*Reporting, communication & improvement actions – Fraud Response Plan* **Investigative officers, with support from internal audit, should prepare investigative reports, with attached evidence (such as interview notes and documentation). Consider preparing an investigation checklist and report template to assist with reporting.** **Update the Fraud Response Plan to state who is responsible for reporting to the Audit & Risk Committee, Scottish Government and external audit under the "Reporting" section.** **Consider maintaining an "incident log" of control breaches and fraud incidents, so that patterns can be identified and lessons learned from them.**	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager**	*Fraud Response Plan will be updated to reflect and an incident log created.*	31 July 2020	31 March 2021	MEDIUM	50%	AMBER

Progress to Update	Similar to recommendation 2 Work has been undertaken & a draft policy has been developed for peer review by Risk & Audit Manager Incident Log is currently maintained but will be used more pro-actively to identify lessons learned
Outstanding actions to close the recommendation	Once reviewed, the policy requires to be put out for consultation prior to being formally reported to the SFRS Board.
Azets Comments	Update noted and agreed

Rec No. 14	*Policies and standard setting – Gifts, Hospitality and Interests Policy* **Update the policy to clearly state who a suspected breach should be reported to, to ensure appropriate reporting and avoid "tipping off".** **Ensure appropriate signposting to other policies and resources in the main body of policy to guide the reader and ensure the correct policy is referred to. Inclusion of a diagram showing the policies relevant to the anti-fraud framework could help.**	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager**	*The Gifts, Hospitality and Interests Policy will be updated to include who a suspected breach should be reported to and a diagram/link to other policies*	30 June 2020	31 March 2021	LOW	95%	AMBER

Progress to Update	The policy is being currently going through the consultation process The Policy has been out for consultation and is now finalised. A report presented & agreed at CAB on 9th December 2020
Outstanding actions to close the recommendation	Awaiting revised policy being published
Azets Comments	Update noted and agreed

Rec No. 15	*Training & Guidance – Fraud Training* **Incorporate fraud training into the mandatory training programme for staff most likely to be exposed to fraud, for example finance & procurement staff.** **Consider periodically releasing fraud training information to all staff, for example in the form of a video, graphic or article.** **Incorporate real examples into training and communication with employees to clearly highlight the risks and emphasise the possible consequences of not following the processes.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager**	*Risk & Audit Team will complete fraud training to enable team to provide guidance/training and develop fraud awareness module on LCMS for all staff and make mandatory for Finance & Procurement. Points raised will be considered as part of the training.*	31 March 2021	n/a	LOW	60%	GREEN
Progress to Update		Similar to recommendation 3c Fraud training through CIPFA has been provided to identify staff					
Outstanding actions to close the recommendation		Development of a LCMS Course aligned to fraud training provided by CIPFA					
Azets Comments		Update noted and agreed					

Rec No. 17	*Management & Control Processes – Misappropriation of Assets* **If not already covered, update the relevant HR policies to ensure uniform and other assets held by individual firefighters are returned.** **Ensure that checks are performed on the leave date of any property held by the individual. For example, leavers should be asked to state (via email or signature) that all property has been returned and a reconciliation should be performed between property returned and property issued.** **Consider the removal of all petty cash from stations, and transition on to the purchase card system.** **Where petty cash is still used, ensure all cash boxes and keys are appropriated secured.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Head of People & Organisational Development**	*A leavers process and flowchart has been developed and available on i-Hub. The process will be reviewed to include return of SFRS equipment and a checklist being provided that confirms all SFRS property returned in line with property issued records.*	30 September 2020	28 February 2021	LOW	80%	AMBER
Progress to Update		The leavers process for uniform has been set up to include a checklist as part of the Line Managers checks IA commented that in current climate of SFRS assets leaving SFRS premises, this is also an opportunity to update this process to include support staff					
Outstanding actions to close the recommendation		Discussion progressing regarding including Support Staff within the leavers process. POD will review work priorities for the next few months up to 31 March 2021.					
Azets Comments		Update noted and agreed					

Rec No. 18	Management & Control Processes – System Access Controls **Proceed with automated signatory implementation.** **Consider employing data analytics to improve visibility and monitoring of transactions and system access.**		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Finance Systems Manager**	*As previously noted on current workplan. As noted earlier, we are deploying data analytics for expenses and overtime and will consider wider use over time.*	31 March 2021	n/a	LOW	65%	GREEN
Progress to Update		Automated signatory implementation is continuing through the role based authorisation and automation of levels of authorisation through the grading process. Verifications team working closely with Systems to establish full data analytics around ESS T&E – potentially could be rolled out for other purposed over time.					
Outstanding actions to close the recommendation		Process ongoing as part of the ESS Time and expenses roll out with further use consideration to be complete once T&E rollout finalised.					
Azets Comments		Update noted and agreed					

2020/21	RISK MANAGEMENT		Total No	No Due within 6 months	% Complete Actions	Fully Implemented Grade				Part/In Progress Grade				Not Implemented Grade			
						4	3	2	1	4	3	2	1	4	3	2	1
			6	4	0%	0	0	0	0	0	0	4	0	0	0	2	0

Rec No. 1a	Risk Maturity Plan SFRS should identify where on the risk maturity scale they should aim to be put in place an implementation plain in order to achieve this. As risk culture can take time to embed, we would suggest that a phased approach is taken		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager**	*A discussion will be held with the SLT to review the IIA Risk Maturity Scale Model and determine the level of maturity the Service should work towards, with a recommendation that our ambition should be "Risk Managed"*	31 December 2020	28 February 2021	GRADE 2	20%	AMBER
Progress to Update		A report will be provided to SLT outlining the risk maturity scale model and recommending a level of risk maturity the Service should work towards.					
Outstanding actions to close the recommendation		Provide report to SLT before end February 201 and undertake any work arising.					
Azets Comments		Update noted and agreed					

Rec No. 3	Risk Descriptions SFRS should further improve articulation of risks using the mindset of:- • There is a risk of *x* • Because of *y* • Resulting in *z* Using this approach allows controls to be better formed to deal with the underlaying issue(s).		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager**	*The Strategic Risk Register and aligned Directorate Risk Register descriptions will be reviewed to more clearly articulate each risk*	31 March 2021	n/a	GRADE 2	60%	GREEN
Progress to Update		All Directorate Risk Registers have been reviewed and aligned to the new description requirements. Initial work has been undertaken with SLT in relation to the review of current strategic risk wordings.					
Outstanding actions to close the recommendation		Review strategic risk description wording and report to SLT.					
Azets Comments		Update noted and agreed					

Rec No. 5a	Risk Appetite 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.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager**	*A Risk Appetite was held on 30th July facilitated by Scott Moncrieff proving 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.*	30 April 2021	n/a	GRADE 2	30%	GREEN
Progress to Update		A number of sessions have been held with the SFRS Board and SLT to develop greater understanding of risk appetite and to consider how a risk appetite statement might look for SFRS.					
Outstanding actions to close the recommendation		Development of a formal risk appetite statement required.					
Azets Comments		Update noted and agreed					

Rec No. 6	Monitoring the effectiveness of mitigating actions SFRS should ensure the future reporting of strategic and directorate risk utilises the functionality held within InPhase, replacing the current use of the excel based risk register. Regular reporting to management on the progress of this work should be carried out to ensure that project resource requirements are met and that it is delivered within agreed timescales.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager & Performance & Strategic Planning Manager**	*Work to develop the risk management portal in InPhase, incorporating the SFRS Risk Register, will be completed with revised management reports produced for consideration by Committee.*	30 April 2021	n/a	GRADE 2	50%	GREEN
Progress to Update		Development work for a risk register within InPhase has been prioritised and initial work has been completed in December					
Outstanding actions to close the recommendation		Once initial development work is completed reports will be developed for submission to ARAC in January 2021. Going forward lessons learned from these initial exercises can then be incorporated within InPhase					
Azets Comments		Update noted and agreed					

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee

Report No: C/ARAC/02-21

Agenda Item: 9

Report to:	**AUDIT AND RISK ASSURANCE COMMITTEE**							
Meeting Date:	**21 JANUARY 2021**							
Report Title:	**AUDIT SCOTLAND INSPECTION ACTION PLAN UPDATE**							
Report Classification:	**For Scrutiny**	**Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to Board Standing Order 9**						
		A	B	C	D	E	F	G

1	**Purpose**
1.1	The purpose of the report is to advise the Audit and Assurance Risk Committee (ARAC) of the arrangements for managing audit and inspection reports and associated action plans.
1.2	In line with these arrangements, the report also presents ARAC with an update on the progress of the action plan relating to the Audit Scotland Report.

2	**Background**
2.1	The Auditor General reports to the Scottish Government on our performance. Following the publication of the reports, action plans were prepared to address the issues or recommendations that are highlighted within the report.
2.2	Progress of existing action plans were monitored by the Performance Improvement Forum on a 6-monthly basis. Highlight reports were presented to the Corporate Assurance Board and Service Delivery Committee on a 6-mothly cycle.
2.3	Following a review of the Performance Improvement Forum (PIF) activities, it was agreed by the Strategic Leadership Team (SLT) in March 2020, to disband the Forum. A revised management and scrutiny process for audit and inspections outcomes was also agreed at that time.
2.4	In line with the new thematic process agreed in May 2020 once approved, action plans will be presented to ARAC on a quarterly basis to scrutinise progress.

3	**Main Report/Detail**
3.1	ARAC is presented with the current Audit and Inspection overview dashboard, attached as **Appendix A** for noting. This provides high level details of all action plans (HMFSI Actions Plans and Auditor General Action Plans).
3.2	**Audit Scotland Action Plan** The Audit Scotland Report was published in May 2018. The action plan, previously approved by the Performance Improvement Forum, contains a total of 36 actions to address the issues raised. The action plan is attached as **Appendix B.**

3.3	The completion of 27 actions have already been agreed by PIF and SMB – these are shaded grey and do not need further scrutiny. ARAC is asked to scrutinise the remaining 9 actions (those in white), and to raise any issues with the update given.
3.4	No further recommendations have been completed within the reporting period.
3.5	ARAC are asked to note that a re-assessment of work requirements for recommendation 2.2 has seen the percentage complete decrease from 50% in July to 25% in October. This is a result of more work being required to complete the task than originally anticipated. This amendment has been highlighted in red for ease.
3.6	As actions are progressing the overall RAG rating for this action plan is **green** and is noted as 88% complete

4	**Recommendation**
4.1	ARAC is invited to:
4.1.1	Note the Overview Dashboard, attached as **Appendix A**.
4.1.2	Scrutinise the Audit Scotland action plan, attached as **Appendix B**, and raise any concerns with the update provided, and agreed revised dates proposed.

5	**Key Strategic Implications**
5.1 5.1.1	**Financial** There are no financial implications associated with the recommendations of this report.
5.2 5.2.1	**Environmental & Sustainability** There are no environmental implications associated with the recommendations of this report.
5.3 5.3.1	**Workforce** There are no workforce implications associated with the recommendations of this report.
5.4 5.4.1	**Health & Safety** There are no health and safety implications associated with the recommendations of this report.
5.5 5.5.1	**Training** There are no training implications associated with the recommendations of this report.
5.6 5.6.1	**Timing** Each HMFSI Action Plan will be reported to the ARAC on a quarterly cycle until completion.
5.7 5.7.1	**Performance** This process supports robust challenge and scrutiny of our performance against Audit Scotland recommended improvements.
5.8 5.8.1	**Communications & Engagement** There is no implication associated with the recommendations of this report.
5.9 5.9.1	**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.

5.10	**Information Governance**
5.10.1	A DPIA is not required for this report.

5.11	**Risk**
5.11.1	There are no risks associated with the recommendations of this report.

5.12	**Equalities**
5.12.1	An Equality Impact Assessment is not required for this this report.

5.13	**Service Delivery**
5.13.1	The contents of this update report do not impact upon Service Delivery.

6	**Core Brief**
6.1	Not Applicable

7	**Appendices/Further Reading**
7.1	Appendix A – Audit and Inspection Overview Dashboard
7.2	Appendix B - Audit Scotland Action Plan

Prepared by:	Louise Patrick, Planning and Performance Officer
Sponsored by:	Richard Whetton, Head of Corporate Governance
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 4: We are fully accountable and maximise our public value by delivering a high quality, sustainable fire and rescue service for Scotland.

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Senior Management Board	*14 October 2020*	*Scrutinised*
Audit and Risk Assurance Committee	*21 January 2020*	*For scrutiny*

Audit Scotland Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	Transferred	Cancelled	% complete	RAG
May-18	Scottish Fire and Rescue Service Update	ARAC	Dec-21		36	Oct-20	Jan-21	0	9	0	27	0	0	88%	🟩

HMFSI Thematic Reports Progress Dashboard

Published	Title	Revelant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	Transferred	Cancelled	% complete	RAG
Apr-15	Performance Management Systems.	SDC	Jul-20		32	May-20	N/A	0	0	0	26	2	4	100%	Closed
Jul-2017	Operations Control Dundee and Highlands and Islands Support.	SDC	Dec-20		24	May-20	N/A	0	0	0	24	0	0	100%	Closed
Jan-2018	Fire Safety Enforcement.	SDC	Mar-20		21	Dec-20	Mar-21	0	4	2	15	0	0	94%	🟥
Feb-2019	Provision of Operational Risk Information.	SDC	Mar-22		25	Oct-20	Jan-21	0	5	0	20	0	0	91%	🟧
May-2019	Management of Fleet and Equipment.	SDC	Mar-22		38	Oct-20	Jan-21	0	6	0	26	0	6	95%	🟩
Mar-2020	Training of RDS Personnel.	SGC	Mar-23		31	Nov-20	Feb-21	0	16	7	8	0	5	68%	🟩

HMFSI Local Area Inspection Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Update	Next Update	Not Started	In Progress	Deferred	Complete	Transferred	Cancelled	% complete	RAG
N/A	Local Area Inspection National Recommendations	SDC	N/A	N/A	7	Dec-20	Mar-21	0	4	0	3	0	0	72%	🟧
Feb-20	Dumfries and Galloway	N/A	Sep-20		12	Dec-20	Mar-21	0	4	0	7	1	0	85%	🟧
Jun-20	Edinburgh City	N/A	Dec-20		11	Dec-20	Mar-21	0	5	0	0	6	0	86%	🟩

HMFSI Audit Scotland - Action Plan Progress

	Updated	Next Update
	14 October 2020	20 January 2020

Status	Count
In Progress	9
Complete	27

In Progress RAG Rating

25%

75%

- In Progress ■ Complete

	Red	Amber	Green
	2	3	4

Overall Progress 88%

80% 82% 84% 86% 88% 90% 92% 94% 96% 98% 100%
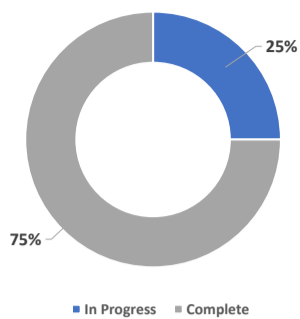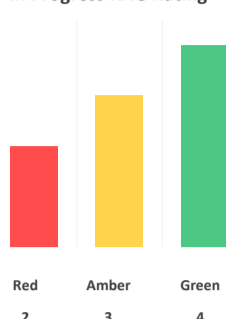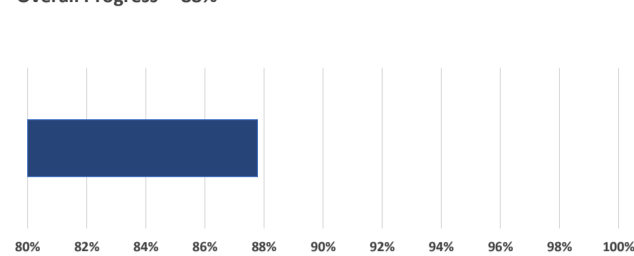
Audit Recommendation	Action Ref	Action Description	Action Owner	Due Date	Revised Due Date	Status	Progress Update Commentary	% Complete	Completion Date	RAG	Evidence
1a. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular agree as soon as possible, revised terms and conditions for its uniform staff that reflect the changes to the role as planned, as part of the programme for transformation.	1a.2	Complete the standardisation of RDS specific terms and conditions, including implementation.	Ramona Coxall	Oct-19	Dec-20	In Progress	15 July 2020: Agreement has not been reached, although both the SFRS and FBU are jointly pursuing an alternative resolution through external assistance. Progress has been delayed due to Covid-19. **14 October 20: NJC Secretaries proposed a date for a meeting to attempt to reach resolution via the Resolution Advisory Panel, however, the FBU were unavailable. An alternative date is therefore being sought.**	50%		🟥	
1a. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular agree as soon as possible, revised terms and conditions for its uniform staff that reflect the changes to the role as planned, as part of the programme for transformation.	1a.3	Negotiate a revised reward package and terms and conditions which reflect a broadened Firefighter role.	Ramona Coxall	Dec-21		In Progress	15 July 2020: The ballot was rejected at the end of February 2020 by a majority of 60/40, therefore no further progress has been made at this time. **14 October 2020: The strategic direction is being considered by the Strategic Leadership Team.**	50%		🟥	
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.3	Identify an appropriate suite of local performance measures to support local challenge and evidence continuous improvement.	Alison Hastings/ Chris Fitzpatrick	Mar-20		In Progress	15 July 2020: Local data is available to view through filters in the corporate dashboards. A draft list of KPIs needed for SDA and LSO reporting, together with their data sources which provide the base data for these PIs has been identified. Consultation on this is ongoing with LSOs. Implementation will be part of phase 2 of the InPhase project, scheduled to proceed when a developer has been recruited. **14 October 2020: Draft list of Key Performance Indicators for Service Delivery Areas are still to be confirmed. Consultation with Local Senior Officers is progressing with fortnightly meetings. A further review of this work stream has indicated more work is required than originally anticipated. This has impacted upon the percentage completed which as seen a reduction from 50% to 25%.**	25%		🟧	
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.4	Develop effective performance reporting so that performance information is communicated and used throughout the organisation.	Alison Hastings/ Chris Fitzpatrick	Aug-20		In Progress	15 July 2020: A new style combined Board report has been approved for development in InPhase. InPhase reports equivalent to the existing quarterly performance reports currently provided to the Service Delivery Committee and Board will be available for the Q1 2020 period as planned. **14 October 2020: Work continues on InPhase to acknowledge the recommendations for improvements fed back from the Board and Strategic Leadership Team during the Quarter 1 review. The task is now in-hand to complete these recommendations for the Quarter 2 review in November 20.**	80%		🟩	
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.5	Develop Training and Development Programmes to build knowledge and understanding of performance management.	Alison Hastings/ Chris Fitzpatrick	Mar-20		In Progress	15 July 2020:Implementation of InPhase has experienced some delays due to resourcing and developer challenges as a result of COVID-19. When the necessary development has concluded appropriate user guidance can be completed. **14 October 2020: Due to capacity issues, this action has not progressed within the period.**	30%		🟧	
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.6	Procure and implement a performance management system to support delivery of the PMF.	Alison Hastings/ Chris Fitzpatrick	Mar-20		In Progress	15 July 2020:Implementation of InPhase has experienced some delays due to resourcing and developer challenges as a result of COVID-19. Agreement has been reached to employ a Developer who will support implementation and ongoing development of this key project. While job evaluation outcome is still awaited from HROD, immediate temporary agency resources are now being progressed. **14 October 2020:Temporary agency support was secured to enable short-term development of InPhase. Further development is still required and a substantive role has been agreed, with recruitment commencing in the Autumn. In the meantime, the Combined Board Report can now produced via InPhase and work is progressing to populate Strategic/Directorate risks into the system.**	85%		🟧	
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.1	Re-launch Equality Impact Assessment Process on iHub.	Elaine Gerrard	Nov-19	Mar-21	In Progress	15 July 2020: This action has a revised completed date of March 2021 due to unforeseen staffing issues in the Equality and Diversity Team. The research of examples of alternative practice from other organisations has been collated. **14 October 2020: Work continued to be delayed in Quarter 2 due to Covid19 reprioritisation of workload within the Equality and Diversity Team. Work recommenced in late Quarter 2 and it is anticipated that the overall deadline remains achievable.**	15%		🟩	
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3c	Develop and implement fair and equitable Pay and Reward strategies.	Ramona Coxall	Mar-20	Mar-21	In Progress	15 July 2020: The launch and implementation of the SFRS Employee Recognition Scheme has been delayed due to Covid-19. It is intended to launch the Scheme in Q1 of 21/22. Work to enhance the Total Reward Framework has continued, for example, seeking approval to increase the Cycle to Work spend limit from £1k to £3K. **14 October 2020: The Cycle To Work spend was increased as planned from August 2020. Work is now being undertaken to develop a one off Covid-19 Recognition Process for 2020/21. Work will begin in Quarter 4 in relation to statutory Gender Pay Gap reporting.**	50%		🟩	

Recommendation	Ref	Action	Owner	Due	Revised	Status	Update	%	Completed	✓	Notes
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3e	Improve Equality Data Gathering and monitoring processes.	Siobhan Swanney	Mar-20	Oct-20	In Progress	15 July 2020: Progress has been impacted due to COVID-19 however, it is intended to commence a communications plan to encourage employees to share their data in Q2. Further consideration will be given to monitoring of data for employees and through our recruitment processes to inform SFRS actions. **14 October 2020: Communications to take place in Quarter 2/3 to encourage employees to share their sensitive data to improve data gathering. This will assist in informing decision making, for example with regards where to direct positive action activity to seek to diversify the workforce. SFRS' Balancing the Workforce Profile Action plan sets outs a range of actions which are being progressed, including those which seek to reduce the gender pay gap. This includes positive action initiatives, reviewing our recruitment and selection processes to ensure these are free from bias, reviewing and developing supportive and inclusive employment policies and ensuring effective data capture. Our leadership development frameworks and our commitment in terms of the Scottish Living Wage will also assist in addressing the gender pay gap.**	75%			
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.1	Publish documentation, High Level Plan that provides a blueprint to support the delivery of the organisation's vision.	Ian McMeekin	Mar-19		Complete		100%	Jan-20	✓	The High Level Plan was approved by the Board on 31 January 2020.
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.2	Undertake an organisational P3M3 Assessment, and supporting actions, to understand and enhance the Service's programme and project maturity levels.	Darren Riddell	Aug-19		Complete		100%	Jan-20	✓	P3M3 assessments will be replaced by a Scottish Government Gateway Review which will assess project maturity levels.
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.3	Embed Portfolio, Programme and Project management skills within the organisation's Leadership Pathway.	Gillian Buchanan	Mar-19		Complete		100%		✓	Portfolio, Programme and Project management skills have been embedded into Supervisory, Middle and Strategic development Pathways. In-house Project Management course also in development.
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.4	Revise the Programme Office Board governance arrangements to support the management of both Service Transformation and business as usual activities.	Darren Riddell	Dec-19		Complete		100%		✓	Restructure of Programme Office Board was undertaken. This was supported by a review of Programme Office Board and TMPC activities.
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.5	Develop a Programme Office Communications Strategy to communicate key updates and information to Executive Leads and Project Managers.	Darren Riddell	Jul-19		Complete		100%		✓	New dashboard in place to provide Project/Programme overview. Engagement process to hold meetings between Programme Office and Project management teams in place.
1a. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular e agree as soon as possible, revised terms and conditions for its uniform staff that reflect the changes to the role as planned, as part of the programme for transformation.	1a.1	Implement revised standardised terms and conditions for uniformed staff.	Rachael Scott	Mar-20		Complete		100%		✓	Collective agreement reached. Revised terms implemented on a phased basis from June 2018, October 2018 and January 2019 along with supporting policies and processes.
1b. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular ensure through comprehensive and up-to-date workforce planning that it has the right skills and capacity in place to deliver its programme of transformation effectively.	1b.1	Provide the appropriate number of Trainee Fire Fighters to meet the needs of the SDA retirals as identified in the workforce planning.	Jason Sharp	Apr-19		Complete		100%		✓	A Workforce and Strategic Resourcing Plan has been published detailing processes to ensure the Target Operating Model is resourced.
1b. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular ensure through comprehensive and up-to-date workforce planning that it has the right skills and capacity in place to deliver its programme of transformation effectively.	1b.2	Provide the appropriate national campaigns at CM – AM to meet the needs of the SDA retirals as identified in the workforce planning.	Jason Sharp	Apr-19		Complete		100%		✓	A Workforce and Strategic Resourcing Plan has been published that details how campaigns will be scheduled.
1c. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular agree a long-term strategy for asset management and a medium term asset management plan by December 2018 that reflects the aims of transformation.	1c.1	Develop and gain approval for a corporate asset management strategy.	Sarah O'Donnell	Jun-19		Complete		100%	Jun-19	✓	The Asset Management Strategy was approved by the Board on 27 June 2019.
1c. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular agree a long-term strategy for asset management and a medium term asset management plan by December 2018 that reflects the aims of transformation.	1c.2	Deliver planned capital investment in line with the approved programme.	Sarah O'Donnell	Mar-19		Complete		100%		✓	Planned capital investments for 2018/19 delivered in line with amended and approved programme of works.
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.1	Communicate the expectations of the PMF.	Alison Hastings	Mar-19		Complete		100%		✓	The PMF has been published on the website and staff intranet.
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.2	Identify an appropriate suite of performance measures to support challenge and evidence led decision making at multiple levels.	Alison Hastings/ Stuart Ross	Mar-19		Complete		100%		✓	Revised suite of performance measures have been published with the PMF. A change point process to identify changes in trends has also been implemented.

Recommendation	Ref	Action	Owner	Due	Status		%	Comp.	✓	Notes
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.7	Develop performance indicators with partners so SFRS contribution to joint outcome improvement can be measured.	Mark McAteer	Mar-20	Complete		100%		✓	This action will be progressed by the Community Planning Improvement Board. AS this action is no longer under our control, it has been closed.
3. The Scottish Fire and Rescue should with its national partners and the support of the Scottish Government, establish and begin implementing plans by December 2018 to progress the Reform Collaboration Group's (RCG) Strategy and vision for partnership working.	3.1	Workshop scheduled to develop the delivery plan on 13.08.2018.	Mark McAteer	Dec-18	Complete		100%		✓	Collaboration Strategy developed.
3. The Scottish Fire and Rescue should with its national partners and the support of the Scottish Government, establish and begin implementing plans by December 2018 to progress the Reform Collaboration Group's (RCG) Strategy and vision for partnership working.	3.2	A recruitment plan is underway to resource this priority area.	Mark McAteer	Dec-18	Complete		100%		✓	SFRS Collaboration Officer is now in post.
3. The Scottish Fire and Rescue should with its national partners and the support of the Scottish Government, establish and begin implementing plans by December 2018 to progress the Reform Collaboration Group's (RCG) Strategy and vision for partnership working.	3.3	Implement performance reporting arrangements to ensure SFRS Board have an oversight of RCG progress against Collaboration Strategy Delivery Plan	Mark McAteer		Complete		100%		✓	Papers are circulated to the Board. This will continue as BAU and the action will be closed.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.1	Develop draft Planning and Evaluation policy and procedure.	Stephen Wood	Mar-19	Complete		100%	Apr-19	✓	Planning and Evaluation Policy published in April 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implemA48:L51ent a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.2	Run Pilot initiatives and seek internal and external comment.	Stephen Wood	Mar-19	Complete		100%		✓	Pilot initiatives ran in each SDA area. External evaluation consultant engaged,
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.3	Finalise Policy and Procedure for consultation.	Stephen Wood	Apr-19	Complete		100%	Apr-19	✓	SLT approved the Policy om 23 April 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.4	Identify appropriate governance route.	Stephen Wood	May-19	Complete		100%	Apr-19	✓	Governance route approved by SLT on 23 April 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.5	Finalise Policy and Procedure prior to implementation.	Stephen Wood	Jun-19	Complete		100%	Apr-19	✓	SLT approved the Policy om 23 April 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.6	Identify training needs and develop implementation plan including go live date.	Stephen Wood	Jul-19	Complete		100%	Jun-19	✓	Training plan agreed and implemented in June 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.7	Implement policy and procedure.	Stephen Wood	Aug-19	Complete		100%		✓	Policy published and training plan implemented.
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.2	Evaluate completion rates of Equality Impact Assessments within Board decision making processes.	Elaine Gerrard	Dec-19	Complete		100%	Mar-20	✓	Record of Board papers show that papers are accompanied by Equality and Human Rights Impact Assessments.
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3a	3a. Maximise attraction from under-represented groups for all SFRS vacancies.	Karen Lewis	Mar-20	Complete		100%	Mar-20	✓	SFRS Positive Action Strategy 2019-22. The Positive Action Strategy will focus on a number of key areas to address underrepresentation in both uniform and support staff roles. These areas include improving the attraction and recruitment of underrepresented groups; ensuring a positive working environment which supports the needs of a diverse workforce; support for career progression and personal development and ensuring the quality and accuracy of workforce data. SFRS Balancing the Workforce Profile Action plan
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3b	Improve access to/support career development for underrepresented groups.	Karen Lewis	Apr-20	Complete		100%	Mar-20	✓	SFRS Youth Emplyment Strategy. Modern Apprenticeship Scheme. Career Ready Scheme. Carer Positive Scheme. SFRS Positive Action Strategy 2019-22. SFRS Balancing the Workforce Profile Action Plan.

5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3d	Review and develop supportive Employment Policies and Procedures.		Mary Corry	Mar-20		Complete		100%	Mar-20	✓	The Service has in place a suite of standardised SFRS policies and procedures. These continue to be reviewed as part of a business as usual approach and to respond to legislative changes and business need as required. SFRS will continue to seek to enhance its policies and arrangements to ensure these remain attractive and supportive whilst achieving business aims.

SCOTTISH FIRE AND RESCUE SERVICE
Audit and Risk Assurance Committee

Report No: C/ARAC/03-21

Agenda Item: 10

Report to:	AUDIT RISK AND ASSURANCE COMMITTEE
Meeting Date:	21 JANUARY 2021
Report Title:	HMICFRS: STATE OF FIRE AND RESCUE: THE ANNUAL ASSESSMENT OF FIRE AND RESCUE SERVICES IN ENGLAND 2019

Report Classification:	For Scrutiny	**Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to Board Standing Order 9**						
		A	B	C	D	E	F	G

1	**Purpose**
1.1	The purpose of this report is to present an overview of Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) State of Fire and Rescue: Annual Assessment of Fire and Rescue Services in England (2019) report and identify any relevant issues arising from the report for Scottish Fire and Rescue Service (SFRS).

2	**Background**
2.1	The HMICFRS published the State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2019 in January 2020. The report provided an assessment of effectiveness and efficiency of Fire and Rescue Services in England containing detailed inspections of all 45 services from June 2018 - August 2019. Part 1 of the report contains the overall assessment of fire and rescue services in England. Part 2 provides an overview of the gradings and the findings from the first round of inspections and Part 3 sets out the full list of fire and rescue reports and other inspection publications for the period covered by the report.

3	**Main Report/Detail**
3.1	In reviewing the findings and recommendations from the State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2019 in January 2020 a range of high level issues that are of more direct interest and relevance to the SFRS: These issues for ease of reference have been grouped around 7 broad themes: 1. Managing Risk 2. Organisational Design 3. Staff Development and Wellbeing 4. Improving Organisational Efficiency 5. Improving Communications and Engagement 6. Improved Partnership Working 7. Developing Innovation and Change
3.2	In considering the recommendations existing actions that have been or are being undertaken by SFRS have been identified, these include the development of the Strategic Plan (2019-22), Annual Operating Plan (AOP) actions, change projects and partnership collaborations.

3.3	SFRS are already managing many of these findings in our own context and we will develop our approach further. If partners fire and rescue services in England wish to share and learn from our experience we will extend our support them if approached as they respond to this report from HMICFRS.
4	**Recommendation**
4.1	The Committee is asked to scrutinise the content of the SFRS Summary Report and Assessment appended in Appendix A.
5	**Key Strategic Implications**
5.1 5.1.1	**Financial** Not Applicable
5.2 5.2.1	**Environmental & Sustainability** Not Applicable
5.3 5.3.1	**Workforce** Not Applicable
5.4 5.4.1	**Health & Safety** Not Applicable
5.5 5.5.1	**Training** Not Applicable
5.6 5.6.1	**Timing** Not Applicable
5.7 5.7.1	**Performance** Not Applicable
5.8 5.8.1	**Communications & Engagement** Not Applicable
5.9 5.9.1	**Legal** Not Applicable
5.10 5.10.1	**Information Governance** Not Applicable
5.11 5.11.1	**Risk** Not Applicable
5.12 5.12.1	**Equalities** Not Applicable
5.13 5.13.1	**Service Delivery** Not Applicable
6	**Core Brief**
6.1	Not Applicable

7	Appendices/Further Reading
7.1	Appendix A Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services - The Annual Assessment of Fire and Rescue Services in England 2019. SFRS Summary Report and Assessment

Prepared by:	Richard Whetton, Head of Corporate Governance
Sponsored by:	Mark McAteer, Director of Strategic Planning, Performance and Communications
Presented by:	Mark McAteer, Director of Strategic Planning, Performance and Communications

Links to Strategy and Corporate Values

OUTCOME 1 Our collaborative and targeted prevention and protection activities improve community safety and wellbeing, and support sustainable economic growth.

OUTCOME 2 Our flexible operational model provides an effective emergency response to meet diverse community risks across Scotland.

OUTCOME 3 We are a great place to work where our people are safe, supported and empowered to deliver high performing innovative service.

OUTCOME 4: We are fully accountable and maximise our public value by delivering a high quality, sustainable fore and rescue service for Scotland

Governance Route for Report	Meeting Date	Report Classification/ Comments
Strategic Leadership Team	*11 September 2020*	*For Scrutiny*
Audit and Risk Assurance Committee	*24 March 2020*	*For Scrutiny*

Strategic Planning, Performance and Communications

SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services - The Annual Assessment of Fire and Rescue Services in England 2019.

SFRS Summary Report and Assessment

Safety. Teamwork. Respect. Innovation.

1. INTRODUCTION

1.1. Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) published in January 2020 the State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2019.

1.2. The report provided an assessment of effectiveness and efficiency of Fire and Rescue Services in England containing detailed inspections of all 45 services from June 2018 - August 2019.

1.3. Part 1 of the report contains the overall assessment of fire and rescue services in England. Part 2 gives an overview of the gradings and the findings from the first round of inspections and Part 3 sets out the full list of fire and rescue reports and other inspection publications for the period covered by the report.

1.4. This paper summarises the report and highlights key recommendations from it that are of relevance to the Scottish fire and Rescue service (SFRS).

2. KEY FINDINGS

2.1. The Chief Inspector argued that since 2004 the emphasis on localism in English services had come at the expense of maintaining national standards across the fire and rescue sector. This, it was argued, led to some unjustifiable variations within service delivery and importantly a lack of national capacity and capability to effect lasting change. If the sector overall was to improve, national capacity to bring that change about and to support individual organisations in implementing it was essential. Key areas that the inspectorate wished to see a stronger national approach adopted were in setting professional standards; training; identifying risk and measuring emergency response standards.

2.2. The report acknowledged several positive aspects of Fire and Rescue Services. The professionalism and commitment to communities was clearly noted. As was, how services were responding to a reduction in firefighting demand by developing a variety of life-saving prevention initiatives designed to protect and support local communities.

2.3. It was found that the services tend to be skilled and capable of responding to a variety of challenges, working together to deal with bigger issues e.g. flooding. However, it was concluded that operational staff spend too much time on station and need to do more to protect vulnerable people across communities and improve fire prevention services.

2.4. Areas of concern highlighted, were some services are not doing enough to ensure building safety is maintained. The Grenfell Tower Inquiry Phase 1 Report made several recommendations, which if effectively implemented will have a strong impact and reduce the chance of any similar tragedies occurring. The Inspectorate considered that this area in English services required real progress to be made.

2.5. The inspectorate also stated that efficiency and productivity across many services needed to be improved. A change to operational shift systems was called for; more use of technology at the operational levels; more use of data to understand risk and the adoption of more joint procurement was recommended. The inspectorate noted that 45 services across England was also a factor in reduced sectoral efficiency and the inspectorate was of the view that a reduction in the number of services would be important in reducing overall costs.

2.6. One of the most concerning aspects highlighted by the Inspectorate was a lack of diversity in the workforce of most FRS's. It was noted that most services were not represented of the community they were part of, nor were they balanced in employment terms in areas such as gender.

2.7. Equally the inspectorate observed in some services the presence of a negative and bullying culture among some staff and management groups prevailed, especially at the watch level. It was argued that this issue should be addressed as a matter of priority with the production of a strong code of ethics; a careful consideration of the future of the watch based system and an examination of alternative arrangements should be conducted.

2.8. The inspectorate argued that the 'Grey Book' (the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service) had created a national framework that unnecessarily hindered services from using their resources as they considered necessary to meet local needs. The inspectorate stated that consideration should be given by FRS as to whether the 'grey book' is still workable, and it was suggested that national terms and conditions were addressed to avoid ongoing disputes and to enable roles to evolve in line with changing public needs.

2.9. While acknowledging the importance of strong trade unions in the workplace the inspectorate was highly critical of the role of the FBU. The role and influence of the FBU within the FRS according to the inspectorate needs to change to ensure it is not impacting negatively on the potential benefits of change for the public. It was argued the positions adopted by the FBU was sometimes contrary to public interests and it should not determine what and how services to the public should be delivered by FRS.

2.10. The inspectorate while acknowledging the commitment of On Call Firefighters questioned the viability of the model. Concerns regarding the overall training standards achieved within on call services were highlighted, issues regarding on call availability, recruitment, the contractual arrangements for on call firefighters and the need to be more innovative and creative in addressing these challenges was highlighted in the report.

2.11. It was also felt there were multiple barriers facing English FRS ability to becoming more effective and efficient including:

- a lack of consensus as to what firefighters' role and that of the FRS more widely ought to be;
- unclear lines between political oversight and operational leadership in many English services
- varied capacity and capability of services to effect change
- the need for better talent management across all levels of seniority in the sector
- dated work practices, including paper-based systems
- limited progress in exploiting digital and IT improvements evident by a lack of limited strategic direction and joint working with partners to progress this

2.12 Overall the inspectorate concluded that the sector in England required profound reform. The Chief Inspector concluded that national government needs set out its expectations for the sector, in particular what role it wished services to adopt, and then local government and the fire services should work together to bring the required changes about. It local government and FRS's failed to do so, national government should then mandate reform.

3. SPECIFIC ISSUES RELEVANT FOR SFRS

3.1. Within the report there are a range of high level issues that are of more direct relevance to the SFRS and are useful considerations with respect to our own ongoing improvements. For ease of reference these more specific issues have been grouped around 7 broad themes. We have considered if SFRS has already taken action against these issues and noted where we have done so. In areas where no action has been taken yet we should consider if it is relevant to do so.

Managing Risk		
HMICFRS Finding	**SFRS has addressed/ is addressing**	**SFRS project/ workstream/ action**
Services should develop a better, more rounded understanding of community risk by building accurate and timely community risk profiles and strengthen their data analytics in using such information	✓	SDMP
It is important that Services adapt to changing community demand and risk by ensuring that staff are working in roles that benefit the community when they are not training or responding to emergency calls	✓	Safe and Well; OHCA
While focusing on responding to community risks national risk management should continue to be a priority.	✓	AOP 2020-21 SO2:3
While adapting to community risks it is also critical to ensure the maintenance of core functions and priorities as set out in strategic and other relevant plans	✓	Strategic Plan 2019-22
Risks in relation to prevention work require to be effectively managed to ensure compliance with relevant regulations	✓	Safe and Well
Services should develop a risk based approach to their fire safety audits inspection programme	✓	AOP 2020-21 SO1:6
Organisational Design		
HMICFRS Finding	**SFRS has addressed/ is addressing**	**SFRS project/ workstream/ action**
The wider understanding of risk should be fully considered across organisations and should be directly linked to finance, resource and workforce plans	✓	Strategic Plan; 3-year AOP programme; LT Financial Strategy
The on-call model (RVDS) should be reviewed to address emerging community risks, appliance availability and the training needs of personnel to ensure creative ways to develop and maintain skills	✓	SDMP
Alternative forms of operational staff shift systems should be explored to improve productivity within Services as well as enhance services to the public	✓	SDMP
The watch based approach should be reviewed, whilst it has strengths in terms of good team working, too often watches are inward looking and contribute to inhibiting the movement of people throughout a service	✓	SDMP

Watch based cultures should be reviewed and consideration given to the possible advantages of alternative working arrangements	✓	SDMP
Improving the diversity of FRS staff by reducing barriers to entering the Service through better designed recruitment and selection processes	✓	Break the Mould Recruitment Campaign
Developing appropriate organisational cultures linked to values that staff understand and are trained in is a key enabler of service improvement	✓	Staff survey action plans; AOP 2020-21 SO3:3
To ensure an appropriate and successful workforce and organisational culture bullying and harassment must not accepted in any form	✓	Staff survey action plans; Bullying and Harassment policy
Services should develop a Code of Ethics to guide behaviour inside the organisation to support cultural values		AOP 2020-21 SO4:4
Robust continuity plans are essential to planning for the future and avoiding potential issues or threats to the ongoing capability of Services	✓	SFRS Business Continuity Planning
Staff Development and Wellbeing		
HMICFRS Finding	**SFRS has addressed/ is addressing**	**SFRS project/ workstream/ action**
Services should ensure the continued importance of firefighter and incident commander training and the use of risk information in managing incidents	✓	SFRS Training Strategy 2020 - 2025
Working effectively with other emergency services should be an important feature or training as should effective communications and learning lessons from previous incidents	✓	Reform Collaboration Group; SMARTEU
To ensure the successful delivery of change there should be a focus on training for all aspects of the Service, not merely operational response	✓	Management/ Leadership development frameworks
Improved management development to ensure the development of effective mangers is a key component of good change management and continuous improvement	✓	Management/ Leadership development frameworks
The development of people talent is a key driver of change and should continue to be improved	✓	Management/ Leadership development frameworks
There should be an ongoing focus on staff wellbeing and mental health as part of organisation development and training	✓	Mental Health Strategy 2020 - 2023
Improve approaches to performance management should be a key feature of organisational training	✓	In-phase Implementation

More needs to be done to attract, recruit and most importantly retain women and BAME into the sector.		AOP 2020 -21 SO3:4
Improving Organisational Efficiency		
HMICFRS Finding	**SFRS has addressed/ is addressing**	**SFRS project/ workstream/ action**
The efficiency of service activities should be assessed in relation to a better understanding of community risk	✓	SDMP
A continued focus on financial management is the key to ensuring that true costs and benefits are monitored and measured and accurate financial data is held on budgets and resources	✓	Performance Management Framework; LT Financial Strategy
More effective use of ICT needs to be developed as staff often report their frustrations on existing ICT provisions	✓	Strategic Review Commission
Practices to improve workplace productivity and innovation and systems to evaluate the impact and success of work to improve efficiency should be prioritised	✓	SDMP
More efficient use of appliances should be developed to improve availability with more efficient crewing models considered	✓	SDMP
The efficiency and impact of <u>all</u> firefighter roles should be subject to effective evaluation against an improved understanding of risk	✓	SDMP
In addition to more call challenging on UFAS calls consideration of using smaller vehicles to attend on suspected UFAS calls should be considered	✓	AOP 2020-21 SO1:1
Improving Communications and Engagement		
HMICFRS Finding	**SFRS has addressed/ is addressing**	**SFRS project/ workstream/ action**
Regular, effective communication with staff to ensure there is a strong feedback processes is critical to success	✓	Internal communications Review Implementation Plan
Improved Partnership Working		
HMICFRS Finding	**SFRS has addressed/ is addressing**	**SFRS project/ workstream/ action**

An increased focus on, information capture and analysis of collaboration activity is vital to achieving economies of scale and to ensuring objectives are met and that collaboration delivers its intended benefits	✓	Reform Collaboration Group
Developing Innovation and Change		
HMICFRS Finding	**SFRS has addressed/ is addressing**	**SFRS project/ workstream/ action**
There is a need for increased innovation within services to more effectively manage community risk	✓	SDMP
There should be a greater use of research and innovation to aid continuing change and improvement within services	✓	Research & Innovation Team. Sustainability. Standard Station Design. Established Service Development Directorate
In addition to improving business intelligence approaches the opportunity to align, broaden and develop research activity and increase partnerships with Universities is an important element in supporting culture change	✓	Business Intelligence Review/ Strategy. Research & Innovation Team. Sustainability.

3.2   SFRS are already managing many of these findings in our own context and we will develop our approach further. If partners fire and rescue services in England wish to share and learn from our experience we will extend our support them if approached as they respond to this report from HMICFRS.

4.   IN SUMMARY

4.1.   The Annual Assessment of Fire and Rescue Services in England 2019 is an important report for Fire and Rescue services across the United Kingdom. Whilst there are differences between Scotland and England, the finding within the report should be of keen interest to SFRS. Many of the issues are shared by SFRS and SFRS are either attempting to or are discussing make similar improvements to those highlighted within the report.

SCOTTISH FIRE AND RESCUE SERVICE
Audit and Risk Assurance Committee

Report No: C/ARAC/04-21

Agenda Item: 11

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE
Meeting Date:	**21 JANUARY 2021**
Report Title:	**REVIEW OF GIFTS, HOSPITALITY & INTERESTS POLICY**

Report Classification:	For Scrutiny	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to Board Standing Order 9						
		A	B	C	D	E	F	G

1	Purpose
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with the revised Gifts, Hospitality and Interests policy for scrutiny.

2	Background
2.1	The Scottish Fire and Rescue Service (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 ARAC and Corporate Assurance Board (CAB) 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 policy was updated and forwarded for consultation in August 2020, with final responses received in September. Following consultation, the updated policy was reported to the CAB, on 9 December 2020, for review and scrutiny. The updated policy is attached as Appendix A.
3.2	The general principles of the policy have not changed and continue to be upheld throughout the Service, supported by formal governance reporting on a quarterly basis to CAB and ARAC. The register continues to be published quarterly on the SFRS website.
3.3	Following review, a number of areas have been strengthened and added to the policy. The main changes are summarised below: • Section 1.5 clarifies that the policy relates to all staff and Board Members. • Section 5.8 expands upon Board Member requirements with support from the Board Support Team • Section 3 identifies specific roles in relation to the Audit and Risk Assurance Committee, the Corporate Assurance Board and the Compliance Section.

3.4	Awareness and ownership of the policy will be undertaken through articles within iHub, SFRS News and directly through management meetings. The Compliance Section within Risk and Audit will undertake this role and continue to provide updates on the quarterly register.
4	**Recommendation**
4.1	The Audit and Risk Assurance Committee is asked to review and scrutinise the revised Gifts, Hospitality and Interests policy.
5	**Key Strategic Implications**
5.1 5.1.1	**Financial** The current Policy is consistent with the guidance contained within the Scottish Public Finance Manual (SPFM).
5.2 5.2.1	**Environmental & Sustainability** There are no specific environmental or sustainability issues.
5.3 5.3.1	**Workforce** All employed staff, including Board Members, of SFRS have a responsibility to declare gifts, hospitality and interests in accordance with the policy requirements.
5.3.2	All individuals directly involved in the procurement activity of SFRS, including those who have significant advisory or technical input into the procurement decision making process are precluded from accepting any gifts or hospitality and are required to formally declare any interests as part of the User Intelligence Group (UIG) process.
5.3.3	Employees who have a private business that trades with SFRS are required to declare their interest in accordance with the Policy. Checks of this position are undertaken through the National Fraud Initiative (NFI).
5.4 5.4.1	**Health & Safety** There are no specific health and safety issues identified.
5.5 5.5.1	**Training** The Finance and Contractual Services Directorate will continue to promote awareness of the Gifts, Hospitality and Interests Policy and associated register and the requirement for individuals to be aware of their obligations under the Policy.
5.6 5.6.1	**Timing** A report will be submitted on a quarterly basis to ARAC and the CAB detailing the declarations made on the Register of Gifts, Hospitality and Interests Register as required by the Policy. The register is published on the SFRS website.
5.7 5.7.1	**Performance** There are no specific performance measures.
5.8 5.8.1	**Communications & Engagement** The policy continues to be promoted across the Service raising awareness and ownership of the Gifts, Hospitality and Interests Policy.
5.9 5.9.1	**Legal** The Policy is consistent with the guidance contained within the Scottish Procurement Policy Handbook as published by Scottish Government.

5.10 5.10.1	**Information Governance** A report will be submitted on a quarterly basis to ARAC and the CAB detailing the declarations made on the Register of Gifts, Hospitality and Interests as required by the Policy. The register is published on the SFRS website.
5.11 5.11.1 5.11.2	**Risk** The Gifts, Hospitality & Interests Register align most directly to Strategic Risk 4 – Ability to ensure legal and regulatory requirements. The register forms part of the Services wider governance arrangements minimising the risk of fraud and ensuring the Service can demonstrate that the conduct of staff is impartial, honest and above reproach.
5.12 5.12.1	**Equalities** The Gifts, Hospitality and Interests policy forms part of an overarching Fraud EIA, updated in September 2020.
5.13 5.13.1	**Service Delivery** There are no additional implications to Service Delivery.
6	**Core Brief**
6.1	Not Applicable
7	**Appendices/Further Reading**
7.1	Appendix A – Gifts, Hospitality & Interests Policy

Prepared by:	David Johnston, Risk and Audit Manager
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
Strategic Plan 2019-22: Outcome 4 – We are fully accountable and maximise our public value by delivering a high quality, sustainable fire and rescue service for Scotland. Objective 3 – We will minimise the risks we face through effective business management and high levels of compliance with all our responsibilities.

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Corporate Assurance Board	*9 December 2020*	*For Scrutiny*
Audit and Risk Assurance Committee	*21 January 2021*	*For Scrutiny*

Finance and Contractual Services

SCOTTISH FIRE AND RESCUE SERVICE
Working together for a safer Scotland

FINANCE AND PROCUREMENT

GIFTS, HOSPITALITY AND INTERESTS POLICY

Author/Role	David Johnston, Risk & Audit Manager
Date of Risk Assessment (if applicable)	N/A
Date of Equality Impact Assessment	Updated 2 September 2020
Date of Impact Assessment (commenced)	N/A
Date of Impact Assessment (concluded)	N/A
Quality Control (name)	John Thomson, Head of Finance and Procurement
Authorised (name and date)	Sarah O'Donnell 9 December 2020
Last reviewed/amended (name and date)	David Johnston, December 2020
Date for Next Review	December 20202

FINANCE AND CONTRACTUAL SERVICES

FINANCE AND PROCUREMENT

GIFTS, HOSPITALITY AND INTERESTS POLICY

1. **POLICY STATEMENT**

2. **LEGAL FRAMEWORK**

3. **RESPONSIBILITIES**

1. POLICY STATEMENT

1.1   This Policy details the Scottish Fire and Rescue Service's (SFRS) approach to offers of gifts, hospitality (including sponsorship) and interests, providing clear guidelines, as well as detailing the procedures to be followed. The policy is intended to establish and maintain a consistent approach in relation to the offer, acceptance and refusal of gifts and hospitality and to ensure that conflicts of interest are avoided. It reflects the general underlying principle that SFRS's actions will be open and transparent and aims to ensure that the conduct of all staff is scrupulously impartial, honest and beyond reproach at all times and that the SFRS suffers no reputational damage from impropriety.

1.2   SFRS will, in the course of its business, engage in the provision and receipt of gifts and hospitality which are reasonable and proportionate, both in frequency and scale to the business being undertaken and, as such, must not exceed normal business courtesy. They must be offered or accepted for the primary purpose of better presenting SFRS or establishing and maintaining cordial relationships with business partners.

1.3   SFRS is committed to high standards of ethical behaviour, acting with integrity and upholding the law, including the Bribery Act 2010. Acts of bribery and other corrupt behaviour involving gifts and hospitality will not be tolerated in any of SFRS's activities, at home or abroad, including where such activities are carried out by third parties acting on SFRS's behalf. Similarly, staff and third parties acting on behalf of SFRS will be vigilant for the potential of actual or perceived conflict of interest between their professional and private interests.

1.4   SFRS will maintain a register of all corporate gifts and hospitality with a value in excess of £50, whether the gifts or hospitality were accepted or refused.

1.5   The Policy applies to all employed staff, including Board Members, of the Scottish Fire and Rescue Service and those carrying out work on behalf of SFRS, or at the request of SFRS, will be expected to conform to this policy.

1.6   It is the responsibility of each individual to ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests, their SFRS duties and where there is potential for them to exploit their professional or official capacity for their personal benefit.

1.7   In each situation, judgement must be exercised as to whether it is considered likely that the benefits gained by SFRS through the acceptance of a gift or hospitality will be outweighed by adverse third party criticism of the action.

1.8   In the conduct of SFRS business, staff and all other parties acting on behalf of the SFRS will:

•   Discharge their duties in accordance with their contractual obligations and with due regard to SFRS Policy and Procedures;

- Avoid instances of the provision and receipt of corporate gifts and hospitality that contravene the Bribery Act 2010;

- Remain vigilant and report concerns related to suspicious activity;

- Co-operate fully with any investigations carried out into reported concerns;

- Avoid all instances where there is an actual or perceived risk of a conflict of interest.

2. LEGAL FRAMEWORK

2.1 The Bribery Act 2010 ('the Act'), which repeals previous corruption legislation, has introduced the offences of offering and/or receiving a bribe. It also places specific responsibility on organisations to have in place sufficient and adequate procedures to prevent bribery and corruption taking place.

2.2 The legislation refers to 'commercial organisations', which has been deemed to cover all organisations, whether private or public, which engage in commercial activities, e.g. procurement.

2.3 Under the Act, bribery is broadly defined as giving or receiving a 'financial or other advantage' in connection with the 'improper performance' of a position of trust, or a function that is expected to be performed impartially or in good faith. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms, such as a gift, lavish hospitality/entertainment, political/charitable donations and publicity.

2.4 The timing of the financial or other advantage does not matter. It is still considered to be a bribe, even if it is given or paid after the event. Individuals may be liable, even if they unwittingly give or receive a bribe. Liability can also be attributed if a bribe is offered or promised (or agreed to); it does not have to be actually given or received. The employer does not need to actually receive any advantage from the offer or payment of the bribe.

2.5 The Bribery Act creates the offences of 'active' and 'passive' bribery and also makes it possible for organisations to be prosecuted for failing to prevent bribery:

- **Active Bribery:** This offence involves the offering, promising or giving of a financial or other advantage where the initiator intends the advantage to bring about the improper performance by another person of a relevant function or activity, or intends that the advantage will reward such improper activity;

- **Passive Bribery:** This offence involves the requesting, agreeing to receive or accepting of a financial or other advantage by an individual in return for improper performance;

- **Failure of a commercial organisation to prevent bribery by an associated person:** A commercial organisation is liable to prosecution if a person

associated with it bribes another person intending to obtain or retain business or an advantage in the conduct of that organisation. The definition of 'associated person' is detailed in the Bribery Act. It covers those who perform services for, or on behalf of, an organisation such as, for example, employees, agents and subsidiaries. The capacity in which the person performs the services does not matter. There is a presumption that employees will be associated persons of the employer. However, others working for SFRS, such as consultants, agency workers and volunteers will also be associated persons for the purpose of the Bribery Act.

2.6   SFRS is therefore potentially responsible and liable for the actions of a wide range of individuals, some of whom it may have minimal control over as a result of the offences created under the Bribery Act 2010. In addition, individuals can also be prosecuted for accepting bribes or offering bribes.

2.7   The Bribery Act does offer a defence to the actions of an 'associated person', if an organisation can show that it had in place 'adequate anti-bribery policies and procedures' at the time of the offence. What is 'adequate' is not defined in the Act but has been covered in guidance issued relevant to the Act and will depend on the risks, nature, size and complexity of the business in question. Such guidance has been accounted for in the development of this Policy.

2.8   The consequences of a breach of the Bribery Act are severe. Individuals can potentially face up to ten years' imprisonment and commercial organisations can be fined an unlimited amount and prevented from tendering for public contracts.

3.   RESPONSIBILITIES

3.1   Director of Finance and Contractual Services

3.1.1   Section 6.18 of the SFRS Scheme of Delegation details that the Chief Officer sub-delegates authority for Gifts, Hospitality and Interests to the Director of Finance and Contractual Services. The Chief Officer authorises the Director of Finance and Contractual Services to:

- Accept and provide gifts and hospitality in accordance with the SPFM and with SFRS's Gifts, Hospitality and Interests Policy, which clearly states SFRS's commitment to high standards of ethical behaviour; and
- Maintain and publish a register of Gifts, Hospitality and Interests, in accordance with SFRS's Gifts, Hospitality and Interests Policy.

3.2   Head of Finance and Procurement

3.2.1   The Head of Finance & Procurement is responsible for overseeing the day-to-day administration of the arrangements set out in this Policy.

3.3   Compliance Section

3.3.1   The Compliance Section is responsible for the practical application of the Gifts, Hospitality and Interests Policy, the publication of the Gifts, Hospitality & Interests Register and engagement with Directorates to maintain ownership and awareness of the policy.

3.3.2   The Compliance Section will undertake matches identified through the National Fraud Initiative (NFI) where it relates to potential conflicts of interests in relation to employed staff.

3.4   Board Support Team

3.4.1   The Board Support Team is responsible for the scheduling and co-ordination and review of the Board Members Register of Interests in-line with the Gifts, Hospitality and Interests Policy

3.5   Business Support Team   .

3.5.1   The Business Support Team is responsible for the administration of the

Strategic Leadership Team's (SLT) declarations of interests and the maintenance and publication of the SFRS Principal Register of Interests.

3.6   Director of People and Organisational Development

3.6.1   The Director of People and Organisational Development is responsible for ensuring that any instances where an individual is suspected to have contravened the Gifts, Hospitality and Interests Policy are fully investigated in accordance with the Code of Conduct and, where appropriate, the SFRS Disciplinary Policy and Procedure.

3.7   Corporate Assurance Board

3.7.1   The Corporate Assurance Board (CAB) will support the adoption within SFRS of the principles of Good Governance in the Public Sector, as outlined in the CIPFA/IFAC International Framework for Good Governance in the public Sector.

3.7.2   CAB will receive and review, on a quarterly basis, the Gifts, Hospitality & Interests Register and will keep under review the Gifts, Hospitality & Interests Policy.

3.8   Audit & Risk Assurance Committee (ARAC)

3.8.1   ARAC is responsible for the provision of independent assurance to the Board and Accountable Officer on the adequacy and effectiveness of policies, procedures and systems relating to internal controls, risk management and governance.

3.8.2   ARAC will receive quarterly monitoring reports in relation to the Gifts, Hospitality and Interests Register to note the Services adherence to established policy and to ensure effective scrutiny of information is undertaken.

3.9   Line Managers

3.9.1   Line managers must adhere strictly to the code and ensure that staff they manage are aware of and comply with the provisions of the Gifts, Hospitality and Interests Policy and the related Employee Code of Conduct.

3.10   All Employees

3.10.1   All employees will be deemed to have read and understood this Policy and must ensure that, at all times, their actions are honest, impartial and transparent with regard to the acceptance of gifts and/or hospitality and any instances of potential and/or actual conflict of interest between their professional and personal interests are brought to the attention of their line manager immediately.

3.10.2   Employees are personally responsible for advising the Compliance Section of any offers of gifts or hospitality which fall within the definition of this Policy on the prescribed form and within the timescale outlined.

3.10.3   If employees have any doubt about whether an item should or should not be recorded, they are advised to record it and to retain a copy of the entry for future reference. The importance of this cannot be overstated as it protects the individual and the SFRS from allegations in the future. Further guidance can be obtained from the Compliance team SFRS.Compliance@firescotland.gov.uk

3.10.4   Employees with concerns regarding the conduct of others have a

responsibility to raise these through their line manager or via other policies and procedures adopted by SFRS.

3.10.5   All issues will be treated seriously and failure to comply with the Policy may lead to disciplinary action and/or investigation by Internal Audit.

4.   DEFINITIONS

4.1   **Gift**: is defined for the purposes of this policy, as 'any item, cash, goods or service which is offered for personal benefit at no cost, or at a cost that is less than its commercial value'.

4.2   **Hospitality**: is defined, for the purposes of this policy, as any generous or material welcome or reception that is more than an incidental kind, i.e. more than a beverage or light refreshment and includes the offer of any free meals, excursions, entertainment, flights and/or accommodation.

4.3   **Gratuity**: is defined as a gift of money.

4.4   **Conflict of Interest**: is any situation where an individual has a competing professional or personal interest and is in a position, whether actual or perceived, to exploit their professional or official capacity within SFRS for the own personal

benefit, e.g. employee who is a director/owner of a company which supplies goods/services to SFRS.

4.5   **SFRS Principal Register of Interests**: is a published document containing all current and relevant declarations of interest for SLT and Board Members. Under the Ethical Standards in Public Life (Scotland) Act 2000, the SFRS has a duty to set up, maintain and make available for public inspection a register of interests of their Board members. Equally, it is noted as best practice and good governance for Executive Directors (SLT) to follow the requirements of this Act.

5.   PROCEDURAL DETAIL

5.1   General Principles

5.1.1   SFRS expects staff to exercise the utmost discretion in giving and accepting gifts and hospitality when on official business. Particular care must be exercised regarding a gift/hospitality from a person or organisation that has or is hoping to participate in tendering activity to be undertaken by SFRS.

5.1.2   In all instances and regardless of value, employees of SFRS must not accept gifts which could be construed as being able to influence procurement, or other business decisions, or cast doubt on the integrity of such decisions through perceived or actual conflict of interest.

5.1.3   Gifts and hospitality must be reasonable and proportionate, both in frequency and scale, to the nature of the relationship and must not exceed normal business courtesy. They must be offered or accepted for the primary purpose of better presenting SFRS or establishing cordial relationships with business partners. They must not be offered by staff (or third parties acting on behalf of SFRS) with the intent of influencing a decision. Neither must they be accepted, if it is suspected that it is intended to influence SFRS's judgement or decision.

5.1.4   As a general rule:

- Gifts and hospitality with a value of less than £50 need not be declared but, where accepted, must be done in consideration of the points detailed in paragraph 5.1.2 above;
- All gifts and hospitality offered with an actual/perceived value in excess of £50 require to be declared, whether accepted or not, by completing the Declaration Form attached in Appendix A and submitting it to the Compliance Section within 10 working days of receipt of the offer.

5.1.5   In all instances, staff must carefully consider whether to accept any gift/ hospitality, taking account of:

- The perceived value rather than the actual cost to the provider;
- The perception created by acceptance of the gift/hospitality;
- The frequency of the gifts/hospitality;

- The potential for embarrassment and/or conflicts of interests;
- The context of the gift/hospitality, e.g. was the member of staff invited to a function as the representative of SFRS;
- The nature of the relationship between SFRS and the provider.

5.1.6 Staff must not accept or solicit gifts, hospitality or other possible inducements from anyone which would, or might appear to, place him/her under an obligation to that person/organisation.

5.1.7 Where it is difficult to decide whether a gift or hospitality should be accepted or not, the individual should seek advice from their line manager or direct from the Compliance Section.

5.1.8 Gifts and hospitality must not be provided for any form of party political activity or for events that conflict with SFRS's objectives.

5.2 Acceptance and Provision of Gifts

5.2.1 A gift for the purposes of this policy is defined in paragraph 4.1. Common gifts include pens, diaries, calendars, business stationery, key-rings, souvenirs, books, flowers and other promotional items. The term may be broadly interpreted and can range from a token gift of very little value (e.g. a promotional branded pen) to a substantial gift of higher value (e.g. a laptop computer).

5.2.2 It is acceptable for employees to give and receive the following 'token' gifts of low intrinsic value, without prior line management approval and without the requirement to record these in the Gifts, Hospitality and Interests Register:

- low value items (below £50) such as pens, calendars, mugs;
- low value promotional merchandise (below £50) from partners and third parties.

5.2.3 Whilst it may be acceptable to accept a token or small gift on one occasion, employees should refuse repeated gifts, even if these are individually not of a significant value, so as not to create a sense of obligation or the perception of such.

5.2.4 Gifts given as prizes at exhibitions, conferences, seminars, etc. as part of a free raffle or draw may be accepted but they belong to the SFRS and must be registered in the normal manner, notwithstanding that their value may be less than £50. The Head of Finance & Procurement, in consultation with the Director of Finance & Contractual Services, will determine whether it is appropriate for the individual to retain the gift in question.

5.2.5 Where it is impractical to decline or return a perishable gift, the Head of Finance & Procurement, in consultation with the Director of Finance and Contractual Services, may authorise the goods to be kept and shared at a suitable staff gathering (for example, at a pre-Christmas party gathering or a lunchtime briefing session).

5.2.6   When employees are presenting gifts on behalf of the SFRS, the following rules will be observed:

- Cash/gift cards/vouchers will not be offered;

- Gifts offered will have a monetary value of not greater than £50;

- Prior to purchase, the approval of the Head of Finance and Procurement is required for all gifts intended for a foreign public official, irrespective of value; exceptionally, any proposed gifts with a value of over £50.

5.2.7   In instances where an employee receives a gift on behalf of SFRS (other than as outlined at paragraph 5.2.2), the gift will remain the property of SFRS. The gift may be required for departmental display or it may, with approval of the Head of Finance and Procurement, remain in the care of the employee who received the gift on behalf of SFRS. Unless otherwise agreed, the gift will be returned to the relevant Department on or before the employee's last working day.

5.2.8   Further examples of what would normally be considered acceptable/ unacceptable is detailed in Appendix B. This is a broad guide only, as each case needs to be considered on its own merits, taking account of the nature of the relationship with the other party and the value of the gift.

5.3   Acceptance and Provision of Hospitality

5.3.1   The general procedure for hospitality is similar to that for gifts but there is potential for a wide range of implications which require to be considered in the context of SFRS's relationship with external third parties.

5.3.2   It is recognised that modest hospitality is an accepted courtesy of a business relationship. However, the recipient of such hospitality must not allow themselves to reach a position whereby they might be perceived by others to have been influenced in making a business decision as a consequence of accepting such hospitality. Any hospitality accepted must not be significantly greater than SFRS would be likely to provide in return.

5.3.3   In general terms, any hospitality which is promotional, representational or relates to information sharing is less likely to be perceived as creating an obligation than contacts which relate to the functions of SFRS or lead to a contractual relationship. Information sharing would include such activities as meeting with representatives of other public sector bodies or partner organisations for the purposes of comparing good practice.

5.3.4   Staff need not declare offers of the following:

- Working meals, including those taken in the course of meetings or training and meals provided by other public sector or partner organisations during information sharing events;

- Attendance at formal functions as a representative of SFRS; a formal function is an event promoted by an organisation, which can be ceremonial in nature, for which an official invitation is issued and accepted on behalf of SFRS;

- Attendance at formal social functions in relation to which invitations have been issued to all members of staff;

- Hospitality arising from the member of staff holding a public office outside SFRS, where the receipt of that hospitality is subject to the rules of another public body;

- Hospitality that is wholly unrelated to the recipient's status as an employee of SFRS;

- Attendance at seminars or training courses where hospitality is provided as part of the event.

5.3.5 Further examples of what would normally be considered acceptable/ unacceptable is detailed in Appendix B. This is a broad guide only, as each case needs to be considered on its own merits, taking account of the nature of the relationship with the other party and the value of the hospitality.

5.4 Strategic Leadership Team

5.4.1 It is recognised that the Strategic Leadership Team (SLT) conducts business with other, often international, organisations which can be ceremonial or formal in nature and, on such occasions, it is common practice to offer gifts and hospitality. It is recognised that, in such situations, gifts and/or hospitality may be offered which are not normally acceptable, however offence may be given if rejected and it can be impractical to attain prior approval to accept such offers. Where it is deemed that cordial relationships would be damaged by refusal, the SLT member may accept the gift or hospitality on behalf of SFRS. Any such gifts will remain the property of SFRS.

5.5 Procurement Staff and Those Involved in the Procurement Process

5.5.1 Staff working within the Procurement function, Property function and others directly involved in the procurement processes of SFRS will not accept gifts or hospitality of any kind, unless the hospitality takes the form of an invitation to attend a supplier or industry conference, seminar or trade show, where the hospitality element is incidental to the event and relevant business information is expected to be gained through their attendance.

5.5.2 Staff having significant advisory or technical input into the procurement decision making process will not accept gifts or hospitality, unless these are principally linked to the discussion of business matters at either a working lunch or at a supplier or industry conference, seminar or trade show.

5.5.3 No offer of hospitality or gifts, no matter the value, will be accepted during or immediately before or after, a related procurement exercise is being undertaken and staff shall exercise care to ensure no conflict of interest, perceived or actual, occurs.

5.5.4 All staff working in the Procurement function or those involved with a procurement decision making process should declare any gifts or hospitality they have declined, irrespective of value, on the Declaration Form - Appendix A.

5.6 Declaration of Interests (All Staff, except SLT and Board Members)

5.6.1 Staff who are aware that SFRS has entered into, or proposes to enter into, a contract with an organisation in which he/she or any person connected with him/her has any pecuniary interest, direct or indirect, will declare their interest by giving notice of such fact to the Head of Finance and Procurement as soon as practicable.

5.6.2 Staff will declare any relevant interests by completing the Declaration Form in Appendix A and submit to the Head of Finance and Procurement.

5.6.3 Staff who are involved in the User Intelligence Group (UIG) process related to SFRS procurement activity will be required to complete a Code of Conduct Form at the initial meeting of the UIG, declaring any interest with their participation in the process to be undertaken. Failure to complete the Code of Conduct will be reported to the Head of Finance and Procurement and will result in non- participation in the procurement process.

5.7 Declaration of Interests (SLT only)

5.7.1 SLT responsibilities in relation to ensuring transparency of their interests require each member of the SLT to be more specific about the interests they must declare and therefore register. Members of the SLT will therefore declare their interests against the categories listed below and in line with the procedures detailed in this section:

- Category 1 – Remuneration;
- Category 2 – Related Undertakings;
- Category 3 – Contracts;
- Category 4 – Houses, Land and Buildings;
- Category 5 – Shares and Securities;
- Category 6 – Non-Financial Interests.

5.7.2 SLT members will declare their interests against the 6 categories using a Register of Interests Declaration Form (Appendix C). Any changes to their interests must be notified to the Business Support Team within 10 working days of the SLT Member being made aware of the change by following the procedures at paragraph 5.13.2.

5.7.3   On appointment to the SLT, the Business Support Team will ensure each individual completes a Register of Interests Declaration Form (Appendix C) not later than 10 working days after the date of their appointment. The Business Support Team will then use the completed Declaration Form to prepare an entry within the SFRS Principal Register of Interests (Appendix D).

5.7.4   A 'Declaration of Interests' standing agenda item will feature at the beginning of each formal SLT meeting. This arrangement will allow SLT members to declare any actual or potential financial and/or non-financial conflicts of interest associated with the business for consideration on the agenda.

5.7.5   SLT members who are aware that SFRS has entered into, or proposes to enter into, a contract with an organisation in which he/she or any person connected with him/her has any pecuniary interest, direct or indirect, will declare their interest by giving notice of such fact to the Head of Finance and Procurement as soon as practicable.

5.7.6   SFRS will maintain all records in respect of a SLT Member's Register of Interests until five years after the date they cease to be a member of the SLT.

5.8   Declaration of Interests (Board Members only)

5.8.1   Board Member responsibilities in relation to ensuring transparency of their interests require each Board Member to be more specific about the interests they must declare and therefore register. Members of the Board will therefore declare their interests against the categories listed below and in line with the procedures detailed in this section:

- Category 1 – Remuneration;
- Category 2 – Related Undertakings;
- Category 3 – Contracts;
- Category 4 – Houses, Land and Buildings;
- Category 5 – Shares and Securities;
- Category 6 – Non-Financial Interests.

5.8.2   Board Members will declare their interests against the 6 categories using a Register of Interests Declaration Form (Appendix C). Any changes to their interests must be notified to the Board Support Team within 10 working days of the Board Member being made aware of the change by following the procedures at paragraph 5.13.2.

5.8.3   On appointment to the Board, the Board Support Team will ensure each individual completes a Register of Interests Declaration Form (Appendix C) not later than 10 working days after the date of their appointment. The Board Support Team will then use the completed Declaration Form to prepare an entry within the SFRS Principal Register of Interests (Appendix D).

5.8.4   A 'Declaration of Interests' standing agenda item will feature at the beginning of each formal Board/Committee meeting. This arrangement will allow Board Members to declare any actual or potential financial and/or non-financial conflicts of interest associated with the business for consideration on the agenda.

5.8.5   Board Members who are aware that SFRS has entered into, or proposes to enter into, a contract with an organisation in which he/she or any person connected with him/her has any pecuniary interest, direct or indirect, will declare their interest by giving notice of such fact to the Head of Finance and Procurement as soon as practicable.

5.8.6   SFRS will maintain all records in respect of a Board Member's Register of Interests until five years after the date they cease to be a member of the Board.

5.9   Commercial Sponsorship

5.9.1   As a general principle, acceptance of offers of sponsorship from commercial third parties cannot be seen to compromise procurement or other business decisions of SFRS.

5.9.2   All such offers must be refused, unless prior approval to accept has been received from the Head of Finance and Procurement. This includes sponsorship of SFRS charity events.

5.9.3   Attendance at relevant commercially sponsored conferences and courses is acceptable within the terms of paragraph 5.9.1. Receipt or provision of such sponsorship will be recorded in the Register.

5.10   Monetary Gifts/Gratuities

5.10.1   The acceptance of or giving of monetary gifts or gratuities of any value is not acceptable under any circumstances. This extends to gift cards or vouchers.

5.10.2   Where monies are received by SFRS on behalf of an affiliated charity all monies must be passed to the relevant Charity as soon as practicable and confirmation that the money has been handed to the charity forwarded to the Head of Finance & Procurement.

5.11   External Third Parties

5.11.1   All such bodies working or acting on behalf of SFRS must comply with the SFRS's standards with regard to Gifts, Hospitality and Interests and with the requirements of the Bribery Act 2010, and must ensure that their staff are required to comply with those standards and requirements and receive appropriate training.

5.11.2   SFRS may require a written assurance from a third party of their compliance with SFRS's standards and the requirements of the Act, including details of the anti-bribery measures that they have taken.

5.11.3   SFRS reserves the right to terminate its contractual arrangements with any third party providing services for or on behalf of SFRS with immediate effect and without compensation for any loss where there is reasonable evidence that they/their staff have committed an act of bribery. Where appropriate, SFRS will include terms in its contracts with third parties requiring compliance with SFRS's standards and with the requirements of the Bribery Act.

5.12   Inducements

5.12.1   Employees will refer to the Head of Finance and Procurement any overt or covert offer of any gift, benefit or hospitality or other inducement linked to them taking some action pertaining to a contract with an external third party or a prospective decision of SFRS.

5.13   Completing the Declaration Forms

5.13.1   Where the procedures require a member of staff to complete the Declaration Form in Appendix A, it must be done in paper format and signed by the employee. Thereafter, the form must be passed by the individual to their line manager for approval and signature. After being signed off by the Line Manager, it must be submitted electronically to the Head of Finance and Procurement who will acknowledge and retain the form in electronic format.

5.13.2   Where the procedures require a member of the SLT or the Board to complete the Declaration Form in Appendix C, it must be done in paper format and signed by the SLT or Board member. Thereafter, the form must be submitted electronically to the Board Support Team (BoardSupportTeam@firescotland.gov.uk) who will acknowledge and retain the form in electronic format. The Board Support Team will update the SFRS Principal Register and the information published on the SFRS website.

5.13.3   All employees are personally responsible for making the appropriate declaration. A failure to make a gifts, hospitality or interests declaration within 10 working days, or an incomplete/misleading declaration, may be deemed to be misconduct under the Employee Code of Conduct and may result in disciplinary action.

6.   THE REGISTER OF GIFTS, HOSPITALITY AND INTERESTS

6.1   The Head of Finance and Procurement will ensure that appropriate arrangements are in place for maintaining a Register of Gifts and Hospitality for **all employed staff, SLT and Board Members,** of the SFRS. All gifts and hospitality that are declared using the procedures set out in this Policy will be recorded in the Register of Gifts and Hospitality and published on the SFRS Website. The Register of Gifts and Hospitality will be reviewed on a quarterly basis through the Corporate Assurance Board.

6.2   The Head of Finance and Procurement will also ensure that appropriate arrangements are in place for maintaining a Register of Interests for all employees. All interests that are declared by employees using the procedures set out in Section 5.6 will be recorded in the Register of Interests and published on the SFRS Website. The Register of Interests will be reviewed on a quarterly basis.

6.3   All interests that are declared by the SLT, using the procedures set out in Section 5.7, will be recorded in the SFRS Principal Register of Interests and published on the SFRS Website. The SFRS Principal Register of Interests will be reviewed on a quarterly basis.

6.4   All interests that are declared by the Board, using the procedures set out in Section 5.8, will be recorded in the SFRS Principal Register of Interests and published on the SFRS Website. The SFRS Principal Register of Interests will be reviewed on a quarterly basis.

6.5   The Board and Business Support Teams will ensure an up-to-date hard copy of the SFRS Principal Register of Interests is made available for public inspection at SFRS HQ.

6.6   SFRS will maintain all records in respect of a Gifts, Hospitality and Interests Register until five years after the date they cease to be a member of the SFRS.

6.7   All Registers will be audited as required by Internal Audit, as instructed by the Director of Finance and Contractual Services, and will be available to the External Auditors.

7.   MONITORING OF THE POLICY

7.1   The Director of Finance and Contractual Services will be responsible for submitting a report on a quarterly basis to the Corporate Assurance Board and the Audit and Risk Assurance Committee detailing the declarations as required by the Policy.

8.   ASSOCIATED DOCUMENTS / REFERENCES / APPENDICES

Gifts, Hospitality and Interests Declaration Form

Disciplinary Policy and Procedure

Employee Code of Conduct

Members' Code of Conduct

Financial Regulations

Scheme of Delegations

Standing Orders for the Regulation of Contracts

Bribery Act 2010

Ethical Standards in Public Life (Scotland) Act 2000

Scottish Public Finance Manual

APPENDIX A

GIFTS, HOSPITALITY AND INTERESTS DECLARATION FORM

(All relevant sections must be completed)

SCOTTISH FIRE AND RESCUE SERVICE
Working together for a safer Scotland

PART A: DECLARATION

GIFT / HOSPITALITY / SPONSORSHIP	☐ (complete Part C)	ACCEPTED	☐		
		DECLINED	☐		
INTEREST	☐ (complete Part D)	CONFLICT WITH CURRENT ROLE	YES ☐	NO ☐	

PART B: PERSONAL DETAILS

NAME OF PERSON DECLARING:		PAYROLL NO.	
DIRECTORATE:		LOCATION:	
DESIGNATION:		ROLE:	

PART C: GIFTS, HOSPITALITY OR SPONSORSHIP

DATE OFFERED / RECEIVED:		RECEIVED FROM:	
IF ACCEPTED PROVIDE REASON:			
APPROXIMATE VALUE:		DETAILS OF ITEM:	

PART D: DECLARATION OF INTEREST BY STAFF (NOT SLT)

DATE INTEREST DECLARED TO MANAGER:	
DETAILS OF INTEREST BEING DECLARED:	
PROVIDE DETAILS IF CONFLICTS WITH CURRENT ROLE:	

PART E: STATEMENT TO BE COMPLETED BY PERSON MAKING DECLARATION

I declare that the **(INSERT AS APPROPRIATE)** declared or received was entirely consistent with the requirements of SFRS Gifts, Hospitality & Interests Policy, and that no business decisions have or will be improperly influenced by gifts or advancements nor personal gain obtained.

I confirm that I have read and understand SFRS Gifts, Hospitality & Interests Policy and have made all necessary declarations.

| SIGNED BY PERSON MAKING DECLARATION: | | DATE: | |

PART F: STATEMENT TO BE COMPLETED BY AUTHORISING MANAGER

MANAGER'S STATEMENT:		I confirm I have been made aware of the above declaration without delay.	YES ☐
			NO ☐
PRINT NAME:		ROLE:	
SIGNED:		DATE:	

Return completed declaration form to SFRS.Compliance@firescotland.gov.uk

APPENDIX B - GUIDING CRITERIA AND EXAMPLES

A list of examples of Gifts and Hospitality that would normally be considered as acceptable / unacceptable list set out below. This is a broad guide only, as each case needs to be considered on its own merits, taking account of the nature of the relationship with the other party and the value of the hospitality.

Gifts	Acceptable	Unacceptable
	Low intrinsic value, e.g.: • Pocket Diary • Calendar or other stationery • Calculator • Key ring • Minor promotional items • Paperweight • Decorative items (wall plaque) • Box of chocolates • Flowers • Official gift which bears the donor's name or insignia the presentation of which was ceremonial in nature and which is to be retained in the offices of SFRS • Low value gifts (below £50) between other Emergency Services / Partner Organisations	All other gifts, e.g.: • Gift vouchers (other than through SFRS Reward / Recognition Schemes • Membership / subscription to an organisation such a sports / other club • Tickets to sporting or social / leisure event • Holidays or holiday travel • Goods / services at trade / discount prices (other than discounts negotiated by SFRS on behalf of staff) • "Gifts in kind" such as professional expertise which would normally incur a fee • Repeated offers of gifts from the same person / organisation even where the value on each occasion is less than £50 • Gifts from individuals / organisations tendering for work or where a procurement process is imminent or has just been completed • Receipt of payment from external organisation for work undertaken in an individual's official capacity as employee of SFRS

Hospitality	Acceptable	Unacceptable
	• Refreshments freely available to all persons attending an event • Working lunches and dinners which form part of meetings, training and similar events • Attendance at events where the individual is in attendance in their capacity as an official representative of SFRS • Attendance at formal functions as a representative of the SFRS; a formal function is an event promoted by an organisation, usually ceremonial in nature, for which an official invitation is issued and accepted on behalf of the SFRS	• Personal invitations for evenings out with representatives from a company or firm who have dealings with the SFRS or who are likely to have dealings in the future • Travel and accommodation • Use of vehicles • Repeated offers of hospitality from the same person / organisation even where the value on each occasion is less than £50 • Hospitality from individuals / organisations tendering for work or where a procurement process is imminent or just been completed

APPENDIX C – REGISTER OF INTERESTS FORM (SLT & BOARD)

SCOTTISH FIRE AND RESCUE SERVICE

GENERAL NOTICE OF REGISTERABLE INTERESTS

Name of SLT/BOARD Member:

_____

FOR INCLUSION IN THE SCOTTISH FIRE AND RESCUE SERVICE PRINCIPAL REGISTER OF INTERESTS

As a Member of the Scottish Fire and Rescue Service (SFRS) Strategic Leadership Team or Board it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of the SFRS Code of Conduct.

Description of Interest	Entry (please state **NONE** where applicable)
Category 1: Remuneration You have a Registerable Interest where you receive remuneration by virtue of being: • employed; • self-employed; • the holder of an office; • a director of an undertaking; • a partner in a firm; or • undertaking a trade, profession or vocation or any other work. In relation to the above, the amount of remuneration does not require to be registered and remuneration received as a Member does not have to be registered. If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two, "Related Undertakings". If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered. When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation. When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business. Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which you are paid. When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business. Registration of a pension is not required as this falls outside the scope of the category.	

Category 2: Related Undertakings You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship. You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration. The situations to which the above paragraphs apply are as follows: • you are a director of a board of an undertaking and receive remuneration • declared under category one – and • you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.	
Category 3: Contracts You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 4.19 below) have made a contract with the SFRS of which you are a Member: (i) under which goods or services are to be provided, or works are to be executed; and (ii) which has not been fully discharged. You must register a description of the contract, including its duration, but excluding the consideration.	

Category 4: Houses, land and Buildings You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of the SFRS. The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the SFRS and to the public, or could influence your actions, speeches or decision making.	
Category 5: Shares and Securities You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of (a) the SFRS and (b) the nominal value of the share is: (i) Greater than 1% of the issued share capital of the company or other body; or (ii) Greater than £25,000 Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.	
Category 6: Non-Financial Interests You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of the SFRS. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any nonfinancial interest could potentially affect your responsibilities to the SFRS and to the public, or could influence your actions, speeches or decision-making.	

Please complete and return this form to BoardSupportTeam@firescotland.gov.uk or alternatively, Board Support Team, Management Suite, SFRS HQ, Westburn Drive, Cambuslang, G72 7NA. By submitting this request, I confirm that:

a)   I understand that my entry on the register of interests will be displayed on the SFRS Website (contact details will be treated in confidence in accordance with the Data Protection Act 2018);

b)   Completion of this register does not release me from my responsibility to declare any interests I hold linked to specific discussions and items in formal meeting contexts; and

c)   I will inform the Service of any changes to the information contained in my register of interests within 10 days of the change to the information.

Signature: ..…………………………………………………………………………………………

APPENDIX D – PRINCIPAL REGISTER OF INTERESTS (SLT & BOARD)

SCOTTISH FIRE AND RESCUE SERVICE

PRINCIPAL REGISTER OF INTERESTS

NAME:

Category	Interest Declared	Date Interest was Declared
Remuneration		
Related Undertakings		
Contracts		
Houses, Land and Buildings		
Shares and Securities		
Non-financial Interests		

By submitting this request, I confirm that:

a) I understand that my entry on the register of interests will be displayed on the SFRS website (contact details will be treated in confidence in accordance with the Data Protection Act 2018);

b) Completion of this entry does not release me from my responsibility to declare any interests I hold linked to specific discussions and items in formal meeting contexts, and

c) I will inform of any changes to the information contained in my register of interests within 10 days of the change to the information.

Signed:	Date of Review:

SCOTTISH FIRE AND RESCUE SERVICE
Audit and Risk Assurance Committee

Report No: C/ARAC/05-21

Agenda Item: 12.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	**21 JANUARY 2021**							
Report Title:	**STRATEGIC RISK REGISTER**							
Report Classification:	**For Scrutiny**	**Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to Board Standing Order 9**						
		A	B	C	D	E	F	G

1	**Purpose**
1.1	The purpose of this report is to seek approval from the Audit and Risk Assurance Committee (ARAC) regarding the updated Strategic Risk Register (SRR).

2	**Background**
2.1	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.
2.2	The Strategic Leadership Team (SLT) has responsibility for the identification and management of strategic risk and will ensure that the SRR presents 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 aims and objectives.
2.3	The risk management framework provides a single consistent approach to the identification, assessment and reporting of risk across the Service. The most significant risks are reported through the SRR and are aligned to the Scottish Fire and Rescue Services (SFRS) Strategic Plan.
2.4	Strategic risks 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 Officers provide information on the current controls in place and identify additional actions still required.

3	**Main Report and Discussion**
3.1	The Strategic Risk Register, attached in Appendix A, identifies the Services 9 Strategic Risks and 50 aligned Directorate risks. Each strategic risk is aligned to one of the 4 strategic outcomes with each Directorate risk aligned with one of 16 strategic objectives. Appendix B details the Directorate risks aligned to ARAC.
3.2	Following the ARAC meeting of 8 October 2020 the Action Log suggested that additional narrative should be included within the register outlining how targets will be achieved. Aligned to the development of InPhase this additional reporting will be added to future electronic registers. The additional information now added by Directorates still requires further developed and discussions will be held with Directorates to tailor this information to meet Committee needs.

3.3	Following review by Directorates the following changes have been incorporated within revised Directorate registers and outlined within the strategic register:
3.3.1	<u>New Risks Added</u> • Service Development Risk 4 and 5 are new risks added to the register following the integration of ICT within the Directorate. Both concern ESMCP in relation to levels of engagement, resourcing and funding. • Service Delivery Risk 11. This is a new risk escalated from the Response & Resilience functional register following discussion at the Service Delivery DMT. • Service Development Risk 7 is a new risk added to the Directorate Register. This risk was previously recorded as FCS Risk 9 and has moved with the integration of ICT within Service Delivery.
3.3.2	<u>Risks Removed or Risk Rating Reduced</u> • SPPC Risk 9. The risk rating has been reduced from 12 to 4. With the target risk rating achieved through work undertaken, in part, through the Affiliated Organisation Board the risk will be removed from the Directorate Register and monitored as business as usual. • TSA Risk 4 risk will be removed from the Directorate Register with ongoing monitoring undertaken through the Programme Office. • POD Risk 4. The risk rating has been reduced from 16 to 12. Despite continuing Covid-19 restrictions, and associated impacts upon other Directorates, the Directorate successfully supported firefighter recruitment campaigns and other vacancy processes within support Directorates minimising the overall risk to the Service.
3.3.3	<u>Risks with Increased Assessments</u> • Service Development Risk 10. The risk rating has increased from 16 to 20. Covid restrictions have limited the Services ability to undertake physical auditing activity within certain premise types. Despite additional remote auditing a significant proportion of premises are awaiting audit and linked to limited capacity in this area has resulted in the increased risk rating. • SPPC Risk 6. The risk rating has increased from 8 to 12. Significant consultation work will be undertaken over the next few years in relation to the Future Vision, the Service Delivery Model Programme and UFAC. With limited resource and capacity and a need to develop a dedicated approach to consultation the level of associated risk has increased. • SPPC Risk 8. The risk rating has increased from 8 to 12 reflecting limited staff resource availability, due to absence, to support the sustainability framework which has now been delayed. • TSA Risk 1. The risk has increased from 16 to 20. With Covid-19 restrictions lasting longer than anticipated the loss of key skills / skills currency will take longer to recover resulting in an increased risk to the Service.

	• TSA Risk 2. The risk rating has increased from 15 to 20. Aligned to TSA 1, Covid-19 restrictions, lasting longer than anticipated, has resulted in the loss of key skills / skills currency resulting in an increased risk to the Service. • Service Delivery Risk 6. The risk rating has increased from 16 to 20. Not all aspects of recruitment have been undertaken as planned and with quarantine and other H&S processes implemented to protect staff, recruitment timescales have been extended within an impact upon Service Delivery. Although additional processes have been implemented to manage this position capacity levels have been impacted within Wholetime and RVDS resulting in an increased risk to the Service. • SPPC Risk 2. The risk rating has increased from 12 to 15. Aligned to SPPC 6 significant consultation work will be undertaken over the next few years in relation to the Future Vision, the Service Delivery Model Programme and UFAC. With limited resource and capacity and a need to develop a dedicated approach to consultation the level of associated risk has increased. • Service Development Risk 1. The risk rating has increased from 10 to 16. This reflects capacity issues associated within the Directorate, including issues being experienced specifically within ICT who have now been integrated within Service Development.
3.4	The SLT is asked to agree these changes and to consider whether any additional revision of the overarching strategic risk ratings is required. Following agreement of the register a report will be forwarded to ARAC on 21 January 2021 detailing the new Strategic Register for scrutiny and oversight.
3.5	Work through Business Intelligence and Data Services has been undertaken to review risk data, aligning it with InPhase development work. Reporting tools have been developed to report on Strategic and Directorate Risks with further work progressing in relation to a reporting tool for Members and Executive Boards.
4	**Recommendation**
4.1	The Audit and Risk Assurance Committee is asked to scrutinise the revised Strategic Risk Register.
5	**Key Strategic Implications**
5.1 5.1.1	**Financial** There are no direct financial implications associated with this report.
5.2 5.2.1	**Environmental & Sustainability** There are no direct environmental or sustainability issues.
5.3 5.3.1	**Workforce** There are no direct Workforce issues associated with this report.
5.4 5.4.1	**Health & Safety** There are no direct Health & Safety implications associated with this report.
5.5 5.5.1	**Training** The introduction of InPhase will require additional training across all Directorates in its use and alignment to performance and business information.
5.6 5.6.1	**Timing** There are no direct timing implications associated with this report.

5.7	**Performance**
5.7.1	The risk management framework forms part of the Services wider governance arrangements which collectively ensure performance is managed and improved where possible.

5.8	**Communications & Engagement**
5.8.1	Direct communication and engagement with the Board, SLT and Directorates ensures awareness and ownership of risk is effectively managed.

5.9	**Legal**
5.9.1	There are no direct legal implications arising from this report.

5.10	**Information Governance**
5.10.1	There are no direct information governance implications associated with this report.

5.11	**Risk**
5.11.1	The risk register forms a core part of the SFRS risk management framework and assurance arrangements.

5.12	**Equalities**
5.12.1	An Equality Impact Assessment has been undertaken in relation to the Risk Management Policy. There are no additional equality implications associated with this report.

5.13	**Service Delivery**
5.13.1	There are no direct Service Delivery implications associated with this report.

6	**Core Brief**
6.1	Not applicable

7	**Appendices/Further Reading**
7.1	Appendix A: Strategic Risk Register
	Appendix B: ARAC Aligned Directorate 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
The Risk Management Framework forms part of the Services Governance arrangements and links back to Outcome 4 of the 2019-22 Strategic Plan, specifically Objective 4.2 • Outcome 4: We are fully accountable and maximise our public value by delivering a high quality, sustainable fire and rescue service for Scotland. • Objectives 4.2: We will minimise the risks we face through effective business management and high levels of compliance with all our responsibilities.

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Strategic Leadership Team	*14 January 2021*	*For Decision*
Audit and Risk Assurance Committee	*21 January 2021*	*For Scrutiny*

Scottish Fire and Rescue Service
Strategic Risk Register
January 2021

Very High
High
Medium
Low

Very High
High
Medium
Low

APPENDIX A

Risk Ref. No.	Date Identified	Strategic Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1,2,3,4)	Original Risk Assessment (Assessment at beginning of Financial year)			Associated Directorate Risks	Directorate Risk RAG Status	Governance and Scrutiny Arrangements		Target Risk Assessment (Anticipated Assessment at end of Financial year)			Current Risk Rating	Responsible Officer (Directorate Risk Register)	SLT Risk Owner
				Probability (P)	Impact (I)	Risk Rating (RR)			Committee	Executive Board	P	I	RR			
1		Ability to improve the safety and well-being of people throughout Scotland through the delivery of our services	1,2	3	4	12	SD2 - There is a risk of failing to plan the response for planned or unplanned concurrent events, due to inadequate funding or lack of resources. This would result in having inadequate resilience in place and impact our ability to deliver an efficient and effective service. Examples of these types of events are COP26, EU Exit, Covid-19, severe weather, loss of utilities, fuel disruption, industrial action, death of the monarch and pandemic flu (Sep 2020 probability reduced due to mitigation measures in place)	10	Service Delivery Committee	Senior Management Board	3	4	12	12	Head of Response and Resilience	Director of Service Delivery
							SD4 - There is a risk of failing to maintain a standard suite of Policies because of the volume of Policies and the consultation timeframe. This would result in having an inconsistent approach to service response and could lead to possible operational failures resulting in a death or serious injury to staff or members of our local communities.	9	Service Delivery Committee	Senior Management Board					Head of Response and Resilience	
							SD5 - There is a risk of failing to meet our statutory requirements regarding water planning activities due to relationship with Scottish Water and financial constraints. This will impact on the maintenance and repair of hydrants and ability to resolve incidents successfully.	8	Service Delivery Committee	Senior Management Board					Head of Response and Resilience	
							SD8 - There is a risk that the SFRS is unable to focus on the impact of unintentional harm within our communities. This would be due to inadequate internal resources, capacity or information sharing protocols The result that the recording and storage of data would be impacted where internal systems in use do not comply with agreed information governance protocols. This will effectively remove SFRS from this type of activity and impact the ability to target interventions at people and places of greatest risk	16	Service Delivery Committee	Senior Management Board					Head of Prevention and Protection	
							SD10 - There is a risk the the SFRS is unable to effectively enforce fire safety legislation in compliance with part 3 of the Fire (Scotland) Act 2005 in relevant premises. This could be because of the lack of sufficient, suitably trained SFRS fire safety enforcement staff locally and nationally. This could result in; Increased risk to communities, Increase risk to firefighter safety, legal challenges and negative media coverage and reputational damage.	20	Service Delivery Committee	Senior Management Board					Head of Prevention and Protection	
							SD11 - There is a risk of a failure to appropriately service 'Reserved' matters that are not devolved to Scottish Government. In particular, delay in delivering a SFRS MTA Strategy could increase the risk to all operational personnel and our communities, which could lead to negative public scrutiny, judicial review and/or damage to reputation. There is a particular focus on the risk of MTA incidents at present, given recent local and international developments.	16	Service Delivery Committee	Senior Management Board					Head of Response & Resilience	
							SDev2 - There is a risk that the Directorate is unable to ensure access to high quality usable data to inform organisational decision making relative to Service Development due to data protection, cost, resources or capability. This could result in failure to achieve objectives in terms of continous improvement, best value positive change.	12	TMPC	Senior Management Board					Head of Service Delivery Programme Review	

Risk Ref. No.	Date Identified	Strategic Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1,2,3,4)	Original Risk Assessment (Assessment at beginning of Financial year)			Associated Directorate Risks	Directorate Risk RAG Status	Governance and Scrutiny Arrangements		Target Risk Assessment (Anticipated Assessment at end of Financial year)			Current Risk Rating	Responsible Officer (Directorate Risk Register)	SLT Risk Owner
				Probability (P)	Impact (I)	Risk Rating (RR)			Committee	Executive Board	P	I	RR			
2		Ability to reduce the number of unwanted fire alarm signals and associated occupational road risk	1	5	3	15	SD7 - There is a risk that the SFRS is unable through partnership working and policy development to reduce the volume of unwanted fire alarm signals. This would be due to agreed processes and initiatives not being executed or introduced nationally/locally The result would be increased or excessive operational demand on the SFRS, an increase of blue light journeys and consequential risk.	15	Service Delivery Committee	Senior Management Board	5	3	15	15	Head of Prevention and Protection	Director of Service Delivery
3		Ability to collaborate effectively with partners and communities, to enhance service delivery and best value	1,2	3	4	12	SPPC6 - There is a risk to the Directorate where it fails to ensure consultation and engagement processes support effective decision making resulting in loss of opportunity and a loss of workforce, stakeholder and public confidence.	12	Audit and Risk Assurance Committee	Corporate Assurance Board	3	4	12	12	Head of Communications & Engagement	Deputy Chief Officer
							SPPC7 - There is a risk to the Directorate where it fails to protect the reputation of the Scottish Fire and Rescue Service resulting in a loss of workforce, stakeholder and public confidence.	12	Audit and Risk Assurance Committee	Corporate Assurance Board					Head of Communications & Engagement	
							SPPC8 - There is a risk to the Directorate where it is unable to demonstrate corporate social responsibility and sustainability resulting in uncoordinated development and loss of workforce, stakeholder and public confidence.	8	Audit and Risk Assurance Committee	Corporate Assurance Board					Head of Corporate Governance	
							SPPC9 - There is a risk to the Directorate where it is unable to manage relationships with SFRS' affiliated organisations and charity partners: there is a risk to the delivery of some of the SFRS' priorities, and to its reputation, if relationships with affiliated organisations and charity partners are not appropriately managed.	4	Audit and Risk Assurance Committee	Affiliated Organisations Board					Head of Corporate Governance	
							SD9 - There is a risk that the SFRS cannot successfully engage with partners, communities and other stakeholders on matters of community safety and resilience. This could be because of a breakdown of partnership relationships, information sharing protocols or agreed processes failing to be undertaken nationally and locally. This could result in negative outcomes for communities ,additional levels of external and internal scrutiny and negative media coverage and reputational damage.	8	Audit and Risk Assurance Committee	Senior Management Board					Head of Prevention and Protection	
							SPPC10 - There is a risk to the Directorate where it fails to meet our duties to participate in Community Planning resulting in missed opportunities and in a loss of workforce, stakeholder and public confidence.	12	Audit and Risk Assurance Committee	Corporate Assurance Board					Head of Corporate Governance	
							SPPC11 - There is a risk to the Directorate where it fails to effectively manage our relations with our partners in the Reform Collaboration Group resulting in a loss of workforce, stakeholder and public confidence.	12	Audit and Risk Assurance Committee	Corporate Assurance Board					Head of Corporate Governance	
							SPPC3 - There is a risk to the directorate where it fails to govern the organisation in compliance with statutory frameworks including the Fire (Scotland) Act 2005, the Fire and Rescue Framework for Scotland 2016 and the Community Empowerment (Scotland) Act 2015	8	Audit and Risk Assurance Committee	Corporate Assurance Board					Head of Corporate Governance	

Risk Ref. No.	Date Identified	Strategic Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1,2,3,4)	Original Risk Assessment (Assessment at beginning of Financial year)			Associated Directorate Risks	Directorate Risk RAG Status	Governance and Scrutiny Arrangements		Target Risk Assessment (Anticipated Assessment at end of Financial year)			Current Risk Rating	Responsible Officer (Directorate Risk Register)	SLT Risk Owner
				Probability (P)	Impact (I)	Risk Rating (RR)			Committee	Executive Board	P	I	RR			
4		Ability to ensure legal and regulatory compliance	4	3	4	12	SPPC4 - There is a risk to the Directorate where it fails to comply with information governance legislation resulting in sanctions and loss of stakeholder and public confidence	12	Audit and Risk Assurance Committee	Corporate Assurance Board	3	4	12	12	Head of Communications & Engagement	Director of Strategic Planning, Performance & Communication
							TSA5 - There is a risk of SFRS not fulfilling its health and safety legislative requirements due to not completing the annual health and safety Improvement plans. This could affect the safety of our staff and communities, external scrutiny resulting in criminal or civil litigation and adverse publicity.	16	Staff Governance Committee	National Safety and Assurance Board					Head of Health, Safety & Assurance	
5		Ability to have in place a suitably skilled, trained and motivated workforce that is well supported both physically and mentally	3	4	4	16	TSA1 - There is a risk of there being insufficient staff capacity and resources available to meet Service demand due to the high levels of training demand and the impact on delivery from Covid-19 pandemic control measures or the impacts of EU Exit. This could result in political /reputational or financial risk to the Function, Directorate and Service, adverse scrutiny whether internal or external, reduced delivery of our critical skills training programme to accommodate other training needs and adversely impact upon the development pathway for staff.	20	Staff Governance Committee	Staff Governance Board	3	4	12	16	Head of Training	Director of People & Organisational Development Director of Training, Safety and Assurance
							TSA4 - There is a risk of us not having the ability to develop a sustainable skills profile within programme office portfolio work, due to there being insufficient staff capacity and resources available to do so. This could result in our staff having insufficient capability to realise identified service improvements and may cause increases in work related stress.	9	Staff Governance Committee	Staff Governance Board					Head of Training	
							POD1 - The risk that a positive and transparent working culture cannot be achieved and aligned with SFRS Values because of a lack of inclusion initiatives, role modelling by senior leaders or consistency of message that results in low levels of employee engagement and performance.	12	Staff Governance Committee	Staff Governance Board					Head of People & Organisational Development	
							POD3 - The risk of being unable to maintain a positive and productive employee relations climate across SFRS as a result of ineffective and no collaborate relationships with trade union colleagues that creates a hostile and fractious employee relations climate with employee discontent.	9	Staff Governance Committee	Staff Governance Board					Head of People & Organisational Development	
							POD4 - The risk of being unable to support recruitment of staff across the SFRS, in a timely manner and aligned with workforce planning requirements resulting from prolonged recruitment processes or delayed/unplanned recruitment scheduling resulting in a rise in vacant posts and an inability of SFRS to deliver core services.	12	Staff Governance Committee	Staff Governance Board					Head of People & Organisational Development	
							POD5 - The risk of not developing and providing wellbeing support to all SFRS employees, (both mental and physical health) resulting from a lack of resources, planning and co-ordination of wellbeing activity and support which results in higher levels of employee absence and lower levels of engagement.	6	Staff Governance Committee	Staff Governance Board					Head of People & Organisational Development	

Risk Ref. No.	Date Identified	Strategic Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1,2,3,4)	Original Risk Assessment (Assessment at beginning of Financial year)			Associated Directorate Risks	Directorate Risk RAG Status	Governance and Scrutiny Arrangements		Target Risk Assessment (Anticipated Assessment at end of Financial year)			Current Risk Rating	Responsible Officer (Directorate Risk Register)	SLT Risk Owner
				Probability (P)	Impact (I)	Risk Rating (RR)			Committee	Executive Board	P	I	RR			
							FCS1 - There is a risk that FCS doesn't have sufficient capacity to undertake required workload due to increasing Covid-19 and other commitments. This can result in reduced capacity to manage business as usual activities and other requirements placed upon the Directorate.	12	Staff Governance Committee	Staff Governance Board					FCS Heads of Functions	
							SD6 - There is a risk that Service Delivery is unable to maintain an effective level of capacity and resource within the Directorate because of challenges relating to the recruitment, promotion and retention of staff. This could result in Service Delivery not meeting its statutory duties under The Fire (Scotland) Act 2005, The Fire and Rescue Framework for Scotland 2016, The Fire (Additional Function) (Scotland) Order 2005 and Regulation 11 of the Building (Procedure) (Scotland) Act 2004.	20	Service Delivery Committee	Senior Management Board					Service Delivery Heads of Function	
6		Ability to have in operational use the necessary assets, equipment, supplies and services to enable the smooth running of the organisation, that exploit available technologies and deliver public value.	4	4	5	20	SD1 - 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.	20	Service Delivery Committee	Asset Management Liaison Board	4	5	20	20	Head of Response and Resilience	Director of Finance & Contractual Services
							SD3 - There is a risk of SFRS operational availability systems reaching end of life and failing and the existing supplier ceasing to support or maintain legacy systems . This would impact SFRS ability to effectively mobilise. It would also cause reliability issues and license issues in some LSO areas of SFRS.	15	Service Delivery Committee	Asset Management Liaison Board					Head of Response and Resilience	
							SPPC5 - There is a risk to the Directorate where it fails to ensure quality of data, analysis, statistics and performance management information from SFRS systems resulting in a lack of evidence supported decision making and planning.	12	Audit and Risk Assurance Committee	Corporate Assurance Board					Head of Corporate Governance	
							POD2 - The risk of being unable to plan, resource, deliver and implement programme for replacement of a number of People, Training, Finance and Asset and systems that could result from not having a programme team in place and other resources released to support the programme leading to the systems not supporting SFRS achieve organisational objectives.	12	TMPC	Senior Management Board					Head of People & Organisational Development	
							FCS2 - There is a risk that effective asset management planning is not undertaken because of available capital investment and available capacity due to our covid-19 response. This could result in a failure to ensure compliance with regulatory requirements and minimise the benefits that could be gained through the introduction of new technologies.	9	Audit and Risk Assurance Committee	Asset Management Liaison Board					Head of Asset Management	
							FCS3 - There is a risk that the Services ability to acquire and deploy assets fails to meet service requires due to insufficient prioritised asset investment and a lack of project management capacity. This will lead to delays in the acquisition of assets and an impact upon front line service provision.	12	Service Delivery Committee	Asset Management Liaison Board					Head of Asset Management	
							FCS4 - There is a risk that frontline assets in operational use will not be suitably maintained due to damage, loss or failure and ineffective asset maintenance. An impact in this area will lead to reduce service availability and a reduction in the health, safety and wellbeing of staff.	12	Service Delivery Committee	Asset Management Liaison Board					Head of Asset Management	

Risk Ref. No.	Date Identified	Strategic Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1,2,3,4)	Original Risk Assessment (Assessment at beginning of Financial year)			Associated Directorate Risks	Directorate Risk RAG Status	Governance and Scrutiny Arrangements		Target Risk Assessment (Anticipated Assessment at end of Financial year)			Current Risk Rating	Responsible Officer (Directorate Risk Register)	SLT Risk Owner
				Probability (P)	Impact (I)	Risk Rating (RR)			Committee	Executive Board	P	I	RR			
							SDev 7 - 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	Audit and Risk Assurance Committee	Corporate Assurance Board					Head of ICT	
7		Ability to deliver a high quality, sustainable service within the funding envelope.	4	4	4	16	FCS10 - There is a risk where financial performance reporting is not aligned with Service Delivery requirements because of poor internal engagement or adequate capacity to prepare and support business case development. The impact of this may relate to lost investment opportunity or being unable to demonstrate aligned governance arrangements.	9	Audit & Risk Assurance Committee	Corporate Assurance Board	4	4	16	12	Head of Finance & Procurement	Director of Finance & Contractual Services
							FCS5 - 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.	12	Audit & Risk Assurance Committee	Corporate Assurance Board					Head of Finance & Procurement	
							FCS6 - There is a risk that the Service will be unable to demonstrate effective planning and control of financial resources due to issues of capacity and increased demands being placed upon Sections. Whilst the risk is being managed we could experience criticisim and increased scrutiny from auditing bodies.	8	Audit & Risk Assurance Committee	Corporate Assurance Board					Head of Finance & Procurement	
							SDev4 - There is a risk that the Directorates ability to promote, enhance and mainstream an organisational culture of continual development and improvement is impacted due to a lack of resources, skills or knowlegde contributing to an inability to influence culture and promote development and postive change.	8	TMPC	Senior Management Board					Head of ICT	
							SDev5 - There is a risk that Scottish Government funding for ESMCP will not be forthcoming resulting in the service being unable to resource the ESN implementation project and deliver this key area of change within the required timescales.	15	TMPC	Senior Management Board					Head of ICT	
							SDev6 - There is a risk that we fail to engage with appropriate bodies and partners to manage the replacement of Firelink with ESN due to higher priority commitments. This could impact the resilience of the Firelink network until the replacement ESN network is available.	8	TMPC	Senior Management Board					Head of ICT	
							FCS7 - The risk to the Service is an inability to identify and deliver financial savings within required timescales. With planned spending interupted by Covid-19 and uncertainty over additional funding or savings targets we could experience criticism where projects are not completed or stated targets not achieved.	12	Audit & Risk Assurance Committee	Corporate Assurance Board					Head of Finance & Procurement	
							SPPC1 - There is a risk where the Directorate fails to provide Service Performance Management Information resulting in inaccurate data and loss of confidence in service performance.	8	Service Delivery Committee	Corporate Assurance Board					Head of Corporate Governance	
							SPPC2 - There is a risk to the Directorate where it fails to consult and communicate with stakeholders regarding service change resulting in unsupported and poorly defined change activity.	15	TMPC	Senior Management Board					Head of Communications & Engagement	

Risk Ref. No.	Date Identified	Strategic Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1,2,3,4)	Original Risk Assessment (Assessment at beginning of Financial year)			Associated Directorate Risks	Directorate Risk RAG Status	Governance and Scrutiny Arrangements		Target Risk Assessment (Anticipated Assessment at end of Financial year)			Current Risk Rating	Responsible Officer (Directorate Risk Register)	SLT Risk Owner
				Probability (P)	Impact (I)	Risk Rating (RR)			Committee	Executive Board	P	I	RR			
8		Ability to anticipate and adapt to a changing environment through innovation and improved performance	2	3	4	12	SDev1 - There is a risk that the Directorate is unable to deliver against stated ambitions and requirements. This could be due in part to limited resource and available capacity at a time where the Directorate is still developing and maturing and responding to other concurrent events. Consequences could include lack of clarity and direction for Directorate members. Inability to identify resource requirements, unable to work effectively and efficiently as a Directorate and support wider Service Development.	16	TMPC	Senior Management Board	3	4	12	12	Head of Service Delivery Programme Review	Director of Service Development
							TSA3 - There is a risk of SFRS not learning lessons from experience, notable practice, innovation, investigations and case law because of not sharing lessons in a manner which encourages communication, engagement and securing ownership by risk owners. This could affect the safety of our staff and communities, resulting in adverse impact on reputation and external scrutiny	12	Staff Governance Committee	National Safety and Assurance Board					Head of Health, Safety & Assurance	
							FCS8 - 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.	9	Service Delivery Committee	Environment & Carbon Management Board					Head of Asset Management	
9		While Covid-19 remains a threat to health, the ability of SFRS to protect staff, partners and the public while meeting service delivery demands.	1,2	5	4	20	TSA2 - There is a risk of there being insufficient staff capacity and resources available to deliver training to staff due to the ability for our facilities to accommodate the previous numbers of students due to the need to observe social distancing protocols. This could result in the failure to deliver on the Training Needs Analysis (TNA), political /reputational or financial risk to the Function, Directorate and Service, adverse scrutiny whether internal or external, reduced delivery of our critical skills training programme to accommodate other training needs and the development pathway for staff.	20	Staff Governance Committee	Staff Governance Board	3	3	9	16	Head of Training	Deputy Chief Officer
							SDev3 - There is a risk that planned Directorate activities and objectives may be impacted during our response to Covid-19 and the recovery phase. Consequences could include the inability to achieve potential efficiency savings and continue the modernisation of our response to changing Community. Consequences may also include missed opportunities to identify lessons learned that could inform continual improvement and development.	15	Service Delivery Committee	Senior Management Board					Head of Service Delivery Programme Review	
							COTAG16 - There is a risk where the Service is unable to return to normal activities as soon as practicable following its review of Covid-19 response requirements. Significant capacity has been required to respond to Covid-19 and with an anticipated new Covid phase now approaching uncertainty exists in relation to when pre-Covid activities can be resumed.	12	Service Delivery Committee	Senior Management Board					Head of Service Delivery Programme Review	
							COTAG23 - The risk to the Service relates to its ability to maintain recruitment processes throughout the period of Covid-19. Processes to maintain recruitment have been incorporated but not all aspects can be undertaken as planned. Quarantine and new procedures to ensure the health, safety and wellbeing of staff may result in extended recruitment timescales and an impact upon Service Delivery requirements.	16	Service Delivery Committee	Senior Management Board					Head of People & Organisational Development	

Step 1:   Probability   Each risk will be assessed based on the likelihood of it occurring within the organisation.

The table below gives some assistance in making this assessment.

Criteria for Evaluating Risk

Probability	Description	Numerical Value	Plain English
1	Very Low – Where an occurrence is improbable or very unlikely	1 in 20,000	Never happended and doubt it will
2	Low - Where an occurrence is possible but the balance of probability is against	1 in 2,000	Has happended before but unlikely
3	Medium- where it is likely or probable that an incident will occur	1 in 200	Will probably happen at some point in the future
4	High- where it is highly probable that an incident will occur	1 in 20	Has happended in recent past and will probably happen again
5	Very High- where it is certain that an event will occur	1 in 2	It's already happening and will continue to do so

Step 2:   Impact   Each risk will then be considered in terms of the impact it may have upon the achievement of key service priorities.

Risks may impact upon a number of different categories but it is the highest impact area that will be chosen in relation to the impact assessment.

RISK ASSESSMENT

Impact	Political	Operational	Financial	Legal& Regulatory Compliance	Reputational/Stakeholder Confidence
1	Effective Strategic Decision making, full engagement by Board and SLT and meeting in full the expectation of Scottish Government and Local Communities	No negative impact on our ability to deliver the service.	no impact on our ability to deliver a balanced budget	no adverse reputational damage to the service	Rumours, with potential for local public/political concern
2	Minor reduction in Board engagement, minimal impact upon achievement of strategic objectives and no adverse comment from SG	There will be a very minimal impact on our ability to deliver the service.	our ability to deliver a balanced budget will be realised with minimal adjustments	Potential unexpected external scrutiny of our activities due to non compliance. Some adverse media attention received.	Some negative Local press interest or Local public/political concern.
3	Question raised over effectiveness of strategic decision making, noticeable impact upon service delivery, critisim by external bodies, partners and sG	There will be a reduction in the ability for us to deliver our services and there may be minor service disruption.	action required to ensure delivery of a balanced budget. Potential adverse impact on service delivery	Prolonged adverse media attention. Critcism of our service as a result of srutiny by external bodies. Potential legal action.	Limited damage to reputation. Extended negative local press interest. Some regional public/political concern.
4	Ineffective Board engagement, challenge over strategic decision making of SFRS, failure to delvier against agreed priorities and SG critisism and threat of intervention	Service disruption for an extended period. Major consequences.	insufficient finances available to support service delivery	Inneffective governance arrangements identified resulting in Government intervention in the management of the service.	Loss of credibility and confidence in the service. National negative press interest. Significant public/political concern.
5	Failure to deliver against SG prorities, failure of Board and SLT to engage, intervention by SG and external monitoring bodies	Failure to deliver our services	failure to live within our means	failure of the service	Full Public Inquiry. International negative press interest. Major public/political concern.

Step 3:   Risk Assessment Matrix   The outcome of the probability and impact assessment will then be used to determine the overall risk assessment and prioritisation of the risk.

The table below maps your assessment and allows you to sense check each risk against each other - does the assessment feel right when compared to other risks

Probability

	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5

IMPACT

Scottish Fire and Rescue Service
Audit & Risk Assurance Committee - Aligned Directorate Risks
January 2021

APPENDIX B

					Very High
					High
					Medium
					Low

Directorate Risk Ref. No.	Date Identified	Directorate Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1, 2, 3 or 4)	Strategic Plan Objectives (1.2, 2.3)	Original Risk Assessment (Assessment at beginning of Financial year)			Existing controls	Governance and Scrutiny Arrangements		Target Risk Assessment (Assessment at end of Financial year)			Current Risk Rating	Actions Still Required (From AOP or other Planning document)	Responsible Officer	Link to Strategic Risk (If any)	Commentry for ARAC - January 2021
					Probability (P)	Impact (I)	Initial Risk Rating		Committee	Executive Board	P	I	Target Risk Rating					
SPPC3	Nov 14	Failure to govern the organisation in compliance with statutory frameworks including: - Fire (Scotland) Act 2005 - Fire and Rescue Framework for Scotland 2016 - Community Empowerment (Scotland) Act 2015	4	4.2	2	4	8	Published SFRS Strategic Plan complementing the Fire and Rescue Framework. Legal Services Team established Board Support Team, Scheme of Delegation, and support from appropriate managers within SPPC, with suitable monitoring and review. New Strategic Plan Approved and published All local authorities fully supported by SFRS Local Senior Officers in the development of Local Outcomes Improvement Plans and Locality Plans. As well as supporting this development directly, this process is also supported indirectly by the on-going reviewing and revising of all 32 Local Fire and Rescue Plans. Awareness training provided to key SFRS managers on Community Asset Transfer.	Audit and Risk Assurance Committee	Corporate Assurance Board	2	4	8	8	SO4:6 Review and improve the SFRS Corporate Governance Framework. (Feb 21) Procurement process for external legal support will come during 20/21 (This is delayed to 21/22) Produce an Annual Operating Plan each year to evidence commitment to achieving priorities set out in the Strategic Plan. Produce Mid Year Review (Q2) Produce and attend Annual Ministerial Review (Q3)	Head of Corporate Governance	4	Majority of the Annual Review Corp Gov Framework will take place in Q4 - 20% Majority of AOP for 2021/22 will be produced in Q4 - 10% Mid Year Review Complete Statement of Assurance Complete Ministerial Annual Review Complete
SPPC4	Nov 14	Failure to comply with information governance legislation resulting in sanctions and loss of stakeholder and public confidence	4	4.2	3	4	12	Compliance with Data Protection policies and procedures. Guidance and support regarding data breach/incident management. Development of e-learning package for all staff. Development of Information Sharing Protocol Policy and template/awareness training. Implementation of Secure Email System and supporting policies. Revised Freedom of Information policies and procedures are now in place to ensure requests are handled timeously within SFRS and functions have identified single points of contact for the management of requests. Guidance and support in relation to handling requests. Proactive publishing on Publication Scheme (website). Guidance and support in relation to data management, freedom of information and adoption of a business partner approach informing Directorates of governance requirments developing awareness and	Audit and Risk Assurance Committee	Corporate Assurance Board	2	4	8	12	Develop full inventory of Information Sharing Protocols to be published on iHub to assist in further partnership working cross Scotland. Started in Q3 will completed (Q4)	Head of Communications and Engagement	4	Database is on target to be completed by the end of Q4. - 75%
SPPC5	May 19	Failure to ensure quality of data, analyis, statistics and performance management information from SFRS systems resulting in a lack of evidence supported decsion making and planning.	4	4.4	3	4	12	Following concerns about the ongoing resilience and maintainance of the Home Office Incident Recording System, a SFRS Incident Recording System project was established and contingency measures put in place. A long term replacement for IRS will need to be required and at present the Home Office has not confirmed budget for this. A scoping process will commnce to ientify potential Scottish specific replacement. SFRS data services team are working with the CCF project to ensure full access to data warehouse from the new system.	Audit and Risk Assurance Committee	Corporate Assurance Board	2	4	8	12	SO4:11Publish Business Intelligence Strategy and year one action plan. (Mar 21). SO4:12 Review our approach to the recording and use of incident data, including our use of the Incident Recording System (IRS). (Mar 21)	Head of Corporate Governance	6	BI Strategy and year one action plan will be published in Q4 - 90%
SPPC6	Feb 17	Failure to ensure consultation and engagement processes support effective decision making resulting in loss of opportunity and a loss of workforce, stakeholder and public confidence.	3	3.4	2	4	8	A Communication and Engagement Strategy is in place. This will direct a consistent approach and standard across SFRS. Membership of the Consultation Institute Internal Communications Principles in place to ensure effective engagement with staff. Consultation and engagement planning will form key element of projects and policy delivery and will be scrutinised by relevant Board Committees. CitizenSpace software will be utilised for consultations to ensure the widest stakeholder reach and the provision of quantitative and qualitative reporting to inform the decision-making process. Communications and Engagement Framework using OASIS model has been developed and is to be used to support all major projects when developing communications and engagement plans to ensure conistency of approach and evaluation of impact. All major projects have a dedicated communcations officer or manager assigned to support the development and delivery of the	Audit and Risk Assurance Committee	Corporate Assurance Board	1	4	4	12	Create a dedicated SFRS Consultation and Insights team	Head of Communications and Engagement	3	Work is underway to develop job descriptions for a consultation and Insights Team. - 10%
SPPC7	Nov 17	Failure to protect the reputation of the Scottish Fire and Rescue Service resulting in a loss of workforce, stakeholder and public confidence.	4	NA	3	4	12	A Communication and Engagement Strategy has been approved by SLT and Board and sets out the key principles of engagement and consultation across SFRS. This will direct a consistent approach and standard across SFRS. Policies in place regarding engagement with Media, Political Stakeholders and the use of Social Media. Communications planning process established to support major projects.	Audit and Risk Assurance Committee	Corporate Assurance Board	3	4	12	12	Ensure communications staff are aligned to major projects. (Q4) Implement new structure within the communications department. (Q4) Develop and implement a consistent framework/process to ensure communication and engagement plans support major projects (Q4)	Head of Communications and Engagement	3	Communications staff have now been aligned to all major projects. Team leaders have been appointed. Recruitment for engagement officer and comms office to be completed. Communications team now use OASIS planning process for communications and engagement plans - 75%
SPPC8	Feb 15	Inability to demonstrate corporate social responsibility and sustainability resulting in incoordinated development and loss of workforce, stakeholder and public confidence.	4	4.1	2	3	6	SFRS proactivley contribute towards the Scottish Government sustainability goals through a range of initiaves and business processes including; Strategic committment detailed in New 2019-2022 Strategic Plan Vareity of Procurement processes and inaitves in place to support econminc and social sustainability Carbon and Environmental Management Board and action plan Committment and evidence of social responsibilty and sustainability detailed within SFRS Annual Reporting and Accounts SFRS Social Impact Pledge Supporting the sustainability of the Built Environment through P&P activity. Commitment to produce the framework is within the AOP	Audit and Risk Assurance Committee	Corporate Assurance Board	2	3	6	8	SO4:3 Implement robust arrangements to support the delivery of the SFRS Sustainable Development Framework. (Postponed)	Head of Corporate Governance	3	Postponed

Directorate Risk Ref. No.	Date Identified	Directorate Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1, 2, 3 or 4)	Strategic Plan Objectives (1.2, 2.3)	Original Risk Assessment (Assessment at beginning of Financial year)			Existing controls	Governance and Scrutiny Arrangements		Target Risk Assessment (Assessment at end of Financial year)			Current Risk Rating	Actions Still Required (From AOP or other Planning document)	Responsible Officer	Link to Strategic Risk (If any)	Commentry for ARAC - January 2021
					Probability (P)	Impact (I)	Initial Risk Rating		Committee	Executive Board	P	I	Target Risk Rating					
SPPC9	Dec 2019	Ability to manage relationships with SFRS' affiliated organisations and charity partners: there is a risk to the delivery of some of the SFRS' priorities, and to its reputation, if relationships with affiliated organisations and charity partners are not appropriately managed.	4	4.2	3	4	12	An Affiliated Organisations Board has been created within the SFRS to manage relationships with affiliated organisations and charity partners. Templates have been developed by SFRS' Legal Services function to enable Memorandums of Understanding and Service Level Agreements to be entered into between SFRS and each affiliated organisation as appropriate. A programme of work has been created to coordinate agreements being reached with each affiliated organisation around the nature of SFRS' relationship with them. A register of SFRS' charity partners has been created and will be regularly reviewed to ensure it remains up-to-date.	Audit and Risk Assurance Committee	Affiliated Organisations Board	2	2	4	4	Removal of risk from Directorate register outlined within ARAC report.	Head of Corporate Governance	3	Vast majority of work complete - 95%
SPPC10	June 2020	Failure to meet our duties to participate in Community Planning resulting in missed opportunities and in a loss of workforce, stakeholder and public confidence.	4	4.1	3	4	12	Review of Local Service Delivery Plans; LSO involvement at all levels of local community planning Seat on National Community Planning Board	Audit and Risk Assurance Committee	Corporate Assurance Board	3	3	9	12	SO3:19 Develop a SFRS Communications and Engagement Strategy for 2021-23. (Mar 21) SO4:1 Coordinate the statutory review and revision of Local Fire and Rescue Plans to support the SFRS Strategic Plan 2019-22 and to compliment Local Outcome Improvement Plans. (Mar 21) Review the SFRS approach to identifying and internally sharing good practice examples from within Community Planning; Develop a communications strategy to improve recognition of SFRS as an effective CP partner; Refresh Local service Delivery Plans (delayed till 21/22)	Head of Corporate Governance	3	Draft Coms and Engagement Strategy to be produced in Q4 - 20% Local Fire and Rescue Plans review complete Postponed to AOP for 21/22
SPPC11	June2020	Failure to effectively manage our relations with our partners in the Reform Collaboration Group resulting in a loss of workforce, stakeholder and public confidence.	4	NA	3	4	12	There is an agreed strategy to guide the work of the RCG; The Chairs and Chief Officers Group meets on a six monthly basis to oversee the work of the RCG; an Officers Co-ordination Group meets quarterly to plan the work of the RCG; Programme and project management arrangements have been jointly agreed to support delivery of the RCG strategy	Audit and Risk Assurance Committee	Corporate Assurance Board	3	3	9	12	Refresh of the RCG strategy	Head of Corporate Governance	3	SFRS Contribute to RCG Strategy Review - Police Scotland in the lead - no timetable available
SDev7	Feb-17	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.	4	4.2	4	5	20	ICT management processes Completion of actions required by SG Cyber Resilience Action Plan Annual Cyber Security Assurance report; Cyber Incident Response Plan; Cyber Assurance Board (DSG); ICT Change Advisory Board; annual cyber security training for all staff; Cyber Essentials accreditation	Audit and Risk Assurance Committee	Corporate Assurance Board	3	4	12	20	Roll out of multi-factor authentication (Q3) (90%) Upgrade of network equipment - enable fully patched and cyber secure (Q4) (75%) Refreshed compulsory training programme for all staff (Q3) (100%) Penetration testing - completion of actions (Q4) (70%)	Head of ICT	7	Completion of 4 identified tasks will reduce risk rating marginally as new threats are continually being identified.
SD9	01/06/2020	There is a risk that the SFRS cannot successfully engage with partners, communities and other stakeholders on matters of community safety and resilience. This could be because of a breakdown of partnership relationships, information sharing protocols or agreed processes failing to be undertaken nationally and locally. This could result in negative outcomes for communities ,additional levels of external and internal scrutiny and negative media coverage and reputational damage.	1	1.1	3	4	12	*Our Community Engagement Section continues to engage nationally with partners and key stakeholders through representation on strategic forums. *Protocols to support information sharing as part of Health and Social Care pilots are being established. -The P&P Function, through the Chair of ACO Stevens, is continuing to develop effective partnerships through initiatives such as the- Building Safer Communities Programme Major transformation projects such as Safe and Well Scottish Professional Football League Care Inspectorate - Partnership working is embedded and encouraged throughout Our CSE Policies, procedures and guidance. P&P provide ongoing support and CPD opportunities to support SDA delivery of policy. - Local Community Planning Processes are embedded within LSO Areas - P&P have supported secondments into SBRC, Wheatley group and the Scottish Government Fire and Rescue Unit -P&P work with PDS to provide incident and casualty trend analysis to support the review, evaluation and continuous improvement of safety partnership working at a local and national	Audit and Risk Assurance Committee	Senior Management Board	2	4	8	8	- The Safe and Well project is driving engagement with partners (Phase 2 due to be completed Q3 2020) 50% - SFRS continue to support partnership secondments (on-going) - Structure revision is being progressed to align with business case of October 2019 to provide increased strategic oversight of CSE. 25%	Head of P&P	1	
FCS2	May 20	There is a risk that effective asset management planning is not undertaken because of available capital investment and available capacity due to our covid-19 response. This could result in a failure to ensure compliance with regulatory requirements and minimise the benefits that could be gained through the introduction of new technologies.	4	4.3	3	3	9	Procurement UIG process Finance and Asset Systems - Tranman, Techforge, Technology One; System Integration tool R&D team within Asset Management structure Asset Management Strategy; AMLB Post-deployment user surveys	Audit and Risk Assurance Committee	Asset Management Liaison Board	2	3	6	9	Awaiting outcome of Station and Appliances Review and SDA Agreed Operational Deployment model (ongoing) 'Team looking at integration of new system to align current systems Q4 - 21).(90%) Contractor looking at providing interfaces across all systems (90%) Verification of current asset infrmation regarding Hard FM contract (50%) Work in partnership with Operations Directorate to maximise current resources, ensuring identification and alignment with priority areas Q4-21 (60%)	Head of Asset Management/Head of Finance & Procurement	6	Work to be progressed on an Estates and Fleet strategy based upon outcome of Station and Appliance Review., whilst ensuring complaince with legislative element of Asset Management Work aligned to the implementation of the overarching People, Training, Finance and Asset system is progressing. Prioritisation of and progress in relation to medium appliances.
FCS5	May 20	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.	4	4.2	4	3	12	Ongoing engagement with SG at political and official level Engagement with SG and other partners Use of business Case process Budget Setting process undertaken annually	Audit & Risk Assurance Committee	Corporate Assurance Board	2	4	8	12	Engagement with SG and other partners (ongoing) 'Thinking about next year now -savings exercise to achieve balanced budget (ongoing) Expected funding gap - continuing reporting internal and external (ongoing)	Head of Finance & Procurement	7	no certainty currently as delays in fudning arrangements due to Covid-19 - challenge is going forward with future funding arrangements and it won't be until end of Jan 21 before this funding level is identified. - continuing engagement continues with SG - clarity sought on funding for specific projects and financial scenraios being produced for different potential scenarios to assist planning - tough period ahead
FCS6	May 20	There is a risk that the Service will be unable to demonstrate effective planning and control of financial resources due to issues of capacity and increased demands being placed upon Sections. Whilst the risk is being managed we could experience criticisim and increased scrutiny from auditing bodies.	4	4.2	2	4	8	Internal audit programme, statutory audit of Annual Report and Accounts Long Term Financial Strategy; Medium term financial model, annual budget development, Finance Business Partner support, monthly budget monitoring and reporting; integrated financial systems	Audit and Risk Assurance Committee	Corporate Assurance Board	2	4	8	8	Development of verification team; (Q3) 'Scrutiny of exception areas to ensure processes, spend and changes to governance operating effectively (Q4) (ongoing) Continued engagement through scrutiny bodies (Q4) (ongoing) 'Completion of Budget timetable (Q4) (ongoing) Governance reporting aligned to future funding levels and associated Service agreement (Q4) Budget Strategy planned for SLT submission in February 2021 (Q4) (ongoing) 'PTFA - People, Training, Finance and Assets project (Ongoing) Working with suppliers to improve system capability(Q4) (75%) Renegotiate contract for iTrent which will expire April 2021 (Q4)	Head of Finance & Procurement	7	Work to miantain excpetion reporting in key areas including P-card and stocktaking Scenario planning work continues to be developed to understand the potential impacts of Scottish government budget provision. Continued governance reporting through newly appointed Programme Manager to TMPC and SMB Further incremental improvement of systems with focus on expanded rollout of ESS for Uniform.

Directorate Risk Ref. No.	Date Identified	Directorate Risk Description (including consequence of risk if impacting upon the Service)	Strategic Plan Outcome (1, 2, 3 or 4)	Strategic Plan Objectives (1.2, 2.3)	Original Risk Assessment (Assessment at beginning of Financial year)			Existing controls	Governance and Scrutiny Arrangements		Target Risk Assessment (Assessment at end of Financial year)			Current Risk Rating	Actions Still Required (From AOP or other Planning document)	Responsible Officer	Link to Strategic Risk (If any)	Commentry for ARAC - January 2021
					Probability (P)	Impact (I)	Initial Risk Rating		Committee	Executive Board	P	I	Target Risk Rating					
FCS7	May 20	The risk to the Service is an inability to identify and deliver financial savings within required timescales. With planned spending interupted by Covid-19 and uncertainty over additional funding or savings targets we could experience criticism where projects are not completed or stated targets not achieved.	4	4.2	3	4	12	Ongoing engagement with SG at political and official level Renewed focus on strategic activities following restructure	Audit & Risk Assurance Committee	Corporate Assurance Board	2	4	8	12	'In collaboration with Service Development identify the impact of a revised service delivery model on financial planning (ongoing) Use of medium term financial planning modelling (ongoing) Development of financial saving target tracker (Q4) - complete	Head of Finance & Procurement	7	Developed financial saving tracker to monitor efficiency savings required by SG - Decision Support update monthly for reporting to Director. i.e. savings for travel, fuel etc. Process for completion on annual basis is now in place for further development.
FCS10	June 20	There is a risk where financial performance reporting is not aligned with Service Delivery requirements because of poor internal engagement or adequate capacity to prepare and support business case development. The impact of this may relate to lost investment opportunity or being unable to demonstrate aligned governance arrangements.	4	4.4	3	3	9	Devolved budgeting Business Case process SMB oversight and scrutiny	Audit and Risk Assurance Committee	Corporate Assurance Board	3	3	9	9	Maintain regular budget monitoring and reporting arrangements (ongoing) Development of InPhase ensuring alignment between performance, planning, budgeting and risk (ongoing)	Head of Finance & Procurement	7	Initial performance measures established within InPhase development work - KPI provision quarterly We will meet current strategic objectives through current funding - asset provision backlog still exists and will be managed through the service development model programme. - continually seeking new funding through SG i.e. electric cars.

SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No. C/ARAC/08-21
Agenda Item: 12.3

Audit and Risk Committee – 21 January 2021
Risk Spotlight Briefing Note

SPPC11 - There is a risk to the Directorate where it fails to effectively manage our relations with our partners in the Reform Collaboration Group resulting in a loss of workforce, stakeholder and public confidence.

Submitted by: Strategic Planning, Performance and Communications
Richard Whetton, Head of Governance, Strategy and Performance

Background: What would cause the risk to materialise / what is the effect likely to be?
Context: Collaboration and partnership working is a normal part of emergency services work and is also exemplified across the broader public sector; for example, through formal Community Planning and Resilience Planning activity.   The Reform Collaboration Group has been in place (in one form or another) since the outset of Police and Fire Reform as a senior level group to provide support and direction for collaboration between the emergency services. The Group is attended by Chairs, Chief Officers and other senior officers. Examples of potential cause of risks to materialise: • A breakdown in partnership working caused by unprecedented strain on individual services caused by the pandemic resulting in a breakdown in collaborative working. • A failure to evidence collaborative and partnership working between the services. • A breakdown in relationships between members of the emergency services responsible to leading and providing collaborative working. Suggested/potential effects of risk materialisation: • A failure to provide adequate emergency response and service to the public. • Loss of confidence in the SFRS

Controls and mitigating actions (stating what actions are being taken if the residual/current risk assessment is operating above or below risk appetite).
• Collaborative and partnership working is central to SFRS strategic and operational practice. • Throughout the pandemic SFRS has not only continued to operate in partnership with emergency services and other partners but offered increased support and assistance as exemplified through the CRAG process. • The Reform Collaboration Group has continued to meet. Police Scotland are now in the lead for the RCG and are reviewing the previous RCG strategy. • Collaboration and Partnership working (including the RCG) updates are provided to SG on a regular basis. Partnership working at a local level forms part of the regular scrutiny updates. • SFRS will conduct additional work to capture and report on collaborative practice from across the service during 2021 as part of the strategic planning function.

External or other factors which might impact on the current risk assessment.
• Some elements of the previous RCG strategy may not have been delivered, this either because the ambition was not possible or just a general impact of the pandemic. • Further pressure on service activity brought about by the extended pandemic.

SCOTTISH FIRE AND RESCUE SERVICE *Audit and Risk Assurance Committee*	

Report No: C/ARAC/06-21

Agenda Item: 13

Report to:	**AUDIT AND RISK ASSURANCE COMMITTEE**						
Meeting Date:	**21 JANUARY 2021**						
Report Title:	**QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS REGISTER**						
Report Classification:	**For Information Only**	**Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to Board Standing Order 9**					
		A	B	C	D	E	F	G

1   Purpose

1.1   The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with the 2020/21 Quarter 3 (Q3) update on the Gifts, Hospitality and Interests Register.

2   Background

2.1   The Scottish Fire and Rescue Service (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 ARAC and Corporate Assurance Board (CAB) 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 Policy has been reviewed, with a separate paper being presented to ARAC as part of their agenda on 21 January 2021

3.2   Awareness and ownership in relation to the accepting and declaring of any gifts, hospitality and interests is undertaken through articles within iHub, SFRS News and directly through management meetings. The consultation process was similarly used to maintain this awareness and to ensure it correctly reflects the processes established across Directorates and in relation to Board Members and Strategic Leadership Teams (SLT) officers.

3.3   The register is informed and updated through the National Fraud Initiative (NFI). Where potential matches are identified, i.e. where an individual is employed by SFRS and may also have an interest in a company providing goods or services to SFRS, there may be a requirement for the individual to report this interest through the Gifts, Hospitality and Interests Register.

| 3.4 | At the end of Q3 the register details a total of 5 entries. Further information can be found within the register attached as Appendix A to this report. A further declaration under the £50 threshold was also received, but not published. |
| 3.5 | Whilst the Risk and Audit Section will continue to report and raise awareness and ownership of the register, it is anticipated that declarations for 2020/21 will be significantly reduced due to Covid-19. |

| **4** | **Recommendation** |
| 4.1 | The report is provided to the Audit and Risk Assurance Committee for information purposes. |

5	**Key Strategic Implications**
5.1 5.1.1	**Financial** The current Policy is consistent with the guidance contained within the Scottish Public Finance Manual.
5.2 5.2.1	**Environmental & Sustainability** There are no specific environmental or sustainability issues.
5.3 5.3.1	**Workforce** All employed staff, including Board Members, of SFRS have a responsibility to declare gifts, hospitality and interests in accordance with the policy requirements.
5.3.2	All individuals directly involved in the procurement activity of SFRS, including those who have significant advisory or technical input into the procurement decision making process are precluded from accepting any gifts or hospitality and are required to formally declare any interests as part of the User Intelligence Group (UIG) process.
5.3.3	Employees who have a private business that trades with SFRS are required to declare their interest in accordance with the Policy. Checks of this position are undertaken through the National Fraud Initiative (NFI).
5.4 5.4.1	**Health & Safety** There are no specific health and safety issues identified.
5.5 5.5.1	**Training** The Finance and Contractual Services Directorate will continue to promote awareness of the Gifts, Hospitality and Interests Policy and associated register and the requirement for individuals to be aware of their obligations under the Policy.
5.6 5.6.1	**Timing** A report will be submitted on a quarterly basis to ARAC and the CAB detailing the declarations made on the Register of Gifts, Hospitality and Interests Register as required by the Policy. The register is published on the SFRS website.
5.7 5.7.1	**Performance** There are no specific performance measures.
5.8 5.8.1	**Communications & Engagement** The policy continues to be promoted across the Service raising awareness and ownership of the Gifts, Hospitality and Interests Policy.

5.9 5.9.1	**Legal** The Policy is consistent with the guidance contained within the Scottish Procurement Policy Handbook as published by Scottish Government.
5.10 5.10.1	**Information Governance** A report will be submitted on a quarterly basis to ARAC and the CAB detailing the declarations made on the Register of Gifts, Hospitality and Interests as required by the Policy. The register is published on the SFRS website.
5.11 5.11.1	**Risk** The register forms part of the Services wider governance arrangements minimising the risk of fraud and ensuring the Service can demonstrate that the conduct of staff is impartial, honest and above reproach.
5.12 5.12.1	**Equalities** There are no specific equality issues identified.
5.13 5.13.1	**Service Delivery** There are no specific Service Delivery issues.
6	**Core Brief**
6.1	Not Applicable
7	**Appendices/Further Reading**
7.1	Appendix A – Q3 SFRS Gifts, Hospitality and Interests Register

Prepared by:	Hazel Buttery, 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
Strategic Plan 2019-22 – Outcome 4 – We are fully accountable and maximise our public value by delivering a high quality, sustainable fire and rescue service for Scotland.

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Audit and Risk Assurance Committee	*21 January 2021*	*For Information Only*
Good Governance Board (formerly CAB)	*23 February 2021*	*For Information Only*

Appendix A

Date	Employee Name	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
13/08/2020	Bruce Farquharson	30 x 500ml & 1 x 5l refill hand sanitiser	G/H	£125	Just Sanitise	N/A	N/A	Accepted	Gift provided to personnel affected by the rail incident at Stonehaven
20/10/2020	Kevin Coutts	12 Draeger safety helmets	G/H & Interest	£1,200	Draeger Safety UK Limited	N/A	N/A	Declined	Draeger currently provide equipment and services to SFRS
02/11/2020	Bryan Nelson	2 bottles of Whisky	G/H	£200	Dublin Fire Brigade	N/A	N/A	Accepted	Presented to SFRS associated charities to be used as raffle/bidding prizes to raise funds
24/11/2020	Colin Johnstone	Cash in a card given to SFRS personnel as a thank you for attending the funeral of an ex colleague by the widow of the deceased	G/H	£200	Jeanette Price	N/A	N/A	Accepted	Money received on behalf of Fire Fighters Charity
02/12/2020	John MacKenzie	Operates as Director of garage providing services & MOTs to SFRS	Interest	Unknown	Highland Motors Ltd	N/A	Highland Motors Ltd	N/A	Identified within NFI exercise

Agenda
Item 14

HM Fire Service Inspectorate

Report to:	**SCOTTISH FIRE AND RESCUE SERVICE**
	AUDIT AND RISK ASSURANCE COMMITTEE
Report No:	**C/ARAC/07-21**
Date:	**21 January 2021**
Report By:	**HM Fire Service Inspectorate**

Subject:	**Routine Update Report on HMFSI Business**

1. PURPOSE

1.1 This Report is to provide the Audit and Risk Assurance Committee with a progress update on HMFSI's inspection and reporting activity during the preceding quarter.

2. RECOMMENDATIONS

2.1 That the Committee notes the update from HMFSI.

3. ACTIVITY AND PROGRESS

3.1 Local Area Inspections: Work Update

3.1.1 As the Committee will be aware, the Fire Service Inspectorate's Local Area Inspection (LAI) scheme is a rolling programme which examines the SFRS local delivery within Local Authority areas.

3.1.2 As advised to ARAC at the October meeting, the LSO Areas for our local area inspections was changed and work had commenced on inspections of the local authority areas of Midlothian and Argyll and Bute.

3.1.3 The fieldwork for both areas has commenced, but has been negatively impacted by the travel restrictions introduced in response to the pandemic. There are a limited number of interviews still outstanding in Midlothian. It is our intention to conclude these using 'virtual' meetings, hopefully during January, with the draft Report ready for consultation shortly afterwards.

3.1.4 For the Argyll and Bute area, a number of station visits are still to be conducted and interviews held with staff, including the LSO management team. Although, due to the disruption of Covid-19, we are unable to say when this work will be completed, The Chief Fire Officer and Chief Inspector met during the Christmas/New Year period to look at alternative ways in progressing this Area Inspection.

3.2. Follow Up LAI Reviews

3.2.1 As committee members will be aware, the Inspectorate conducts a brief follow-up of actions taken by SFRS, in response to the findings and any recommendations published in our local area inspection reports. These follow-up reviews involve an analysis of action plans and discussions with the LSO and the Service Delivery Area DACO.

3.2.2 As we advised the committee in October, a review meeting was to be arranged with the LSO for Dumfries and Galloway and the West Service Delivery Area DACO. A virtual meeting took place in November, allowing the LSO to advise HMFSI of progress made within his local authority area in response to our report.

3.2.3 We were reassured that good progress was being made in a number of areas, such as the succession planning for fire safety enforcement staff and the work concluded around unwanted fire signals.

3.2.4 A follow-up review also took place of progress in response to our Edinburgh report. This was conducted in December, subsequent to which we were able to advise the LSO, that we noted that locally there had been good progress. Examples of this were in response to the issues we had raised in respect of Operational Risk Information and Fire Safety Enforcement. We also observed that, though progress had been made, work was still ongoing in a number of areas at a national level, such as in relation to the review of the BA Policy & Operational Guidance, and the contract for the external provision of driver training, both of these areas we had commented on in the report.

3.3   Thematic Inspection Work - Thematic Health, Safety and Welfare – Operational focus
3.3.1 The Thematic Outline for this inspection has been developed, and we will consult with the SFRS in mid-January 2021 for final agreement. Once the outline is agreed and a single point of contact is identified, the information and data required for the pre-work will be requested and examined in Q1 of 2021/22 (April-June). Fieldwork is to be programmed in for summer/autumn 2021 subject to ongoing C-19 restrictions, with the final report due for the end of Q4, 2021/22 (Jan-Mar).

3.3.2 The Chief Inspector believes that the Operational focus of this thematic inspection will assist the SFRS to ensure that the unforeseen consequences of C-19 are identified and will help to reduce risks and improve the safety of operational fire crews.

3.3.3 The ongoing impacts of C-19 on other areas of business will be monitored and any impact on this work and its impact on the annual plan will be reported as needed.

3.4   Thematic Inspection Work - Assessing the Effectiveness of Inspection Activity.

3.4.1 Members will be aware that HMFSI is currently undertaking a thematic inspection which is 'Assessing the Effectiveness of Inspection Activity'

3.4.2 As previously reported, the inspection examines the impact of our scrutiny work by examining the Service's policy and practice on implementing our report recommendations. In so doing, we will achieve a better understanding of the effect of our inspection work.

3.4.3 Fieldwork for this inspection is complete and we are considering our draft report prior to issuing the draft for consultation with the Service.

3.5   Thematic Inspection into the SFRS's Management of its Operational & Protective Equipment
3.5.1 As was reported to Members at the last ARAC Committee meeting, HMFSI has embarked on a Thematic Review to consider how SFRS undertakes the 'Management and Maintenance of its Operational & Protective Equipment'. The Inspection Outline has now been agreed with the Service, and preliminary work with the Inspectorate has commenced.

3.5.2 Within the meeting between the CFO and Chief Inspector on 31 December, discussions were held to look at alternative ways to deal with this Thematic Review, during the current epidemic, in order to reduce the workload placed on Service personnel. Further discussions will be necessary in the near future although at this current time, an initial way forward has been found.

3.6   Thematic Inspection Follow-up.

3.6.1   As members will be aware, HMFSI has a policy of following up with the Service on progress of action plans created in response to our inspection reports.

3.6.2   For Local Area Inspections, this is done with the relevant LSO, usually six months after the publication date. For Thematic Inspections it is normally done a year after publication.

3.6.3   HMFSI are now in the process of conducting a follow-up of our inspection report 'Scottish Fire and Rescue Service's Management of its Fleet and Equipment Function', published in May 2019. The follow-up process involves HMFSI reviewing the Service's current action plan and, where necessary, requesting further supporting information. The review of the action plan has taken place and officers of the Service have collated and provided further supporting information as request by HMFSI.

3.6.4   Because of the volume of supporting evidence required and the need to provide it electronically, due to the impact of the pandemic and the result of the ongoing pressures placed on the Service., this has taken a little longer than normal. HMFSI are now in receipt of data. The process of reviewing the progress of the Service's action plan is underway, although has been slightly impacted by other time critical work within the Inspectorate.

3.6.5   We expect the review of the documentation to been concluded shortly. HMFSI will then discuss the result of this examination with the Service's lead officer for this Inspection

3.7   Additional Fact Finding Inspection Activity - An update report on the Scottish Fire and Rescue Service's planning and preparedness for exiting the European Union.

3.7.1   Following on from our report dated 18 March 2020, the HMFSI was requested to provide the Director of Community Safety with an updated report in December 2020, in order to give Scottish Government on-going assurance as to SFRS's current position in its preparedness. The report covered the following areas:
- The Operational planning assumptions for the SFRS to deliver its statutory duties.
- Details of the workforce planning and the capacity arrangements to deliver the Operational Response Model.
- The Business Continuity Management plans and resilience arrangements in place to deal with the potential of medium to long term disruption to Operational effectiveness.
- Detail in respect of the planning arrangements with regard to the Fire (Scotland) Act 2005, Chapter 6 of Part 2 Mutual Assistance.
- The Governance Structure in place to deliver the Operational Response and Resilience arrangements.
- Procurement/Supply Chains.

3.7.2   Within the report the Inspectorate identified a number of 'key findings' and this report was shared with the Service on 15 December 2020.

3.7.3   In the conclusion of the Report, Members will be pleased to note, that Her Majesty's Fire Service Inspectorate stated that it believes there is sufficient information available to support the SFRS strategic planning assumptions and necessary mitigation that will enable the Service to deliver its statutory duties.

3.8   Additional Fact Finding Inspection Activity - Update report on the Scottish Fire and Rescue Service's planning and preparedness for COVID-19 (follow-up light touch review).

3.8.1   Whilst undertaking the work for 'The Scottish Fire and Rescue Service's planning and preparedness for exiting the European Union', HMFSI also provided a report to the Director of Community Safety in December 2020. This report followed an earlier paper on 8 April 2020.

3.8.2 The report focused upon;
  ➢ Planning and preparation - Governance, use of physical resources, use of financial resources.
  ➢ Organisational learning and Opportunities - Org learning, opportunities.
  ➢ Working with others - Engagement, meeting local needs, community asset register.

3.8.3 The HMFSI identified '15 key findings' and again the report was shared this report was shared with the Service on 15th December 2020.

3.8.4 Once again, Members will be pleased to note that the Inspectorate stated, that from the information supplied within this review, that this updated report supports the continued good practice within the SFRS, ensuring statutory duties and strategic objectives are achieved. HMFSI also believe that the SFRS should utilise the findings and the opportunities identified within the Report to further enhance and improve their effectiveness and efficiency.

4. ADDITIONAL UPDATE INFORMATION
4.1 Appointments into the HMFSI
4.1.1 As Members are possibly aware, the term of office for the current HM Chief Inspector position ends on 31 March 2021. Assessments and interviews to be carried out during January/February with notification of the successful candidate being announced in February.

HM Chief Inspector Simon Routh-Jones CBE. QFSM

Date 6 January 2021

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
24 March 2021	• Chair's Welcome • Apologies For Absence • Consideration Of And Decision On Any Items To Be Taken In Private • Declaration of Interests • Minutes • Action Log • Internal Controls Updates - Strategic Risk Register - Anti Fraud • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting	• HMFSI Routine Report	**Internal Audit** • Internal Audit Progress Report 2020/21 • Internal Audit – Annual Opinion and Report 2020/21 • Assurance Mapping • Arrangements for Preparing the AGS 2020/21	**Internal Audit** • Draft Internal Audit Plan 2021/22 **External Audit** External Audit – The Audit Plan 2021/22	• Review of the Committee Terms of Reference • Value Added Statement • Accounting Policies
8 June 2021	**ANNUAL PRIVATE MEETING WITH INTERNAL AUDIT**				
	• Chair's Welcome • Apologies For Absence • Consideration Of And Decision On Any Items To Be Taken In Private • Declaration of Interests • Minutes of Previous	• HMFSI Routine Report	**Internal Audit** • Internal Audit Progress Report 2021/22 **External Audit** • External Audit – 2020/21 Audit Plan Progress Report	• SFRS Annual Governance Statement 2020/21 • Committee Audit Annual Report 2020/21 to the Accountable Officer and Board	

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
	Meeting • Action Log • Internal Controls Updates - Strategic Risk Register - Anti Fraud • Gifts and Hospitality – Quarterly Update • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting				
7 October 2021	**ANNUAL PRIVATE MEETING WITH EXTERNAL AUDIT**				
	• Chair's Welcome • Apologies For Absence • Consideration Of And Decision On Any Items To Be Taken In Private • Declaration of Interests • Minutes of Previous Meeting • Action Log • Internal Controls Updates - Strategic Risk Register - Anti Fraud • Gifts and Hospitality – Quarterly Update	• HMFSI Routine Report	**Internal Audit** • Internal Audit Progress Report 2021/22	• SFRS Draft Annual Report and Accounts 2020/21 **External Audit** • Private Session – Annual Report to Members and Auditor General for Scotland	

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
	• Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting				
20 January 2022	• Chair's Welcome • Apologies For Absence • Consideration Of And Decision On Any Items To Be Taken In Private • Declaration of Interests • Minutes of Previous Meeting • Action Log • Internal Controls Updates - Strategic Risk Register - Anti Fraud • Gifts and Hospitality – Quarterly Update • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting	• HMFSI Routine Report	**Internal Audit** • Internal Audit Progress Report 2021/22 **External Audit** • External Audit – 2021/22 Audit Plan Progress Report		

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
30 March 2022	• Chair's Welcome • Apologies For Absence • Consideration Of And Decision On Any Items To Be Taken In Private • Declaration of Interests • Minutes • Action Log • Internal Controls Updates - Strategic Risk Register - Anti Fraud • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting	• HMFSI Routine Report	**Internal Audit** • Internal Audit Progress Report 2021/22 • Internal Audit – Annual Opinion and Report 2021/22 • Arrangements for Preparing the AGS 2021/22	**Internal Audit** • Draft Internal Audit Plan 2022/23 **External Audit** External Audit – The Audit Plan 2022/23	• Review of the Committee Terms of Reference • Value Added Statement • Accounting Policies