



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

THURSDAY 19 JANUARY 2023 @ 1000 HRS

BY CONFERENCE FACILITIES

PRESENT:

Brian Baverstock, Chair (BB)	Lesley Bloomer, Deputy Chair (LBI)
Malcolm Payton (MP)	Tim Wright (TW)
Mhairi Wylie (MW)	

IN ATTENDANCE:

Ross Haggart (RH)	Interim Chief Officer
Stuart Stevens (SS)	Interim Deputy Chief Officer
John Thomson (JT)	Acting Director of Finance and Procurement
Richard Whetton (RW)	Head of Governance, Strategy and Performance
Lynne McGeough (LMcG)	Acting Head of Finance and Procurement
David Johnston (DJ)	Risk and Audit Manager
Gary Devlin (GD)	Internal Audit (Azets)
Kirsty Darwent (KD)	Chair of the Board
Kevin Murphy (KM)	Group Commander, Board Support Manager
Heather Greig (HG)	Board Support Executive Officer
Debbie Haddow (DJH)	Board Support/Minutes

OBSERVERS:

Lorna Smith, Scottish Government

1 CHAIR'S WELCOME

- 1.1 The Chair opened the meeting and welcomed those participating via conference facilities.
- 1.2 The Committee were reminded to raise their hands, in accordance with the remote meeting protocol, should they wish to ask a question and that the meeting would be recorded for minute taking purposes only.

2 APOLOGIES

- 2.1 Mark McAteer, Director of Strategic Planning, Performance and Communications
Pat Kenny, Deloitte
Caroline Jamieson, Deloitte
Robert Scott, HMFSI

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

- 3.1 The Committee discussed and agreed that Item 18 (*Report to Members and Auditor General for Scotland on the 2021/22 Audit*) and Item 19 (*Scottish Fire and Rescue Service Draft Annual Report and Accounts 2021/22*) would be heard in private session due to matters considered of a confidential nature in line with Standing Orders Item 9G.

3.2 No further items were identified.

4 DECLARATION OF INTERESTS

4.1 None.

5 MINUTES OF PREVIOUS PUBLIC MEETING:

5.1 Tuesday 13 October 2022

5.1.1 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 meeting held on 13 October 2022 were approved as a true record of the meeting.**

6 ACTION LOG

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

Action 10.1.4 (SFRS Internal Audit Annual Report 2021/22): The Committee commented on the slow progress being made and the need for the process of providing feedback to be improved. JT and RH would discuss further outwith the meeting and ensure improvements were made.

Action 7.5 (Annual Procurement Report 2022/23): JT explained that the proposed timeline of 3 months was to allow time to explore and consider the use of a Gross Value Added statement.

Action 8.1.15 (SFRS Internal Audit Progress Report 2022/23 Final Report Revenue and Funding Maximisation): JT advised the Committee that it would be appropriate to engage with universities initially before expanding to other commercialisation opportunities, if deemed appropriate.

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 2022/23

7.1.1 GD presented a report to the Committee which summarised the progress on the delivery of the 2022/23 Internal Audit Plan and the following key points were highlighted:

- Final Report on Corporate Performance Management (on agenda).
- Final report on Training audit deferred to March 2023.
- Capital Investment Strategy audit planning stage complete. Scoping document provided for review and comment.
- Workforce Planning audit currently in planning stage. Scoping document provided for review and comment.
- Personnel Protective Equipment fieldwork commenced.

7.1.2 The Committee requested the inclusion of narrative within future progress reports to explain any slippage of dates of planned activity.

ACTION: Azets

7.1.3 In regard to Workforce Planning audit, the Committee commented on the wide and varied range of issues relating to On Call personnel given the diverse locations and requested that this was a consideration from the outset. GD informed the Committee that they were working with management to identify the scale of the challenge, provide a view of mitigating strategies and were aware that challenges differed across the Service.

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- 7.1.4 The Committee commented on the opportunity to reflect the demographics of individuals within the recruitment process and whether there were any changes in demographics as a result of the national On Call Project. The Committee further commented on equalities and employers. GD advised the Committee of the intention to use analytics within the audit and the potential to include demographics with the scope of the audit. GD agreed to discuss the Workforce Planning audit scope with management and would circulate (via email) the amended scope or an explanation of the limitation of the audit to the Committee.
ACTION: Azets
- 7.1.5 The Committee welcomed the opportunity to offer their perspective on future audits scope with the full acknowledgement that the audit is ultimately agreed between management and Azets.
- 7.1.6 In regard to the Capital Investment Strategy, the Committee commented on the risk-based allocation of capital funding, the opportunity to consider the impact of funding and the contribution to the strategic direction of the Service. GD stated that the audit would explain and analyse how the Service prioritise and invest the capital programme and noted that the impact of capital investment would be challenging to measure.
- 7.1.7 Final Report – Corporate Performance Management
- 7.1.8 GD advised the Committee of the outcome of the audit, noting the following key points:
- Overall strong arrangements and framework in place within the Service.
 - Improvement opportunities relate to quality of data, quantum of KPIs, imbalance of corporate and operational KPIs, issues and potential risk by using multiple systems and manual processes for generating performance data and informing decision making.
- 7.1.9 RW welcomed the report and accepted the areas of improvement highlighted.
- 7.1.10 The Committee commented on the improvements in the data reports now being presented. The Committee further commented on the issues with data quality noting the need to understand and identify indicators, the level of uncertainty and associated risks and the timescales to action/rectify. GD advised the Committee that issues with data quality were not universal and there were some areas of more concern than others.
- 7.1.11 RW advised the Committee that a Data Quality Group had been established to review these issues and an assessment would be undertaken and shared in due course. The Service were adopting the OSR standards for data quality and work continues on the Data Quality Framework. RW assured the Committee that data quality would be a key focus in the coming year and the findings of the audit would be helpful.
- 7.1.12 The Committee sought assurance that strategic decisions were not being made on unsound data. RW offered the Committee limited assurance at this stage and advised that the issues of data quality and inaccuracies in analysis were limited and relevant to issues with data entry, quality assurance, etc. RW reiterated the key issue of connectivity between data sets and the ongoing OSR standards work within departments.
- 7.1.13 The Committee sought to ascertain the level of assurance that fundamental decisions are being made with quality data, and the information provided notes any problem areas and the scale of any particular issues.
ACTION: RW
- 7.1.4 In regard to Recommendation 1.1 (supporting Board and Committee Members), RW advised the Committee that the training element and awareness forms part of the workplan for 2023 and would be prioritised as appropriate.
- 7.1.5 **The Committee scrutinised the progress report and the final report.**

7.2 Progress Update – Internal Audit Recommendations

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

- Good progress overall with 38 actions remaining outstanding.
- More impetus required to complete outstanding actions.

7.2.2 Risk Management Recommendation 4a and 4b (Risk Management Training), the Committee sought clarification as the completion status appeared contradictory. DJ explained that the Recommendation 4a related to a specific LCMS package and Recommendation 4b related to other training being delivered. The Committee noted that this should be made clearer within the report. The Committee noted their disappointment that the LCMS package had not yet been completed despite the original due date of July 2021.

7.2.3 With regard to the Water Planning Arrangements, JT informed the Committee that more direct contact would continue, to engage and capture the appropriate update within the report.

7.2.4 The Committee commented on the potential of process getting in the way of progress and the sense of lost momentum in addressing recommendations. The Committee acknowledged the work being undertaken within the Service, however, noted the need for recommendations to be actioned appropriately and timeously.

7.2.5 The Committee requested that calendar years should be added to all dates in future reports and for the covering report to be expanded to highlight progress, issues encountered and any timescale revisions. JT noted the comments which would be considered for future reports. JT noted that this report and progress is considered at the Good Governance Board as well as the Strategic Leadership Team (SLT).

ACTION: JT

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

8 INDEPENDENT AUDIT/INSPECTION ACTION PLAN UPDATE

8.1 RW presented a report to the Committee providing an update on progress of the action plan relating to the Audit Scotland Report, published in May 2018. One action relating to standardised terms and conditions remained outstanding, however this would be closed and reallocated to People and Organisational Development Directorate Plans as business as usual.

8.2 RW noted that the Audit and Inspection Overview dashboard recorded 14 action plans as complete with 3 closing reports being progressed within the current quarter.

8.3 **The Committee scrutinised the report.**

*(The meeting broke at 1123 hrs and reconvened at 1130hrs)
(MW left at 1123 hrs)*

9 DELOITTE - AUDIT DIMENSIONS AND BEST VALUE FOR THE YEAR ENDED 31 MARCH 2021

9.1 JT presented the report to the Committee outlining the progress on the Deloitte Audit Dimensions and Best Value Report for year ending 31 March 2021 and the Annual Report and Accounts Audit for 2020/21. The following key points were highlighted:

- Overall good progress with some areas completed.
- Any outstanding actions would be progressed with the new external auditors, Audit Scotland.

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- Revision of completion dates were to record realistic completion timescales and to allow for discussions and agreement with Audit Scotland.
- Quarterly updates would continue to be submitted to the Committee.

9.2 Recommendation 1.3 (Financial Reporting): the Committee commented that this could be undertaken within a reasonable timescale. JT advised the Committee that he wanted to ensure the output/purpose would benefit decision making and would seek further advice from Audit Scotland on the best approach and tools to use. RH assured the Committee that the SLT were focused on ensuring financial spend on the right areas within the organisation and were seeking support/review from Internal Audit.

9.3 Recommendation 1.6 (Savings Plans): the Committee noted the revised due date and requested an update on the revision of the Medium/Long Term Financial Strategies. JT referenced previous discussions regarding the budget approach and noted the need to revise the long-term financial strategy before the end of the calendar year.

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

10 INTERNAL CONTROLS UPDATE

10.1 a) Overview of Strategic Risk Register and Aligned Directorate Risk

10.1.1 DJ presented the revised Strategic Risk Register (SRR) along with the aligned Directorate Risks to the Committee and outlined the information contained within the appendices. The following key points were highlighted:

- Work progressing to update strategic risks and new format of presentation including dashboards.

10.1.2 The Committee noted and welcomed the continuing development of risks and the additional narrative contained within the covering report.

10.1.3 In regard to SPPC014 (Business Continuity Planning Arrangements), consideration to be given to amend the wording to help clarify the actual risk.

10.1.4 In regard to SD013 (P&P Enforcement Database), SS confirmed that mitigating actions had been identified.

10.1.5 In regard to SDD007 (Cyber Security), DJ to review and confirm controls and reporting lines for this risk.

ACTION: DJ

10.1.6 RH advised the Committee of recent discussions by the SLT on the current and future content and presentation of the risk register. The Committee welcomed the review of the risk register and for consideration to be given to the plain and clear language to provide greater clarity.

10.1.7 **The Committee scrutinised and supported the continued development of the report.**

(MW re-joined at 1150 hrs)

10.2 b) Anti-fraud/Whistleblowing Update

10.2.1 JT informed the Committee of the recent incidents of Powered Rescue Equipment being stolen from 2 fire stations in the Borders area. Investigation reports were being prepared and additional security measures have already been taken. The Committee were advised that the equipment had been replaced at the affected stations.

10.2.2 RW advised the Committee that the Organisational Security Board would be reviewing the Security Strategy and security assessments for stations and a report would be submitted to the SLT.

10.2.3 Periodic updates relating to Security Strategy to be added to the Committee Forward Plan.

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

11 QUARTERLY UPDATE ON GIFTS, HOSPITALITY AND INTERESTS REGISTER

11.1 DJ presented the report to the Committee providing an update on the Gifts, Hospitality and Interests Register for Quarter 3 2022/23 for information.

11.2 The Committee noted increases in declarations, both self-declaration and through the National Fraud Initiative, were being made. DJ noted that work continued to raise awareness throughout the Service.

11.3 The Committee queried whether there was clear guidance/criteria within the policy on acceptance of hospitality. DJ to provide an update at the next meeting.

ACTION: DJ

11.4 With regard to the entries where the estimated values were recorded as unknown, the Committee sought assurance that investigatory processes would identify the monetary values involved. Update to be brought back to the next meeting.

ACTION: DJ

11.5 **The Committee noted the report.**

12 QUARTERLY UPDATE REPORT ON HMFSI BUSINESS

12.1 This report was provided for information only to provide an update on HMFSI's inspection and reporting activity during 2022/23.

12.2 The Committee commented on the timing and scope of the Contingency Planning Arrangements for Industrial Action and Command and Control Mobilising System (CCMS). RH informed the Committee that, although the timings were not definitive, the Contingency Planning Arrangement inspection was nearing completion and the CCMS would follow thereafter. RH noted that any recommendations and lessons identified during these inspections would be actioned appropriately.

12.3 **The Committee noted the report.**

13 REVIEW OF ACTIONS

13.1 KM confirmed that 7 formal actions were recorded during the meeting.

14 FORWARD PLANNING

14.1 a) Committee Forward Plan Review

14.1.1 The Committee considered and noted the Forward Plan. The following additional item(s) were identified:

- Security Strategy – Periodic Update (Date TBC)

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

14.2.1 No items were identified.

15 DATE OF NEXT MEETING

15.1 The next meeting is scheduled to take place on Thursday 6 April 2023 at 1400 hrs.

15.2 There being no further matters to discuss the public meeting closed at 1220 hrs.

PRIVATE SESSION

16 MINUTES OF PREVIOUS PRIVATE MEETING:

16.1 Thursday 13 October 2022

16.1.1 The minutes of the private meeting held on 13 October 2022 were approved as a true record of the meeting.

16.1.2 Friday 9 December 2022 (Special Private)

The minutes of the special private meeting held on 9 December 2022 were approved as a true record of the meeting.

17 PRIVATE ACTION LOG

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

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

18 EXTERNAL AUDIT – UPDATE REPORT TO MEMBERS AND AUDITOR GENERAL FOR SCOTLAND ON THE 2021/22 AUDIT

18.1 CJ presented the report, focusing on the revisions since the previous meeting.

18.2 **The Committee scrutinised the report and thanked Deloitte for their report.**

19 SCOTTISH FIRE AND RESCUE SERVICE DRAFT ANNUAL REPORT AND ACCOUNTS 2021/22

19.1 JT presented the report to the Committee for scrutiny prior to presentation to the Board for approval on Thursday 26 January 2023, subject to any change required during the audit.

19.2 **The Committee scrutinised and, subject to the minor amendments as appropriate, recommended the report for approval by the SFRS Board on 26 January 2023.**