SCOTTISH FIRE AND RESCUE SERVICE
Working together for a safer Scotland

PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

MONDAY 30 OCTOBER 2023 @ 1000 HRS

VIA 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 MEETING: THURSDAY 27 JUNE 2023
(attached)   *B Baverstock*

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

6   ACTION LOG *(attached)*   *Board Support*

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

7   INTERNAL AUDIT
7.1   Internal Audit Progress Report 2023/24 (*attached*)   *Azets*
        - Final Report – Budgetary Control (*attached*)
        - Final Report - Workforce Planning (On Call Firefighters) (*attached*
7.2   SFRS Progress Update / Management Response (*attached*)   *Azets*

The Committee is asked to scrutinise these reports.

8   INDEPENDENT AUDITS/INSPECTION PLAN UPDATE (*attached*)   *M McAteer*

The Committee is asked to scrutinise this report.

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

9   EXTERNAL AUDIT

9.1   Audit Dimensions and Best Value Report and Annual Report 2021/22
       (attached)   *J Thomson*

9.2   External Audit – Progress with Wider Scope Audit Recommendations
       (attached)   *Audit Scotland*

9.3   2022/23 Audit Plan Progress Report *(verbal)*   *Audit Scotland*

       The Committee is asked to scrutinise this report.

10   ANNUAL PROCUREMENT REPORT 2022/23 *(attached)*   *J Thomson*

       The Committee is asked to approve this report.

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

       The Committee is asked to scrutinise this report.

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

       The Committee is asked to scrutinise this report.

13   PROCESS FOR RETURNING OF PPE *(to follow)*   *R McKinnon/
                                                                                   POD*

       The Committee is asked to scrutinise this report.

14   INTERNAL CONTROLS UPDATE

14.1   Risk Update Report *(attached)*   *D Johnston*

14.2   Anti-fraud and Whistleblowing *(verbal)*   *J Thomson*

       The Committee is asked to scrutinise these reports.

15   REPORTS FOR INFORMATION ONLY:
       The Committee is asked to note the following reports:

15.1   **Quarterly Report on HMFSI Business** *(attached)*   *HMFSI*

15.2   **Outcome of HMRC Compliance Review 2023** *(attached)*   *J Thomson*

16   REVIEW OF ACTIONS   *Board Support*

17   FORWARD PLANNING   *B Baverstock*

17.1   Committee Forward Plan Review *(attached)*

17.2   Items for Consideration at Future Integrated Governance Forum, Board
       and Strategy Day meetings

18   DATE OF NEXT MEETING
       Thursday 30 November 2023 (Special Private)

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

PRIVATE SESSION

19   **MINUTES OF PREVIOUS PRIVATE MEETING: THURSDAY 27 JUNE 2023** *(attached)*   *B Baverstock*

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

20   **SFRS DATA QUALITY ISSUES AND CONSIDERATIONS** *(attached)*   *R Whetton*

The Committee is asked to scrutinise this report.

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

PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

TUESDAY 27 JUNE 2023 @ 1000 HRS

BRAIDWOOD SUITE, SCOTTISH FIRE AND RESCUE SERVICE HEADQUARTERS, WESTBURN DRIVE, CAMBUSLANG, G72 7NA / CONFERENCE FACILITIES

PRESENT:

Brian Baverstock, Chair (BB)	Lesley Bloomer, Deputy Chair (LBl)
Tim Wright (TW)	Mhairi Wylie (MW)

IN ATTENDANCE:

Ross Haggart (RH)	Chief Officer
Stuart Stevens (SS)	Deputy Chief Officer
Liz Barnes (LBa)	Interim Deputy Chief Officer (Corporate Services)
John Thomson (JT)	Acting Director of Finance and Procurement
Mark McAteer (MMcA)	Director of Strategic Planning, Performance and Communications
Iain Morris (IM)	Acting Director of Asset Management
Andrew Watt (AW)	Director of Training, Safety and Assurance (Item 9.1 only)
Lynne McGeough (LMcG)	Acting Head of Finance and Procurement
David Johnston (DJ)	Risk and Audit Manager
Gary Devlin (GD)	Internal Audit (Azets)
Michael Oliphant (MO)	External Audit (Audit Scotland)
Anne MacDonald (AMac)	External Audit (Audit Scotland)
Robert Scott (RS)	HMFSI
Ijaz Bashir (IB)	Asset Management and Performance Manager (Item 8.2 only)
Lyndsey Gaja (LG)	Head of People (Item 9.1 only)
Richard Whetton (RW)	Head of Governance, Strategy and Performance
Kevin Murphy (KM)	Group Commander, Board Support Manager
Heather Greig (HG)	Board Support Executive Officer
Kimberley Gogarty (KG)	Corporate Business Support/Minutes

OBSERVERS:

Greg Wilson, Station Commander, SLT Support
Hazel Buttery, Fraud Compliance and Risk Officer
Louise Fulton, Corporate Business Support Manager
Sarah Gordon, Corporate Business Support Assistant Manager

1   CHAIR'S WELCOME

1.1   The Chair opened the meeting and welcomed those present and those participating via conference facilities, in particular Station Commander Greg Wilson in his new SLT Support role.

1.2   Those participating vis MS Teams were reminded to raise their hands, in accordance with the remote meeting protocol, should they wish to ask a question. The meeting would be recorded for minute taking purposes only.

2   APOLOGIES
2.1   Malcolm Payton, Board Member
        Gillian Callaghan, Internal Audit (Azets)

3   CONSIDERATION OF AND DECISION ON ANY ITEMS TO BE TAKEN IN PRIVATE
3.1   The Committee discussed and agreed that Item 14 (*Organisational Security Update)* would be heard in private session along with Item 21 *(Discussion on Gifts, Hospitality and Interests*) 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 6 April 2023**
5.1.1   The minutes were agreed as an accurate record of the meeting.

5.2   **Matters Arising**
5.2.1   With regards to point 7.1.11 of the minutes of the previous public meeting, in relation to the Internal Audit Final Report - Training, LBI acknowledged that some assurance had been provided that personnel were competent however requested a further update.

5.2.2   BB confirmed a meeting had taken place with Assistant Chief Officer (ACO) Andrew Watt where verbal assurance had been provided. A further meeting would be arranged with the Chairs of People Committee, Service Delivery Committee and Audit and Risk Assurance Committee to discuss the evidence required to provide assurance, and how it would be reported and monitored in future.

5.3   **The minutes of the meeting held on 6 April 2023 were approved as a true record of the meeting.**

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

        Action 13.1.2 (Quarterly Update on Gifts, Hospitality and Interests Register):
        BB confirmed a meeting had taken place and the action could be marked as completed.

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

7   COMMITTEE ANNUAL REPORT 2022/23 TO THE BOARD AND ACCOUNTABLE OFFICER FOR SCOTTISH FIRE AND RESCUE SERVICE
7.1   BB presented an overall positive report however highlighted the concerns raised within the last bullet point under item 7.1 of Appendix A which referred to the complexity of the current recording and reporting arrangements that limit the scope for appropriate scrutiny and challenge. Further work was required to simplify the recording and reporting of strategic risks which would help the Service to refocus on the real risks and challenges.

7.2   JT queried if the work being undertaken would adequately allow for the required scrutiny. BB confirmed it would and the annual report should reflect this.

7.3 The following amendments were discussed and agreed:
- In regard to point 3.1 of Appendix A it was suggested "to consider the safety of our staff and stakeholders" should be changed to "reflect the safety protocols in place for our staff and stakeholders".
- In regard to point 6.6 of Appendix A, wording should be changed to "where appropriate" instead of "where not necessary".
- The Committee discussed amending the assurance classification within point 7.2 of Appendix A and agreed to amend from 'Limited' to 'Reasonable'.

ACTION: BST

7.4 **The Committee approved the Committee Audit Annual Report 2022/23 subject to amendments being made to the wording as discussed.**

8   INTERNAL CONTROLS UPDATE
8.1   Risk Update Report
8.1.1 BB highlighted the change in format of the risk update report which was a transitional arrangement. DJ noted the reason for the amendment and advised that the focus of future reports would be on risks rated 15 and above. The Power BI tool would be utilised and a workshop was being developed to showcase the dashboard. This, along with a covering paper, would provide appropriate information to enable the Committee to undertake its scrutiny function. DJ presented the revised Risk Register, along with the aligned Directorate Risks to the Committee and outlined the information contained within the appendices. The following key points were highlighted:
- The table within 3.1.3 provided visual information on the status of current risks across the Service.
- The chart within 3.1.4 showed the alignment to the Strategy Plan for risks rated 15 or above.
- The report highlighted progress made against outstanding control actions. Going forward a RAG status would be used and actions significantly passed their due dates would be highlighted to allow for discussion.
- The report showed significant changes that had been made over the last quarter and included a simplified Appendix.

8.1.2 The Committee noted that the workshop would be useful to familiarise with the new Power BI Dashboard.

8.1.3 The Committee queried if the due dates were default, as in some instances they seemed prolonged. It was confirmed for some due dates these were default but this would be updated to reflect an accurate date for the next report. It was also proposed that milestone dates should be added within future reporting.

8.1.4 In regard to risk TSA017 (Risk Critical Training Delivery), clarity was sought on whether the overall training backlog was included within this risk or if there was a separate risk which captured it. AW confirmed that this was covered in the overall risk for training delivery around capacity and functionality to deliver training, which sits within the functional risk register. It was noted that a number of improvements were being implemented to address the backlog and capacity and whether these were issues or risks. BB reiterated that the risk was not the backlog but the consequences of not providing the training.

8.1.5 Additionally, it was queried if TSA017 adequately addressed the closed risk of TSA016. RH confirmed that the work underpinning risk TSA016 was underway and the wording of risk TSA017 would be amended to appropriately reflect the risk and provide assurance that it was being addressed.

8.1.6 The Committee discussed closed risk POD013 and why the focus was limited to within one Directorate and not Service wide. It was highlighted this was a specific Directorate Risk

which had specific actions relating to the People Function. The Committee noted the risk was worth considering for the overall organisation.

8.1.7   The Committee highlighted that this interim amendment to the report, along with the Dashboard and simplification of the process, would allow clarity of the risks and actions that were in place to mitigate risk. DJ confirmed to the Committee the timescale for the Dashboard being in place was approximately mid-August.

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

8.2   Risk Spotlight: FCS014 (Fleet & Equipment)
8.2.1   IM introduced IB and confirmed the review of the three key areas of Asset Management that was undertaken with the risks collated centrally and the interdependencies identified. IB presented the Risk Spotlight highlighting the following key points:
- 13-week checks are in place to maintain fleet and equipment assets. This is above what is required to meet legislation and is monitored by condition scoring annually.
- Condition scoring, along with data held on all fleet, is used to assist with prioritising investment.
- Supplier delays contribute to the realignment of the workplan.
- The continued review of the marketplace for alternative supply chains / solutions.
- The Strategic Review of Light Fleet shows there are 859 vehicles, which will be reduced, and consideration is being given on how to improve and redistribute the fleet which will provide savings.
- External factors are notably the war in Ukraine and Inflation, which continue to impact the current risk assessment.

8.2.2   IM added that all fleet and equipment adhere to current legislation, however with frequent legislation changes, this has an impact on finance and workloads. The Resource Spending Review would make a significant reduction in the costs to maintain vehicles due to the appliance withdrawal and reduction in light fleet. Further challenges were highlighted which impact forward planning and the 2025/2026 replacement programme was currently being reviewed.

8.2.3   The Committee discussed the factors that were beyond the control of the Service and the risk of the inability to deploy and meet statutory responsibilities. IM confirmed that having spare fleet mitigates the risk around inability to deploy but this mitigation had some negative aspects which were also being addressed. IM advised that the focus was on legislation, operational requirements and also benchmarking to ensure value for money was provided. However, an area for improvement was Asset downtime as this would measure performance when there was a standardised fleet.

8.2.4   The Committee discussed the current approach of reaching 95% availability of our assets and if this level was being reviewed. RH confirmed the Strategic Service Review Programme would aid any review of this due to the links between Service Delivery and Asset Management.

8.2.5   **The Committee noted the risk spotlight and thanked IB for the update.**

(IB left the meeting at 1100 hrs)

8.3   Anti-fraud/Whistleblowing Update
8.3.1   JT informed the Committee that there were no issues to report.

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

9   INTERNAL AUDIT

9.1   **SFRS Internal Audit Progress Report 2023/24**

9.1.1   GD presented a report to the Committee which summarised the early stages of implementing the Audit Plan and detailed the scope and objectives for the three planned reviews for Q2.

9.1.2   The Committee noted the content of the report with further discussion taking place around the scope for the planned reviews.

9.1.3   In regard to the Budgetary Control Audit, the Committee were content and no changes were required to the scope.

9.1.4   In regard to the Workforce Planning (On Call Firefighter) Audit, the Committee were content and no changes were required to the scope.

9.1.5   In regard to the Equality, Diversity and Inclusion Audit, the Committee were content and no changes were required to the scope.

9.1.6   RS advised that based on previous discussion around HMFSI and Internal/External Audit consideration of aligning programmes of inspections, a meeting had taken place with Azets to discuss alignment where appropriate, with further meetings being scheduled.

        (AW joined the meeting at 1115 hrs)

9.1.7   <u>Final Report – Sickness Absence Management</u>

9.1.8   GD advised the Committee of the outcome of the audit, noting the following key points:
        - The Service had good policies and procedures in place for Sickness Absence but this was not consistently applied throughout the Service.
        - Record keeping to monitor and report compliance was also not consistent.
        - A number of recommendations have been identified with management already responding to these.

9.1.9   The Committee sought assurance that the issues identified would be addressed in the short and medium term and asked how these would be reviewed and evidenced. LBa noted that management awareness and understanding the importance of adhering to the policies would assist until system issues could be addressed.

9.1.10 The Committee noted concerns that employees may not be receiving the required support due to lack of compliance and queried the risks should appropriate evidence not be provided if employment has to be terminated. LBa confirmed periodic sample checks would be carried out to review compliance and advised that Long Term Absence reporting and monitoring would have a higher level of compliance due to the steps involved.

9.1.11 The Committee requested details of the measures that had been put in place for the control weaknesses identified for each recommendation and for the ongoing compliance testing. The Committee sought assurance and evidence that recording of sickness absence was not being under reported. LBa advised of a link between Workforce Planning and Central Staffing but an update would be provided to a future ARAC meeting.

        ACTION: LBa

        (The meeting broke at 1142 hrs and reconvened at 1149 hrs)

9.1.12 <u>Final Report – Arrangement for the Internal Assessment and Verification of Scottish Vocational Qualifications (SVQ)</u>

9.1.13 GD provided an overview of the report and advised the Committee of the outcome of the audit, noting the following:

- The previous SQA inspection took place in 2019, with the 2020 inspection being cancelled by SQA as a result of COVID.
- An inspection took place in August 2022 with the SQA highlighting a number of concerns including a lack of qualified Internal Assessors and Verifiers and a change in practice which affected the recording of experiential evidence.
- Following the visit, a hold was put in place on the ability of SFRS to award SVQs.
- SQA has carried out another review and commended SFRS on the speed changes have been implemented.
- There was key learning on how to prevent this in future and that compliance was being monitored.

9.1.14 LBa welcomed the report and accepted the recommendations within. Plans were now in place to address the retirement issues, a major contributor to lack of qualified staff, and a detailed plan would be presented to the Committee to identify actions to increase the number of qualified assessors and verifiers, with timescales included. Plans were also in progress to confirm when the portfolios of those affected can be reassessed and to understand when the planned income from the levy could be recouped. LBa provided an overview of the levy, the impacts and benefits to the SFRS.

9.1.15 The Committee sought detail on how the situation arose to allow for organisational learning and for clarity on how the affected portfolios were addressed retrospectively. LG advised engagement was undertaken which highlighted there were operational incidents that affected employees had attended, which allowed supporting evidence to be gathered, over and above evidence gathered via training scenarios

9.1.16 The Committee queried if this issue compounded the risk identified within the Training report. AW confirmed both were separate.

9.1.17 The Committee queried if money had been lost as a result of the situation. JT and LBa confirmed money had not been received and work was underway to review how this could be recovered. An update was to be provided at the next meeting.

ACTION: LBa/JT

9.1.18 RH confirmed a further report was being presented to the Strategic Leadership Team which would review the key elements of finance, appropriate plans for Assessors and Verifiers and ensuring Best Value to allow continued scrutiny.

9.1.19 **The Committee scrutinised the progress report and the final reports.**

(Lyndsey Gaja left the meeting at 1205 hrs)

9.2   Internal Audit Annual Report 2022/23
9.2.1 GD presented a report to the Committee which provided an overview of the work undertaken in respect of the 2022/23 internal audit programme and to provide Azets overall annual opinion. The following key areas were highlighted:
- The opinion provided reasonable assurance over the adequacy of systems of governance, performance and management control which was the highest level of assurance that could be provided.
- One high risk recommendation was raised within the Training review.
- Delivered all the work within the Audit Plan, however noted the number of Audit days were exceeded due to the SVQ Review.
- Complied with Public Sector Internal Audit Standards and met high standards of quality from the External Quality Assurance Review.
- Key Performance Indicators showed two rated amber, which highlighted additional days of audit and also compliance with obtaining reports.

9.2.2   The Committee welcomed the report, however raised concerns with the number of outstanding actions that were overdue.

9.2.3   **The Committee scrutinised the report.**

9.3   SFRS Internal Audit Feedback Report 2022/23

9.3.1   GD presented a report to the Committee which provided a summary of the feedback received from SFRS in relation to the audit assignments undertaken as part of the 2022/23 Internal Audit Plan. The following key areas were highlighted:

- Feedback was being received which confirmed where the Internal Audit service was working well and having an impact.
- It detailed the key drivers that were impacting how the work was being conducted.
- Informed areas of improvement, working with finance and risk colleagues to gather the feedback and act in order to improve the Service.

9.3.2   GD confirmed the feedback process was showing to be successful and progress would continue to be reported on.

9.3.3   It was noted that the Internal Audit Feedback Report should be embedded within the quarterly progress report to the Committee.

9.3.4   The Committee discussed the processes in place to inform audits, appropriate reporting of the feedback received and ensuring value added was captured.

9.3.5   **The Committee scrutinised the report.**

9.4   SFRS Progress Update/Management Response

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

- More impetus required to complete outstanding actions.
- Consideration being made to slimline the process to align with Board and Committee timeframes.

9.4.2   The Committee highlighted the lack of updates and in particular, the update for the Disaster Recovery Plan. JT provided confirmation that this action would be closed by the due date but accepted the concerns around the lack of an update.

9.4.3   The Committee sought to understand the risk on Water Planning. JT confirmed the original risk was in relation to concerns of inadequate water supply, however there was also a significant financial risk due to a Service Level Agreement not being in place. Further discussions with Scottish Water were required to be held, which may include Scottish Government, with the possibility of a change to legislation. BB requested the risk should highlight the operational risk had been resolved, however the financial risk remained.

9.4.4   The Committee requested that where there were any significant outstanding recommendations, the responsible Director should be invited to attend the ARAC meeting to provide a management response update.

ACTION: JT/BST

9.4.5   **The Committee welcomed the update and the progress that was being made.**

10   AUDIT ACTION PLANS AND CLOSING REPORTS UPDATE

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

10.2   It was noted that the Audit and Inspection Overview dashboard recorded 14 action plans as complete and of the remaining 4 live action plans, 2 actions were progressing towards

closure, one action was reporting green and one action was reporting amber but would be concluded by the end of the year.

10.3 RS noted it was encouraging to see the actions against recommendations, in particular those from HMFSI. It was testimony to the SFRS that HMFSI were able to attend Committee meetings, see the actions in progress and the scrutiny that was being applied. This was unique and reflected on the progress being made and relationships that are being built.

10.4 **The Committee noted the report and welcomed the updates.**

11 EXTERNAL AUDIT - AUDIT DIMENSIONS AND BEST VALUE REPORT AND ANNUAL REPORTS 2021/22

11.1 JT presented the report to the Committee outlining the progress on the External Audit Dimensions and Best Value Report for year ending 31 March 2022 and the Annual Report and Accounts Audit for 2021/22. The following key points were highlighted:

- A transfer of responsibility had taken place from Deloitte to Audit Scotland.
- Discussions have taken place with regard to areas causing difficulties, in particular the alignment of budgets to Outcomes and what action could be taken to improve reporting and aid scrutiny for the Board.
- Consideration being given to focus on a specific topic to explore an outcome base, for example climate change, to allow learning and opportunities to develop in regard to budget to outcome.
- Evidence has been provided to Audit Scotland to allow a review which would support the closure of actions.

11.2 AMac endorsed JT comments and would apply processes in key priority areas, collect evidence and establish what would be useful detail for the Committee. Background information had been obtained on the recommendations from outstanding actions report and Audit Scotland would report back on the recommendations at the next meeting of the Committee.

11.3 The Committee welcome the views of Audit Scotland and noted that attributing budgets to outcomes was about transparency and providing a greater understanding on where the Service spends its money, the return on these investments and ultimately progress towards desired outcomes. It is hoped that with the support from Audit Scotland, efforts can be

11.4 more focussed on achieving the above.

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

12 NATIONAL FRAUD INITIATIVE

12.1 JT presented a report to the Committee outlining details on activity undertaken as part of the National Fraud Initiative (NFI) and additional actions recommended by External Audit. The following key points were highlighted:

- A Self-Appraisal process was required and Deloitte identified the Service should provide information in regard to this process to the Committee.
- The report included an Appendix which provided details of the self-assessment checklist and information on how the Service responds.

12.2 JT sought to confirm the Committee were content with how the Service responds and if there was anything else they would like to undertake in relation to the checklist.

12.3 The Committee discussed Appendix B within the report and confirmation was provided on its purpose to show the considerations were undertaken as business as usual.

12.4 The Committee sought clarification on when the last NFI return was completed. DJ confirmed the last return was in June 2022 and the current process started in January

2023. DJ advised this was a 2-year process, and at the end of the process, a report would be presented to the Committee.

12.5   **The Committee scrutinised the report.**

13   **QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS**

13.1   DJ presented the report to the Committee providing an update on the Gifts, Hospitality and Interests Register for Quarter 1 2023/24, advising a further short paper would be provided in the Private Session. The following key points were highlighted:

- The Gifts, Hospitality and Interests (GHI) register for 2023/24, up to 12 June 2023, identified 2 entries, with further information identified within Appendix A to this report. Separately, a further 8 declarations, under the £50 threshold, were received but not published.
- Following the previous report to ARAC on 6 April 2023 a further 2 hospitality entries were added to the 2022/23 GHI register. These entries related to hospitality and an invite to an overseas event. Both invites were declined. The GHI register published on the website had been update to include this information.
- Engagement in relation to gifts, hospitality and interests had continued with meetings held with Directorate's Management Teams, Local Senior Officer (LSO) meetings and Functional meetings to communicate the requirements of the policy and examples of declarations that needed to be made. Engagement sessions would continue during 2023/24.

13.2   **The Committee scrutinised the report, noting there would be further discussion on the topic in the later private session.**

14   **ORGANISATIONAL SECURITY UPDATE**

14.1   The Committee agreed that this would be discussed during the private session.

15   **ANNUAL GOVERNANCE STATEMENT FOR ACCOUNTING PERIOD 2022/23**

15.1   MMcA presented the report to the Committee advising of the Annual Governance Statement (AGS) for inclusion in the Annual Report and Accounts for the year ended 31 March 2023.

15.2   There were no significant issues or risks that required to be highlighted, however, appropriate actions would be taken to progress areas for improvement that had been identified.

15.3   Following the earlier discussion on risk and assurance, the wording within the AGS would be reviewed to ensure alignment.

ACTION: MMcA

15.4   **The Committee scrutinised the report and were content with the AGS subject to review of the wording around risk and assurance.**

16   **REPORT FOR INFORMATION ONLY:**

16.1   **Quarterly Update Report on HMFSI Business**

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

- Service Delivery Area (SDA) Inspection was a new style of inspection that saw performance being measured against a range of themes across each of the LSO areas within one of the three SDA's. This years SDA inspection was held within the East Service Delivery Area. Inspection visits and interviews concluded in early March and publication was anticipated in the near future following a formal consultation process with the Service. Publishing had been delayed due to the passing of Firefighter Barry Martin and SFRS seeking advice from Police Scotland and procurator

fiscal in relation to the publication. RS noted there was nothing within the report that caused concern in relation to firefighter or community safety.

- The report had been updated to provide more benefit to the Service.
- Scoping work in preparation for the inspection within the West SDA had commenced.
- Two additional focused inspections had taken place in relation to Contingency Planning Arrangements in the event of Industrial Action (IA) and the decision to terminate the contract relating to a new Command and Control Mobilising System. RS noted it was commendable that the Service and HMFSI had been able to carry out these inspections, alongside those already planned. Both reports had been published on the new independent HMFSI platform.
- Thematic Inspections on Climate Change and Mental Health and Wellbeing had resumed. Planned publication of the Climate Change Inspection was anticipated around July 2023 with the Mental Health and Wellbeing Inspection being later in the year.
- The appointment of two new Assistant Inspectors into the team at HMFSI - John Joyce and David Young with Ian Cameron and Gillian Buchanan having also joined on secondments which will allow experience to be gained. RS thanked the Board and RH for their continued support to secondments.

16.1.2 The Committee queried if benchmarking was taking place during the SDA inspections between other SDA's or fire and rescue services. RS advised this was the first time utilising ratings and it was an opportunity for the Service to use the rating and carry out benchmarking. The Committee would be able to apply scrutiny across the reports when published and seek areas of improvement. RS noted HMFSI did not have the resources to conduct benchmarking across the UK. RS also provided an overview of how the reports were constructed to aid readers scrutinising the report.

16.1.3 The Committee highlighted the added value of HMFSI in supporting continuous improvement across the Service.

16.1.4 **The Committee noted the report.**

17   REVIEW OF ACTIONS
17.1   KM confirmed that 5 formal actions were recorded during the meeting.

18   FORWARD PLANNING
18.1   **a) Committee Forward Plan Review**
        The Committee considered and noted the Forward Plan with no new items being identified.

18.2   **b) Items for Consideration at Future IGF, Board and Strategy Days Meetings**
        No items were identified.

19   DATE OF NEXT MEETING
19.1   The next meeting is scheduled to take place on 5 October 2023 at 1000 hrs.

19.2   BB noted this meeting as being the final Audit and Risk Assurance Committee for LBI and wished to record the Committee's thanks for the contribution and experience that she had provided to the Committee.

19.3   There being no further matters to discuss the public meeting closed at 1312hrs.

 PRIVATE SESSION

20   MINUTES OF PREVIOUS PRIVATE MEETING:
20.1   **Thursday 6 April 2023**
        The minutes of the private meeting held on 6 April 2023 were approved as a true record

of the meeting.

21   DISCUSSION ON GIFTS, HOSPITALITY AND INTERESTS

21.1   DJ presented the report and provided an overview of the detail included.

21.2   The Committee discussed the Gifts, Hospitality and Interests Policy and its use throughout the Service.

21.3   **The Committee noted the report and verbal update.**

14   ORGANISATIONAL SECURITY UPDATE

14.1   RW presented the report to the Committee to provide an update on the Service's work towards co-ordination of Organisational Security and progress against the recommendations made in the McClumpha Associates report.

14.2   **The Committee scrutinised the report.**

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 10 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 3 actions categorised as Green status and note 3 action 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: 13 October 2022						
7.5	**Annual Procurement Report 2022/23:** Consideration for the use of a Gross Value Added (GVA) statement to highlight economic impact.	JT	**June 2023** (April 2023, January 2023)			**Updated (19/01/2023):** After further discussion a GVA statement will be developed on the back of the Annual Procurement report. (Timeline 3 months) **Updated (06/04/2023):** Timeline extended to 6 months as this workload is not a critical priority. **Updated (27/06/2023):** The use of GVA has been considered. It is more complex for SFRS to undertake as spend information needs to be identified against specific geographical areas and industry categories and then published statistical indices applied to calculate GVA. SFRS is currently working with spend analysis supplier Spikes Cavell to determine if spend information can be categorised in this way to enable use of statistical indices. This work is being undertaken as part of this year's annual procurement report which will come to the Board for approval. **Updated (30/10/2023):** The use of GVA for SFRS has been considered but the additional complexity of allocating the spend to each local authority area in Scotland and working through multiple indices for different expenditure means the effort required outweighs the additional value derived. SFRS had hoped Spikes Cavell who collect for all

Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
						Scottish Government bodies could analyse GVA but this is currently not possible.
8.1.15	**SFRS Internal Audit Progress Report 2022/23 - Final Report – Revenue and Funding Maximisation:** Consider potential revenue maximisation and commercialisation, explore opportunities with subject matter experts e.g. universities.	**JT**	**June 2023** (April 2023, January 2023)			**Updated (19/01/2023):** M McAteer/R Whetton/J Thomson agreed collectively to meet with Universities in the first instance as part of innovation hub (Timeline 3 months) **Updated (06/04/2023):** Timeline extended to 6 months as this workload is not a critical priority. **Updated (27/06/2023):** Appointments are now being arranged with universities to discuss innovation hubs. **Updated (30/10/2023):** There have been a number of innovation sessions with universities including CivTech who can support public sector organisations with problems that require innovation. On 24 October 2023 a workshop scheduled/ completed with SFRS/CivTech to consider prioritising problems into a pipeline for CiviTech.

Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 19 January 2023						
7.1.13	**SFRS Internal Audit Progress Report 2022/23 - Final Report Corporate Performance Management**: 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.	**RW**	**June 2023** (April 2023)		**October 2023**	**Updated (06/04/2023):** I can provide a limited level of assurance. This limited assurance is based on a detailed understanding of the issues and challenges related to data quality which have been highlighted to the Good Governance Board, Strategic Leadership Team, Committees and Board. At present, work to improve data

						quality issues is affected by capacity, resource and data access limitations. Where possible, any analysis related to the data will provide commentary regarding data quality. **Further update (06/04/2023):** The Committee agreed that this action would remain open and that RW would bring forward a written report to the June meeting covering the points discussed. **Updated (27/06/2023):** Work ongoing on the Data Quality paper. The finalised paper will be submitted for consideration by Strategic Leadership Team and then presented at the next ARAC meeting (5 October 2023). **Complete (30/10/2023):** Data quality report on agenda for the 30 October 2023 meeting.
7.2.5	**Progress Update – Internal Audit Recommendations:** The Committee requested that calendar years should be added to all dates in future reports and more narrative detail to be provided within the cover report on progress, issues encountered and any timescale revisions.		Azets/JT	April 2023		October 2023	**Updated (06/04/2023):** Ongoing discussions continue to be held with Responsible Officers to ensure Follow Up templates accurately reflect challenges experienced and any resulting changes to completion dates. This additional narrative, aligned to discussions with AZETS, will continue to develop within future reports to Committee and Good Governance Board. **Updated (27/06/2023):** Azets' Response: The Follow Up report dashboard had been enhanced to include charts detailing outstanding recommendations per financial year and per grading and the number of recommendations which have exceeded their original implementation date by more than 9 months, those which are within 3 to 9 months of the original

					date and actions which are on track or within 3 months of the original implementation date. Revisions to implementation dates are determined by SFRS management and are detailed within the report. **Complete (30/10/2023):** Azets Continue to provide comment on the number of actions which have been closed and those outstanding in the quarter with more detailed narrative included within the body of the report.

Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 6 April 2023						
9.4	**Deloitte - Audit Dimensions and Best Value for the Year Ended 31 March 2022:** An update on the medium-term financial model and the long-term financial strategy was requested to be provided at the next meeting.	**JT**	**June 2023**			**Updated (27/06/2023):** The medium-term financial model has been updated to reflect the agreed budget for 23/24 including intended £11million in savings. Based on latest information a number of financial scenarios are being developed covering, pay, inflation and funding. Scottish Government on 25 May 2023 published a revised medium term financial strategy which will be considered as part of scenario planning. The Board will be updated in August 2023. **Updated (30/10/2023):** The Board were updated in August on Financial Scenarios and a presentation was completed on the draft Long-Term Financial Strategy. Following Board feedback a medium term financial plan is being developed and scheduled for consideration at future Board strategy

						day on 23 November 2023.

Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 27 June 2023						
7.2 & 7.3	**Committee Annual Report 2022/23 to the Board and Accountable Officer OF SFRS:** The Committee discussion and agreed the following amendments: • Report to reflect work undertaken would adequately allow the required scrutiny. • Point 3.1 wording to be amended from *"to consider the safety of our staff and stakeholders"* to *"reflect the safety protocols in place for our staff and stakeholders"*. • Point 7.2 assurance classification to amend from '*Limited'* to '*Reasonable'*. • Point 6.6 wording to be amended from "*where not necessary*" to "*where not appropriate*"	BST	October 2023		July 2023	**Complete (30/10/2023):** Committee Annual Report 2022/23 has been amended as agreed.
9.1.11	**SFRS Internal Audit Progress Report 2023/24 - Final Report – Sickness Absence Management:** Committee request to see what will be put in place for the significant control weaknesses identified and for ongoing compliance/ sample testing, for each recommendation or management action contained within.	LBa	October 2023			**Updated (30/10/2023):** Managers guidance is currently being updated, along with reminder communications for managers of the procedures and their responsibilities under the Attendance Management Policy and Procedures, including for the completion of E-self-certs, ensuring fit notes cover whole of absence period, submission, and storage (single source) of fit notes and other absence documentation and undertaking/recording of Attendance Support Meeting (ASM). Revisions being made to the middle

					manager development sessions, develop the inclusion of a managing absence toolkit in the management induction toolkit, as well as to the local and supervisory management development training to incorporate return to work interviews and attendance support meetings. Discussions underway with SDA DACO's and Risk&Audit colleagues to consider an independent process for managers vetting of case work within their areas or alternative options for future auditing which may assist in providing similar assurance.
9.1.17	**SFRS Internal Audit Progress Report 2023/24** - **Final Report Arrangements for the Internal Assessment and Verification of SVQ:** Committee request an update on progress of recovering any lost income from this process.	**LBa/JT**	**October 2023**		**Updated (30/10/2023):** Work is ongoing with Skills Development Scotland (SDS) and the SQA in order to progress both the Workplace ICT and Numeracy Core Skills as well as the outstanding SVQs. Employees have been contacted individually to advise of any outstanding items and support packages have been put in place, with additional resources being aligned to progress the priority candidates within the timescales (by end December 2023). Payments are continuing to be drawn down from the MA contract as employees complete this process. 55 line managers are currently undertaking Assessor training and the internal assessor delivery course is be reviewed with SQA. We are aiming for all outstanding to be completed within the timescales.

9.4.4	**SFRS Progress Update/Management Responses:** Committee requested responsible Directors be invited to attend ARAC to talk to their specific risks and management response updates.	**JT/BST**	**October 2023**	■		**Updated (30/10/2023):** At the Pre-Agenda meeting the chair of ARAC will determine who should attend and for which actions.
15.3	**Annual Governance Statement for Accounting Period 2022/23:** As per discussion during the Committee Annual Report (Item 7) re risk and assurance, the wording within the AGS would be reviewed to ensure alignment.	**MMcA**	**October 2023**	■	**October 2023**	**Complete (30/10/2023):** Wording has been reviewed and now content that it aligns fully with the item 7 discussions.

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee

Report No: **C/ARAC/38/23**

Agenda Item: **7.1**

Report to:	**AUDIT AND RISK ASSURANCE COMMITTEE**							
Meeting Date:	**30 OCTOBER 2023**							
Report Title:	**SFRS INTERNAL AUDIT PROGRESS REPORT 2023/24**							
Report Classification:	**For Scrutiny**	**Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to 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 2023/24 Internal Audit plan.

2	**Background**
2.1	This report is intended to enable the Audit and Risk Assurance Committee (ARAC) to consider the progress to date in the delivery of the audit plan for 2023/24.

3	**Main Report/Detail**
3.1	To provide confirmation of the progress made in relation to all audits contained within the 2023/24 agreed audit plan and to provide details of the scopes of the two reviews taking place in Quarter 3 along with the proposed timing of the reviews.

4	**Recommendation**
4.1	ARAC is asked to note the content of the report.

5	**Key Strategic Implications**
5.1 5.1.1	**Risk** The internal audit programme forms part of the Service's Assurance Framework.
5.2 5.2.1	**Financial** There are no direct implications associated with the report.
5.3 5.3.1	**Environmental & Sustainability** There are no direct implications associated with the report.
5.4 5.4.1	**Workforce** There are no direct implications associated with the report.
5.5 5.5.1	**Health & Safety** There are no direct implications associated with the report.
5.6 5.6.1	**Health & Wellbeing** There are no direct implications associated with the report.

5.7	**Training**
5.7.1	There are no direct implications associated with the report.

5.8	**Timing**
5.8.1	The report notes progress in relation to audits to be undertaken in the 2023/24 financial year.

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

5.10	**Communications & Engagement**
5.10.1	Individual reports are issued and agreed with management for each of the audit assignments contained within the annual plan and are presented separately to the Audit and Risk Assurance Committee throughout the year.

5.11	**Legal**
5.11.1	There are no direct implications associated with the report.

5.12	**Information Governance**
5.12.1	Collection or use of personal data has not been required in the preparation of the Progress Report. For this reason, a Data Protection Impact Assessment has not been required.

5.13	**Equalities**
5.13.1	For each audit assignment, relevant directors need to consider whether an Equality and Human Rights Impact Assessment is applicable**.**

5.14	**Service Delivery**
5.14.1	There are no direct implications associated with the report.

6	**Core Brief**
6.1	Not applicable

7	**Assurance (Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance and Procurement
7.2	**Level of Assurance: (Mark as appropriate)**	~~Substantial~~/**Reasonable**/~~Limited/Insufficient~~
7.2	**Rationale:**	Azets are providing ARAC with an update on the progress of the audits within the IA plan for the year and identifying any specific recommendations for each audit completed.

8	**Appendices/Further Reading**
8.1	Appendix A: Internal Audit Progress Report
8.2	Appendix B: Final Report Budgetary Control
8.3	Appendix C: Final Report Workforce Planning – On Call Firefighters (Attraction and Recruitment)

Prepared by:	Gill Callaghan, Senior Manager - Azets
Sponsored by:	John Thomson, Acting Director of Finance and Procurement
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	*30 October 2023*	*For scrutiny*

Scottish Fire and Rescue Service

Internal Audit Progress Report

October 2023

Scottish Fire and Rescue Service

Internal Audit Progress Report

Summary

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

Status of internal audit reviews 2023/24

- ■ Complete
- ■ Draft report
- ■ Fieldwork complete
- ■ Fieldwork in progress
- ■ Planned
- ■ Planning
- ■ Audit Deferred
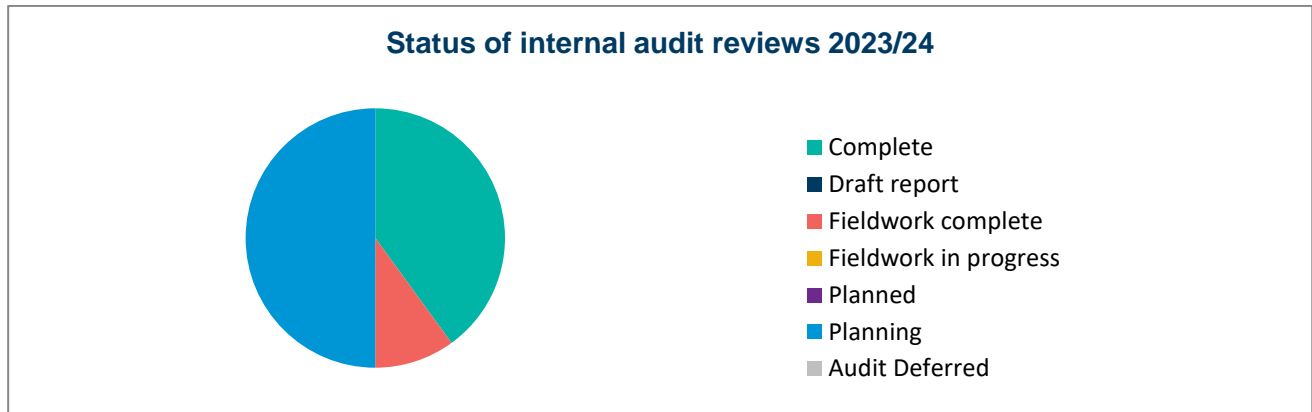
Action for Audit and Risk Assurance Committee

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

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

2023/24 audit plan progress

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

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
Audit deferred	Audit assignment deferred to following year

Summary of feedback on Internal audit assignments

We have yet to receive feedback in respect of the Sickness Absence Management review of 2022/23.

For the 2023/24 audits, the reviews of Budgetary Control and Workforce Planning (On Call Firefighters) have only recently been finalised. Feedback has, therefore, not yet been collated in respect of these audits.

Internal audit assignments scheduled to take place in Quarter 3

The following internal audit assignments are scheduled to be undertaken in Quarter 3:

- Risk Management (Assurance Stocktake); and
- Partnership Working.

Discussions have been held with both Audit Sponsors regarding the scopes of the reviews and we propose the following coverage for each audit.

Audit Assignment:	RISK MANAGEMENT (ASSURANCE STOCKTAKE)
SFRS Audit Sponsor:	John Thomson, Acting Director of Finance & Procurement
Agreed start date:	6 November 2023
Scope:	In accordance with the 2023/24 internal audit plan, we will review SFRS's assurance framework and we will undertake a stocktake of assurances obtained in relation to a sample of the Service's most significant risks and assess whether the assurances provide sufficient comfort to ARAC and Board members, are understood and clearly demonstrate to them whether risk mitigation is working effectively. As part of this audit, we will interview a sample of relevant risk owners and challenge them on any assumptions made regarding the risks. We will also review the arrangements in place for determining any gaps or overlaps in assurance and the actions taken to address this.

Throughout the review we will consider how SFRS compares to other organisations in its approach to assurance, any lessons that can be learned to improve existing practices, opportunities for streamlining assurance frameworks and the potential for achieving additional value for money from existing processes and practices. |
| Control Objectives & Methodology: | **Control Objective 1**

An appropriate framework exists for determining assurances in relation to SFRS's most significant risks (including assurance mapping) which ensures that assurance providing activities are determined and are appropriate and proportionate to the degree of risk to which SFRS is exposed.

Methodology

We will compare the assurance framework in place to recommended best practice as well as to frameworks we have seen operating within other similar organisations. We will consider how assurances are determined and mapped. We will also consider how SFRS ensures that the assurance measures are commensurate with the level of risk posed in order to ensure that resources are directed towards risks which pose the greatest risk to the Service. |

We will evaluate SFRS's approach to assurance in comparison to other bodies we work to identify options and opportunities for achieving value for money.

For a sample of significant risks, we will consider whether the assurance obtained reflects the level of risk involved in order to ensure that resources are appropriately focussed in order to improve efficiency. This will also be discussed with the relevant risk owners to gain their insight into how the assurances were determined as well as the degree of assurance that is required.

Control Objective 2

Any gaps where assurance is limited or overlaps in assurance are identified with appropriate action taken to address these in order to ensure assurance providing activities encompass all risks, are efficient and any duplication is minimised.

Methodology

We will ascertain how SFRS ensures that there are no gaps in assurance and identifies any instances of assurance overlap. The aim of this is to ensure that appropriate action is taken to rectify any gaps in assurance and that any duplication in assurance is addressed in order to improve efficiency.

For a sample of significant risks, assurances will be reviewed to ascertain where they may be lacking in any way or if there is any duplication. Relevant risk owners will be challenged on the adequacy of the assurances in place and how any gaps/overlaps are going to be addressed.

We will compare and contrast SFRS's approach to assurance with other organisations we work with to identify potential options and opportunities to achieve value for money.

Control Objective 3

Assurance providing activities are regularly reported on and are subject to frequent review to ensure any changes in the assessment of risks are addressed and that information provided as assurance is of a high quality, is reliable and sufficient in nature to provide comfort as to whether risk mitigating actions are effective or to alert management/members to any areas where risk mitigation is not operating as planned.

Methodology

We will ascertain how SFRS reports on assurance and for ensuring assurances are subject to regular review in order to ensure they remain relevant and appropriate.

We will determine what tools, if any are used to produce information providing assurance, and how SFRS ensures the reliability and integrity of this information to ensure decisions are based on good quality data.

For a sample of significant risks we will review the quality of the assurances provided and will provide advice as to how this could be improved, if appropriate. We will also discuss the assurances obtained with the relevant risk owners.

We will identify opportunities for SFRS to streamline processes for achieving and reporting on assurance, particularly options for greater automation in data gathering and reporting.

Control Objective 4

Oversight of the assurance framework is carried out by the Board, its sub-Committee members and senior management with regular feedback obtained from them on the adequacy of the assurances provided in order to aid continuous improvement.

Methodology

We will review the arrangements for reporting on assurance to the Board, its sub-Committees and senior management. We will compare SFRS's approach to governance with other bodies we audit to identify opportunities for improving or streamlining governance to achieve better value for money.

We will ascertain the mechanisms in place for members and senior management to challenge risk owners on the assurance provided.

We will examine the arrangements for obtaining feedback from members and senior management on assurance and how any areas for improvement are taken forward.

We will interview a sample of members/senior managers to ascertain their perspective on the level/quality of assurance provided with the aim of improving processes, where appropriate.

Audit Assignment:	PARTNERSHIP WORKING
SFRS Audit Sponsor:	Mark McAteer – Director of Strategic Planning, Performance and Communications
Agreed start date:	11 December 2023
Scope:	In accordance with the 2023/24 internal audit plan, we will examine the partnership working arrangements SFRS has in place with Local Authorities to ensure partners work together effectively to ensure successful outcomes for all parties. This will include the following areas: guidance for Local Senior Officers; planning for partnership working; documented agreements with clearly defined roles and responsibilities for both parties; ensuring the aims and objectives of the partnerships are established at the offset which align to SFRS's strategic objectives; and ensuring there are regular liaison and monitoring arrangements in place to ensure successful collaboration and outcomes.

As part of this review, we will consider how SFRS compare to other organisations in its approach to managing partnership working, any lessons that can be learned to improve existing practices, opportunities for streamlining processes and the |

	potential for achieving additional value for money from existing processes and practices. This review will focus specifically on partnerships with Local Authorities and the role of Local Senior Officer in the management of local partnership arrangements. Partnership working with other emergency services, Health Boards, third sector organisations and community groups will not be covered as part of this review.
Control Objectives:	**Control Objective 1** **Documented guidance is in place for Local Senior Officers in relation to the management of local partnership working arrangements in order to ensure a consistent and proportionate approach is taken across the Service.** *Methodology* *We will review any documented guidance provided to Local Senior Officers on the management of local partnership working arrangements to ensure it supports robust, repeatable processes, which are proportionate to the scale of the partnership and which can be consistently applied throughout the Service to promote effective and efficient partnership arrangements with Local Authorities.* *We will evaluate SFRS's approach to partnership working in comparison to other bodies we work to identify options and opportunities for achieving value for money.* **Control Objective 2** **Documented partnership working agreements are in place with the Local Authorities which have clearly defined roles and responsibilities for both parties. Aims and objectives of the partnerships are also established at the offset which align to SFRS's strategic objectives.** *Methodology* *We will review the documented agreements in place with Local Authorities to ensure they are fit for purpose and that roles and responsibilities are clearly set out in order to avoid any duplication. We will also review the arrangements to ensure that the outcome of the partnership fits with SFRS's strategic direction.* *Any areas for improvement will be identified.* **Control Objective 3** **Local Senior Officers devise appropriate plans for partnership working with Local Authorities in order to ensure sufficient resources are allocated to enable SFRS to successfully deliver its part of the agreement.** *Methodology* *We will evaluate the planning process in order to ensure resources are available and are used effectively and efficiently to enable SFRS to deliver successfully. This will also include ensuring SFRS's financial commitment to the partnership is accurately determined at the outset in order to minimise the risk of any subsequent overspends.*

Control Objective 4

Regular liaison and monitoring arrangements are in place to ensure successful collaboration and outcomes, with appropriate action taken should any issues arise. Local Senior Officers comply with any reporting requirements determined by the lead partner.

Methodology

We will review the level of engagement Local Senior Officers have with Local Authorities to ensure this is proportionate to the scale of the partnership and that monitoring of the arrangement is carried out in an effective and efficient manner.

We will review the arrangements for ensuring compliance with any reporting requirements, particularly in instances where SFRS is not the lead partner and will consider opportunities for streamlining the reporting process, if appropriate.

Control Objective 5

Appropriate reporting arrangements are in place to ensure sufficient oversight and scrutiny of partnership working with Local Authorities.

Methodology

We will review the arrangements for reporting on partnership working to the Board, its sub-Committees and senior management. We will compare SFRS's approach to governance of this area with other bodies we audit to identify opportunities for improving or streamlining governance to achieve better value for money.

We will ascertain the mechanisms in place for members and senior management to query or feedback to Local Senior Officers on partnership working arrangements.

KPI status

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

Key

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

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AZETS

Scottish Fire and Rescue Service

Internal Audit Report 2023/24

Budgetary Control

September 2023

Scottish Fire and Rescue Service

Internal Audit Report 2023/24

Budgetary Control

Audit Sponsor	Key Contact	Audit team
Lynne McGeough, Acting Head of Finance & Procurement	*Marcus Jenks, Decision Support Manager*	*Gary Devlin, Chief Internal Auditor* *Gill Callaghan, Senior Audit Manager* *Nieshba Shan, Assistant Manager* *Cameron Laurie, Internal Auditor*

Executive Summary

Conclusion

Scottish Fire and Rescue Service has generally robust controls in place over budgetary control functions. A defined process for budget setting is in place including the thorough scrutiny of budgets prior to finalisation. Regular and detailed monitoring is undertaken of budgets both at an individual budget holder level, and at a directorate overview level. Variances identified during monitoring activities are consistently challenged, with investigations undertaken and explanations sought, as well as the consideration of corrective actions. Budget holders described the support provided to them by the finance department as "invaluable". A sophisticated medium term financial plan is in place, which is subject to rigorous scenario/stress testing in order to assess the impact of various potential permutations. Consistent reporting arrangements are in place to both the Strategic Leadership Team (SLT) and the Board to inform them of budgetary updates.

However, we identified the need to ensure that business cases are completed and supported by relevant documentation, where required. This was assessed as high risk due to the potential for major spend commitments to be made outwith the process and without the consideration of the wider impact to the Service and its financial sustainability.

Two moderate/low risk findings were identified, concerned with the consultation with budget holders prior to finalisation of the budget and the use of Microsoft Excel for budgetary control activities.

Background and scope

The Scottish Fire and Rescue Service's (SFRS) overall budget for the year ended 31 March 2024 has been set at £363.7m which is an increase of £11m (c3%) compared to the previous year's budget. Of this, the sum of £308.6m has been set as the resource budget with 80% of the budget allocated to employee costs.

The budget increase is not sufficient to cover the impact of wage and price inflation on existing service provision and SFRS will need to make significant savings in the current financial year. The Service is also developing a four-year savings programme to address the ongoing impact of budgetary pressure. SFRS has identified the need to deliver savings of £11m to achieve a balanced budget for 2023/24 and the need for further recurring savings to allow for inflation and future pay awards. It is, therefore, essential that SFRS has effective stewardship over the use of its funds and that budgets are set based on realistic assumptions, are accurately forecast and closely monitored. This will ensure the effective use of resources, assist in achieving savings and minimise the risk of financial and reputational loss.

In accordance with the 2023/24 internal audit plan, we have carried out a review of budgetary control. Our review focussed on controls over budget setting, monitoring, and reporting with particular emphasis on ensuring the Service's financial sustainability going forward. As part of this audit we also reviewed the arrangements for ensuring that value for money is given due consideration when taking decisions to commit expenditure.

We also interviewed a sample of six budget holders asking them a set of questions designed to ascertain their views on the budgetary controls in operations and the level of support provided to them by the Finance section. (A summary of their feedback can be found at Appendix A).

This audit was limited to the budgetary control framework over the resource budget. The capital budget was not included as this was covered as part of the Capital Investment Strategy review undertaken in 2022/23.
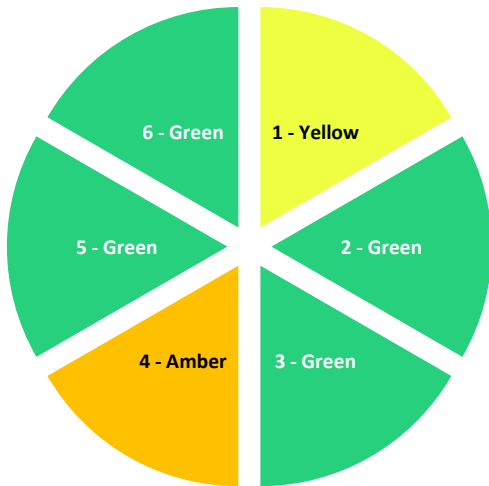
Control assessment

1. There is an appropriate process for budget setting that includes a requirement for budgets to be appropriately scrutinised and approved.

2. Budgets are monitored on a regular basis and are subject to accurate profiling and forecasting, with adequate support provided to budget holders to enable them to monitor their budgets effectively. Any virements are subject to review and approval.

3. Significant variances between budgeted and actual income and expenditure are investigated with explanations provided and, where necessary, corrective action taken.

4. Due consideration is given to value for money and available budget when making decisions to commit expenditure with business cases being compiled when expenditure cannot be sourced from the existing budget.

5. Medium-term financial plans have been devised to ensure the Service's ongoing financial sustainability.

6. Appropriate management information and reporting arrangements are in place.

Improvement actions by type and priority
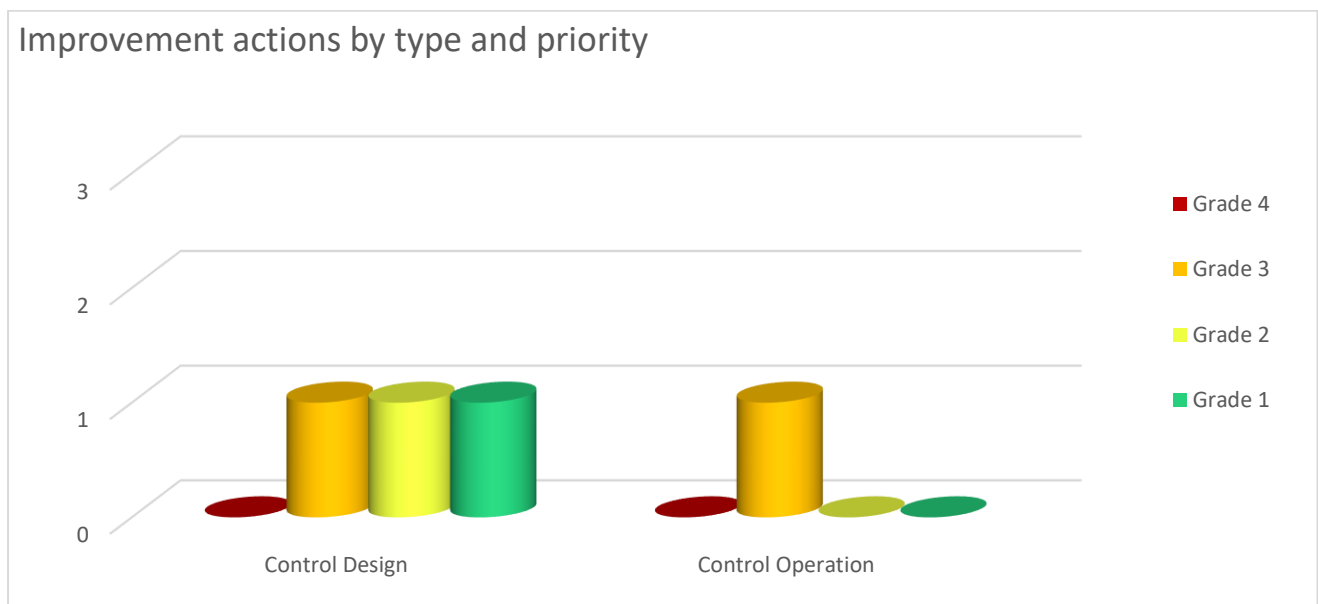
Four improvement actions have been identified from this review, three relating to the design of the controls and one relating to the control's operation. See Appendix A for definitions of colour coding.

Key findings

Good practice

- Budget setting activities begin at a suitable point within the financial year, allowing sufficient time to consult with individual budget holders and analyse trends and potential pressures. The budget setting process is subject to thorough scrutiny from both the SLT and the Board.

- Regular, consistent and thorough budget monitoring is undertaken, both at an individual budget holder level for each budget line, for each directorate and also at a high level for reporting to SLT on a monthly basis, and the Board at each board meeting.

- Budget holders describe the support made available to them from their dedicated finance business partner, and the wider finance team as invaluable. Finance business partners consult with budget holders at least monthly, for thorough scrutiny, investigation and support on budgetary control.

- Variance analysis is undertaken at an individual budget holder level, directorate level and corporate level. SFRS has controls in place to identify variances, why they are occurring, and what corrective actions are in place to address them.

- A sophisticated medium-term financial plan is in place and is subject to extensive scenario/stress testing in order to project funding or cost cutting requirements necessary to achieve financial sustainability.

Areas for improvement

We have identified a number of areas for improvement which, if addressed, would strengthen SFRS's budgetary control framework. These cover the following areas:

- Ensuring budget holders are consulted prior to submitting the budgets for final approval .

- Ensuring that when procuring a new internal financial management system, the specification clearly sets out the Service's requirements in full and the in-built controls required for managing budgets and making the process more efficient.

- Clearly documenting the criteria for determining when a business case is required and which type, in order to ensure significant spend commitments are consistently subject to thorough impact analysis and scrutiny.

- Ensuring that the business case process is consistently adhered to and reviewing who has oversight of the process and ensuring compliance with internal procedures.

These are further discussed in the Management Action Plan below.

Impact on risk register

This review is linked to the following Strategic Risk Area:

- Risk 7 - Ability to deliver a high quality, sustainable service within the funding envelope.

SFRS is working hard to promote financial sustainability through generally strong budgetary controls. Budget setting and monitoring is subject to thorough scrutiny at all levels of the organisation, with an interest in sustainability and responsible spending. The service maintains a medium term financial plan in order to project necessary funding to continue to deliver a high quality service in a sustainable manner.

Acknowledgements

We would like to thank the following staff who were consulted during this review for their assistance and co-operation:

- Lynne McGeough, Acting Head of Finance & Procurement
- Marcus Jenks, Decision Support Manager
- Francene McDermott, Management Accountant
- William Lindsay, Finance Business Partner
- David Johnston, Risk & Audit Manager
- Hilary Sangster, Local Senior Officer
- Gordon Pryde, Area Commander
- Roddy Mackinnon, Scottish Equipment Manager
- Ceri Dodd, Deputy Head of People
- Sandra Fox, Head of Information & Communication Technology
- Sandra Haig, People Manager

Management Action Plan

Control Objective 1: There is an appropriate process for budget setting that includes a requirement for budgets to be appropriately scrutinised and approved

Yellow

1.1 Consultation with budget holders

The Budgetary Control Framework outlines the process in place for budget setting, which includes detail on the appropriate scrutiny, review and approval of budgets, as well as allocating responsibilities throughout the budget setting process. Timetables for budget setting have been established to ensure sufficient time for consultation with budget holders and to ensure the draft budget is completed in time for the relevant SLT and Board meetings.

As per the budget setting framework, the timeline is as follows:

- Budget preparation – October to January

- Budget endorsement from SLT – January

- Budget approval from the Board – February to March

The above timeline is dependent on the Scottish Government confirming funding levels which, we were advised, can be very late.

We were able to observe the budget preparation process, as well as SLT endorsement and sign off of the budget and Board approval, as per the timeframes set out in the documented process.

We also sought to understand the process for verifying that budgets are accurately loaded to the main accounting system (Tech 1) to ensure the amounts on the system accurately reflect the budgets agreed by SLT and the Board. SFRS verify that budgets are accurately loaded to their main accounting system by regularly (at least monthly) performing a reconciliation between agreed budgets approved by the Board (in excel format) and data held on Tech1.

As part of our testing, we interviewed six budget holders to ascertain their involvement in the budget setting process (see Appendix A for results). We noted that one of the budget holders highlighted an instance where the final approved budget was not what they expected. We were subsequently advised that this was likely to be as a result of a communication issue between the DACO/Head of Function and their team. Management also commented that the introduction of a new finance system should provide the capability to allow budget holders to view their budgets during the budget setting process, which should help prevent this situation from recurring.

Risk

There is a risk that budget holders are not appropriately informed or consulted on their draft budgets prior to submission for approval. This could lead to disagreements on budgetary requirements, and incorrect allocation of funds, resulting in future variances against projected and actual spend.

Recommendation

SFRS should ensure that all budget holders are consistently given the opportunity to review and provide comment on their budgets prior to submission for SLT/Board approval. The reason for any significant variance between the final approved budget and that expected by the budget holder should be investigated so that the budget holder is satisfied that there is a reasonable explanation for any difference.

Management Action

Grade 2 (Design)

The budgetary control framework and timetable will be updated to include:

- A final consultation with budget holders prior to the budgets being scrutinised by SLT.

- A review of the final budgets with budget holders once they have been approved and loaded into the finance system.

Action owner: Marcus Jenks, Decision Support Manager   **Due date:** 1 December 2023

Control Objective 2: Budgets are monitored on a regular basis and are subject to accurate profiling and forecasting, with adequate support provided to budget holders to enable them to monitor their budgets effectively. Any virements are subject to review and approval

Green

2.1 Use of Microsoft Excel

Through our testing, we sought to observe the controls in place for budget monitoring, budget phasing/profiling, budget virements, and ensuring financial sustainability through medium term financial projections and testing.

Whilst we are satisfied that there are control mechanisms in place for all of these activities, it was noted that all are designed and operated through the use of Microsoft Excel. Our key contacts throughout the audit have acknowledged that using Excel as a means of detailed monthly monitoring, as well as the other activities mentioned above is not optimal, and they would prefer the use of a different platform.

Technology 1 (Tech1) is the accounting software used by SFRS to record transactions. We were advised that the Tech1 system is difficult to use, especially for staff out with finance who do not frequently interact with it. The system was described as *fine for recording transactions but hard to review.* Some commented that Tech1 contains the necessary information but not in a format which is easily readable and understood by budget holders and staff out with finance.

The finance function within SFRS is looking to replace the current system, and by doing so replace the reliance on the use of Microsoft Excel. We understand that, at the time of fieldwork, this was in the initial consideration phase and the organisation has not yet devised a specification for a potential new system or commenced the procurement process. The Service is looking to replace the finance, HR and Training internal systems with a holistic provider which will cover these areas and a range of other internal business functions. The efficiency of budgetary control would be greatly improved with a system that could manage the activities of budget monitoring, budget phasing/profiling, budget virements, financial projections and testing collectively, as opposed to the current use of multiple Excel spreadsheets. Whilst Excel is used effectively by SFRS, budgetary control effectiveness as a whole would be enhanced with an improved integrated finance system.

See Appendix A (Profiling and forecasting, and budget maintenance) for staff questionnaire results.

Risk

There is a risk that, due to the use of Microsoft Excel as a means of undertaking budgetary control activities, SFRS is exposed to issues such as insecure data, inadvertent error (and the lack of error control), difficulty in controlling and operating large datasets (which is required of the budgetary control function), the complex and laborious nature of importing and processing data from an external source (Tech1), and the time consuming nature of operating an excel spreadsheet due to its relatively manual nature. These are all issues that could lead to inaccuracy and inefficiencies in the budgetary control function.

Recommendation

Whilst we appreciate that the current Microsoft Excel spreadsheets in use have various controls, checks and balances in place, when procuring a new financial system, SFRS should ensure that automation of features is incorporated into the specification and that the new system's functions fully meet SFRS's requirements so that the use of multiple spreadsheets is no longer required. Whilst not on the most optimal platform, current budgetary controls are generally robust, and SFRS should ensure that these are replicated onto the desired financial system, in order to maintain control over managing budgets whilst improving efficiencies.

Management Action

Grade 1 (Design)

The inclusion of budgeting and forecast capabilities has been included in the requirements for a replacement Finance System.

Action owner: N/A   **Due date:** Complete

Control Objective 3: Significant variances between budgeted and actual income and expenditure are investigated with explanations provided and, where necessary, corrective action taken

Green

No reportable weaknesses identified

We confirmed that, at the individual budget holder level, when reviewing monthly budget reports, budget holders are asked to provide details of variances identified.

For reporting to SLT and the Board, variances over £20k are investigated with explanations sought and presented. Other variances viewed as significant enough to be reported are also shared with SLT and the Board. Finance business partners conduct a variance analysis for all expense categories and actions are listed at the end of the report.

Variances are identified at a high level and also per directorate. A full year forecast and variance is given, alongside narrative and investigation. Risks and necessary actions for variances are also outlined.

In budget monitoring reports provided to the SLT a traffic light system is used to track previously considered actions. Progress to date, responsibility and "status" are listed for outstanding recommended actions. We were advised that on an individual level at monthly meetings between budget holders and finance business partners, actions taken in response to issues identified, and progress against them, are discussed.

SFRS has controls in place to identify any overspends, the reasons for these, and actions taken to address them. External reasons for variances are flagged, and internal actions to help mitigate the effect of these are challenged.

Through review of a sample of SLT and Board reports, we confirmed that the above controls were operating effectively.

Control Objective 4: Due consideration is given to value for money and available budget when making decisions to commit expenditure with business cases being compiled when expenditure cannot be sourced from the existing budget

Amber
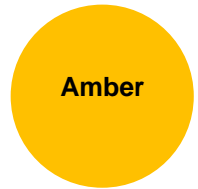
4.1 Business case process

We sought to understand the process for ensuring value for money when committing expenditure and in instances where expenditure cannot be sourced or vired from existing budgets. We also assessed for the required criteria for a business case to be prepared. We reviewed the business case process/procedure, as well as other budgetary control frameworks and procedures, and concluded that the stipulations for what requires a business case are not sufficiently clear to ensure a consistent approach to decision making. The monetary value or operational impacts which require a business case to be prepared has not been quantified .

The current documented guidance requiring the preparation of a business case to inform decision making is set out below:

This process is initiated by the DACO or Head of Function if ANY of the criteria below are met:

- *A new project is being considered;*

- *There is a change to service provision;*

- *Additional resource (e.g. money or staff from another function are required).*

We found that there are robust arrangements in place for processing business cases, which include a thorough impact analysis both at a functional and organisation wide level, and detailed scrutiny from SLT, but there remains ambiguity as to which business case is required e.g. Summary Business Case or Full Business Case. The guidance states that a full business case is required for a major project, but there is no definition of what constitutes a major project.

Risk

There is a risk that, due to the lack of clarity over the circumstances where a business case is required, decisions may be made in relation to significant spends without sufficient information upon which to base them, leading to potential significant overspends and resulting in financial sustainability not being achieved.

Recommendation

The monetary value which determines when a business case is required and which type needs to be clearly defined, in order to promote clarity and ensure high value spends and business altering projects are subject to the correct level of scrutiny and approval.

Management Action

The business cases process will be updated to set out the financial parameters that dictate when a business case should be prepared and which level of business case is required.

Action owner: Marcus Jenks, Decision Support Manager   **Due date:** 1 December 2023

4.2   Evidence of the Business Case process

For our testing, we selected a sample of three business cases that were presented within the last year.

- Drones

- EV chargers capital

- Evac equipment

We confirmed that there is robust internal guidance on the business case process (once the need for a business case has been identified) and the steps to be followed. For the above business cases, we requested evidence that the due process has been followed including the steps described as:

1. *Commissioning application and impact and engagement analysis;*

2. *Business Case preparation;*

3. *Consultation;*

4. *Governance, prioritisation and budget allocation.*

For our sample of three business cases, we noted the following:

- Drones: there were incomplete versions of steps 1 and 2;

- Home chargers: there were also incomplete versions of steps 1 and 2; and

- Evac boards: evidence was only provided for steps 1, 2, and 3.

We followed up with the decision support manager regarding the missing pieces of information. They indicated that they would ask the relevant finance business partners for the documentation, however this could not be obtained prior the end of fieldwork.

We were subsequently advised by management of the following:

- the business case for the drones is currently being worked on following agreement that this would be created for the preferred option; and

- for EV chargers, the final business case is still awaited.

Although there is a thorough process in place for business cases (once they have been identified), there is evidence to suggest that this process is not always being followed consistently. Our key contacts within finance agreed that whilst there appears to be a robust process in place that should be understood, this is not always followed and embedded within practice. Finance also noted that the responsibility for ensuring the business case process is fully adhered to should not be within their remit. Members of finance felt that they should have input to the allocation of funds, however, they felt they should not be responsible for policing every step of the process.

See Appendix A for staff questionnaire about committing expenditure.

Risk

There is a risk that the process for business cases is not always followed consistently and decisions are not adequately informed or evidenced. This could lead to an inability to evidence that expenditure is being committed consistently with procurement and value for money principles applied, resulting in expenditure being committed that may be detrimental to the Service's financial health.

Recommendation

SFRS needs to ensure that all relevant steps required for processing business cases are completed and fully documented including following the agreed governance route. In addition, it needs be made clear as to who is responsible for overseeing the business case process and ensuring compliance with internal procedures.

Management Action

Grade 3
(Operation)

A corporate communication will be issued to reiterate the need for business cases to be completed in full. And offering training to anyone completing business cases.

Action owner: Marcus Jenks, Decision Support Manager   **Due date:** 1 December 2023

A review of where best, within the Service, the stewardship of the business case process sits will be undertaken and the business case process will be updated accordingly.

Action owner: Lynne McGeough, Acting Head of Finance & Procurement

Due date: 30 November 2023

Control Objective 5: Medium-term financial plans have been devised to ensure the Service's ongoing financial sustainability

Green

No reportable weaknesses identified

SFRS has a rolling financial plan for the next 8 to 9 years, which is used to predict costs and necessary funding required for the period. The plan, which is maintained in spreadsheet format, works by updating assumptions and variables based on different potential scenarios.

The financial plan has been subject to external scrutiny from both Deloitte and the Scottish Government due to its importance. When SFRS approaches bodies for funding, requests are based on assumptions tested within this plan.

Assumptions are made on expected funding provided from the Scottish Government which gives a GAP (between projected gross expenditure and projected funding). These assumptions are driven by modifying various parameters that will impact expenditure, and the parameters for potential change in funding from the Scottish Government.

For example, the plan allows for various adjustments to staff pay parameters. Taking current full-time staff, SFRS estimates scenarios such as the pay award. The headcount of whole-time firefighters is considered and compared with the headcount needed going forward. Where there is a gap, it is assumed this will be filled with overtime (and the necessary costs attached to that).

Projected expenses going forward are considered with necessary inflation rates applied, and business cases and their costs are overlayed.

Once all parameters within a particular scenario are applied, a summary sheet showcases the results, presenting the GAP.

SFRS uses this model and applies numerous different scenarios, such as best/worst cases, and scenarios that seem more likely. It was estimated from the Decision Support Manager that there are around 300-400 different potential scenarios archived, which are used to inform the Board and set SFRS's strategic financial direction.

The plan is used in discussion with the Scottish Government to highlight the financial challenges faced by the Service and its funding requirements.

Control Objective 6: Appropriate management information and reporting arrangements are in place

Green

No reportable weaknesses identified

Regular monitoring and subsequent reporting to senior management is undertaken monthly. The Budgetary Control Framework outlines the reporting processes:

6.7 SLT Reporting

The Director of Finance and Contractual Services will present to SLT a consolidated resource budget monitoring statement for scrutiny on a monthly basis, broken down by devolved budget and also by expenditure category. SLT will use the consolidated report to ensure that the overall Service budget is managed effectively and where action is required that this is acted upon and communicated.

6.8 Board Reporting

The Director of Finance and Contractual Services will present a consolidated resource budget monitoring statement at each Board meeting. This will clearly show the year-to-date expenditure, year to date budget, full year budget and revised forecast for the organisation. The resource budget monitoring statement will be accompanied by a narrative explaining any significant variances between the forecast and budget and outlining remedial action.

Through the consolidated resource budget monitoring statement for scrutiny on a monthly basis for the SLT, and the consolidated resource budget monitoring statement at each Board meeting (at least two-monthly), we have assessed the arrangements as suitable. We reviewed all monthly consolidated reports to the SLT for the 12 month period up to the beginning of audit fieldwork, and reviewed Board reports within the same period and confirmed that budgetary control was adequately discussed.

Appendix A

Budget Holders' Questionnaire

Budget Setting

We selected a sample of ten budget lines and sought to speak with their respective budget holders to interview them about their experiences in the budget setting process. It was noted that of these budget lines, some had the same member of staff with budget holding responsibilities. It was also noted that the budget holders interviewed (six in total) were responsible for many individual budget lines each, meaning that the scope of the sample, in terms of budget lines covered, was larger than first expected.

Questions, and the general trends found in their answers, were as follows:

"What involvement do you have in the annual budget setting process?"

Each budget holder discussed the process of budget setting as being one that goes on throughout the year. Ongoing discussion is had with their finance business partner to work out what the requirements and projections are, and how that will feed into next year for their budget line. Budget holders continually engage with their finance business partners throughout the year by looking at the budget and any areas that may impact the upcoming year's budget setting. Staff were generally satisfied with the input they had and briefing they were given on changes.

"Do you feel that you are adequately consulted by finance regarding your budgetary requirements for the forthcoming year?"

 All respondents answered yes to this question.

"Do you have the opportunity to review your draft budget and comment on this prior to it being submitted for approval?"

Respondents generally agreed that the continual monitoring process throughout the year and engagement monthly that allows their input into the budget acts as a sufficient review mechanism prior to submission. Two budget holders did state that they felt like their informing and engaging on the budget was done at the initial budget setting process level and that although they may have a good awareness of the likely final budgetary position, they were not asked for direct comment. One budget holder outlined an instance whereby the final approved budget was not what they expected.

Profiling and forecasting/reforecasting processes

Using the same sample as above, we sought to understand budget holders' experiences in the profiling and forecasting/reforecasting processes. Questions and general responses are as follows:

"Are you asked by finance at the start of the financial year about details of when particular items of income and expenditure will impact your budget? Do you contribute to the budget profiling process?"

Budget holders agreed and answered yes to this question and confirmed they will usually meet with the team throughout the budget setting process (detailed in CO1) and look at previous trends as well as any known projects for the upcoming year to identify for any substantial areas of expected expenditure.

"Are you consulted regarding budget forecasting? What is your involvement in this process?"

All budget holders answered yes, in that they are consulted on a monthly basis, during their monthly meetings with their finance business partners.

"If you identify that you are likely to go over budget, what corrective action, if any do you take? Likewise if your budget is significantly underspent, are you consulted about any action taken to address this?"

Budget holders agreed that in their experience this a rare circumstance, however if this was to occur, this would be addressed to the finance business partners within the monthly meetings. These monthly meetings ensure that prompt identification of variances and discussion of potential corrective actions they can take. Budget holders felt very involved in the conversation of bringing forward proposals and recommendations to finance and considering their recommendations too. It was a general finding that feedback on best corrective actions works both ways, from budget holder to finance business partner, and vice versa. For underspends, budget holders and their finance business partners would also analyse whether these are going to be continued underspends or just a one-off before deciding corrective action. One budget holder discussed maintaining a 'wish list' with their finance business partners so that if underspends are identified, the service can quickly and easily identify what priority for investment there is.

To summarise this group of questions, it appears budget holders have a tangible involvement in the forecasting and profiling process, with support and guidance readily available from finance business partners.

Budget Maintenance

The next group of questions under this control objective was concerned with the support budget holders have in the maintenance of their budgets. Questions and general responses are as follows:

"Have you received any training on how to monitor and control your budget?"

Five of the sample budget holders could recall formal training on the control and monitoring of their budget, including the use of Tech 1. One respondent could not recall training specific to the controlling and monitoring of the budget, however discussed they did not feel it was necessary as they had over 20 years of experience in controlling and monitoring of budgets. This staff member did however say that if anything changes infrastructure wise, such as when Tech 1 was introduced, or if there were new reporting requirements, that they would receive training on that. This staff member said that on the whole, training from finance was "more than adequate". In addition, and if needed, budget holders have the support of the finance team on an ad hoc basis for help with monitoring and control of their budget.

"Do you have read only access to the main accounting system to check your budgetary position? If so, do you feel competent in doing this, or would you benefit from further training/guidance with regard to this?"

All budget holders have access to Tech 1, but due to Tech 1 being difficult to navigate and not particularly user-friendly, budget holders prefer to address budgetary control with their finance business partners during their monthly meetings. With regards to further training, budget holders only felt this would be necessary if they were required to use it more. All were comfortable with a high-level understanding of the data kept on Tech 1, with detailed scrutiny occurring in monthly meetings with finance business partners.

"Do you receive regular budgetary reports, if so, how frequently?"

All budget holders receive budgetary reports monthly. If needed, reports and meetings can be requested and used on an ad hoc basis.

"Do you find the reports easy to read and understand? Is there any way that the reports could be improved?"

All budget holders in the sample agreed, stating that reports presented to them are adequate, easy to follow and understand.

"Are you asked to provide a commentary on the reports e.g. if there is a budget variance, are you asked to provide an explanation for this?"

All budget holders in the sample discussed how they are required to provide commentary over their reports at monthly meetings with their finance business partner, including the need to provide details and explain any variance presented within the budget and the reasoning behind it. It was noted that this communication is collaborative and works both ways, and that if there is a variance, budget holders generally always know about this prior to discussion with the finance business partners, and are ready to discuss and ask finance business partner for assistance in looking into this further.

"Do you have a dedicated member of the finance team assigned to provide you with advice and guidance in relation to managing your budget?"

All budget holders are assigned a finance business partner to provide advice, guidance and scrutiny in the budgetary control process.

"How frequently do you meet with a member of the finance team to discuss your budgetary position? Is this done regularly or on an ad hoc basis?"

As discussed, budget holders meet at least monthly with their dedicated finance business partner.

Do you find the finance team helpful in supporting you to manage your budget?

Budget holders were extremely complimentary of the support provided by finance business partners, describing them and their "*expertise, advice and dedication*" as "*invaluable*", "*critical*", and "*A really good service that is good at translating finance into real life.*"

Committing expenditure

"When committing expenditure, how do you ensure that you are obtaining value for money?"

All budget holders expressed that they ensure value for money is obtained by following internal procurement guidance. If there are any areas of doubt, budget holders would contact the procurement team or their respective finance business partners.

"Prior to committing expenditure, what checks do you perform to ensure you have sufficient funds within the budget to cover the expenditure?"

Budgets holders regularly perform their own due diligence by forecasting how they are going to spend in line with their priorities. At monthly meetings with finance business partners, budget holders will look ahead to see what they have to spend and what it will be spent on, taking into account the need for some contingency funding.

"In the past 12 – 18 months, have you been required to compile a business case, where you have not had sufficient funds within your existing budget to cover the spend required? If so, what was your involvement in this process?"

Four of our respondents discussed that they had been involved with the business case process within the last 12-18 months, and discussed how they used the business case process guidance to direct their involvement in the process. It was discussed that their interaction in the process is mainly concerned with discussion and agreement of the need with the finance business partner, and supporting the finance business partner throughout the process. One of these interviewed noted that business cases would be prepared for significant projects outside of the original budget that was set at the beginning of the year, as opposed to insufficient planning resulting in insufficient funds for spend.

The two other respondents noted that although they have not been involved in the business case process in the stipulated timeframe, that this is something they both have extensive knowledge of, as they have both been involved in the business case process in the past.

"If your answer is no, are you aware of the requirement to compile a business case in these circumstances?"

All respondents either answered that this was non-applicable based on their answer to the previous question, or that they are very familiar with the requirement and process due to exposure to it in the past.

Appendix B – Definitions

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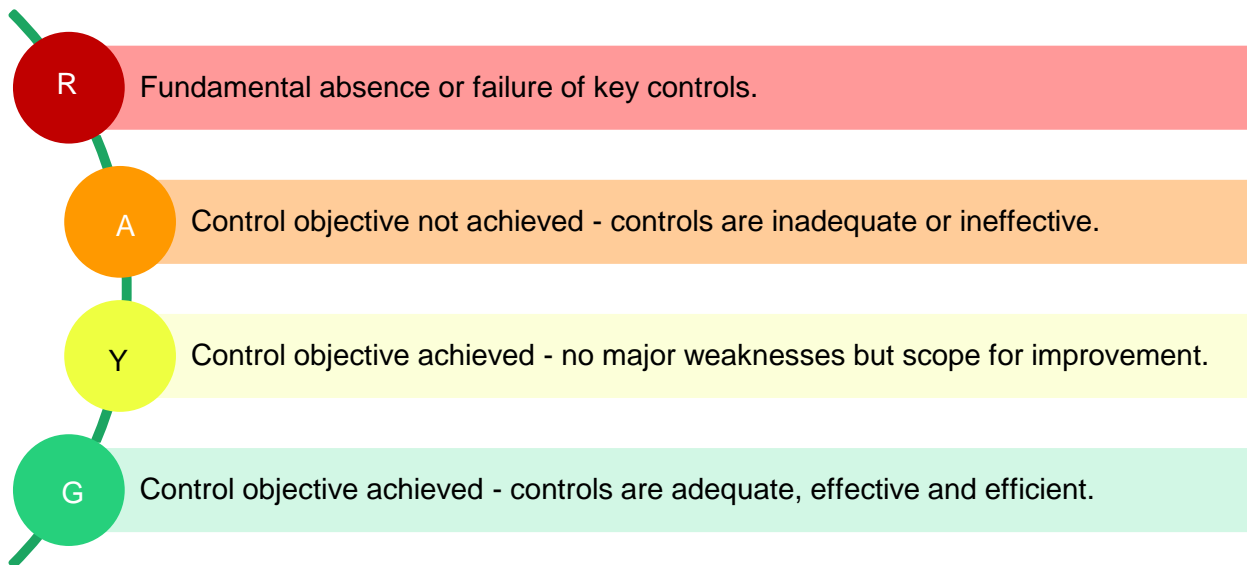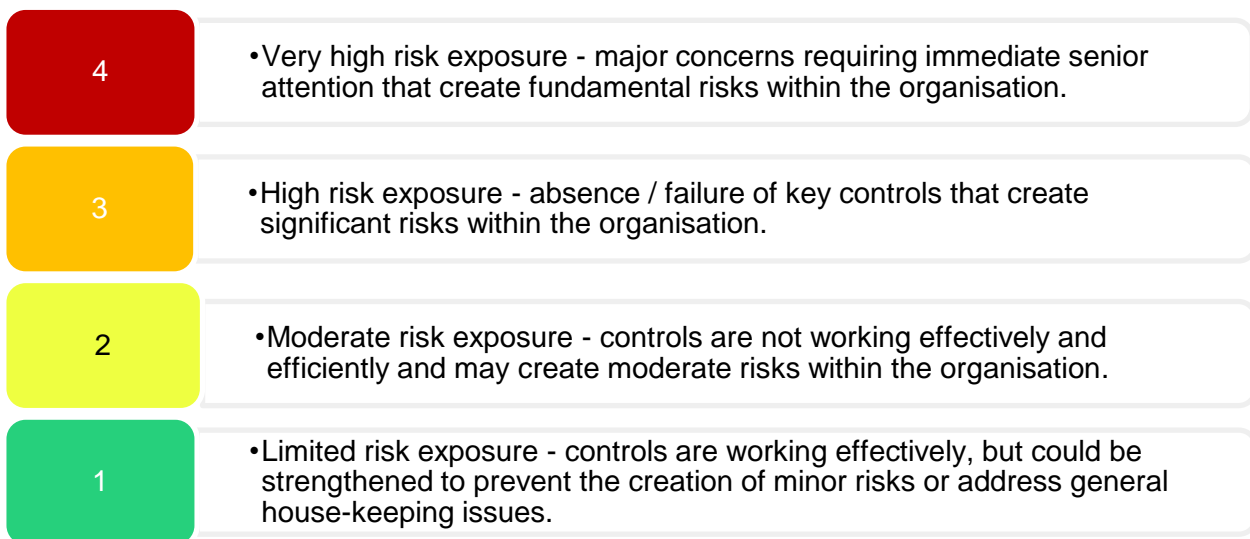
R	Fundamental absence or failure of key controls.
A	Control objective not achieved - controls are inadequate or ineffective.
Y	Control objective achieved - no major weaknesses but scope for improvement.
G	Control objective achieved - controls are adequate, effective and efficient.

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.

Scottish Fire and Rescue Service

Internal Audit Report 2023/24

Workforce Planning – On Call Firefighters (Attraction and Recruitment)

September 2023

Scottish Fire and Rescue Service

Internal Audit Report 2023/24

Workforce Planning – On Call Firefighters (Attraction and Recruitment)

Audit Sponsor	Key Contacts	Audit team
Lyndsey Gaja, Head of People	Karen Lewis, People Manager	Gary Devlin, Chief Internal Auditor
	Gavin Hammond, Group Commander, On Call Programme Manager	Gillian Callaghan, Senior Audit Manager
	Marc Pincombe, Area Commander, People Services and Workforce Planning	Nieshba Shan – Assistant Manager
		Eilidh Kerr, Internal Auditor

Executive Summary

Conclusion

The **Scottish Fire and Rescue Service has generally well-designed controls in place for the attraction and recruitment of On Call firefighters. An On Call Improvement Programme has been developed to provide a streamlined and consistent approach to On Call recruitment with the introduction of a single open vacancy, the suitability discussion in replacement of a formal interview and the Pre-Recruitment Engagement Programme (PREP) phases 1 and 2. It is acknowledged by management that newly introduced arrangements need to be subject to continual monitoring and review to ensure they achieve their desired outcomes and that, where needed processes are subject to further enhancements.**

We have identified a number of improvement areas which, if adopted will enhance the existing controls in place surrounding On Call recruitment. The five areas for improvement include; a complete review of the Recruitment and Selection Policy which was last reviewed in 2015, the implementation of a formal feedback mechanism following PREP for successful candidates, learning from feedback to ensure continuous improvement , the consistent completion of the suitability discussion template, and the appropriate authorised review of the new start information forms.

Background and scope

As part of its commitment to improving the attraction and retention of On Call firefighters, the Service has established an On Call Improvement Programme. The Programme consists of three projects, which are as follows:

- **Attraction and Recruitment Improvements Project** – the aim of this project is to:
  Promote and enhance the Service's ability to attract and recruit potential candidates to the role of RVDS firefighter whilst redesigning and refining our processes to improve and enhance the candidates' experience.

- **Responding Options and Duty Systems Relationships Project** – the aim of this project is to:
  Improve the flexibility and effectiveness of all our RVDS resources to enhance the service we provide to the communities whilst providing additional agile working solutions; and

  Maximise opportunities by utilising skills and development of personnel across all duty systems whilst supporting succession planning and recruitment.

- **Variable Contract Options and On Call Station Establishments Project** – the aim of this project is as follows:
  For SFRS to have the ability to offer a suite of variable contract options to current and potential RVDS personnel. Creation of an improved reward framework that appropriately remunerates RVDS employees, enhances flexibility in contractual arrangements and improves the Services' ability to manage appliance availability whilst positively impacting on our ability to attract, recruit and retain On Call firefighters; and

  For SFRS to have appropriate RVDS establishment levels in place to support the ability to improve availability of our RVDS appliances and better inform our recruitment needs.

The revised On Call recruitment and selection process was introduced with effect from September 2022. As a result of this, responsibility for recruitment was decentralised to local recruiting managers. In addition, as part of the On Call Improvement Programme a number of pilot schemes were introduced e.g. re-imbursement of recruitment travel expenses, the Pre-Recruitment Engagement Programme (PREP) 2 pilot and localised fitness assessments.

It is recognised that recruitment of On Call firefighters has presented significant challenges to the Service particularly when considering that, according to a recently published report, *On Call staff represent over half of SFRS operational establishment and provide 85% of our geographical emergency response footprint.*

In conjunction with the introduction of improvements to the processes for attracting and recruiting of On Call firefighters, it was proposed that an open national recruitment process be adopted. This would allow applications to be submitted for all stations continuously throughout the year and should a station not have a vacancy at that time, a potential candidate could register their interest and be supported in preparing for the various assessments and tests to ensure they are ready to step into the post when a vacancy becomes available.

For 2023/24, the On Call budget has been set at £27.64m which, in addition to staffing costs, includes provision for activities to enhance safety in local communities and training and drill nights at applicable stations.

In accordance with the 2023/24 internal audit plan, we have carried out a review of the arrangements for attracting and recruiting On Call firefighters to the Service following the work undertaken on this area as part of the On Call Improvement Programme.

This review did not cover the training of new On Call Firefighters as this was covered in the review of Training undertaken in 2022/23.

Control assessment

1. The decision to recruit On Call firefighters is based on effective workforce planning taking into account matters such as the level of risk posed to the local communities and the resources required to deliver a resilient service.

2. Potential candidates have the opportunity to enrol on the Pre-Recruitment Engagement Programme so they are made aware of the what the role entails, the selection process and are supported to prepare effectively for selection.

3. Appropriate arrangements are in place to select candidates for the role including attendance at an Assessment Day covering fitness, medical and other assessments/tests designed to evaluate a candidate's aptitude and suitability for the role.

4. Arrangements are in place to onboard successful candidates so that they are effectively introduced and integrated into their new role within the Service.

5. Appropriate management information and reporting arrangements are in place.
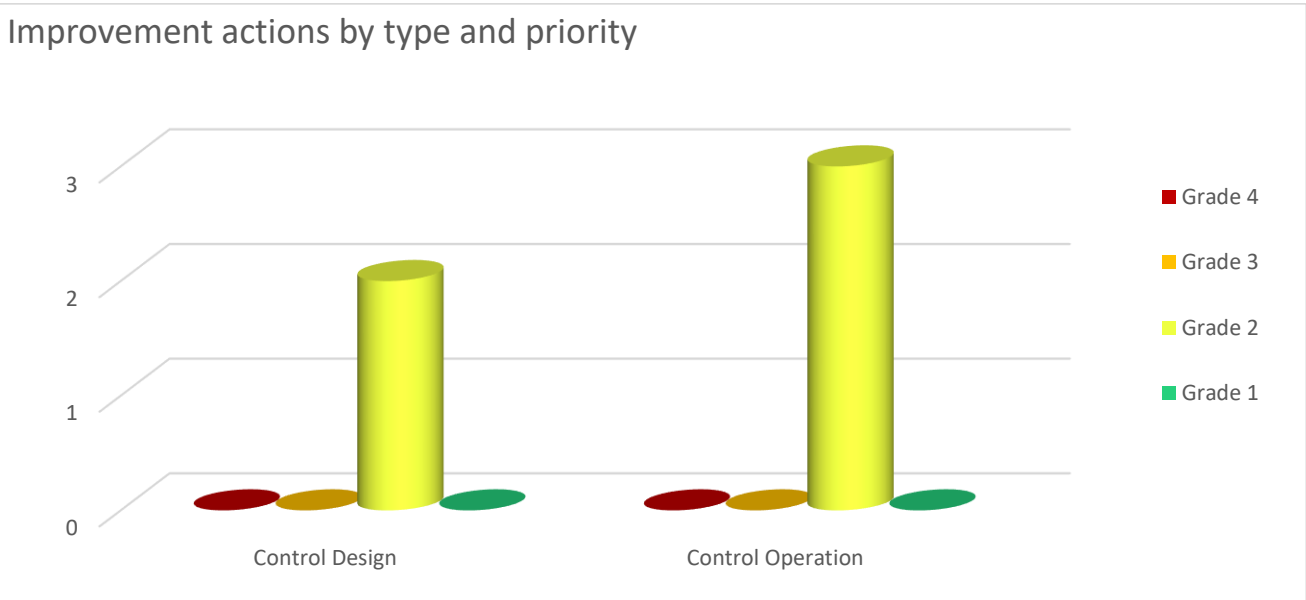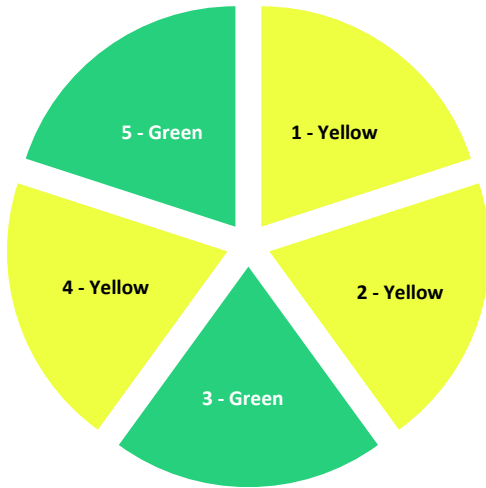
Five improvement actions have been identified from this review, three relating to compliance with internal procedures and two in respect of the design of the controls. See Appendix A for definitions of colour coding.

Key findings

Good practice

- As part of the On Call Improvement Programme, a process mapping exercise was carried out in 2021 to identify areas for improvement within the old procedures for recruitment and selection of On Call firefighters. The outcome of this informed the three projects created as part of the On Call Improvement Programme, one of which focused specifically on attraction and recruitment of On Call firefighters.

- An On Call Recruitment Toolbox has been designed which includes various guides, templates and other resources for staff to ensure a consistent approach is taken to On Call recruitment across Scotland.

- The Recruitment and Selection Dashboard illustrates key statistics in relation to application status of potential On Call recruits across all LSO areas. This allows for a deep dive into the rejected and withdrawn candidates.

- The Pre-Recruitment Engagement Programme (PREP) is clearly advertised to prospective candidates through the SFRS website. The recruitment process has been updated to ensure candidates are well informed on the expectations and requirements of the On Call role, through the introduction of a one-to-one suitability discussion followed by PREP. An On Call Fact File is attached to the job vacancy which illustrates the recruitment and selection process from registering interest through to the final selection stages.

- The candidate Assessment Day is formally structured and carried out by the Training team. There are documented briefing notes which are used for each of the Practical Selection Tests (PSTs) with corresponding marking guidance.

- In June 2023, the Service published its On Call Improvement/Recommendations Report. Within this document 43 recommendations were identified for consideration by the SLT. These recommendations are primarily concerned with reviewing and monitoring the effectiveness of any new measures previously put in place as part of the programme as well as suggesting further enhancements to develop and improve On Call processes.

Areas for improvement

We have identified a number of areas for improvement which, if addressed, would strengthen SFRS control framework. These include:

- The review and refresh of the Recruitment and Selection Policy, as this was last reviewed in 2015 and does not take into account the changes made as part of the On Call Improvement Programme.

- The introduction of a formal feedback mechanism in order to obtain valuable feedback from candidates who have participated in the Pre-Recruitment Engagement Programme. The outcome of this should be used to facilitate continuous improvement with the programme.

These are further discussed in the Management Action Plan below.

Impact on risk register

The SFRS corporate risk register included the following risks relevant to this review:

- Risk 4 – Ability to ensure legal and regulatory compliance.

- Risk 5 – Ability to have in place a suitably skilled, trained and motivated workforce that is well supported both physically and mentally

The findings of this review have not indicated that the above risks should be altered.

Acknowledgements

We would like to thank the following staff who were consulted during this review for their assistance and co-operation.

- Lyndsey Gaja, Head of People

- Marc Pincombe, Area Commander

- Karen Lewis, People Manager

- Gavin Hammond, Group Commander

- Deirdre McHugh, People Services Team Leader

- Rachel Kent, People Services Administrator

- Eleanor Craig, Service Improvement Manager

- Ailsa Cordiner, Lead Workforce Planning Analyst

- Zoe Gorman, People Adviser

- Laura Knight, People Adviser

Management Action Plan

Control Objective 1: The decision to recruit On Call firefighters is based on effective workforce planning taking into account matters such as the level of risk posed to the local communities and the resources required to deliver a resilient service.

Yellow

1.1 Recruitment and Selection Policy

SFRS's HR Recruitment and Selection Policy was developed in 2015, with the next review scheduled for 2017. However, this review was not undertaken as planned.

The Policy details that any new post must be approved by the Strategic Leadership Team (SLT) prior to advertising the vacancy. Recruiting managers, with the assistance of HR, are required to create the job description which is subsequently posted on the recruitment portal by the Workforce Planning and Resourcing team. We noted that the Policy does not specify in detail the recruitment and selection process to be followed in respect of On Call firefighters.

Following the actions implemented as part of the On Call Improvement Programme and subsequent streamlining of the On Call recruitment process, the Recruitment and Selection Policy should be updated to reflect this. In particular, the decision made to introduce a single open vacancy for On Call recruitment should be set out within the Policy.

We have been unable to confirm that a deadline has been established to review and refresh the current Recruitment and Selection Policy.

Risk

Inappropriate recruitment and selection processes may be applied, due to the Policy not being current which could result in financial loss and/or reputational damage.

Recommendation

The Recruitment and Selection Policy should be refreshed and should cover On Call recruitment considering the changes introduced as a result of the On Call Improvement Programme. A review schedule should be agreed and consistently applied to ensure the policy is kept up to date going forward.

Management Action

Comment to Auditor – Review of the R&S Policy will take place in 2024, following a number of delays due to competing organisational priorities. However, the approach is to streamline SFRS People Policies with these covering aims, principles and overall approach however, the detail associated with R&S processes including the On Call end-to-end R&S process will be captured in separate guidance rather than in the Policy itself.

Action 1 – Ensure that guidance in respect of the On Call R&S process is refreshed (with role responsibilities detailed i.e. local area accountability for timely candidate progression) and communicated to both Recruiting Managers and colleagues to ensure transparency around the revised process and that this is fairly and consistently applied.

Action owner: Danielle Milligan, People Manager (Talent)   **Due date:** 31 March 2024

Control Objective 2: Potential candidates for On Call firefighter posts have the opportunity to enrol on the Pre-Recruitment Engagement Programme so they are made aware of the what the role entails, the selection process and are supported to prepare effectively for selection.

Yellow

2.1 PREP Feedback

Feedback was collected in June 2022 from candidates, which gathered information in relation to location, attendance at information support sessions, and confidence levels of candidates following the Pre-Recruitment Engagement Programme (PREP).

We viewed evidence of feedback obtained from the areas piloting phase 2 of PREP in August 2022. However, we noted that this feedback was provided by the Station Commanders who summarised what they felt were the good and bad areas of PREP phase 2 as opposed to receiving direct feedback from the candidates/recruits going through the programme.

We, therefore, identified that there is currently no formal mechanism to obtain feedback directly from recruits who attended the programme.

Risk

There is a risk that continuous improvement is not achieved, due to a lack of feedback mechanism in place, resulting in financial loss and/or reputational damage.

Recommendation

A formal feedback mechanism should be introduced to obtain feedback from recruits/candidates who have successfully completed their assessments and participated in the Pre-Recruitment Engagement Programme. The feedback obtained should be analysed and used to inform the future of the Pre-Recruitment Engagement Programme.

Management Action

Grade 2 (Design)

Develop evaluation form for On Call candidates who have participated in the Pre-Recruitment Engagement Programme to capture their individual feedback on this programme and its effectiveness. Communicate this and develop accompanying process to ensure this is issued, collated and analysed for each candidate, with outcomes shared through appropriate governance/Directorate structures to inform the ongoing evaluation and evolvement of PREP as a tool in supporting recruitment of On Call colleagues.

Action owner: Karen Lewis, People Manager (Strategic Partnering)　　**Due date:** 31 January 2024

2.2 PREP Analysis

There is currently no analysis performed on the uptake of the Pre-Recruitment Engagement Programme.

However, we have confirmed the Recruitment Dashboard currently summarises the status of applications across all LSO areas. The On Call recruitment statistics identify the number of recruits at application stage, applications in progress and also withdrawn candidates. The reasons for candidate withdrawal have been documented, however it is unclear at what point the candidate withdrew their application. It would be beneficial to analyse the candidates who participated in PREP and still decided to withdraw their application.

Risk

There is a risk SFRS are not identifying the reasons behind withdrawn applications and potential barriers to candidates continuing on with the PREP, due to a lack of consistent analysis of candidate figures, resulting in potential loss of good candidates and reputational damage.

Recommendation

The analysis currently being performed should be enhanced to include further detail on the uptake of PREP such as:

- The number of recruits who were given the opportunity to participate in PREP against those who did participate and those who chose not to; and

- The number of recruits who did participate in PREP, but subsequently went on to withdraw their applications and the reason why.

This will assist in determining the effectiveness of the programme and future recruitment activities.

Management Action

Grade 2 (Design)

Review and revisit current On Call R&S dashboard to include additional detail regarding what stage candidates participating in PREP withdraw from the process and the reasons for this. Ensure that this dashboard information is being presented to the appropriate SFRS forums to ensure this can fully inform decision making in respect of the evolution of PREP in supporting On Call recruitment.

Action owner: Karen Lewis, People Manager (Strategic Partnering) **Due date:** 31 March 2024

2.3 PREP Documentation

We selected a sample of eight On Call recruits who has been processed within the last twelve months in order to ascertain the procedures followed and consistency of the documentation being completed. We identified that

four of our sampled recruits experienced a long recruitment journey due to individual circumstances, and therefore no suitability discussion template was completed as the commencement of their application process pre-dated the introduction of the suitability discussion.

For the remaining four candidates, we received the documentation regarding the suitability discussion. We confirmed that one of the four candidates had a fully complete template, which included dates in which they attended PREP. We noted that the templates for the three remaining candidates had not been fully completed to reflect attendance at PREP. Recruiting managers are, therefore, not consistently applying the desired procedure when processing candidates through the On Call recruitment process.

Risk

There is a risk candidates are not given the opportunity to participate in PREP, due to inconsistent completion of the suitability discussion checklist, resulting in a lack of appropriate support to candidates through the recruitment process and potentially failing to attract good candidates to the Service.

Recommendation

Recruiting managers should be reminded of the need to ensure that the suitability discussion template is consistently completed in full for each candidate.

Management Action

Grade 2 (Operation)

Guidance to be updated and issued, supported by LSO briefings, to reflect the requirement for all On Call Recruiting Managers to ensure full completion of the suitability discussion template for each candidate, including discussions around the suitability of PREP to support the individual. Also capture this more fully within R&S Recruiting Manager briefing sessions so this responsibility is clear to new Recruiting Managers

Action owner: Karen Lewis, People Manager (Strategic Partnering) **Due date:** 31 December 2023

Control Objective 3: Appropriate arrangements are in place to select candidates for the On Call firefighter role including attendance at an Assessment Day covering fitness, medical and other assessments/ tests designed to evaluate a candidate's aptitude and suitability for the role. Background checks are also performed covering eligibility to work in the UK, PVG check etc.

Green

No reportable weaknesses identified

We confirmed the following assessments/tests are carried on candidates as part of the selection and recruitment process:

- Calculation Assessment;

- Fitness Assessment; and

- Practical Selection Tests (PST).

Upon successful completion of the above, candidates are provided with a conditional offer subject to the following:

- Medical Assessment;

- Eyesight Requirements;

- Pre-Employment Checks:

    o Confirmation of right to work in the UK;

    o Receipt of 2 satisfactory references; and

    o Criminal Record Check / PVG.

We selected a sample of 12 new On Call recruits who had been processed during the past twelve months and confirmed that the above requirements had been met and recorded as expected in all instances reviewed.

Control Objective 4: Arrangements are in place to onboard successful candidates so that they are effectively introduced and integrated into their new role within the Service.

Yellow

4.1 New Start Information Form

Following the successful completion of the Assessment day, and medical and pre-employment checks, the People Services Administrator completes a New Start Notification form for the new recruit. We confirmed the form contains the following regarding the new start:

- Personal details;

- Information regarding continuous service;

- Contract details;

- Bank details'

- Position details' and

- Enhancements/Allowances.

This form is used to notify the relevant service areas of the new starter and is authorised by a separate individual. The details of this form are then entered into the iTrent HR system, and included on the Pension spreadsheet by the People Services Administrator.

We reviewed a sample of 12 new On Call recruits processed within the last 12 months and found that although the forms have been completed, no authorised signatory was recorded.

Risk

There is a risk of fraudulent activity and/or errors, due to the lack of review and segregation of duties when completing and authorising new starter information forms, leading to financial loss and/or reputational damage.

Recommendation

All new start information forms should be completed and subsequently reviewed/authorised by a suitable member of staff in accordance with internal procedures.

Management Action

Issue reminder to Recruiting Managers to ensure new start forms are fully authorised prior to being submitted and amend administration process to ensure this is returned for completion if missing prior to processing appointee.

Action owner: Marc Pincombe, Area Commander, People   **Due date:** 31 December 2023

Control Objective 5: Appropriate management information and reporting arrangements are in place.

Green

No reportable weaknesses identified

The Senior Leadership Team are presented with a monthly workforce overview update. Meeting minutes are not recorded for the monthly meetings however a rolling action log is maintained to include any actions arising from the meetings. We reviewed three monthly workforce overview updates presented to the SLT for consideration and confirmed the updates contained adequate coverage of the progress made in respect of the On Call Improvement Programme to promote attraction and recruitment.

There is a Quarterly POD Management Information Report which is presented to the People Board and then to the People Committee for oversight and scrutiny. Meeting minutes are recorded for both the People Board and the People Committee. We obtained two quarterly management information reports presented to both the People Board and the People Committee for scrutiny, and confirmed that workforce statistics including On Call staff have been sufficiently covered.

Appendix A – Definitions

Control assessments
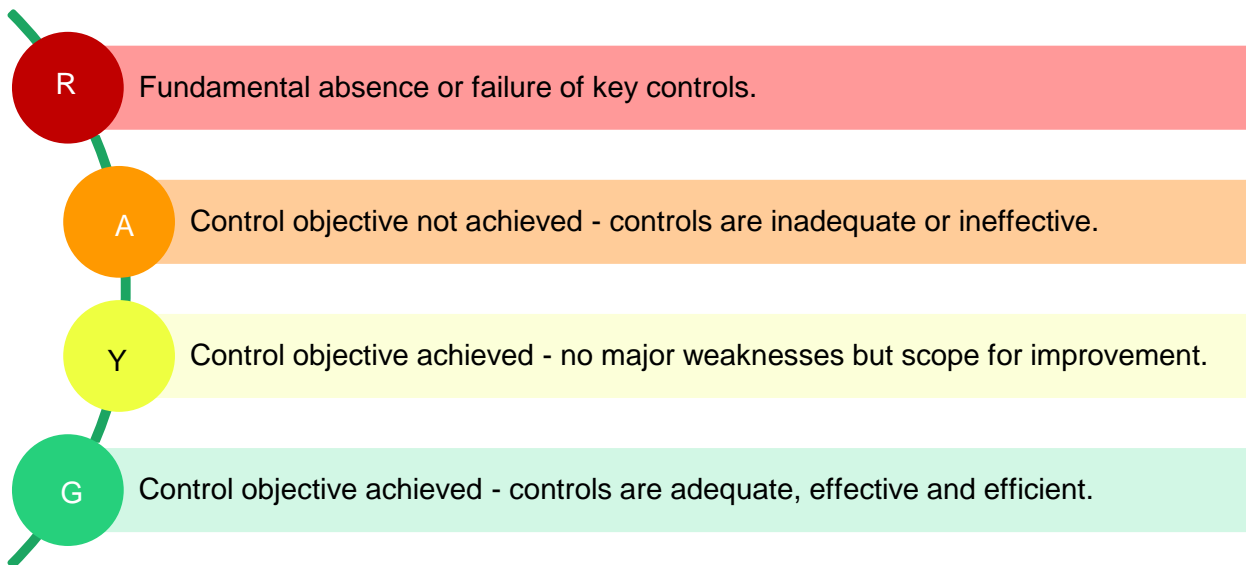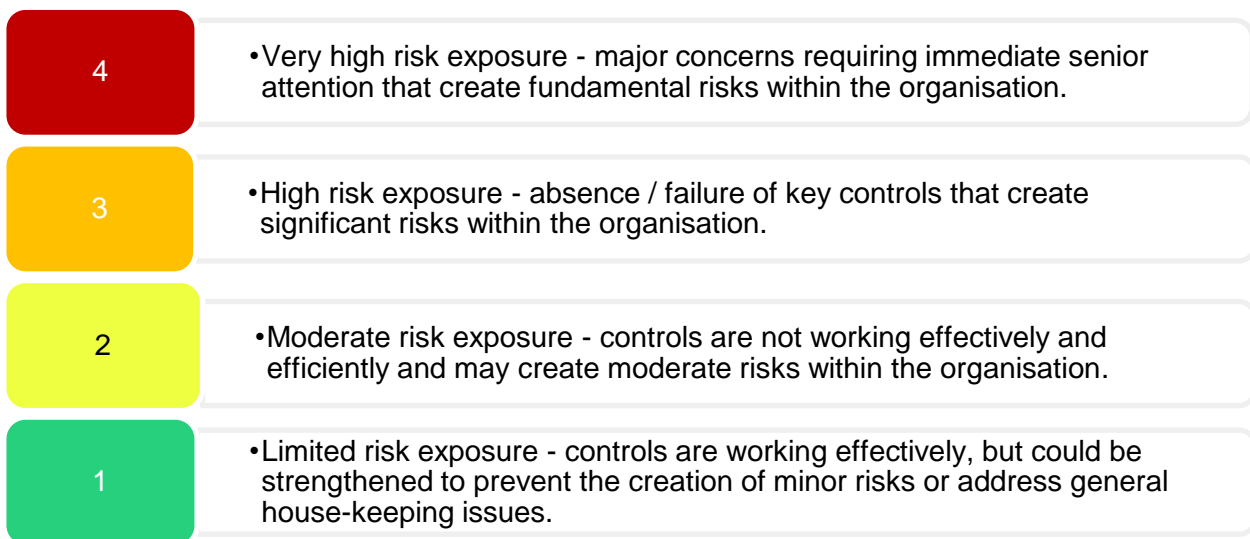
R — Fundamental absence or failure of key controls.

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.

SCOTTISH FIRE AND RESCUE SERVICE	
Audit and Risk Assurance Committee	

Report No: C/ARAC/39-23

Agenda Item: 7.2

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	**30 OCTOBER 2023**							
Report Title:	**SFRS PROGRESS UPDATE/MANAGEMENT RESPONSE**							
Report Classification:	**For Scrutiny**	**Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to 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 comments on the current status from Azets.

3	**Main Report/Detail**
3.1	38 actions remain outstanding with the oldest related to audits carried out in 2019/20. Internal Audit are working with management to assess progress and to consider the extent to which recommendations remain valid.

4	**Recommendation**
4.1	ARAC is asked to note the content of the report and consider the timelines noted for outstanding recommendations.

5	**Key Strategic Implications**
5.1 5.1.1	**Risk** The internal audit programme forms part of the Service's Assurance Framework.
5.2 5.2.1	**Financial** There are no direct implications associated with the report.
5.3 5.3.1	**Environmental & Sustainability** There are no direct implications associated with the report.
5.4 5.4.1	**Workforce** There are no direct implications associated with the report.
5.5 5.5.1	**Health & Safety** There are no direct implications associated with the report.
5.6 5.6.1	**Health & Wellbeing** There are no direct implications associated with the report.

5.7	**Training**
5.7.1	There are no direct implications associated with the report.

5.8	**Timing**
5.8.1	The report notes progress made in implementing outstanding audit actions from 2019/20 - 2022/23.

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

5.10	**Communications & Engagement**
5.10.1	Meetings have taken place with management to discuss the implementation of agreed audit actions and to view evidence confirming work in progress and completed actions.

5.11	**Legal**
5.11.1	There are no direct implications associated with the report.

5.12	**Information Governance**
5.12.1	Collection or use of personal data has not been required in the preparation of the Follow Up Progress Report. For this reason, a Data Protection Impact Assessment has not been required.

5.13	**Equalities**
5.13.1	For each recommendation contained within the Follow Up Progress Report, relevant directors need to consider whether an Equality and Human Rights Impact Assessment is applicable**.**

5.14	**Service Delivery**
5.14.1	There are no direct implications associated with the report.

6	**Core Brief**
6.1	Not applicable

7	**Assurance (Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance and Procurement
7.2	**Level of Assurance: (Mark as appropriate)**	~~Substantial~~/**Reasonable**/~~Limited/Insufficient~~
7.2	**Rationale:**	Azets have reviewed the follow up work completed by audit action owners and are providing their view on the work done to date and evidence provided to support closure of any actions.

8	**Appendices/Further Reading**
8.1	Appendix A: Progress update on Internal Audit Recommendations

Prepared by:	Gill Callaghan, Senior Manager - Azets
Sponsored by:	John Thomson, Acting Director of Finance and Procurement
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	*30 October 2023*	*For scrutiny*

Appendix A – Progress update on Internal Audit Recommendations (Quarter 2 2023/24)

1. **Background**

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

2. **Summary of findings**

   We have made the following observations regarding the Quarter 2 Follow Up review:

   - Seven actions have been added since the previous Quarter in relation to the Sickness Absence Management and SVQ Reviews.

   - For Quarter 2, sufficient evidence has been provided to close eleven actions, which is an increase on the previous Quarter.

   - Of the 38 actions outstanding, 22 were not yet due for implementation.

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

Dashboard – data as at 3rd October 2023

No. of actions complete past 12 months
29

No. of Actions closed since last ARAC meeting
11

No. of actions outstanding – **38**

Legend:
- Over 9 months from original date (9)
- 3-9 months from original date (5)
- On Target or 3 months from original date (24)

PROGRESS OF AUDIT YEARS ACTIONS

	Oct-21	Jan-22	Mar-22	Jun-22	Oct-22	Jan-23	Mar-23	Jun-23	Oct-23
2018/19	1	0	0	0	0	0	0	0	0
2019/20	18	13	13	5	4	4	4	4	3
2020/21	13	10	8	7	7	7	4	4	3
2021/22	0	5	10	7	17	15	9	4	2
2022/23	0	0	0	0	0	12	15	29	30

Outstanding Actions by Risk Priority Level

KEY STATUS ACTIONS – by months past original due date

No Months past original date (as at 31.09.2023)	AUDIT YEAR	AUDIT REVIEW	Action No.	Action Priority	Original Action Due	Revised Date	% Complete
42	2019/20	Water Planning Arrangements	1	HIGH	31.03.2020	30.06.2023	75&
42	2019/20	Water Planning Arrangements	7	MEDIUM	31.03.2020	31.07.2023	75%
39	2019/20	Water Planning Arrangements	4	HIGH	30.06.2020	31.07.2023	70%
29	2020/21	Risk Management	5a	GRADE 2	30.04.2021	30.06.2023	50%
25	2020/21	Risk Management	5b	GRADE 2	31.07.2021	30.06.2023	10%
19	2020/21	Operational Equipment	3	GRADE 2	01.02.2022	31.12.2023	50%
12	2021/22	Portfolio Office	1	GRADE 3	30.09.2022	31.03.2023	95%
9	2022/23	Revenue & Funding Maximisation	3.1	GRADE 3	31.12.2022	30.09.2023	100%
9	2022/23	Revenue & Funding Maximisation	1.3a	GRADE 3	31.12.2022	30.09.2023	100%

2019-20	**Water Planning Arrangements**			Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
						H	M	L	H	M	L	H	M	L
				7	57%	2	2	0	2	1	0	0	0	0

Rec No. 1	**RISK**		Inability to meet legal statutory duty to ensure an adequate supply of water for operational firefighting activities resulting from failure to appropriately engage with Scottish Water					
	We recommend that the Service Level Agreement (SLA) with Scottish Water is established and agreed addressed issues around liability and costs.			Report Agreed Date	8th 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	30 June 2023 New date requested 30th June 2024	HIGH	75%	RED

Progress to Update	SFRS Head of Operations DACO and Scottish Water had a constructive meeting on 22nd September 2023 with a number of workstreams agreed and being developed towards a new SLA. Quarterly meetings agreed to review progress.
Outstanding actions to close the recommendation	Next meeting set up for December. Set up Project groups, looking at address issues around liability & costs.
Azets Comments	We note management's comments regarding the progress made in implementing this action and the revised date requested.

Rec No. 4	**RISK**		Failure of hydrants resulting in water shortage and preventing implementation of effective firefighting tactics leading to risk of substantial fire losses.					
	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.			Report Agreed Date	8th 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	31st July 2023 New date requested 28th Feb 2024	HIGH	70%	RED

Progress to Update	The hydrant inspection app that was developed recently is not viable to work SFRS platforms/equipment. - ICT advised that they cannot complete App as intended.
Outstanding actions to close the recommendation	SFRS now in talks with SW to explore shared App. This will form part of the quarterly meeting.
Azets Comments	We note management's comments above and the revised date requested.

Rec No. 7	**RISK**	Failure of hydrants resulting in water shortage and preventing implementation of effective firefighting tactics to risk substantial fire losses.					
	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.		Report Agreed Date	8TH 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	31st July 2023 New date requested 28th Feb 2024	MEDIUM	75%	RED

Progress to Update	Current completed hydrant inspection data is provided on a quarterly basis for the Service Delivery Committee. **See action 2 & 4 update.**
Outstanding actions to close the recommendation	With the introduction of the new recording app and Qlikview to the department, there is the potential to report on more details and welcome further discussions on what relevant data can be reported on. The new inspection app will require the GIN to be update, but at this time H&WP team are unable to determine a timescale for the apps go live date. See comments on Rec No.4
Azets Comments	We note management's comments above and the revised date requested.

2020-21	**Risk Management**		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
			9	78%	0	0	6	0	0	0	3	0	0	0	0	0

Rec No. 5a	**RISK**	The concept of risk appetite is not widely understood, leading to possible tolerance of risks outside SFRS risk appetite.					
	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.		Report Agreed Date	5th 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	30 June 2023 New date required	Grade 2	50%	RED

Progress to Update	Board Risk appetite workshop carried out 31/03/22 facilitated by the Chair of ARAC. Further Board workshop to be held to discuss and agree the risk appetite statement. Awaiting output documentation.
Outstanding actions to close the recommendation	Risk Appetite statement to be drafted for future submission to Board.
Azets Comments	No further update provided for this action – a revised implementation date is required.

Rec No. **5b**	**RISK**	The concept of risk appetite is not widely understood, leading to possible tolerance of risks outside SFRS risk appetite.					
	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.		Report Agreed Date	5th Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Risk & Audit Manager**	*The second element in relation to training to be aligned with Recommendation 3.2 – Risk Management Training. As the LCMS training package is developed, this will include elements in relation to Risk Appetite.*	31 July 2021	30 June 2023 New date required	Grade 2	10%	RED

Progress to Update	Actions to complete the LCMS (rec 4a) and work undertaken with the Board (Rec 5a) will allow risk appetite information to be outlined within the LCMS package.
Outstanding actions to close the recommendation	The agreed Risk appetite statement will be developed for use by the SFRS Board and SLT with the implementation and use of the process to be monitored and further development as required before a rollout across the SFRS Risk Framework is considered.
Azets Comments	This is dependent on the completion of recommendation 5a above – a revised implementation date is required.

2020-21	**Operational Equipment**		**Total No of Actions**	**% Complete Actions**	**Fully Implemented**				**Part/In Progress**				**Not Implemented**			
					4	3	2	1	4	3	2	1	4	3	2	1
			3	66%	0	1	0	1	0	0	1	0	0	0	0	0

Rec No. **3**	**RISK**	The AMLB has insufficient oversight of performance in relation to operational equipment which could lead to failure to achieve the objectives of the Asset Management Strategy.					
	Performance Reporting and Monitoring Arrangements The Asset Management Liaison Board (AMLB) should review its reporting arrangements to satisfy itself that it receives sufficient information in order to be able to give due consideration to the particular areas of performance stated within the Asset Management Strategy.		Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Scottish Equipment Manager/AMLB**	*Agreed. KPI information to be reported to AMLB in line with Asset Management Strategy.*	01 February 2022	31 Dec 2023	Grade 2	50%	RED

Progress to Update	Fleet, Property and Equipment SAMPs all now approved. Overarching Asset Management Policy going to AMLB for approval in October 2023.
Outstanding actions to close the recommendation	The SAMPs for Fleet, Property and Equipment will have an overarching Asset Management Policy with an ambition for this to be accredited to the International Organization for Standardisation (ISO) 55001 Asset Management Standard in 2024. The final set of KPI's will be agreed as part of SLT approval of the new Asset Management Policy, expected towards the end of this calendar year.
Azets Comments	We note management's comments in relation to the completion of this action.

2021-22 **Environmental Sustainability**			Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
			2	100%	0	0	0	1	0	0	1	0	0	0	0	0

RISK	There is a risk that staff are not fully aware of their responsibilities in relation to environmental sustainability which could lead to them failing to actively contribute to the achievement of SFRS's environmental targets.

Rec No. **2.1**	Training Management should overhaul the current online training provided, ensuring that the content available is up to date and subject to regular review so that it reflects current guidelines and best practice. We suggest that role-specific modules are introduced to provide further clarity to staff on what exactly is expected of them. Due to the importance of environmental sustainability in regard to SFRS long-term objectives, training on environmental matters should be made mandatory for all staff to complete with refresher training provided, as necessary.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Environment and Carbon Manager**	*The Environment and Energy team will engage with Training Department to:* *• Review and update existing LCMS modules to ensure current;* *• Put in place arrangements for regular review;* *• Reinstate trainee introductory presentation;* *• Develop a training module for Premises Responsible Persons;* *• Develop a training module for office-based staff; and* *• Recommend participation in Carbon Literacy Project for SFRS managers.* *Caveat that it is outwith the ECMB's authority to determine what training is mandatory and can only make recommendations to Senior Management Board.*	31 March 2023	n/a	Grade 2	100%	RED

Progress to Update	NetRegs have provided environmental modules and they have been uploaded to LCMS under Environmental the Compliance Training module. Staff training requirement and frequency has been discussed with the Operational Competency Group. All operational staff will now be required to undertake the environmental training modules during Q3 23/34 . The Operational Competence Strategy group agreed the environmental training modules are to be included within the Q3 23/24 mandatory training for uniformed colleagues and these will be repeated on a 3 year cycle. Completion of the modules will be noted on the individuals LCMS portal. A paper was presented to the ECMB detailing costs and benefit of carbon literacy training. PRP & Office Based staff training modules are complete and available on LCMS New trainee presentations have been reinstated. The first On Call presentation was provided to WSA recruits on 10th May. The first WT new recruit presentations are scheduled for the 25th and 29th May.
Outstanding actions to close the recommendation	Outstanding Support Evidence required for Non-Uniform Staff to allow Azets to review Awaiting confirmation from People on available funding to support the Carbon Literacy Training or on who is responsible for outlining what training modules are mandatory for each role for non-Uniform personnel. Have also requested People if the Office module could be added to the Induction Welcome pack
Azets Comments	Awaiting evidence of the above in order to class action as complete.

2021/22	Portfolio Office		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
			6	83%	0	3	2	0	0	1	0	0	0	0	0	0

Rec No.	RISK	Due to the lack of project management processes and lack of centralised change function, projects may be managed inconsistently across SFRS, leading to projects not operating efficiently to meet established goals. There is also a risk that, due to timescales involved in mobilising the Portfolio Office function and its related processes, change activity may not be managed consistently and effectively in the intervening period.					

	Project & Programme management Processes We recommend that the roadmap includes activities to document and articulate the required controls and governance arrangements for the operation of the Portfolio Office. We recommend that the roadmap includes the development of policies, procedures, and application of requirements for the Portfolio Office. We also recommend that the Service evaluates the merits of having all organisational change managed and controlled through the Portfolio Office. This will have the benefit of ensuring a single, consistent management of change activity across the organisation. A Key element of this will be defining what the organisation considers as change activity. If a decision is taken to have a single approach to change, Portfolio Office Management should work closely with ICT and Assets & Property Management to transition relevant change projects (Including ongoing activity) to the Portfolio Office. We also recommend that management examine the potential to accelerate the Portfolio Office Roadmap. This should include review of Portfolio Office resource requirements, both in terms of headcount and scheduling of recruitment.	Report Agreed Date	1st Agreed Revised Date	Priority	% Complete	Status

1	Responsible Owner Agreed Response **Head of Portfolio Office**	The recommendations are considered reasonable and fair, It should be noted that the implementation of the Business Change Lifecycle will include Policies, Process, Procedures and the Assurance expected of a robust management practice. It must also be recognised that Strategic Change Management is not the sole responsibility of the Portfolio Office and should be and organisation wide commitment, and to deliver change effectively, it must also be acknowledged that the dimension of 'Process' will provide the SFRS with a framework of guidance, however the critical success factor will be the organisations ability and willingness to 'Execute' against the process established and resource strategic change proportionately. In addition, consideration will be given to a Portfolio of Portfolios governance model, whereby a Sub-Portfolio hierarchy for major change can be applied across other areas of the organisation such as ICT, Assets & Property and will aggregate and align under the wide Change Portfolio. Action agreed: - • Implementation of a Business Change Lifecycle that includes, Process, Procedures as well as the Quality Assurance expected of a robust management practice. • Implement of a Portfolio Governance structure that has oversight of all defined major change across the SFRS.	30 September 2022	31 March 2023 New date requested 31 March 2024	Grade 3	95%	RED

Progress to Update	Meeting held between Head of Portfolio Office and Azets in reviewing progress of action on 30th May 2023. Azets content with the work completed with the exception of the second part of recommendation 1. Action cannot yet be signed off until the 2nd part of the recommendation relating to a single corporate approach to change is addressed.
Outstanding actions to close the recommendation	Portfolio Office and SP&P are currently developing a proposal for a strategic planning activity encompassing a series of workshops to develop a long-term strategic roadmap for the organisation. The roadmap will set out the key deliverables for the organisation and bring together all change through one lens. Although the delivery of change may still be conducted in the existing portfolios, the same overarching roadmap is intended to provide the anchor-point for all change and continuous improvement activities across SFRS. Planning is ongoing and an initial workshop was held to discuss the approach with members of SLT and SMB. Q4 for completion. In addition, the team are working with SP&P to bring together plans from across the organisation to help provide visibility of all known current and future initiatives, in support of the development of capacity & resource planning/prioritisation.
Azets Comments	We note management's comments above regarding the full implementation of this recommendation and the revised implementation date requested.

2022/23	**Post Pandemic Review**		**Total No of Actions**	**% Complete Actions**	**Fully Implemented**				**Part/In Progress**				**Not Implemented**			
					4	3	2	1	4	3	2	1	4	3	2	1
			4	50%	0	2	0	0	0	2	0	0	0	0	0	0

	RISK	There is a risk that BCPs are inadequate as a result of failure to update BCPs post pandemic, leading to inability to be able to respond effectively to a future pandemic or similar adverse incident resulting in failure to operate services, financial loss and/or reputational damage.					
Rec No. 1.1	Update Directorate Business Continuity Plans A Business Continuity Framework should be developed to allow events that impact the organisation as a whole to be responded to and managed effectively. As part of this, directorate BCPs should be reviewed to access how they will interact and contribute to the overarching framework. In addition, all Business Continuity planning activity should be reviewed and updated to factor in learning from the pandemic, e.g. inability to divert working to another site, mass illness of staff impacting operations etc…		**Report Agreed Date**	**1st Agreed Revised Date**	**Priority**	**% Complete**	**Status**
	Responsible Owner Agreed Response **Head of Governance, Strategy & Performance**	*The Reset and Renew Review of BCP was accepted by SFRS Good Governance Board in June 2022. This contained specific recommendations included a more developed corporate approach to Business Continuity and the review and sharing of all plans across the service. All the recommendations contained within the review report were accepted. Responsibility for MCP has moved to SPPC as of September 2022 and this action will be coordinated by the Head of Governance, Strategy and Performance.*	01 April 2023	01 April 2024	Grade 3	60%	AMBER

Progress to Update	Internal review of BCP during the Covid-19 pandemic completed as referenced by the audit. Initial planning undertaken and supporting business cases presented to SLT. Early engagement taken place with key internal stakeholders and external partners for benchmarking. Engagement with internal operations department to agree key milestones. Participation in exercise 'Hornet Morris 3' and internal debriefing completed with further recommendations identified. Review of BC plans for support functions undertaken in conjunction with civil contingencies officers. Review of Corporate Governance BCP completed, including standardisation of BCP template/recording. Arrangements are in place specifically in relation to potential industrial action. New BCP Policy is drafted ready for consultation
Outstanding actions to close the recommendation	Complete BCP Policy consultation. Finalise and publish BCP Policy. All BCP plans across the service updated.
Azets Comments	We note management's comments above and the progress made in implementing this action.

	RISK	There still appears to be a risk of uncertainty amongst staff who are able to work remotely as to the future of working arrangements at SFRS. Moreover, offices and equipment may be under-utilised leading to inefficient use of resources.					
Rec No. 2.2	Hybrid Working Arrangements A decision should be made regarding the Service's stance on the requirement for staff to return to working in the office and the frequency of office working, if required. Once made, this should be communicated to staff at the earliest opportunity and monitored by management. Following this, a review should be undertaken of office and equipment utilisation to ensure offices and equipment are being used effectively and efficiently.		**Report Agreed Date**	**Agreed Revised Date**	**Priority**	**% Complete**	**Status**
	Responsible Owner Agreed Response **Acting Director of Asset Management**	*Further management engagement sessions have taken place via the Workplace Subgroup to access the impact of the Agile Working Framework and identify opportunities for improvement. The findings and recommendations from this review will be shared with the Strategic Leadership Team*	31 December 2023	n/a New requested date 31/03/2024	Grade 3	30%	GREEN

		2.2 As the Agile Framework and the Service's approach to hybrid working embeds and matures, use of space and equipment will be kept under review to ensure optimum usage. The Service will continue to explore opportunities to streamline use of its property portfolio, for example through collaboration and colocation with partner agencies.				
Progress to Update		The Asset Management Department will continue to explore opportunities to streamline use of its property portfolio, for example through the Shared Services Estates Collaboration group. A paper was presented to the Board on 30th March 2023 with a recommendation to declare the West SDA office block in Hamilton as surplus and offer this site to other public sector bodies as per the guidelines contained within the Scottish Public Finance Manual. Hamilton offices are now nearly empty with the majority of moves having taken place.				
Outstanding actions to close the recommendation		Findings and recommendations from the Agile Working Framework review, once known, will be used to ensure offices are being used effectively and efficiently. in order to ensure that the remainder of SFRS office accommodate estate is being best utilised, the Asset Management Department have been asked to undertake an office accommodation review, this will report back in March 2024. Request to change the date of this action to 31st March 2024 to reflect governance dates of office accommodation review.				
Azets Comments		We note management's comments above and the action to be taken to progress this matter along with the revised implementation date requested.				

			Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
2022-23	**Revenue & Funding Maximisation**				**4**	**3**	**2**	**1**	**4**	**3**	**2**	**1**	**4**	**3**	**2**	**1**
			8	13%	0	0	1	0	0	3	4	0	0	0	0	0

	RISK	There is a risk that staff follow documented policies and procedures that do not reflect current working practices to carry out grant funding initiative processes. Additionally, the absence of capital grant funding policies may result in required processes being bypassed or not known by those involved.					
Rec No. **1.1**	Policy and Procedure The External Funding Policy and Procedure document should be revised to reflect current working practices and should be updated on a regular basis. Specifically, the policy should be updated to include a section dedicated to the capital funding process including: roles and responsibilities of staff involved in the process, approval of new funding initiatives, monitoring and reporting arrangements and evaluation of completed initiatives. Further the Event Planning GIN, Charging Policy and Special Service Charging Policy should all be updated to include an approval and monitoring process for revenue generating activities to ensure that these are reviewed and approved prior to going ahead.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Head of Finance & Procurement**	SFRS have over the last few years successfully applied for separate ring-0fenced funding in relation to capital as specific indicatives' have been made available via Scottish Government for net zero activities rather than general GiA. It is accepted that the policy & procedure should be updated and SFRS will revise policy and procedures to include the points identified by the audit.	30 September 2023	n/a	Grade 2	100%	GREEN
Progress to Update		Policy has now been finalised and approved through SFRS Board on 29th June 2023.					
Outstanding actions to close the recommendation		Supporting Evidence forward & reviewed by Azets. Further supporting evidence is required by Azets before action can be closed					
Azets Comments		Further evidence required to demonstrate that all policies have been updated as recommended in order to class recommendation as closed.					

	RISK	There is a risk that funding and revenue generating initiatives do not align with the SFRS's strategy, as a consequence of the absence of a suitable assessment process, leading to grant income that does not contribute to the achievement of the SFRS's objectives.					
Rec No. **1.2**	Strategy Alignment As part of the activities to revise the policy document, SFRS should ensure that the policy aligns with the strategy and includes detail on how funding is to be processed in line with the strategy objectives. Section 3.3 currently details the requirements for funding; adding linkages to SFRS strategic objectives within this existing section would strengthen controls over funding and alignment with the strategy objectives. Further there should be a requirement within the policy for new external funding to include a rationale on how the funding supports the delivery of strategic goals.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Head of Finance & Procurement**	*External funding typically is sought via application, these applications seek to understand how the funding will be applied to meet specific outcomes or objectives and success in receiving funding is based on articulating this effectively. We will include in the policy revision that specific consideration should be made to alignment with SFRS aims and objectives.*	30 September 2023	n/a	Grade 2	100%	GREEN
Progress to Update		As per update at 1.1, policy has now been finalised and approved through SFRS Board – the revised and approved policy clearly aligns SFRS aims and objectives.					
Outstanding actions to close the recommendation		Supporting Evidence forward & reviewed by Azets. Further supporting evidence is required by Azets before action can be closed					
Azets Comments		Further evidence required to demonstrate that there is a requirement for new external funding to include a rationale on how the funding supports the delivery of strategic goals.					
	RISK	There is a risk that if the processes for external fund maximisation and funding opportunity identification are not formalised to maximise all available opportunities then SFRS could miss potential uses for existing funds and opportunities for further external funding.					
Rec No. **1.3a**	Funding, Revenue Opportunity Identification and Maximisation External Funding Maximisation In order to ensure maximisation of external funding opportunities for SFRS, oversight should be centralised under the job role of either a single individual or group. The responsible party for the centralised approach should consider whether current funding in place is being fully utilised and assess all available funding opportunities to ensure that SFRS applies for and maximises the identified opportunities, As part of this role a log should be kept with all funding opportunities, whether they are applicable to SFRS, reason for applicability an the current status of the application.		Report Agreed Date	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Head of Finance & Procurement**	*Agreed to improve the visibility of external funding by reporting progress on external funding through Good Governance Board for scrutiny.*	31 December 2022	30 September 2023 New date requested 31 Dec 2023	Grade 3	100%	RED
Progress to Update		A centrally held repository has now been created and will be overseen by the Deputy Accounting Manager with collaboration between the Accounting and Decision Support sections feeding into this repository. As appropriate times, the Deputy Accounting Manager will produce a report to the Head of Finance and Procurement that will be presented to the GGB. GGB TOR has been updated to allow inclusion of reviews of external funding – pending the receipt of future funding to be available and progressed through governance.					
Outstanding actions to close the recommendation		Supporting Evidence forward & reviewed by Azets. Further supporting evidence is required by Azets before action can be closed. New date requested to allow the gathering of the additional evidence requested.					
Azets Comments		We note that further supporting evidence is to be provided and a revised implementation date has been requested.					

	RISK	There is a risk that if the charging process for accommodation is not revised to maximise all available chargeable opportunities, then SFRS could miss significant revenue generating opportunities. If revenue is not maximised for accommodation then there is a risk that SFRS are operating with unnecessary outgoing costs that could otherwise be recuperated.					
Rec No. **1.3c**	Funding, Revenue Opportunity Identification and Maximisation Accommodation Revenue Maximisation There is an opportunity to maximise revenue for SFRS accommodation usage. The current cost basis for charging for accommodation should be reviewed to ensure all recoverable costs are recovered. This includes ensuring that there is a built-in charge to contribute to the capital costs of the building.		Report Agreed Date	1ST Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Asset Management**	*To maximise sharing opportunities and encourage participation we have sought to share with partners recovering running costs. We will consider with partners an amendment to sharing agreements that includes contribution to minor works to support normal wear and tear. For Capital, the contribution point may be at time of refurbishment or the need for a replacement building but this could be included in the agreement.*	30 June 2023	31 March 2024	Grade 2	30%	*GREEN*
Progress to Update		Preliminary discussions with collaboration partners at a Finance and Estates level are continuing. However, it must be noted that Collaboration partners are facing similar funding challenges as The SFRS are experiencing. Meeting arranged to discuss this action with Acting Director – Asset Management.					
Outstanding actions to close the recommendation		All space occupation agreements will need to be reviewed to determine if there is scope for an amendment to sharing agreements that includes contribution to minor works to support normal wear and tear. Additional Estates Surveyor now recruited and commencing work shortly, this will assist with the project. Request to amend end date to March 2024.					
Azets Comments		We note management's comments above and the action to be taken to progress this matter along with the revised implementation date requested.					

	RISK	There is a risk that funds cannot be actively monitored in line with any specific requirements for monitoring and reporting, they cannot be assessed on an ongoing basis as to whether they meet the conditions and they cannot be reviewed post completion to see if the defined objectives have been met and that the funds have been maximised.					
Rec No. **2.1**	External Funding Documentation An exercise should be undertaken to identify which external funds have the applications and grant conditions on file. For those funds that do not have the documentation on files a re-engagement should be done to define the purpose, scope, objectives, conditions and monitoring arrangements for the existing funding projects. Further for all new external funding there should be a centralised shared file location where the funding documentation is saved. A specific staff member from each region should be assigned to centrally oversea record keeping and ensure that all funds have the required documentation on file.		Report Agreed Date	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Head of Finance & Procurement**	*SFRS will review current external funding and seek appropriate documentation to support. In addition, a central repository for grants that include the applications and conditions will be created.*	31 March 2023	30 June 2023 New date requested 31 Dec 2023	Grade 3	60%	*AMBER*
Progress to Update		In conjunction with actions 1.3a and 1.3b this will complement the process of centralisation and will allow for a clearer oversight of funding documentation and in turn funding opportunities. Centralised process and repository have now been determined and evidence to be provided – Extension to date required to support timing of evidence to be provided to and reviewed by Azets					
Outstanding actions to close the recommendation		Further work is required to review existing funding projects to ensure all documentation has been capture & re-engage if needed.					
Azets Comments		We note management's comments above and the action to be taken to progress this matter along with the revised implementation date requested.					

	RISK	There is a risk that if there is no overarching group to scrutinise funding and revenue generating activities then SFRS will not have a consolidated top-level awareness of whether activities have been successful against deliverables and objectives and that use of funds and revenue opportunities are maximised.					
Rec No. **3.1**	Funding and Revenue Generation Scrutiny Group Scrutiny of external funding and revenue generating activities should be assigned to an existing governance group. The group should act as a central controller and monitoring point for fund and revenue generating activities. The group's remit should be amended to also cover: Scrutiny of funding beyond BAU capital funds • Monitoring of existing funds against defined objectives, • Review of funds post completion for meeting objectives and maximising usage of funds, • Scoping of future funding opportunities and which SFRS should apply for. Revenue generating activities • Monitoring of existing activities for both maximisation of revenue from activities and to gain assurance that activities are conducted in line with defined objectives of the activity, • Review of activities post completion to assess success and whether appropriate charges have been invoiced, • Overview of key figures for current activities and planned future activities. The group chosen to oversee this should be made up of senior staff members who act as central coordinators for each activity. Reports highlighting key activities, overall statistics, progress and planned future activities should be reported to the group. Having a centralised reporting process will allow for a greater top-level awareness of all revenue and funding streams and allow senior staff to have an oversight of whether opportunities are being maximised.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Head of Finance & Procurement**	*Agree to further oversight of external funding. SFRS has a Good Governance Board and it would be appropriate that the processes for external funding are monitored and reviewed by this Executive Board. The Service is setting up a SLT led Capital Programme Investment Group (CPIG) and additional capital will be reviewed by this new group. SFRS to amend the terms of reference of GGB to include external funding monitoring and scrutiny and to include as appropriate when terms if reference for the CPIG are agreed.*	31 December 2022	30 September 2023 New date requested 31 Dec 2023	Grade 3	100%	RED
Progress to Update		Linking into action 1.3a this will allow appropriate reporting to the GGB – in turn this will naturally grow the process to maximise the communication between departments and in subsequently provide an overall improvement to the full process of revenue maximisation. GGB TOR has been updated to allow inclusion of reviews of external funding – The Income generation policy clearly states the process for reporting through the GGB and the process of all income information being centrally held. At this time no income from External Funding has been received, however the process and methodology of governance has all been implemented to allow for governance to be followed in line with this action as and when income is received.					
Outstanding actions to close the recommendation		Supporting Evidence has been forwarded to Azets for Review. Extension to date required to support timing of evidence to be provided and reviewed by Azets					
Azets Comments		We note management's comments above and the action to be taken to progress this matter along with the revised implementation date requested.					

Rec No. 4.1	RISK	**If there is no formal evaluation framework in place to evaluate the effectiveness of funding and revenue generating activities out with the P&P directorate, there is a risk that funds may not have met the defined objectives and opportunities for maximising fund usage and revenue generation. If this is not identified in an evaluation process, then missed opportunities for fund usage and revenue generation could occur and amount to a potential loss of revenue.**					
	Evaluation Framework The evaluation framework should be expanded to other external funding areas not currently covered to improve consistency of approach and to ensure that lessons learns are captured and fed into planning for the use of future external funding.		Report Agreed Date	1ST Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Head of Finance & Procurement**	*The Service will expand the evaluation approach used by P&P to cover all external funding opportunities.*	30 June 2023	31 December 2023 New date requested 30 June 2024	Grade 2	15%	*GREEN*
Progress to Update		Initial discussions have been ongoing around a process to accommodate this however further work will be completed post the review of policy and procedures and centralisation of external funding initiatives – this will allow the whole process to be joined, understood and compliment the organisational aims and objectives					
Outstanding actions to close the recommendation		Work had been halted due to other commitments, ie, Year end. Work on action will now be accelerated. New date requested to allow for the collaborative engagement with other directorate to assist with the embedding of framework					
Azets Comments		We note management's comments above and that a revised implementation date has been requested.					

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

Rec No. 1.1	RISK	**Performance may not be adequately monitored and performance measures may not be sufficiently challenged due to a lack of guidance and training provided to senior management and committee members on their role in the Corporate Performance Management Framework, potentially resulting in failure to achieve objectives and subsequent financial loss and/or reputational damage.**					
	Supporting Board and Committee Members SFRS should establish some form of enhanced support mechanism for senior management and Board members in relation their role in the Corporate Performance Management Framework. The support provided should seek to ensure that management and members are fully equipped to successfully challenge, monitor and scrutinise performance of the Service against the Framework. This could be in the form of facilitated meetings, similar to the workshops held with committee members in developing the Framework.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Head of Governance, Strategy & Performance**	*Agreed. SFRS have identified the importance of improving awareness and data literacy across the service to improve the monitoring and scrutiny of performance and the performance management framework. This work will continue throughout 2023 and include workshops with Board Members, SLT and SMB members.*	30 April 2024	n/a	Grade 2	80%	GREEN
Progress to Update		Meetings with Board member champions, the full Board and its committees to discuss the revisions to the PMF and future reporting are ongoing. The PMF for 23-24 is complete and approved. On-going scrutiny of performance will continue at Board and Committee. SFRS Data Literacy conference was held in May although only 2 board members attended the open sessions and no board members made themselves available for a private session with the keynote speaker. Paper outlining challenges data management and provision of performance provided to members					

Outstanding actions to close the recommendation	Follow up meeting with Data Literacy Conference keynote to be arranged in the Autumn 23. Workshops to be arranged for members using new Power Bi products Autumn 23
Azets Comments	We note management's comments above and the action being taken to progress this matter.

Rec No. 2.1	**RISK**	**There is a risk that poor performance outcomes may not be identified as targets for achievement have not been set and data cannot be measured.**					
	KPI Targets KPIs should be revised to ensure that each performance indicator has an appropriate target to ensure performance can be monitored effectively over time and appropriate action taken to address underperformance where it occurs. All KPIs should be SMART in nature, any current KPIs which are set as 'monitor' should be revised and potentially excluded from the performance indicator list and reported on elsewhere.		Report Agreed Date	1ST Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Head of Governance, Strategy & Performance**	*Agreed. SFRS are currently reviewing the Performance Management Framework (PMF) key performance indicators. The indicators currently without an appropriate target will be reviewed.*		30 April 2023	31 July 2023	Grade 2	100%	AMBER

Progress to Update	Majority of indicators for the SFRS Performance Management are in place. Targets have been finalised throughout March and April. Not all indicators will have a target but those that can will. PMF agreed by the SFRS Board. New PMF reporting dashboards for Q1 23-24 – July 2023 used for SFRS Board papers August Meeting.
Outstanding actions to close the recommendation	Supporting evidence forwarded to Azets to Review
Azets Comments	Whilst some progress has been made, further evidence is required to demonstrate full implementation of the action.

Rec No. 2.2	**RISK**	**There is a risk of an inability to achieve the corporate KPIs set due to a lack of operational performance indicators being devised across directorates to support their achievement.** **There is a risk that reporting a high number of corporate KPIs does not provide sufficient focus on key measures of performance at Board level and potentially also leads to insufficient performance reporting at operational level.**					
	Functional Performance Indicators Management should review the current suits of corporate KPI's to achieve a greater delineation between focussed corporate performance indicators. All corporate performance indicators should be regularly reported to the Board to ensure they have complete oversight of all key performance measures in place. A more consistent approach should be adopted across directorates to establishing functional performance indicators which sit below the corporate KPIs and assist in achieving corporate targets and outcomes. As part of this, the directorates should review and update their performance indicators, which should then be referred to the Data Governance Group for approval.		Report Agreed Date	1ST Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Head of Governance, Strategy & Performance**	*Agreed. SFRS are currently reviewing the Performance Management Framework (PMF) key performance indicators. That review will include a greater delineation between corporate and operational performance, it will also provide a reduced and more focused suite of performance indicators*		30 April 2023	31st July 2023	Grade 2	100%	AMBER

Progress to Update	PMF approved. The revised PMF does provide greater delineation between focussed corporate performance. PMF contains all agreed corporate performance indicators and will be reported to the board every quarter. A single methodology (Pump) has been adopted for the setting of performance indicators. All directorates have reviewed their performance indicators. New PMF reporting dashboards for Q1 23-24 – July 2023used for SFRS Board papers August Meeting.

Outstanding actions to close the recommendation	Supporting evidence forwarded to Azets to Review
Azets Comments	Further evidence is required to demonstrate full implementation of the action.

Rec No. 3.1	**RISK**	**There is a risk that decisions are made based on incorrect or incomplete data, due to lack of processes in place to gather and review information related to KPIs, which could lead to financial loss and/or reputational damage.**					

	Data Accuracy and Quality
	Management need to ensure that a strong focus is placed on ensuring the quality and accuracy of performance data which is being produced and reported upon. This includes the following:
	  1. Looking at ways to improve the quality of the data produced by focussing on the integration of management information systems and the automatic production of performance data, whilst at the same time endeavouring to minimise the use of spreadsheets and manual intervention in the process.
	  2. Ensuring data is quality assured and validated to supporting information prior to being reported. Management should ensure that sufficient resources are in place to perform this important task.
			Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status

	Responsible Owner Agreed Response **Head of Governance, Strategy & Performance**	1. *SFRS is establishing new data governance and quality management arrangements through the Data Governance Group. Integration or pipelining of SFRS systems to enable both greater automation and minimising of manual data processing has been identified as a priority. Requirements have been detailed, prioritised and submitted to ICT to be progressed throughout 2023.* 2. *SFRS will establish a central capability within the BI tam to manage data quality and will put in place data quality action plans for key data sources.*	30 April 2024	n/a	Grade 3	70%	GREEN

Progress to Update	Data Governance Group established. OSR Standards adopted. Systems pipelining and connectivity identified and prioritised. Data quality framework in draft. Pipeline of SFRS systems providing direct access to the Business Intelligence function by ICT is ongoing. Design of reporting product between BI and Data Services and all SFRS directorates is on-going. SFRS Data literacy Conference held in May 2023. Data Architecture workshop held – June 2023
Outstanding actions to close the recommendation	SFRS have adopted the Office for Statistical Regulations (OSR) Standards as part of data quality work but is on hold due to lack of resources. Business Case submitted for dedicated Data Quality role within the service – approved in principle but no resources provided.
Azets Comments	We note management's comments above and the further action required to implement this action.

2022-23	Training		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
			6	17%	0	0	1	0	1	2	2	0	0	0	0	0

Rec No. 2.1	**RISK**	There is currently a risk that long standing training capacity issues may not be suitably addressed in the absence of a cohesive plan to ensure the Services training Requirement are met.					

	Strategic Analysis of Training Needs Training needs to develop a cohesive plan in conjunction with Service Delivery which determines the critical skills required by firefighters based on risk and the training required to support these. Following this, if a capacity gap remains, then a business case should be developed to establish and prioritise the necessary investment to achieve the required level of training	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **AC Training Delivery & Performance and** **AC Training Design & Development**	The Training Function will support Service Delivery Areas to determine the critical skills and training required to ensure FF safety based on risk, and ensure the Training Needs Analysis identifies the level of training required and establish where investment may be needed.	01 April 2024	n/a	Grade 3	90%	GREEN

Progress to Update	A first draft of the Training Strategy & Vision is now complete incorporating feedback from across all SFRS Functions. A programme of wider internal stakeholder engagement commenced July through August '23 including representative bodies. A draft designed version has been produced for Sept'23 which is being presented to the SLT and the People Committee for scrutiny and then put forward for approval at the Training, Safety and Assurance DMT in Oct'23.
Outstanding actions to close the recommendation	Publish the revised Training Strategy & Vision document October 2023.
Azets Comments	We note management's comments above and the action being taken to progress this matter.

Rec No. 2.3	**RISK**	There is a risk that firefighters are not clear on the requirements of the structured development programme as the Trainee Firefighter Development Programme Policy has not been reviewed in a timely manner.					

	Firefighter Development Programme Policy Management should ensure that all Training related policies and procedures are reviewed and updated, where necessary within the appropriate timescales and then circulated to all relevant staff	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **AC Training Design & Development**	Training are developing a "Policy & Procedures Forward Planner" that will ensure all Training documentation is reviewed within set timescales and communicated to relevant stakeholders through agreed governance routes.	01 April 2024	n/a	Grade 2	95%	GREEN

Progress to Update	All current Training Function documents have been analysed, with relevant dates and status details added to the *Document Review Schedule* SharePoint List. This aligns with the approach taken by the Safety and Assurance Function for tracking review of SSOW and GRA's. To support document owners in the review process, information about typical governance routes for each document is included in this list. To ensure that only the latest and current version of documents is available and avoid any potential synchronisation issues, work has been done to remove multiple copies wherever possible. Where they need to be accessible in more than one place, for example on LCMS then this is done via links to iHub. New documents and updates to existing documents will continue to be communicated to staff via existing means which include the "What's New" section of the iHub site and line managers. In addition to this, all Training Function personnel are now receiving a summary of new and updated iHub Document Library documents via email on a monthly basis. Tasks have been added to the Microsoft Planner TMT Plan to allow automated reminders which will ensure all owners are aware when their documents are due for review. In addition, tasks are monitored monthly at Functional Management Team (FMT) meetings. In the longer term, this reminder functionality will be available through the ongoing work led by Information Governance and Internal Comms to replace the iHub Document Library with a new Content Management System. So, comfort can be taken that we are already aligning with the Corporate approach.

Outstanding actions to close the recommendation	A paper was presented to the Aug/Sept'23 Training FMT / DMT which provided an example of the structure of the reports and sought feedback to refine this prior to the submission of reports to the People Committee on a quarterly basis. These reports will provide a clear status across the whole set of Training Function documents and will be drawn from the Document Review Schedule, aligning with the agreed corporate approach and direction of travel.
Azets Comments	We note management's comments above and the action being taken to progress this matter.

Rec No. 3.1	**RISK**	**There is a risk that SFRS is not achieving best value for money as there has been limited consideration of training delivery options with all training currently delivered in-house.**					
	Cost Efficiency As well as considering savings on in-house training delivered, management should undertake a cost/benefit evaluation to access if better value could be sought be using external training providers for at least some elements of mandatory training, e.g. casualty care. This evaluation should be reviewed on a periodic basis to ensure best value continues to be achieved.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **AC Training Delivery & Performance**	Training will, as part of its continuous improvement and through its governance processes, consider the outsourcing of training delivery to ensure best value is achieved and that it is reviewed as necessary.	01 April 2024	n/a	Grade 3	40%	GREEN

Progress to Update	Work continues in relation to the development of a robust process and system that will ensure best value is fully considered when looking at our training delivery options and programme of review. This has now been built into our governance arrangements which align with the SFRS Good Governance Framework and its principles, making sure that we secure best value
Outstanding actions to close the recommendation	Progress the cost/benefit analysis for all courses and determine its outcome against the need for efficiencies to meet the resource-based spending review.
Azets Comments	We note management's comments above and the action being taken to progress this matter.

Rec No. 4.1	**RISK**	**There is a risk that firefighters are not adequately trained to preform in their role as they are not compliant with thee tFo or National Training Programme completion rates and are allowed to remain on active duty. In the event of serious harm or injury this could have operational and legal consequences leading to reputational and financial loss.**					
	Compliance Reporting During the refresh of the Training Needs Analysis, roles and responsibilities for generating compliance reports and enforcing compliance are agreed and clearly set out. Where compliance with mandatory training is below the target of 95%, SFRS should provide explanations for this and develop action plans with assigned action owners and timescales to improve completion rates. In addition, competency should be assessed more formally on a frequent basis, with management devising appropriate methods for performing this assessment and providing clear guidance on the action to take should a firefighter be deemed to be not competent. Guidance should also be devised in respect of the process to be followed should an operational firefighter's refresher training not be fully up to date. The Training Function should also review reporting on compliance rates to ensure that if a firefighter has completed mandatory training, it is reported as compliant regardless of any subsequent change in position or location.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **AC Training Delivery & Performance**	Training will develop a Skills Maintenance Framework that will clearly set out what is required within each skill set to ensure compliance. This will detail how skills will be assessed and what action will be taken should any personnel de deemed to be not yet competent or are out with their refresher training current periods.	01 April 2024	n/a	Grade 4	50%	GREEN

Progress to Update	Our revised quarterly approach to our TNA process is already seeing improvement in performance, especially in regard to core skills which have been reported to the Operational Availability Group in June'23. There is now further focus being placed on Performance and Risk at all levels across the Training Function, with a dedicated senior Training Management Team meeting devoted to this each quarter. A specific Performance Officer Role has also been created within the Training Function LED team with a move towards our SFRS corporate Power BI approach, working closely with our data services team, all of which is progressing extremely well and will help improve performance management arrangements within Training. This will also assist Service Delivery colleagues who have a responsibility to improve performance, when reviewing the performance data for their areas of responsibility. The continuation of the NIP/LSO re-structure is also giving an opportunity to ensure everyone is aware of their training related roles and responsibilities from an organisational to individual level. The framework, which is under development, will set this out clearly and progress this recommendation to its conclusion.
Outstanding actions to close the recommendation	Develop and produce the Skills Maintenance Framework.
Azets Comments	We note management's comments above and the action being taken to progress this matter.

	RISK	**There is a risk that staff do not feel their feedback is taken on board as the feedback implementation cycle is not fully transparent, leading to valuable staff feedback not being provided and the potential for reduced staff morale.**					
Rec No. **5.1**	Training Feedback When improvement actions are agreed sat MRG based on analysis of feedback, they should be assigned action owners and implementation timeframes. Once actions have been implemented by the responsible owner, communications should be issued to staff to demonstrate that feedback received is duly considered and taken on board, where appropriate to encourage further feedback.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **AC Training Design & Development**	Improvement actions identified through candidate experience and feedback will be fully captured by Training. Responsibility will be given to action owners to ensure the completion of agreed improvements and communicated to relevant stakeholder to demonstrate its value and encourage future submissions. Work is underway to improve how training capture and analysis feedback, moving from a paper-based system to an easy to complete e-form.	01 April 2024	n/a	Grade 2	80%	GREEN
Progress to Update	Options were presented to Training Management Team in March'23 and a decision was taken to implement the use of Nintex as the Training candidate experience and feedback tool. It is a cloud-based workflow tool that allows users to automate business processes. **Benefits** • Functionality: Nintex offers a range of advanced functionalities, such as complex workflows and automation and it can easily integrate with other systems such as SharePoint. • Workflows give the ability to push notifications, such as reminders to candidates to complete the form and to highlight any results of note, allowing further investigation and analysis. • Reporting options: Nintex offers advanced reporting options, making it easy to perform data analysis i.e., feedback results can be presented in table format giving an easy-to-read overview. The Nintex platform has already been purchased by SFRS and is therefore available for use without incurring any additional costs. Workflows have been created and submitted to ICT for moving into the cloud, work is progressing well.						
Outstanding actions to close the recommendation	Once ICT have moved the workflows into the cloud the next steps are to test these and produce screenshots that will go into a communication to ensure all stakeholders are informed of the changes prior to going live, which is still on track through Q2&3 23/24.						
Azets Comments	We note management's comments above and the action being taken to progress this matter.						

2022-23	**Personal Protection Equipment**		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	**3**	**2**	**1**	**4**	**3**	**2**	**1**	**4**	**3**	**2**	**1**
			6	67%	0	0	2	2	0	1	1	0	0	0	0	0

Rec No. **2.2**	**RISK**	There is a risk that new firefighters do not receive appropriately fitted fit in time to start their foundation training as roles, responsibilities and timescales in this regard are not clearly set out between staff within the Stores department and HR which could result in a delay in firefighters being able to take part in their foundation training.						
	New Firefighter PPE We acknowledge the interdependency between HR and the ARCs in relation to issuing new firefighters with PPE and that, to a certain degree, some of the issues identified are out with the control of the Stores department. However, in order to remedy this, HR and the ARCs should collaborate to develop a clearly defined protocol setting out responsibilities and timelines for fitting out firefighters with their PPE with appropriate communication between HR and the ARCs to ensure Stores staff have the capacity to carry out the fittings and are made aware in advance of the bookings made by HR.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Scottish Equipment Manager/People**	*We will work with colleagues from POD to develop and agree a clearly defined process setting out responsibilities and timelines for fitting out firefighters with their PPE. The process will include the need for appropriate communication between POD and the Asset Resource Centres to ensure Stores staff have the capacity to carry out fittings and are made aware in advance of the bookings made by POD.*	31 December 2023	n/a	Grade 2	35%	GREEN

Progress to Update	Further meeting with staff from the People Directorate arranged in October 2023 to agree responsibilities and timelines for fitting out firefighters with their PPE.
Outstanding actions to close the recommendation	Await actions from meeting described above.
Azets Comments	We note management's comments above and the action being taken to progress this matter.

Rec No. **5.1**	**RISK**	There is a risk that the lack of a documented procedure and enforcement of such leads to PPE failing to be returned, creating a security risk as well as financial loss.						
	Retrieval of PPE Management should continue to explore options to incentivise leavers to return their PPE and seek legal advice on options available prior to agreeing approach. The agreed process should be set out within a procedure document which defines roles and responsibilities, and timescales for the return of PPE and clearly sets out the consequences of not returning PPE. This should be widely circulated to all relevant persons.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Scottish Equipment Manager/People**	*Asset Management have commenced work, in conjunction with POD and Service Delivery colleagues on a procedure which defines roles, responsibilities and timescales for the return of PPE. The procedure will include a methodology for the monitoring of items that have and have not been returned. This procedure will be incorporated within a SFRS Leavers process, which will be prepared by the POD Directorate.*	31 March 2024	n/a	Grade 3	30%	GREEN

Progress to Update	People Directorate are reviewing the existing Exit Interview Policy this financial year, which will become a guidance note in future. In the meantime, the People Services Team have received an updated Leavers Kit Return List from Asset Management, which is issued to staff upon receipt of receipt of resignation/retiral. Correspondence issued to staff from People Services emphasises the actions required by both staff and line managers to ensure safe return of kit.
Outstanding actions to close the recommendation	Schedule further meetings and continue to monitor return of kit.
Azets Comments	We note management's comments above and the action being taken to progress this matter.

2022-23	**Capital Investment Strategy**		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	**3**	**2**	**Ad**	**4**	**3**	**2**	**Ad**	**4**	**3**	**2**	**Ad**
			3	0	0	0	0	0	0	0	2	1	0	0	0	0

Rec No. 2.1	**RISK**	Whilst we acknowledge that the award of funding from the Scottish Government is out with SFRS's control, there is a risk that due to in sufficient funds being received from the Scottish Government year on year, the standard of assets will worsen further with the number of priorities due to the potential hazard to the health and safety of SFRS's employees and the public increasing to an unacceptable and unmanageable level.					
	Capital Funding Shortfall SFRS should continue to put further pressure on the Scottish Government to increase its funding allocation whilst highlighting the risks associated with having insufficient funds to invest in its property, fleet and equipment assets. We have assigned an "Advisory" grading to this recommendation in recognition of the fact that whilst SFRS can request more funding from the Scottish Government, the decision to increase its funding award is out with its control.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance and Procurement**	*SFRS continues to lobby Scottish Government (SG) for additional capital funding. SFRS will highlight this internal audit report and continue to make appropriate representations to ministers through our SG sponsor team.*	31 March 2024	n/a	Advisory	50% (ongoing Action)	GREEN

Progress to Update	Continue progression of the SAMP's for Asset Management, highlighting the insufficient funds for Capital Investment and ensure continual engagement with Scottish Government.
Outstanding actions to close the recommendation	As per progress to update note – ongoing action to ensure awareness of the funding requirements through SG with the aim to encourage SG support with funding to allow progress of the Asset Management backlog investment issues as well as BAU Capital Investment and future plans.
Azets Comments	We note management's comments above regarding the action being taken on this matter.

Rec No. 2.2	**RISK**	There is a risk that the assets may not be correctly prioritised in terms of capital investment as not all considerations have been taken into account when decision-making.					
	Evidence of Risk Prioritisation Management should clearly document the rationale behind their decisions to include certain projects within the capital programme in order to justify why one has been selected over another. As part of this, they should make the links between the level of risks associated with the asset and the decision to invest in the capital project more explicit.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance and Procurement**	*SFRS details the rationale for the investment but does not distinguish why one project has been selected over another, this will be added to the 2024/25 capital programme.*	31 March 2024	n/a	Grade 2	90%	GREEN

Progress to Update	Creation of the Capital Investment Strategy, on a risk-based approach and planning of Capital spend to be in line with the Strategy.
Outstanding actions to close the recommendation	The Capital Investment Strategy has been finalised and approved through SFRS governance and will continue through implementation within the Financial Year via the Capital Monitoring Group. Action complete with the finalisation of the Capital Investment Strategy.
Azets Comments	In order to class this action as complete, further evidence is required to demonstrate the rationale behind investment decisions and why one project has been selected over another with a clear explanation of and link to the degree of risk associated with the project.

	RISK	**There is a risk that in the event of slippage, the most appropriate project to bring forward may not be selected due to it not being clearly identified through the risk assessment process potentially resulting in capital not being distributed appropriately and increased costs for maintenance in the long term.**					
Rec No. **4.1**		Evidence of prioritisation in the event of slippage As per our recommendation at MAP 2.2, management should apply the same principle to documenting the rationale behind the selection of projects to bring forward into the capital programme in the event of slippage in order to make it more explicit as to why one project has been chosen to be brought forward over another.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance and Procurement**	*In order to maximise capital funding any slippage in projects is reallocated to projects included within the approved three year capital programme. Details of changes in funding allocation to projects are included in the capital monitoring reports. As part of Capital Monitoring Group, there is a discussion on appropriate reallocation, however "in year" spend relies upon availability of procurement contract and resources to deliver. The rationale for reallocating in these circumstances will be captured going forward as part of Capital Monitoring Group and included in capital monitoring reports to SLT and Board.*	30 Sept 2023	n/a New date request 31 Dec 2023	Grade 2	90%	GREEN

Progress to Update	The Capital Investment Strategy works on a risk-based approach which highlights a priority basis for any slippage in the financial year.
Outstanding actions to close the recommendation	Action complete with ongoing assessments which will continue to be reviewed within the Capital Monitoring Group each Financial Year going forward.
Azets Comments	As per our comment at 2.2 above, in order to class this action as complete, further evidence is required to demonstrate the rationale behind investment decisions and why one project has been selected over another with a clear explanation of and link to the degree of risk associated with the project. We note management's request for a revised implementation date.

2023-24	**Sickness Absence Management**		**Total No of Actions**	**% Complete Actions**	**Fully Implemented**				**Part/In Progress**				**Not Implemented**			
					4	**3**	**2**	**1**	**4**	**3**	**2**	**1**	**4**	**3**	**2**	**1**
			6	17%	0	1	0	0	0	3	2	0	0	0	0	0

	RISK	There is a risk of incomplete employee files with incorrect or mitted evidence relating to their sickness periods. Furthermore, this increases the risk of increased absences as sickness absence is not being managed effectively and employees may be felling unsupported within their job roles.

Rec No. **1.1**	Compliance with Policies and Procedures	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Line managers should be given reminders or a fresher course on the requirements of the sickness absence policies and procedures and the role they play in managing sickness absence, with particular emphasis on the issues identified relating to E-Self Cert forms, Fit Notes and Attendance Support Meetings. In addition to this, sickness absence files should be checked over by another member of the management team after a period of absence to ensure all documentation is up to date and stored correctly to enforce consistency in relation to record keeping with the Service.					

	Responsible Owner Agreed Response **People Manager (Advice & Employee Relations) & People Manager (Talent)**	*Review current guidance for managers and update to include requirements for absence recording, monitoring of absence and management of data. Incorporate into new supervisory management development course and Middle manager development sessions.*	31 October 2023	n/a	Grade 3	75%	GREEN

Progress to Update	• The local attendance management briefing sessions for managers continue to be rolled-out on an ad hoc basis throughout and beyond this audit. • The review of the current guidance documentation has taken place and the managers guidance note will be refreshed and issued out in early 2024. • A review of the session content is underway for the local and national training and a draft plan will be prepared to roll out the revised national training in 2024, as part of the Management Capability framework.
Outstanding actions to close the recommendation	1. Communication managers' reminders have been drafted and currently being reviewed. These include reminding managers of the procedures and their responsibilities for the completion of E-self-certs, ensuring fit notes cover whole of absence period, submission and storage of fit notes and recording of ASMs. 2. People Adviser leads are working on an action plan to progress the revisions to the middle manager development sessions, develop the inclusion of a managing absence toolkit in the management induction toolkit for implementation in 2024. 3. Rollout of the pilot Management Capability Framework, which will include this content, is planned to commence in the East Service Delivery Area from Q3. Planning for the North and West has commenced through discussion with DACOs to establish need.
Azets Comments	We note management's comments above with regard to the action being taken to progress this matter and await evidence to confirm this.

	RISK	There is a risk that supporting documentation in relation to employee' sickness absence is lost due to failure to adopt a consistent approach to the storage and retention of documentation.

Rec No. **1.2**	Storage of sickness absence documentation	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Management should determine where and how sickness absence records and supporting documentation are stored and retained and who has responsibility for this. Once agreed, the Attendance Management Handbook should be updated to include clear guidance on this for staff in order to avoid any confusion and prevent evidence being lost and/or misplaced.					
	Responsible Owner Agreed Response **People Manager (Advice & Employee Relations)**	*Review current process for recording absence information and revise to ensure it is clear and efficient in handling and storing of employee information. Update Attendance management Handbook to reflect this and communicate any changes to managers.*	31 December 2023	n/a	Grade 3	90%	GREEN

Progress to Update	Work has concluded and a single source for storing data has been confirmed as the People Services Admin Team, within the employee's electronic personal files. A communication regarding storage in a single source has been incorporated into the Managers Fact Sheets. A go live date of 2 October 2023 has been agreed for the commencement of all absence documents to be uploaded into the Electronic Personal Records Files (EPRF).
Outstanding actions to close the recommendation	1. Communication to confirm changes to data storage via ihub and local training sessions to commence after 2 October 2023. 2. Admin Leads to finalise the action plan and timescales for the agreed approach to move all current data to approved single source, including maintenance and responsibility for absence information and issue to their local teams.
Azets Comments	We note management's comments above with regard to the action being taken to progress this matter.

Rec No. 2.1	**RISK**	**There is a risk that employees are not fully supported following their absence and any recurring issues are not addressed causing absence to occur more frequently as a result of Return to Work Interviews not being carried out. Furthermore, there is a risk employee records are incomplete due to documentation supporting an employee's absence not being stored consistently.**					
	Return to Work Interviews Line managers should be reminded of the need to ensure that return to work interviews are conducted and recorded to ensure employees are adequately supported on their return to the workplace and any necessary adjustments to their role are made, if required. We have already raised a recommendation above at MAP 1.2 to address the storage and retention of documentation.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **People Manager (Advice & Employee Relations) & People Manager (Talent)**	Incorporate guidance on conducting and recording return to work interviews and attendance support meetings within the new supervisory management development training.	31 October 2023	n/a	Grade 3	90%	GREEN

Progress to Update	The Manager's reminders communications are drafted with an intended publication date of after 2 October 2023..
Outstanding actions to close the recommendation	The local and supervisory management development training has been revised to incorporate an emphasis on return to work interviews and attendance support meetings.
Azets Comments	We note management's comments above with regard to the action being taken to progress this matter and await evidence to confirm this.

Rec No. 4.2	**RISK**	**Failure to hold Attendance Support Meetings means that the underlying reasons for repeated periods of sickness may remain undetected and appropriate support may not be offered to help the employee reduce their periods of absence due to sickness.**					
	Absence Triggers Checks should be performed by a senior staff member on a frequent basis to ensure Attendance Support Meetings have been carried out and appropriately documented with any outstanding meetings being completed at the next available opportunity.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **People Manager (Advice & Employee Relations) & People Manager (Talent)**	*Attendance Management Guidance to be updated to ensure managers responsibility to review absences within their area and ensure appropriate action and documentation is clear. Management development sessions to incorporate this.*	31 October 2023	n/a	Grade 2	90%	GREEN

Progress to Update	The improvements identified in the Guidance documentation will be implemented in 2024 and will be supported by the managers reminders communications after 2 October 2023.
Outstanding actions to close the recommendation	1. Discussions with SDA DACO's are scheduled to take place on 3 October 2023, to consider an independent process for managers vetting of case work within their areas or alternative options which may assist in providing similar assurance. 2. Attendance Management guidance and training documentation will be amended to reflect improvements to review of management of absences to ensure actions are completed and policy is complied with in 2024. 3. Guidance to be issued to ensure all administrative staff are aware of the revised storage plan, implementation date scheduled for 2 October 2023.
Azets Comments	We note management's comments above with regard to the action being taken to progress this matter and await evidence to confirm this.

Rec No. 4.3	**RISK**	There is a risk employees are not fully supported if they are not referred to Occupational Health leading to increased employee absence. Furthermore, there is a risk that appropriate records in relation to an employee's absence are not held on file to demonstrate the support provided and/or additional measures taken by the Service to assist the employee which could have an impact on the Service's reputation.					
	Long-term sickness considerations Recommendation raised within MAP 1.2 regarding storage and retention of documentation also relates to this finding. Additionally, line managers should be reminded of their responsibility to refer employees with long-term sickness to Occupational Health to ensure employees are appropriately supported, in line with policy and procedures.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **People Manager (Advice & Employee Relations) & People Manager (Talent)**	*Review Attendance Management Policy and update to provide clarification if required. Incorporate into the supervisory and middle management development sessions, to ensure awareness of policy, management referrals and role of Health and Wellbeing.*	31 October 2023	n/a	Grade 2	90%	GREEN

Progress to Update	It has been concluded that the Attendance Management Guidance documentation and Procedure requires some small changes to reinforce managers responsibilities, the roles of Wellbeing and data storage and these improvements will be implemented in 2024. .
Outstanding actions to close the recommendation	1. Management reminder communication to go live after 2 October 2023 which will raise the awareness of a single source for storage of all attendance management documentation. 2. Continue with the adapted local attendance management training which has been refreshed to capture managers and Wellbeing's roles in the attendance management process
Azets Comments	We note management's comments above with regard to the action being taken to progress this matter and await evidence to confirm this.

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

Rec No. 4.3	RISK	**Failure to have appropriate arrangements in place for monitoring and succession planning in respect of Internal Assessors and Verifiers thereby ensuring that an appropriate number of qualified and experienced staff are retained to perform IA and IV duties, could result in failing to replace staff key to the award of the SVQ leading to the organisation's ability to award the qualification being withdrawn once again.**				
	<u>Resourcing</u> Management must ensure that the quota of qualified and experienced Internal Assessors and Verifiers is continuously monitored to ensure that sufficient numbers are retained to aid the SVQ award. Appropriate succession planning arrangements should be put in place to ensure that Internal Assessors and Verifiers leaving the Service are suitably replaced.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Deputy Head of People**	*Deliver training to increase the number of assessors and verifiers, across the SFRS to an appropriate level. Establish a process with Workforce Planning to ensure that the retirement profile is monitored and planning arrangements in place to replace those who exit SFRS.*	31 March 2024	n/a	Grade 3	20%	GREEN

Progress to Update	**Training to Increase SFRS Assessor and Verifier Numbers** Engagement with Service Delivery Area colleagues has identified priority nomination for training for an additional 55 assessors and verifiers training. This training has been procured and commenced across a framework of external providers and is been proactively monitored on a monthly basis by the Service's Vocational and Apprenticeship Coordinators. Progress and updates are shared and discussed with the established SVQ/MA working group which includes Service Delivery, Training and People colleagues. **SFRS Assessor and Verifier Succession Planning Arrangements** Initial discussions have commenced between the Vocational and Apprenticeship team and Workforce Planning team to establish a process to monitor the retirement profile, including assessor and verifier succession planning arrangements.
Outstanding actions to close the recommendation	Appropriate planning & minoring arrangements are agreed & put in place
Azets Comments	We note management's comments above with regard to the action being taken to progress this matter and await evidence to confirm this.

Rec No. 5.4	RISK	**Inadequate governance arrangements including the lack of oversight and ownership of the SVQ has no doubt been an issue which has contributed to the failures associated with the SVQ award.**				
	<u>Governance – Ownership & Oversight</u> Going forward it is essential that ownership of the Internal Assessment and Verification functions as well as oversight of the operation of the SVQ award in general is assigned with responsibilities for monitoring compliance and scrutiny clearly defined. This will ensure SFRS is well positioned to stay compliant with SQA guidance and will assist in mitigating the likelihood of similar issues occurring again. To achieve this SFRS should require an annual review of SVQ award arrangements to confirm alignments with SQA requirements. This review should be undertaken at a sufficiently senior level jointly within the People and Service Delivery Areas.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Deputy Head of People**	*Establish a review panel, comprising of Strategic Managers from People, Service Delivery and Training to provide an annual review and assurance of the SVQ process.*	31 December 2023	n/a	Grade 2	20%	GREEN

Progress to Update	Internal discussion within the People Directorate have commenced and will continue through established People Meeting structures.
Outstanding actions to close the recommendation	Discussions and planning regarding establishing an SVQ review panel and associated annual review and assurance arrangements will be progressed with Service Delivery and Training functions from August 2023 due to leave periods and colleague moves.
Azets Comments	We note management's comments above with regard to the action being taken to progress this matter.

SCOTTISH FIRE AND RESCUE SERVICE	
Audit and Risk Assurance Committee	

Report No: C/ARAC/40-23

Agenda Item: 8

Report to:	**AUDIT AND RISK ASSURANCE COMMITTEE**						
Meeting Date:	**30 OCTOBER 2023**						
Report Title:	**AUDIT ACTION PLANS AND CLOSING REPORTS UPDATE**						
Report Classification:	**For Information Only**	**SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to 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 an overview update of the current audit and inspection action plans.

2 Background

2.1 The Auditor General reports to the Scottish Government on our performance. Following the publication of the reports, action plans are prepared to address the issues or recommendations that are highlighted within the report.

2.2 Similarly, HMFSI inspects and reports on the Scottish Fire and Rescue Service (SFRS) with the purpose of assuring the public and Scottish Ministers that we are working in an efficient and effective way, and to promote improvement in the Service.

2.3 In line with the thematic process agreed in May 2020 once approved, action plans will be presented to ARAC to scrutinise progress.

3 Main Report/Detail

3.1 ARAC members are presented with the current Audit and Inspection overview dashboard, attached as **Appendix A**, for information. This provides high level details of all action plans (HMFSI Actions Plans and Auditor General Action Plans) and includes a section detailing ongoing and forthcoming inspections and reports.

3.2 The dashboard shows that 15 out of the 19 total Action Plans are complete. Of the four remaining live Actions Plans:
- **Health and Safety: An Operational Focus** is amber due to a slip in some timescales; however, it is still expected to be completed by the overall due date of March 2024.
- **Firefighting in Highrise Buildings** is green and expected to be completed by the overall due date of December 2023.
- **Command and Control Mobilising System** is a new HMFSI Report. The draft Action Plan has been developed and submitted to the Strategic Leadership Team and the Integrated Governance Forum. The first performance update will be presented to the Senior Management Board in November 2023.
- **Review of contingency planning in relation to potential Industrial Action** is a new HMFSI report and the Action Plan is still in development.

4	Recommendation
4.1	The ARAC members are invited to: • Note the progress of all action plans as presented in the audit and inspection dashboard, attached as **Appendix A.**

5	Key Strategic Implications
5.1 5.1.1	**Risk** There are no risks associated with the recommendations of this report.
5.2 5.2.1	**Financial** There are no financial implications associated with the recommendations of this report.
5.3 5.3.1	**Environmental & Sustainability** There are no environmental implications associated with the recommendations of this report.
5.4 5.4.1	**Workforce** There are no workforce implications associated with the recommendations of this report.
5.5 5.5.1	**Health & Safety** There are no health and safety implications associated with the recommendations of this report.
5.6 5.6.1	**Health & Wellbeing** There are no health and wellbeing implications associated with the recommendations of this report.
5.7 5.7.1	**Training** There are no training implications associated with the recommendations of this report.
5.8 5.8.1	**Timing** Each HMFSI Action Plan will be reported to the Senior Management Board on a quarterly cycle until completion.
5.9 5.9.1	**Performance** This process supports robust challenge and scrutiny of our performance against HMSFI recommended improvements.
5.10 5.10.1	**Communications & Engagement** There is no implication associated with the recommendations of this report.
5.11 5.11.1	**Legal** The arrangements for independent inquiries into the state and efficiency of the SFRS are a statutory requirement as laid out in Section 43 of the Fire Scotland Act 2005.
5.12 5.12.1	**Information Governance** A Data Protection Impact Assessment (DPIA) is not required for this report as there is no sensitive information to consider.
5.13 5.13.1	**Equalities** An Equality and Human Rights Impact Assessment (EHRIA) is not required for this this report. These will be captured by Directorate and LSO EHRIAs .
5.14 5.14.1	**Service Delivery** There are no service delivery implications associated with the recommendations of this report.

6	Core Brief	
6.1	Not applicable	
7	**Assurance (SFRS Board/Committee Meetings ONLY)**	
7.1	**Director:**	Mark McAteer, Director of Strategic Planning, Performance and Communications
7.2	**Level of Assurance: (Mark as appropriate)**	*Substantial*/**Reasonable**/*Limited/Insufficient*
7.2	**Rationale:**	Following receipt of Audit Reports, Action Plans are developed in conjunction with Directorates and approved via the Strategic Leadership Team and the nominated Executive Committee of the Board. Quarterly reporting is made to the Senior Management Board and nominated Executive Board until full completion of the Action Plan.
8	**Appendices/Further Reading**	
8.1	Appendix A: Audit and Inspection Overview Dashboard	

Prepared by:	Louise Patrick, Strategic Planning and Partnerships Coordinator
Sponsored by:	Richard Whetton, Head of Governance, Strategy and Planning
Presented by:	Mark McAteer, Director of Strategic Planning, Performance and Communications

Links to Strategy and Corporate Values

Our audit and inspection process contributes to Strategic Outcome 5 of the Strategic Plan 2022-25: We are a progressive organisation, use our resources responsible and provide best value for money to the public.

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Senior Management Board	*16 August 2023*	*For recommendation*
Service Delivery Committee	*24 August 2023*	*For scrutiny (Covid 19 Update and Firefighting in High Rise Buildings)*
People Committee	*14 September 2023*	*For scrutiny (Training of RDS Personnel and H&S)*
Audit and Risk Assurance Committee	*30 October 2023*	*For Information Only*

AUDIT AND INSPECTION OVERVIEW DASHBOARD

HMFSI Thematic Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAU	Void	% Complete	RAG
Apr-22	Health and Safety: An Operational Focus	PC	Mar-24	-	18	May-23	Aug-23	0	8	0	9	0	0	1	0	0	55%	
Sep-22	Firefighting in Highrise Buildings	SDC	Dec-23	-	8	May-23	Aug-23	0	5	0	3	0	0	0	0	0	60%	
Apr-23	Command and Control Mobilising System (CCMS) - **progressed through SLT and IGF, first update to SMB Nov**	SDC	Mar-24	-	6	-	Nov-23	0	6	0	0	0	0	0	0	0	-	-

HMFSI Focused Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAU	Void	% Complete	RAG
May-23	Review of contingency planning arrangements in relation to potential industrial action - **plan in development**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

HMFSI Local Area and Service Delivery Area Inspection Reports Progress Dashboard

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

Closed Audit and Inspection Action Plans

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

HMFSI Inspection Forecast

Expected	Title	Type	
May-23	East Service Delivery Area (ESDA)	SDA	*In Draft*
Aug-23	Climate Change – Impact on Operational Activity	Thematic	
Aug-23	Mental Health and Wellbeing	Thematic	
2023-24	West Service Delivery Area (WSDA)	SDA	
2024-25	North Service Delivery Area (NSDA)	SDA	

HMFSI <u>Possible</u> Areas of Interest as outlined within the 2023-25 Inspection Plan

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

SCOTTISH FIRE AND RESCUE SERVICE
Audit and Risk Assurance Committee

Report No: **C/ARAC/41-23**

Agenda Item: **9.1**

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	30 OCTOBER 2023							
Report Title:	EXTERNAL AUDIT – AUDIT DIMENSIONS AND BEST VALUE REPORT & ANNUAL REPORTS 2021 & 2022							
Report Classification:	For Scrutiny	**SFRS 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 a progress report 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 and 2021/22

2	Background
2.1	Deloitte, as External Auditors to SFRS, undertook an Audit Dimensions and Best Value review for year ended 31 March 2022, with the Follow Up report issued on 19 January 2023. The report is designed to help the Audit Committee and the Scottish Fire and Rescue Service (SFRS) Board discharge their governance duties on the following areas: • Financial Management • Financial sustainability • Governance and transparency • Value for money; and • Best Value
2.2	The report was provided to SFRS as part of their overall 2021/22 audit responsibilities and provided to ARAC at a private meeting on January 2022. The final report contained 28 recommendations for improvement with Responsible Owners providing a management response for each recommendation.
2.3	Separately Deloitte undertook an audit of the 2021/22 Annual Report and Accounts as external auditors to SFRS resulting in a number of recommendations being identified. An action plan has been developed to monitor the Services agreed response to these recommendations and Audit Scotland will consider progress on all agreed actions as part of their 2022/23 audit.

3	Main Report/Detail
3.1 3.1.1	**External Audit Wider Scope Audit** The Audit and Risk Assurance Committee received a copy of the reporting framework and updates at previous meetings with further updates provided to the Good Governance Board. Appendix A to this report now details progress made as at 3 October 2023.

3.1.2	Progress by Audit Dimension as detailed in Appendix A: • Financial Management (77% complete) • Financial Sustainability (67% complete) • Governance & Transparency (100% complete) • Value for Money (80% complete)
3.1.3	Deloittes reviewed their recommendations and the aligned management responses and issued comment within their annual report. Deloittes comments have been included within Appendix A and were passed to responsible officers for consideration by the Acting Director of Finance and Procurement.
3.1.4	Where an action was identified by the Responsible Officer as complete, and Deloitte's had agreed this position and these actions were marked Blue within the Appendix A Dashboard.
3.1.5	Since Deloitte have completed their review of actions for the final reports, they have advised they will no longer review any future supporting evidence which will now be reviewed by Audit Scotland from 1 April 2023. Therefore, any action that has been identified by the Responsible Officer as complete, with supporting evidence provided, will be marked Blue* within the Appendix A Dashboard.
3.1.6	Following feedback from Responsible Owners one revised date has been requested: • Recommendation No. 2.2 Capital Planning and Asset Management. A new completion date of 30th June 2024 has been requested as further work is required to clearly differentiate between required capital investment / maintenance and impact of delayed capital investment. This will be linked to the wider capital investment strategy with the new date aligned to the governance reporting dates.
3.1.7	To date, no feedback has been received from Audit Scotland in relation to the actions and supporting evidence that have been provided but once this is received an update will be provided to GGB and the relevant responsible owners.
3.1.8	Deloitte also provided a Follow Up report on any outstanding actions from previous years. Appendix A outlines one remaining action, which is due has been classed as complete by the responsible owner and subject to review and closure by the External Auditor.
3.2 3.2.1	**External Audit – Annual Report and Accounts** Deloitte undertook an annual audit of the Annual Report and Accounts, with their final report for the 2020/21 audit identifying 8 internal control recommendations.
3.2.2	Appendix B details agreed management actions and progress made against each. Following review of these actions as per of their 21/22 annual process, Deloitte's deemed 3 of these as remaining open and provided comment. Since then, 2 of these actions have been identified by the Responsible Officer as complete with supporting evidence provided for review. These actions have been marked Blue* within the Appendix B Dashboard.
3.2.3	Deloitte undertook an annual audit of the Annual Report and Accounts, with their final report for the 2021/22 audit identifying 14 internal control recommendations.
3.2.4	Appendix C contains Dashboard along with agreed management actions and progress made against each. Since then, 2 of these actions have been identified by the Responsible Officer as complete with supporting evidence provided for review. These actions have been marked Blue* within the Appendix C Dashboard.

4	Recommendation
4.1	The Audit and Risk Assurance Committee is asked to scrutinise progress against the External Audit recommendations.

5	Key Strategic Implications
5.1 5.1.1	**Risk** The report identifies progress against the Audit Dimensions and Best Value Report undertaken by External Audit. Risks associated with the report are aligned to those identified by External Audit within their final report
5.2 5.2.1	**Financial** The report identifies progress against the Audit Dimensions and Best Value Report undertaken by External Audit. Financial implications associated with the report are aligned to those identified within the final report and actions taken by responsible officers to manage identified risks.
5.3 5.3.1	**Environmental & Sustainability** Any implications arising from the report will be managed by the relevant Directorate.
5.4 5.4.1	**Workforce** Any implications arising from the report will be managed by the relevant Directorate.
5.5 5.5.1	**Health & Safety** Any implications arising from the report will be managed by the relevant Directorate.
5.6 5.6.1	**Health & Wellbeing** Any implications arising from the report will be managed by the relevant Directorate.
5.7 5.7.1	**Training** Any implications arising from the report will be managed by the relevant Directorate.
5.8 5.8.1	**Timing** The report is provided to the Good Governance Board to ensure any relevant information can be presented to the Audit and Risk Assurance Committee on a quarterly basis.
5.9 5.9.1	**Performance** The report provides information on agreed management actions arising from External Audit's report. The management responses are agreed by External Audit and the Board with ongoing reports used to monitor performance.
5.10 5.10.1	**Communications & Engagement** Any implications arising from the report will be managed by the relevant Directorate.
5.11 5.11.1	**Legal** Any implications arising from the report will be managed by the relevant Directorate.
5.12 5.12.1	**Information Governance** DPIA completed - No. The report provides a summary of information and actions to be taken by Directorates, and named individuals, to manage any significant risk identified. The responsible Directorate will ensure that any relevant DPIA is completed as required.
5.13 5.13.1	**Equalities** EHRIA completed - No. Where an equalities assessment is required, this will be determined by the responsible Directorate and progressed accordingly.

5.14 5.14.1	**Service Delivery** Any implications arising from the report will be managed by the relevant Directorate.	
6	**Core Brief**	
6.1	Not applicable	
7	**Assurance (SFRS Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance and Procurement
7.2	**Level of Assurance:** **(Mark as appropriate)**	~~Substantial~~/**Reasonable**/~~Limited~~/~~Insufficient~~ Deloitte provided the following commentary: Financial Management The Service continues to have strong financial management processes in place which it has strengthened in the year by more transparent reporting particularly around savings / asset backlogs. Financial Sustainability The Service has achieved short-term financial balance in 2021/22. The Service is faced with significant legacy issues with regards to capital investment, which is reported throughout the Service and there is recognition of this fact. The Service has refreshed its Risk Based Capital Investment Strategy in the current period and recognises that this needs to be continually refreshed in line with its strategy and the future revision of its Medium-Term Financial Plan and Long-Term Financial Strategy. Governance and transparency The Service continues to have strong leadership in place. The Board has seen changes in the current year, which were predominantly in line with individuals terms and expected retirements. We are pleased to note that the Board no longer holds closed sessions and provides recording of meetings online for the public. We recommend that with the continued relaxation of restrictions that the Service reviews whether the meetings could become fully accessible in future. Value for money The Service continues to have a clear Performance Management Framework in place. We understand that the Service is refreshing its Performance Management Framework and considering the benchmarking and trend data that the Service will use for reporting as part of this refresh. Best value The Service has sufficient arrangements in place to secure Best Value with a focus on continuous improvement, although there is room for improvement in the Service's internal process for identifying areas for improvement and implementing the necessary changes.

7.3	**Rationale:**		The report is based upon work undertaken by Deloitte as external auditors to SFRS and management responses reviewed by external audit and agreed by the Service. I have confidence that the information is correctly reported based upon these returns.
8	**Appendices/Further Reading**		
8.1	Appendix A – External Audit Wider Scope Report		
8.2	Appendix B – External Audit Annual Report 2021		
8.3	Appendix C – External Audit Annual Report 2022		

Prepared by:	Assistant Risk & Verification Officer
Sponsored by:	John Thomson, Acting Director of Finance and Procurement
Presented by:	John Thomson, Acting Director of Finance and Procurement

Links to Strategy and Corporate Values

External Audit forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6:

Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.
- Objective 5.1: Remaining open and transparent in how we make decisions
- Objective 5.6: Managing major change projects and organisational risks effectively and efficiently

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Audit and Risk Assurance Committee	*30 October 2023*	*For Scrutiny*

APPENDIX A

**EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT - ** Dashboard

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

* Marked Complete subject to confirmation from External Audit

FINANCIAL MANAGEMENT

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
1.1	Acting Director of Finance & Procurement	HIGH	31/03/2022	28/02/2023	24.03.2023	-	-	✓	-	100%	BLUE*
1.2	Acting Director of Finance & Procurement	HIGH	31/03/2022	-	13.09.2022	-	-	✓	-	100%	BLUE
1.3	Acting Director of Finance & Procurement	HIGH	31/03/2023	31/03/2024	24.03.2023	-	✓	-	-	10%	GREEN
1.4	Acting Director of Finance & Procurement	MEDIUM	31/03/2023	-	24.03.2023	-	-	✓	-	100%	BLUE*
1.5	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	30/06/2022	13.09.2022	-	-	✓	-	100%	BLUE
1.6	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	31/03/2023	24.03.2023	-	-	✓	-	100%	BLUE*
1.7	Acting Director of Finance & Procurement	MEDIUM	n/a	n/a	n/a	n/a	n/a	n/a	✓	n/a	BLUE
1.8	Acting Head of Finance & Procurement	MEDIUM	30/09/2022	-	19.05.2022	-	-	✓	-	100%	BLUE
1.9	Chair of ARAC	MEDIUM	31/03/2022	-	16.03.2022	-	-	✓	-	100%	BLUE

FINANCIAL SUSTAINABILITY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
2.1	Acting Director of Asset Management	HIGH	31/03/2022	31/03/2023	03.04.2023	-	-	✓	-	100%	BLUE*
2.2	Acting Director of Asset Management	HIGH	31/03/2022	30/06/2024	02.10.2023	-	✓	-	-	60%	GREEN
2.3	Acting Director of Finance & Procurement	HIGH	31/03/2023	31/03/2024	24.03.2023	-	✓	-	-	10%	GREEN
2.4	Acting Director of Finance & Procurement	HIGH	31/03/2023	-	27.05.2022	-	-	✓	-	100%	BLUE
2.5	Director of People (formerly Director of People & Organisational Development)	HIGH	31/12/2022	30/09/2023	27.07.2023	-	-	✓	-	100%	BLUE*
2.6	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	31/03/2023	24.03.2023	-	-	✓	-	100%	BLUE*
2.7	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	-	08.03.2022	-	-	✓	-	100%	BLUE
2.8	Acting Director of Asset Management	MEDIUM	31/03/2022	30/06/2023	26.07.2023	-	✓	-	-	65%	GREEN
2.9	Acting Director of Asset Management	MEDIUM	31/03/2022	31/05/2022	20.01.2023	-	-	✓	-	100%	BLUE*
2.10	Director of Training, Safety & Assurance	MEDIUM	31/03/2022	18/10/2023	02.10.2023	-	✓	-	-	95%	GREEN
2.11	Director of People (formerly Director of People & Organisational Development)	MEDIUM	31/03/2022	31/03/2023	04.04.2023	-	-	✓	-	100%	BLUE*
2.12	Director of People (formerly Director of People & Organisational Development)	MEDIUM	31/03/2023	-	19.05.2023	-	-	✓	-	100%	BLUE*

GOVERNANCE & TRANSPARENCY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
3.1	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	-	08.03.2022	-	-	✓	-	100%	BLUE
3.2	Director of Strategic Planning, Performance & Communications	HIGH	31/08/2021	n/a	05.01.2022	n/a	n/a	✓	n/a	100%	BLUE

VALUE FOR MONEY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
4.1	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	31/01/2023	26.01.2023	-	-	✓	-	100%	BLUE*
4.2	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	31/03/2023	18.05.2023	-	-	✓	-	100%	BLUE*
4.3	Director of Service Development	HIGH	31/03/2022	30/06/2023	06.07.2023	-	-	✓	-	100%	BLUE*
4.4	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	-	26.05.2022	-	-	✓	-	100%	BLUE
4.5	Director of People (formerly Director of People & Organisational Development)	MEDIUM	31/12/2022	31/03/2024	02.10.2023	-	✓	-	-	90%	GREEN

FOLLOW PREVIOUS YEARS ACTIONS

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
1	Director of Finance & Contractual Services	MEDIUM	31/03/2021	31/03/2023	24.03.2023	-	-	✓	-	100%	BLUE*

Outstanding Actions

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

* Marked Complete subject to confirmation from External Audit

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – FINANCIAL MANAGEMENT		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		9	77%	2	5	0	1	0	0	0	1	0

Rec No. 1.1	**Financial Reporting** The annual budget should be able to serve as a stand-alone item, capable of scrutiny and challenge on its own merits rather than by reliance on previous reporting and assumed knowledge. This should include clearly setting out the assumptions underpinning the budget.		Target Date	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed. SFRS have provided information to the Board on the annual budget as part of Board development/information sessions and then this is consolidated at the Board meeting where the budget reports are approved. In our opinion cumulatively, this gives the Board sufficient information to scrutinise the annual budget. SFRS however accepts the recommendation and will reference outputs from the information sessions to improve transparency and provide a standalone report for the Capital and Resource budgets for Board approval.	31/03/2022	28/02/2023	HIGH	100%	BLUE*

Progress to Update	The budget strategy for 2022/23 which outlined the assumptions and parameters for the resource budget was approved by the Board on the 22nd March 2022. The draft resource budget papers for 2022/23 have been produced and are currently being reviewed. The Resource Budget presentation was completed at the Board Information Day on 22nd February. Resource budget was scrutinised by Board on 31st March 2022. Deloitte reviewed this management response in November 22 as below and further work is recommended to close of this action. The budget process for 2023/24 has commenced and will follow similar process as previous but will include details of changes made to the budget strategy following discussions with Board. The Budget Approach 2023/24 was presented to the Board on 23rd February 2023 meeting. This action has been discussed with our new auditors Audit Scotland and they are content with SFRS approach. The outstanding point is to provide evidence to our auditors that Board Members provide sufficient scrutiny in a public forum.
Outstanding actions to close the recommendation	Audit Scotland will review based on discussion and provide an update on this action for the ARAC on 5th October.
External Audit Comments – Nov 2022	We understand that there was a budget strategy session with the Board where assumptions were provided in respect of the pay and inflation and how this linked to the LTFS. Management assert that the purpose of the budget strategy session was to inform the Board and seek their views on assumptions and what the Board would want to be considered as part of the budget setting process. Management held a second budget strategy day to provide feedback on the budget. Management did not include the detail of the work completed with the Board, or the detail of changes made to the strategy in the public papers. Management should reassess their reporting provided to the Board and also ensure that the purpose of the budget strategy days are to provide additional information / opportunity to challenge aspects that the Board do not wish to be in the public domain to ensure that they are being as transparent as possible in respect of the reporting.

Rec No. 1.3	**Financial Reporting** The annual budget should provide a high-level summary of how resources are allocated against the Service's outcomes, to enable the Board to challenge whether resources are appropriately allocated and sufficiently targeted to address areas of poor performance.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	SFRS agree with this recommendation and will seek to engage with the Board on the presentation of the budget to demonstrate how resources are allocated to outcomes to aid scrutiny.	31/03/2023	31/03/2024	HIGH	10%	GREEN

Progress to Update	Discussion with Audit Scotland on action. Auditors have confirmed there are no examples to follow. Audit Scotland have suggested a revised action (s) 1) That SFRS present regular resource monitoring to the Board that includes Actual V Budget spend by Directorate to enable greater scrutiny of financial information and linkage to outcomes 2) That SFRS considers developing financial reporting against a single outcome being Climate Change. This would facilitate learning and also provide information to support Scottish Government's objectives of net zero.
Outstanding actions to close the recommendation	The above actions will now be progressed. Audit Scotland will consider this update for ARAC on 5th October 2023
External Audit Comments – Nov 2022	The Christie Commission review in 2011 highlighted the need for the public sector in Scotland to review its budget to outcome reporting. As set out in a further Audit Scotland document that reviewed the progress made against the Christie report 10 years on there has been limited progress across the public sector in Scotland, except for as a result of COVID-19. As such, we still recommend that the Service develops a reporting output that shows how the budget is being allocated in terms of the outcomes that the Service is wanting to achieve.

			Action Date Due	Agreed Revised Date	Priority	% Complete	Status
Rec No. **1.4**	**Savings Plans** The budget should clearly set out how the savings target included within it links in with the savings requirements identified in the MTFM and the LTFS.						
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed. SFRS will be explicit about the targeted budgeted savings anticipated as part of the budget setting process. The Medium Term Financial Model (previously validated by Deloitte) is updated on an annual basis to include the latest assumptions such as inflation or pay awards used in the annual budget setting process. The model is then used to run various financial scenarios and support strategic decision making and where appropriate identify potential funding gaps that require efficiencies to be achieved. The Long Term Financial Strategy will be updated to reflect the latest position on savings.	31/03/2023	n/a	MEDIUM	100%	BLUE*

Progress to Update	Scottish Government have now published intended SFRS budget allocation for 2023/24 which includes a £10million increase in Resource Budget for 2023/24. The Service will continue to progress identified savings to meet the new financial parameters to then present a balanced budget for next year. A new Resource Spending Review (RSR) savings programme has been initiated to develop and manage the savings required over the next four years. This will be a strategic programme reported to the Change Committee. The savings required for 2023/24 has been included in 2023/24 Resource Budget for Board approval at end of March. A number of financial scenarios were presented to the Board that included savings required in the medium term. This information has been communicated as part of approved Resource Budget for 2023/24
Outstanding actions to close the recommendation	Review of information by Audit Scotland for update at ARAC on 5th October 2023
External Audit Comments – Nov 2022	As the Service is reporting a 30% outturn against the target date and has also suggested a revised target date of 31 March 2023 Deloitte have not performed any follow up against this action.

			Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
Rec No. **1.6**	**Savings Plans** The annual budget should clearly set out efficiency savings targets, including where these are expected to be achieved. The budget should identify which savings have already been identified and can be specifically reported against in the year, with a 'RAG' risk rating for those savings yet to be identified in terms of the risk of the Service being able to deliver them.						
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed. All targeted savings are identified and included in the budget setting process. Moving forward budgeted savings will be tracked and the associated RAG status will be provided and reported against. The reporting of progress against budgeted efficiencies will be reported to the Board as part of the resource monitoring report.	31/03/2022	31/03/2023	MEDIUM	100%	BLUE*

Progress to Update	Agreed this was a version issue and reconciled the overall savings target did not change.
Outstanding actions to close the recommendation	None the point is noted
External Audit Comments – Nov 2022	We note that the reporting during 22/23 on budgeted savings does not align to the budgeted efficiencies paper provided as evidence for the budget. As such we recommend that where management make changes to the amounts included in the budget that this is clearly demarked.

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EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – FINANCIAL SUSTAINABILITY		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		12	67%	3	5	0	2	2	0	0	0	0

Rec No. 2.1	**Capital Planning & Asset Management** Following completion of work with the Scottish Government in assessing the capital investment needs of the Service, the AMS should be reviewed to ensure that it aligns with this need, the Strategic Plan and the Change Programme.		Target Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Asset Management**	The AMS is part of a suite of strategy documents (Fleet, Property and Equipment) to be undertaken by the newly recruited Asset Governance & Performance Manager. The priority is to work on the SFRS Board request for a new Fleet Strategy. The intention is for the new AMS to be aligned to the outcomes of the SDMP, Standard Station Design and the Service Review as well as the Strategic Aims and Objectives of the Service.	31/03/2022	31/03/2023	HIGH	100%	BLUE*

Progress to Update	Recent Progress on Strategic Asset Management Plan (SAMP) for Property Over 400 responses to Questionnaire now collated into spreadsheet so that specific issues raised can be highlighted; Stakeholder Engagement sessions at Fire stations and with Departmental teams now complete; First draft completed in January 2023; The SAMP Paper has been presented for approval through Governance route - AMLB - 7th February 2023 - CPG - 7th February 2023 - SMB - 15th February 2023 - SLT - 8th March 2023 & Board - 30th March 2023
Outstanding actions to close the recommendation	
External Audit Comments – Nov 2022	As the Service has only made 30% progress against this action, no follow up has been performed by Deloitte.

Rec No. 2.2	**Capital Planning & Asset Management** Instead of reporting against a single 'backlog' figure, the Service should differentiate between required capital investment to transition from the current asset base to the required asset base, and actual maintenance/repair/replacement backlogs, to enable appropriate assessment of the risk of asset failure and the impact of delayed capital investment on service delivery.		Target Due	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Asset Management**	As part of the work for the new Asset Strategy documents for Fleet, Property and Equipment, a detailed examination of current maintenance backlog figures will be undertaken. The intention will be to differentiate the backlog figure between required capital investment to transition from the current asset base to the required asset base, as well as to highlight actual maintenance/ repair/ replacement backlogs.	31/03/2022	31/08/2023 New date request 30/06/2024	HIGH	60%	GREEN

Progress to Update	Work on an updated document detailing a 10-year risk-based approach to the Capital Programme for Property, Fleet and Equipment is now complete and will be presented to the Board in February 2024.
Outstanding actions to close the recommendation	A formal reporting document will be produced for submission to Scottish Government; although it is recognised that this will have to be revisited at a future date to align the strategy with the outcomes from the SDMP process. New Date requested to 30th June 2024 to coincide with new governance dates.
External Audit Comments – Nov 2022	The reports provided to the Public Board meetings provide reporting against an approved budgeted spend but do not then differentiate between required capital investment / maintenance / impact of the delayed capital investment. The Service has a Risk Based Capital Investment Strategy which has been provided to the Private Board meetings and sets out the Services strategy however, the Service recognises that a formal document will need to be submitted to the Scottish Government and will need revisiting at a future date. We consider this action to remain open as the reporting in the current format does not clearly differentiate between required capital investment / maintenance and impact of delayed capital investment and should then be linked to a wider capital investment strategy to determine what appliances / stations will still be required in future and also consider the wider impact of future workforce plans.

Rec No. 2.3	**Medium-to-Long Term Financial Planning** The LTFS should be revised to demonstrate how the Service plans to allocate resources against outcomes over the length of the Strategy. Alternatively, the MTFM could be revised to serve this purpose.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed. As indicated at 1.3 the Service will review the LTFS and will include how the service applies budget resources to outcomes.	31/03/2023	31/3/2024	HIGH	10%	GREEN

Progress to Update	Audit Scotland have confirmed there are no examples to follow. The revised action will be to consider how SFRS could present Directorate information over MTFM to enable greater scrutiny by Board. In addition, in developing the LTFS considers budget allocation on a single outcome being climate change.
Outstanding actions to close the recommendation	Development of the LTFS based on discussions with Audit Scotland and review in October 2023
External Audit Comments – Nov 2022	The Christie Commission review in 2011 highlighted the need for the public sector in Scotland to review its budget to outcome reporting. As set out in a further Audit Scotland document that reviewed the progress made against the Christie report 10 years on there has been limited progress across the public sector in Scotland, except for as a result of COVID-19. As such, we still recommend that the Service develops a reporting output that shows how the budget is being allocated in terms of the outcomes that the Service is wanting to achieve.

Rec No. 2.5	**Workforce Planning** Subject to ongoing work on the vision for the future, the Workforce and Strategic Resourcing Plan needs to be reviewed to clearly set out how it is aligned to the Strategic Plan, LTFS, and other key strategic documents – including any successor to the Transformation Programme.		Action Date Due	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of People** (formerly Director of People and Organisational Development)	Agreed. The Service will ensure that this is achieved via the Strategic Workforce & Resourcing Plan (WFP) which is already commissioned by the POD Workforce Planning and Resourcing Team with an expected publish date of Q4 2021/22. This document is developed in line with the aims of the SFRS Strategic Plan, the Future Vision, AOP, and any other relevant future plans via focus groups which assess the key data and ensure it is integrated into the WFP. The plan is organic in nature and is adjusted in accordance with any change factors identified via the aforementioned Forums and will align in the same way with any future strategic plans. These are scrutinised and approved via through a chain of governance from POD DMT through to the SFRS Board and any challenges, risks and mitigations are identified in the relevant Risk Registers.	31/12/2022	30.09.2023	HIGH	100%	BLUE*

Progress to Update	Work continues on the Strategic Resourcing approach, including modelling scenarios based on available data related to the Pensions Remedy. These impacts are dynamic due to factors such as recent changes to Pensions entitlement including increased commutation factors, implementation of legislation relating to the Deferred Choice Underpin in October 2023 and Average Weekly Earnings amendments. Additionally, workforce planning models are adapted to take account of organisational change delivered via the Strategic Service Review Programme which has led to interim and permanent changes to the Wholetime Uniformed Target Operating Model, the potential impact at Flexi Duty Officer level of increased forecast leavers of "in scope" personnel and the transition to the new structure of the People Directorate. A detailed Workforce Planning update is provided to the SLT on a monthly basis to enable agile, data based decision making.
Outstanding actions to close the recommendation	
External Audit Comments – Nov 2022	As the target date is not yet due and the Service has only made 35% progress against the action, Deloitte have not performed any follow up.

Rec No. 2.6	**Budget Setting** The budget report to the Board should set out the process through which the budget was developed, the extent to which there has been consultation and how this consultation was reflected in the budget, so as to enable the Board to satisfy themselves as to the robustness of that process in approving the budget.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed, the budget setting process for 22/23 will include the consultation completed with budget holders, SLT and the Board.	31/03/2022	31/3/2023	MEDIUM	100%	BLUE*

Progress to Update	The approach for budget setting for resource and capital was included in the presentation to the Board on 22nd February 2022. The budget approach for both resource and capital has been amended to include greater engagement. For resource budget an SLT sub group was established and this has shaped the budget allocation and decision making. For capital, more information was captured from budget holders on the rational for investment and the impact on asset backlogs etc. In addition, the allocation of capital was linked to the developed asset investment plan. The final budget papers for resource and capital 2022/23 will be presented to the Board for approval. Information on engagement on budget strategy has been provided including feedback from Board members to seek to complete action. The final resource budget report for 2023/24 will include more detail on the consultation/engagement as part of the final document.
Outstanding actions to close the recommendation	The action is considered closed subject to audit confirmation. This information to be considered by Audit Scotland for update at the October ARAC.
External Audit Comments – Nov 2022	The final budget report presented to the Board did not set out the process through which the budget was developed, the level of consultation undertaken and how this was then reflected in the budget. We understand that the Service presented the approach for setting the budget in a presentation to the Board, however, this is not part of a formal document and is in the form of a powerpoint presentation. Further, there is no information on how any challenges through the consultation then resulted in any changes (or equally recorded if there were no changes).

Rec No. 2.8	**Capital Planning & Asset Management** The Service should ensure that the Capital Programme is linked to the LTFS, AMS and Resource Budget, setting out how the Capital Programme progresses these and the anticipated consequences of the capital investment decisions on the resource budget over the period.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Asset Management**	Agreed. The Service recognises that capital funding received is less than required to fully address the asset backlog from legacy services. SFRS has worked with Scottish Government to secure additional funding where possible and has agreed to share premises at 51 stations with other public sector organisations including police and ambulance service. SFRS has applied for funding to support decarbonisation of its activities and this includes fleet and property which will partially support addressing our asset backlog. SFRS will continue to work with Scottish Government to seek additional funding where this is available. Within this context, the Service will update the LTFS, based on the revised AMS and highlight the impacts on the resource budget.	31/03/2022	30/06/2023	MEDIUM	65%	GREEN

Progress to Update	The Asset Management and Finance Departments are developing a new report, which will be presented on an annual basis. The report will show how the Capital Programme is linked to the LTFS and the Strategic Asset Management Plan document for Property, which is scheduled for completion on 31st March 2023. This report will further detail how delivery of the Capital Programme progresses the LTFS and the AMS, whilst also showing the consequences of the capital investment decisions on the resource budget over the year.
Outstanding actions to close the recommendation	Staff from the Asset Management and Finance Departments will continue to meet to develop the format of the new report based on the Strategic Asset Management Plan (SAMP) for Property and the risk based approach to the Capital Programme Report.
External Audit Comments – Nov 2022	As the Service has revised the target date for this action to 30 June 2023 no follow up has been performed.

Rec No. 2.9	**Capital Planning & Asset Management** Monitoring of performance against the Capital Programme should include summary information on the number of projects expected to be (or which have been) delivered in line with the original timescales and original budgets.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Asset Management**	Agreed. The Service already provides information on all major projects to the change portfolio committee and this provides information on time, cost and quality. The recommendation is to expand this to cover the timeline around all capital projects and to report at a summary level to the Board. In reality, the capital programme is delivered throughout the year to maximise the funding available which requires many projects to be delivered within the financial year. In line with the recommendation the Service will provide additional summary information on the delivery of projects against original timelines recognising the many detailed projects involved in the programme.	31/03/2022	31/05/2022	MEDIUM	100%	BLUE*
Progress to Update		The Asset Management and Finance Departments have developed a new Capital monitoring report which will highlight variations from the original project cost and timescales. This report will be presented on a monthly basis at Capital Monitoring meetings. The new Capital monitoring report went live from the start of the new financial year.					
Outstanding actions to close the recommendation		Report now includeS RAG status keys so as to ensure that the RAG status meaning is clear to all. Supporting evidence has been forwarded to Deloitte and awaiting outcome of their review.					
External Audit Comments – Nov 2022		In response to the recommendations raised in the previous year management have included RAG rating status on the capital monitoring and forecasting reports. The reports do not includes keys on them however, Deloitte have enquired with management as to what the RAG status means. They have noted that the milestone RAG status column indicates whether the project is in a red / amber/ green status depending on whether the projects are meeting original milestones / timescales set or not and whether the projects will be complete by 31/3/23. The budget RAG status column indicates whether the project is in a Red, Amber or Green status, depending on the percentage the project is under/(over) budget. The RAG status tolerances were shared with capital budget holders to help them determine the RAG status for each of the projects and the status of these are updated each month by budget holders and then reported at the monthly capital monitoring meetings. Given that this is not reported on the final report we recommend that the reports should include keys such that this can be easily identified.					
Rec No. 2.10	**Workforce Planning** The Training Strategy should be clearly linked to the Strategic Plan and the Workforce and Strategic Resourcing Plan, including measurable actions and targets		Action Date Due	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of Training, Safety and Assurance**	The foreword of the Training Strategy specifically mentions the following "The Training Strategy supports the intended outcomes of the SFRS Strategic Plan 2019-22, the findings of the Training and Employee Development (TED) Review and compliments the People and Organisational Development (POD) Directorate plans". With regards measurable actions and targets, 7 priorities (Actions) are identified with dates identified as quarters across a number of years. Recovery plans are now in place and they also support the delivery of the strategy with dates and targets. Within the Training Function the Continuous Improvement Plan Actions and Targets are set with dates and support the delivery of the Strategy. In recognising the comments made, the strategy will be reviewed to strengthen the link to the POD Resourcing Plans.	31/03/2022	18.10.2023	MEDIUM	95%	GREEN
Progress to Update		The Training Vision & Strategy is now in the final stages of governance having been presented to the SLT and People Committee in September for scrutiny. The design version is now completed however being amended following their feedback. It has been agreed this will be submitted to the SLT in November ('For Decision') following which it will be published, thereby concluding this recommendation.					
Outstanding actions to close the recommendation		Following wider stakeholder engagement refine the final draft of the Training Strategy & Vision prior to our design version being produced and going through governance.					
External Audit Comments – Nov 2022		We note that the Training Continuous Improvement Plan reported to the People Committee in March 2022 on the progress against recruitment and how this linked to the workforce and strategic resourcing aspect. The Service has been refreshing its Strategic Plan which covers the period 2022-2025, which in turn will trigger a review of the Training Strategy 2020-2025 in order to ensure that the two align. The Service has stated that they anticipate this work commencing around October 2022 following the consultation and subsequent approval / launch of the Strategic Plan. As the strategic refresh is in progress we consider this action to remain open.					

Rec No. 2.11	**Workforce Planning** Progress on implementing the Workforce and Strategic Resourcing Plan should be considered on a periodic basis the relevant committee or the Board, to ensure that there are effective targets in place and to assess performance against them.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of People** (formerly Director of People and Organisational Development)	Agreed. This will be done via the People Board and People Committee which will agree targets and monitor progress against them.	31/03/2022	31/03/2023	MEDIUM	100%	BLUE*
Progress to Update		Ongoing workforce planning and resourcing activity is maintained as Business as Usual with resilient recruitment and promotional Holding Pools in place. Ongoing engagement and reporting within SFRS governance maintains oversight on current landscape and horizon scans for future risk. The refreshed Strategic Resourcing plan, once agreed, will be progressed via appropriate governance routes and a monthly report is produced for the Senior Leadership Team to ensure organisational awareness of any resourcing related risks.					
Outstanding actions to close the recommendation		Finalise our documented approach to Strategic Workforce Planning and progress this though the SFRS governance route.					
External Audit Comments – Nov 2022		The Service is currently revising its Strategic Workforce Planning and therefore as this is currently being refreshed no follow up has been performed against this action.					
Rec No. 2.12	**Workforce Planning** The Workforce and Strategic Resourcing Plan should be reviewed to clearly set out the Target Operating Model for the entire workforce, and what actions it plans to take to transition from the current workforce to the workforce required in the future		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of People** (formerly Director of People and Organisational Development)	Agreed. This will continue to be implemented via the Strategic Workforce and Resourcing Plan and will be monitored via the People Board and agreed with SLT, People Board and SFRS Board as appropriate	31/03/2023	n/a	MEDIUM	100%	BLUE*
Progress to Update		Workforce Planning models have been enhanced to enable appropriate planning in the context of the Strategic Service Review Programme (including the impacts of the Service Deliver Model Programme) and uncertainties around the short and mid term retirement profile. This has enabled any potential changes to the TOM for different staff groups to be modelled and appropriate recruitment, promotion and development programmes to be planned and delivered to meet evolving organisational needs. Plans will continue to be reviewed and evolved in response as organisational change impacts are agreed.					
Outstanding actions to close the recommendation							
External Audit Comments – Nov 2022		The Service has not yet finalised its approach Strategic Workforce Planning and therefore no follow up on this action has been completed.					

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – VALUE FOR MONEY		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		5	80%	4	0	0	0	1	0	0	0	0

Rec No. 4.1	**Performance Management Framework** The Service should report on the process it has undertaken to attempt benchmarking of performance internally, in order to ensure that local areas learn from good practice elsewhere in the Service. This report should identify those areas where effective benchmarking can be carried out and how this will be done going forward, as well as reporting on those areas where effective benchmarking cannot be carried out and why this is the case.		Target Date	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of Strategic planning, Performance & Communications**	Agreed. As part of the annual review of the Performance Management Framework (PMF) an annual performance report detailing trends in performance including relevant benchmarking data from Services elsewhere in the UK will be produced for the Board. The Business Intelligence and Data Services Team continues to support the Service Delivery Directorate on internal benchmarking and sharing of improvement practices across the Service. The development of performance monitoring across the service will be reported to Good Governance Board. This will include reporting on benchmarking of internal performance.	31/03/2022	31/03/2023	HIGH	100%	BLUE*

| Progress to Update | The PMF reports on indicators which affect 'Scotland' and at present there is no national standards to benchmark selected indicators against. SFRS official statistics published each year does provide a 'Great Britain' comparison for fires, types of fire and resulting casualties but not for 'organisational' statistics.
For local area consideration, work is still on-going through the NFCC to redesign EFRS family groups. Once complete this will allow SFRS to compare Local Senior Officer (LSO) areas to EFRS of similar geodemographic structure. The timescale for SFRS cannot be determined until conclusion of NFCC work (unknown).
Reporting solutions (dashboards) have been rolled out to Service Delivery at a management level (Continuous Improvement Forums (CIF)) and in local solutions for LSO areas. This has been done using Power BI. These provide the means for localised comparison of operational activity and for some community safety engagement such as Home Fire Safety Visits. Improvements in all aspects of data management is required in order to broaden local comparisons to organisational data which is now a focus of the Data Governance Group. There is no update on Fire Service family groupings from NFCC. Engagement is still on-going with Heads of Function to identify which key indicators within their area of business can be built to demonstrate success towards the Strategic Plan. The draft PMF in that respect is delayed but planned steps have been revised aiming to have document with SMB on the 15th February and still presented to the Board on the 31st March |
|---|---|
| Outstanding actions to close the recommendation | Action has been marked as 100% complete as we have identified how local areas can consider operational performance across other areas. This is done to suit their management arrangements where the 'good practice' can be shared in settings such as CIF. |
| External Audit Comments – Nov 2022 | The Service has revised its target implementation date for this action twice and the latest revised target date is 31 January 2023.
The Service has not yet refreshed its Performance Management Framework and therefore this action remains open and no follow up has been performed by Deloitte. |

Rec No. 4.2	**Performance Data** Performance reports should include targets and trend data to enable a meaningful assessment of performance.		Target Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of Strategic planning, Performance & Communications**	Agreed. As part of the annual review of the Performance Management Framework all performance reports are reviewed. Existing reporting against targets and trend data, for example Health and Safety Reporting, Quarterly Performance, will continue. The PMF includes targets and key performance indicators. Progress against these will continue to be reported to the SFRS Board. This will include trend data. Targets contained within directorate or service areas and trends will also be reported on.	31/03/2022	31/03/2023	HIGH	100%	BLUE*

Progress to Update	Work has taken place to investigate how both the UK FRS sector and other public sector organisations (NHS) present performance data to stakeholders. As part of SFRS wider program of work in improving data management (Data Governance Group) and Service wide Data Literacy, we are also aiming to implement a standard process for practical performance management mirroring what takes place elsewhere in public sector. We are upskilling within the Business Intelligence team to better inform all business areas what constitutes practical performance measurement, and help all to rethink the way we measure and drive organisational success. One demonstrable way this is being done is using statistical process control charts (XmR) which will help decision makers stop reacting to noise and only consider true signals of change. These changes have been implemented. The new PMF for 23-24 has been approved by the board and the new reporting dashboards will be provided for Q1 reporting in 23-34 and be modified throughout the remainder of the year.

Outstanding actions to close the recommendation	
External Audit Comments – Nov 2022	The Service has revised its implementation date from 31/3/22 to 31/3/23. The Service is redesigning its Performance Management Framework to then include targets against agreed benchmarks.

			Action Date Due	2nd Revised Date	Priority	% Complete	Status
Rec No. 4.3		**Performance Management Framework** Consideration should be given to the development of a systematic programme of operational self-assessment to demonstrate the Service's commitment to continuous improvement.					
	Responsible Owner Agreed Response **Director of Service Development**	Agreed. SFRS does not have at this time a specific forward-looking plan for service improvement. The service improvement team work proactively with Directorates to support Service Improvement across the Service to ensure appropriate methodologies are being used and good practice applied. A Service Improvement Framework to ensure the systematic approach to continuous improvement will be developed to demonstrate the commitment to continuous improvement across the service. That is to say, we do not have a defined framework in place today that has a specific and structured approach to Self-Assessment required to assess SFRS wide performance and for the identification of service wide improvements. The Deloitte finding is specific to operational self-assessment. SFRS do align to and train our internal employees on the use of the Public Service Improvement Framework (PSIF) designed by NHS National Education for Scotland (NES) for continuous improvement and are currently going through a 2nd cohort of training delivered by NHS. However, the Embedding of those skills, practices and frameworks that allow for self-assessment and continued improvement across SFRS that is seen as sustainable would be our next maturity step. In addition, the forward-looking objective has to be how we integrate self-assessment into our existing planning and review frameworks, along with how we introduce a process of identification and prioritisation of improvement to ensure we align organisation resources appropriately. Lastly, we need to consider how we might bring transparency and visibility to the results of these assessments and share widely within the organisation and highlight agreed actions resulting from it. The target date set across for this recommendation is for the development of the relevant framework, with adopting and embedding across the Service expected to occur beyond this date.	31/03/2022	30/06/2023	HIGH	100%	BLUE*
Progress to Update		We have concluded our consideration of a systematic programme of operational self-assessment to demonstrate the Service's commitment to continuous improvement. This involved selecting a methodology, the European Foundation for Quality Management (EFQM), training key staff in this, developing a test of change, and implementing this test of change within the D&G LSO Area. Local Areas for Improvement and expansion of strengths have been prioritized and embedded in the local improvement plan, whilst national findings are being given consideration in support of prioritization within the Strategic Service Review. The Test of Change on EFQM Self-Assessment will now not go to CPIG, but is being included into Corporate Services Review of SSRP.					
Outstanding actions to close the recommendation		Supporting evidence to be forwarded by responsible owner					
External Audit Comments – Nov 2022		The Service has revised its implementation date to be 31/3/23 from 31/3/22, as such we have not performed any follow up in respect of this.					

			Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
Rec No. 4.5		**Equalities** Annual reporting on equality outcomes should provide reporting against targets (where they exist) and summarised trend data to demonstrate where inequalities are being reduced and where further work is required.					
	Responsible Owner Agreed Response **Director of People**	Agreed. This will be collated throughout the year and summarised for the Annual Report.	31/12/2022	31/03/2024	MEDIUM	90%	GREEN

	(formerly Director of People and Organisational Development)						
Progress to Update	A Mainstreaming Report for 2022-23 was published in April 2023. The Equality Partnership Group has been reconvened with a series of meetings scheduled for 2023/24. Further support in gathering information on progression of the Equality Outcomes is being provided by the introduction of the Strategic People Partner role providing closer working relationships between the People Directorate functions and senior management across SFRS.						
Outstanding actions to close the recommendation	Evidence on progress against the Equality Outcomes is being progressed principally through the Equality Partnership Group and the EDI business partnership route and will form the basis of a published report in April 2024, with governance taking place in Q4 of 2023/24. This will provide evidence of three successive annual reports and allow this action to be closed.						
External Audit Comments – Nov 2022	We have been provided with the SFRS Mainstreaming and Equality Outcomes Report which was published in July 2021. This included case studies which demonstrated how the Service was reducing its inequalities. Additional reporting has been provided to the Senior Leadership Team post year-end. The reporting currently does not include trend data, which we recognise is as a result of not all individuals providing data on their protected characteristics, to demonstrate where inequalities are being reduced and where further work is required. The Service should consider what reporting could be provided in this area.						

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – FOLLOW-UP PREVIOUS YEARS ACTIONS		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		1	100%	0	1	0	0	0	0	0	0	0

Rec No. 1	**Financial Sustainability** The Service should continue to ensure that they review, and where appropriate revise their financial strategy during 2020/21 to reflect on the impact of COVID-19, it is important that the Service also build into the scenarios the impact of demand pressures on costs to the Service along with the estimated changes in funding to get a fuller picture of the likely challenges that it faces.	Target Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of Finance & Contractual Services**	Work has been carried out on an ongoing basis since before the start of the Covid-19 lockdown in the UK. This has resulted in the preparation of a Route map to delivering Reset and Renew to allow the SFRS to navigate through the impact of Covid-19. This covers 8 key themes: People, Workplace, Operational Strategy, Governance and Compliance, Technology, Leadership, Partnership Working and Communications and Engagement. Finance is a factor in all of these themes and the impact of Covid-19 has been reflected in budget monitoring reports to the Board and will be considered when preparing the budget for 2021/22.	31/03/2021	31/03/2023	MEDIUM	100%	BLUE*
Progress to Update	The budget setting process considered the impact of COVID-19 based on the Service's experience to date and anticipated costs and savings were reflected in the budget for 2022/23. Recovery actions were agreed as part of business cases approved in April 2021. Recruitment of temporary resources for these recovery activities has been slower than planned due to difficulties within the marketplace. In the main temporary resources were required over a two year period and these resources are still required to continue the recovery work and have been rephased as required. The Recovery, Reset and Renew programme continues to meet and manage overall progress in terms of recovery and set out the pathway for reset and renewal. The elements of Covid recovery have been included in the resource budget for 2023/24					
Outstanding actions to close the recommendation	This action is considered closed subject to review by Audit Scotland and an update at ARAC on 5th October.					

APPENDIX B

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

Dashboard

* Marked Complete subject to confirmation from Deloitte

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
1	**Acting Director of Finance & Procurement**	HIGH	31/06/2022	-	30.05.2022	-	-	✓	-	100%	BLUE
2	**Acting Director of Finance & Procurement**	MEDIUM	31/10/2022	31.01.2023	14.03.2023	-	-	✓	-	100%	BLUE*
3	**Acting Director of Finance & Procurement**	MEDIUM	31/10/2022	-	31.08.2022	-	-	✓	-	100%	BLUE
4	**Acting Director of Finance & Procurement**	MEDIUM	31/10/2022	-	31.08.2022	-	-	✓	-	100%	BLUE*
5	**Acting Director of Finance & Procurement**	MEDIUM	31/10/2022	-	30.05.2022	-	-	✓	-	100%	BLUE
6	**Acting Director of Finance & Procurement**	LOW	31/12/2021	-	21.02.2022	-	-	✓	-	100%	BLUE
7	**Acting Director of Finance & Procurement**	LOW	31/10/2023	31.10.2024	02.10.2023	-	✓	-		25%	GREEN
8	**Acting Director of Finance & Procurement**	LOW	31/10/2022	-	30.05.2022	-	-	✓	-	100%	BLUE

EXTERNAL AUDIT FINAL ISA260 SFRS 2021 REPORT dated 15 December 2021		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
– OTHER SIGNIFICANT FINDINGS – INTERNAL CONTROL		8	88%	1	4	2	0	0	1	0	0	0

Rec No. 2	**Management Review** We have identified a number of required adjustments to the disclosures included within the Annual Report and Accounts during our audit. In future years, we would encourage the Service to further enhance their existing processes in reviewing the Annual Report and Accounts before submitting the draft Annual Report and Accounts for audit, to minimize the number of required changes		Target Date	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	SFRS will enhance the peer review process to include the disclosure checklist and improve the overall quality of the Annual Report and Accounts	31/10/2022	31/01/2023	MEDIUM	100%	BLUE*

Progress to Update	Review of checklist is included in the year end process. Checklists have been received from Deloitte and will be used to review the Draft Annual Report and Accounts. Checklists will be reviewed for changes and incorporated in final document. Reviews took place and adjustments made. The only outstanding task is to complete and sign the Annual Report of Accounts. The original date was based on the date of signing being 27 October 2022. This was delayed and took place on 26 January 2023.
Outstanding actions to close the recommendation	Action considered to be closed. Review of the FReM checklist to ensure changes are incorporated and carry out peer review is part of the year end process.
External Audit Comments as per 2021/22 Update - 23/01/23	During 2021/22 we have identified some required changes as part of the initial draft that was provided to audit, however, these were not of the same scale as in prior year. We consider this action still open.

Rec No. 4	**Holiday Pay Accrual Calculation** From our work in respect of the holiday pay accrual, we understand that one individual is responsible for the preparation of the holiday pay accrual. Management should look to plan for the future and ensure that within the wider team there are people who are able to cover this role to add greater resilience to the preparation of key working papers.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	The long-term aim is to automate this process within our HR/Finance systems. The Decision Support Manager will work with the Finance Business Partner to increase resilience for this task going forward.	31/10/2022	n/a	MEDIUM	100%	BLUE*

Progress to Update	The balance has been reviewed by management and is no longer considered necessary and has therefore been removed.
Outstanding actions to close the recommendation	
External Audit Comments as per 2021/22 Update - 23/01/23	We have identified similar issues in the current period and consider this action to remain open

Rec No. 7	**Impairment Review** Non-current assets that are not subject to the formal revaluation review in the year should be reviewed for impairment indicators. As part of the year-end financial reporting process this should be documented in a management paper clearly setting out the process and discussions that have taken place. This should address impairment indicators for each asset class i.e. Vehicles, ICT Equipment, Operational Equipment.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	The SFRS will carry out an annual review for different categories of assets to take into account potential changes in value.	31/10/2023	31.10.2024	LOW	25%	GREEN
Progress to Update		Impairment reviews have been carried out in previous years on Ops Equipment and Heritage Assets. Reviews of ICT completed. A review of Vehicles has started and will be carried out over the next 2 financial years. Properties are reviewed for revaluation purposes at least once every 2 years and are therefore considered for impairment at that point. ICT and Intangible Assets reviews completed and adjusted where necessary.					
Outstanding actions to close the recommendation		An impairment review of vehicles is required to complete the action. This was planned as part of the year end processes for 2022/23, however additional work involved in implementing IFRS 16 Leases has led to this work being delayed. Change date to 31 October 2024 in line with expected completion of audit and approval of Accounts for sign-off.					
External Audit Comments as per 2021/22 Update - 23/01/23		From our work, we have identified that management have not completed this action and we consider it open in the current period.					

APPENDIX C

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

Dashboard

* Marked Complete subject to confirmation from External Audit

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
1	**Acting Director of Finance & Procurement**	MEDIUM	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
2	**Acting Director of Finance & Procurement**	LOW	30.04.2023	-	29.05.2023	-	-	✓	-	100%	BLUE*
3	**Acting Director of Finance & Procurement**	LOW	27.06.2023	-	29.05.2023	-	-	✓	-	100%	BLUE*
4	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
5	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
6	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
7	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
8	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
9	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
10	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
11	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
12	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN
13	**Acting Director of Finance & Procurement**	LOW	31.12.2024	-	02.10.2023	✓	-	-	-	0%	GREEN
14	**Acting Director of Finance & Procurement**	LOW	31.12.2023	-	02.10.2023	-	✓	-	-	75%	GREEN

EXTERNAL AUDIT FINAL ISA260 SFRS 2022 REPORT dated 23 January 2023 – OTHER SIGNIFICANT FINDINGS – INTERNAL CONTROL		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		14	14%	0	0	2	0	1	11	0	0	0

Rec No. 1	**Property, Plant & Equipment** Management revalue 50% of their land and buildings annually as part of their revaluation of Property, Plant and Equipment. Accounting standards permit this so long as the valuation of assets not revalued in the year remains materially accurate at the year-end date. We have undertaken a review based on the Build Cost Indices (BCIS) for those assets not revalued in the year and have determined that the valuation is not materially misstated. Management did not preform this assessment themselves, and with the significant movement in the BCIS rates in the current period, driven by the current macroeconomic climate, we recommend that in future periods management perform an assessment of the movement in BCIS and the impact on the assets not valued in the period and provide this assessment to the auditors.											
		Action Date Due		Agreed Revised Date		Priority		% Complete		Status		
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	The SFRS will seek early discussions with auditors to determine expectations relating to revaluation of properties		31/12/2023		n/a		MEDIUM		75%		GREEN

Progress to Update	A meeting was held with Audit Scotland to discuss requirements. An assessment of any change in valuations for those properties not included in the rolling programme will be included in the overall valuation report.
Outstanding actions to close the recommendation	Valuations have been carried out and resulting figures incorporated into the Accounts. Draft Annual Accounts have been completed – this action can be closed once audit scrutiny has been passed. This will become business as usual.

Rec No. 2	**Management Paper** From our work in respect of IFRS 16, Leases, we identified that management do not routinely prepare management accounting papers. Whilst we understand that the Service estimates the impact of IFRS 16 to not be material, it is good practice that where there is a key judgement or new accounting standard, that a management paper is completed and provided to both audit and ARAC.											
		Action Date Due		Agreed Revised Date		Priority		% Complete		Status		
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	We will review our approach to management papers and discuss with the new auditors.		30/4/2023		n/a		LOW		100%		BLUE*

Progress to Update	SFRS has planned for the introduction of IFRS 16 and reported on this to the ARAC in previous years. The budgetary impact has been included in the Accounting Policies paper for the ARAC meeting on 6 April 2023.
Outstanding actions to close the recommendation	ARAC to note contents of the Accounting Policies paper on 6 April 2023.

Rec No. 3	**National Fraud Initiative** As part of our work in respect of the National Fraud Initiative (NFI) we identified that the self-appraisal checklist was not reviewed by ARAC. We recommend that the Key Contact and ARAC should review the self-appraisal checklist as a means of monitoring the body's planning and progress with the NFI exercise going forward.											
		Action Date Due		Agreed Revised Date		Priority		% Complete		Status		
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	The NFI process is treated as business as usual and the outcomes are already reported to the Good Governance Board as well as ARAC. The Service has the responsibility to ensure that the process is carried out while the ARAC has the role to scrutinise the outcomes of the exercise.		27/06/2023		n/a		LOW		100%		BLUE*

Progress to Update	Information on the NFI process has been reported to the Good Governance Board and to the Audit and Risk Assurance Committee meeting on 27th June 2023. Going forward, the checklist will be shared with the ARAC as part of its preparations for the next exercise starting.

Outstanding actions to close the recommendation							
Rec No. 4	**Prepayments** As part of our unrecorded liabilities work we identified that management have received an invoice which is for a future period and have recorded this within the ledger on receipt and recorded Dr Expenditure Cr Accruals. However, they posted Cr Expenditure Dr Prepayments. This results in the residual entries being Dr Prepayments Cr Accruals, which is grossing up the balance sheet. We recommend that management revise their processes to ensure that only items which have been paid and relate to future periods are included within prepayments and only items which have not yet been paid and relate to the current period are included within accruals.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	We will review and update internal processes to ensure accuracy going forward.	31/12/2023	n/a	LOW	75%	GREEN
Progress to Update		This point was raised as part of year end debrief. Checks were carried out to review prepayments and when payments are made, resulting in a similar occurrence as noted in 21/22. This was corrected.					
Outstanding actions to close the recommendation		Complete the Annual Accounts and successfully pass audit scrutiny. This will become business as usual.					
Rec No. 5	**Classification within Trade Payables and Accruals** As part of our work in respect of liabilities we have identified classification errors between trade payables and accruals. We recommend that management refresh their processes in respect of the classification between liability categories to ensure that items are correctly classified.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	We commit to review our processes to provide required information.	31/12/2023	n/a	LOW	75%	GREEN
Progress to Update		This point was raised as part of year end debrief. Balances will be reviewed to consider appropriateness of classification.					
Outstanding actions to close the recommendation		Complete the Annual Accounts and successfully pass audit scrutiny. This will become business as usual.					
Rec No. 6	**Provision and accrual classifications** As part of our accruals work we identified classification errors in respect of provisions and accruals. We recommend that management refresh their processes in respect of the classification between liability categories to ensure that items are correctly classified.		Target Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	We commit to reviewing categorisation annually based on up to date information.	31/12/2023	n/a	LOW	75%	GREEN
Progress to Update		Noted in year end debrief.					
Outstanding actions to close the recommendation		Complete the Annual Accounts and successfully pass audit scrutiny. This will become business as usual.					

Rec No. 7	**Purchase Order Recording** As part of our accruals work we identified that a purchase order (PO) was cancelled when work was no longer required, however, an associated accrual has been recorded incorrectly and this accrual was then not removed. We recommend that management review their processes for the recording of POs and then the impact this has on accruals to ensure that POs are only recorded within expenditure when the work has been completed and that where a PO is cancelled that there is a check to ensure that if there is an associated accrual that this is also reversed.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	We will review and update internal procedures to ensure accuracy going forward.	31/12/2023	n/a	LOW	75%	*GREEN*

Progress to Update	Noted in year-end debrief.
Outstanding actions to close the recommendation	Complete the Annual Accounts and successfully pass audit scrutiny. This will become business as usual.

Rec No. 8	**Assets Held for sale (AHFS)** As part of our work in respect of Property, Plant and Equipment we identified that the AHFS net book value was negative, which management have detailed is a result of rounding of the years. Property, Plant and Equipment assets should not be reported at a negative net book value. We recommend that management implement a process which ensures that assets cannot be held at a negative net book value and that there I a system check that ensures that asset values cannot reduce below £0.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	While the values are trivial, we will review and adjust	31/12/2023	n/a	LOW	75%	GREEN

Progress to Update	Noted in year-end debrief. Adjustment to be made as required.
Outstanding actions to close the recommendation	Complete the Annual Accounts and successfully pass audit scrutiny.

Rec No. 9	**Loss on disposal of assets** As part of our work in respect of Property, Plant and Equipment disposals we identified that management have not disclosed the loss of disposal of assets where they have paid for the assets to be disposed of within note 26 and also the cash flow statement. We recommend that management implement a process and control to capture where there has been a disposal of |Property, Plant and Equipment and the associated cost of this disposal, including where the Service pays for an asset to be removed in order to provide these disclosures in future reporting periods.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Procedures will be updated to ensure that disposal costs are included in the calculation of gain or loss on disposal of assets.	31/12/2023	n/a	LOW	75%	GREEN

Progress to Update	Noted. This will form part of business as usual. Information will be gathered to ensure correct treatment.
Outstanding actions to close the recommendation	Complete the Annual Accounts and successfully pass audit scrutiny. This will become business as usual.

Rec No. 10	**Provisions Disclosure** As part of our review of the financial statements we identified that management had not split their provisions disclosure between short term and long term. The initial disclosure, and review of historic trends suggested that on average circa 25% of the provision is short term and the remaining is long term. We recommend that management refresh their processes for determining the provisions split and should ensure that they are explicitly considering the likely timing of payment.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed.	31/12/2023	n/a	LOW	75%	GREEN

Progress to Update	Noted. Change was made in 2021/22 Accounts.
Outstanding actions to close the recommendation	Provisions at 31 March 2023 to be reviewed and agreed. This process to become business as usual.

Rec No. 11	**Provisions** Following challenge by audit, management have identified that the legacy service employee related liabilities provision included within the financial statements is not a valid provision. As this is clearly trivial, it is planned that this will be reversed in financial year 2022/23. We recommend that management ensure that they review their provisions balance and prepare a management paper to support the balances included within this note, with explicit reference to IAS37 when considering whether the previously recorded provisions continue to be appropriate to be recorded.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Reviews will be carried out and recorded to ensure provisions are valid.	31/12/2023	n/a	LOW	75%	GREEN

Progress to Update	Noted. The balance noted has been amended in 2022/23 Accounts.
Outstanding actions to close the recommendation	Provisions at 31 March 2023 to be reviewed, agreed and successfully pass audit scrutiny. This process will become business as usual.

Rec No. 12	**Trade Receivables** As part of our work inn respect of Trade Receivables we have identified that management have incorrectly included within the year-end balance money which has been settled at the year-end date and is therefore not a valid year-end Trade receivable. Management should review their processes for the recording of Trade Receivables balance to ensure that they are matching receipts to the Trade Receivables balance such that when the item is paid, the associated Trade Receivable is removed from the general ledger.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Procedures will be updated and reviews undertaken to ensure treatment is correct.	31/12/2023	n/a	LOW	75%	GREEN

Progress to Update	Noted in year end debrief. Action will be taken to determine a method to identify similar transactions.
Outstanding actions to close the recommendation	Complete the Annual Accounts and successfully pass audit scrutiny. This will become business as usual.

Rec No. 13	**FFPS: Booth Case** In March 2019, the High Court ruled in favour of an individual challenging the exclusion of certain pay allowances (paid to firefighters in addition to basic pay) from the definition of Pensionable Salary used in relation to their benefit entitlement in the Firefighters' Pension Scheme (Wales) ("Booth v Mid and West Wales"). As a result of this judgement, it was decided that certain pay supplements awarded to Instructors and Fire Investigation Officers in the SFRS should be pensionable for the purposes of calculating benefit entitlements in the FPS. GAD have advised that they will review the position again once further information on the retrospective impact of this change is available. We recommend that this should be revisited for the 2023 year-end when further information should be available to make a reliable estimate for inclusion in the 2023 accounts.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed	31/12/2024	n/a	LOW	0%	GREEN
Progress to Update		The SPPA will set up a working group to progress this task which in turn will provide the information that will allow GAD to include the impact in the IAS19 Pension benefit reports. This work has still to be done. The SFRS will engage with the SPPA and GAD on progress however may be 2023/24 Accounts before the impact can be quantified.					
Outstanding actions to close the recommendation		GAD have noted that they will not have the correct information to allow incorporation in the 2022/23 Accounts. The Action due date is based on inclusion in 2023/24 Accounts.					
Rec No. 14	**Remuneration Report** As part of our work on the remuneration report, we identified errors in respect of the pension related benefits, time apportioning of pension benefit and inconsistencies within the disclosure of the percentile pay ratio and the lowest paid range disclosure. We recommend that management refresh their review process for the current period, to ensure that all of these items are captured.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Amendments to be made	31/12/2023	n/a	LOW	75%	GREEN
Progress to Update		Noted in year-end debrief, amendments will be made in 2022/23 Accounts where necessary.					
Outstanding actions to close the recommendation		Complete the Annual Accounts and successfully pass audit scrutiny.					

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee

Report No: **C/ARAC/28-23**

Agenda Item: **9.2**

Report to:	**AUDIT AND RISK ASSURANCE COMMITTEE**
Meeting Date:	**30 OCTOBER 2023**
Report Title:	**EXTERNAL AUDIT - PROGRESS WITH WIDER SCOPE AUDIT RECOMMENDATIONS**

		SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to Board Standing Order 9						
Report Classification:	**For Scrutiny**	[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 a progress report on the Wider Scope audit recommendations made in previous years.

2	**Background**
2.1	As part of the audit handover arrangements, Audit Scotland will review the Service's progress in implementing outstanding audit recommendations from previous years.
2.2	The previous auditors, Deloitte, undertook a Wider Scope review which focused on the following areas: • Financial Management • Financial sustainability • Governance and transparency • Value for money • Best Value.
2.3	Each recommendation has a Responsible Owner who provides updates until the action is completed. There are regular reports to ARAC on progress being made with implementation. Actions are removed from the list after external audit have reviewed the supporting evidence provided and assessed the action as complete.

3	**Main Report/Detail**
3.1	Appendix A sets out a summary of the outstanding recommendations as at October 2023. These are colour coded between recommendations which management regard as complete and are awaiting audit clearance (BLUE) and those which remain in progress as the due date has not yet arrived (GREEN).
3.2	The subsequent pages of Appendix A set out the original actions with Responsible Officers' updates. An update by external audit is also provided for each of the actions.
3.3	At this point, external audit have largely only considered the supporting evidence provided by the Responsible Officers to demonstrate implementation. In some cases, this was not sufficient to provide enough assurance on the matter. As this is the first year of Audit Scotland's audit appointment, we are not yet sufficiently familiar with a number of the

	service's processes and therefore are not in a position to conclude on one of the recommendations without gaining a better understanding of the wider context.
3.4	Overall, Appendix A contains 19 recommendations which have been classified as follows: • concluded as complete following audit assessment - 9 • a better understanding of the arrangements is required before an audit assessment can be made – 1 • more evidence required from the Responsible Owner to make a judgement – 3 • the due date has not yet arrived and therefore no audit assessment has been made (GREEN) – 6

4	**Recommendation**	
4.1	The Audit and Risk Assurance Committee is asked to scrutinise progress against external audit recommendations.	

5	**Key Strategic Implications**	
5.1	The work of external audit is relevant to all of the service's strategic aims. Financial implications associated with the report are aligned to those identified when the recommendations were originally agreed by the responsible officers.	

6	**Core Brief**	
6.1	Not applicable	

7	**Assurance (SFRS Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance and Procurement
7.2	**Level of Assurance: (Mark as appropriate)**	~~Substantial~~/**Reasonable**/~~Limited/Insufficient~~
7.3	**Rationale:**	Supporting evidence provided by Responsible Owners has been reviewed by external audit and assurances on progress provided.

8	**Appendices/Further Reading**	
8.1	Appendix A – Progress with Wider Scope Recommendations	

Prepared by:	Anne MacDonald, Senior Audit Manager, Audit Scotland
Sponsored by:	John Thomson, Acting Director of Finance and Contractual Services
Presented by:	Anne MacDonald, Senior Audit Manager, Audit Scotland

Links to Strategy and Corporate Values
External Audit forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6. Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public. • Objective 5.1: Remaining open and transparent in how we make decisions • Objective 5.6: Managing major change projects and organisational risks effectively and efficiently

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Audit and Risk Assurance Committee	*30 October 2023*	*For Scrutiny*

APPENDIX A

EXTERNAL AUDIT – PROGRESS WITH WIDER SCOPE RECOMMENDATIONS FROM PREVIOUS YEARS - Dashboard

* Marked Complete subject to confirmation from External Audit

FINANCIAL MANAGEMENT

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS	AUDIT CLEARANCE
1.1	Acting Director of Finance & Procurement	HIGH	31/03/2022	28/02/2023	24.03.2023	-	-	✓	-	100%	BLUE*	✓
1.3	Acting Director of Finance & Procurement	HIGH	31/03/2023	31/03/2024	24.03.2023	-	✓	-	-	10%	GREEN	
1.4	Acting Director of Finance & Procurement	MEDIUM	31/03/2023	-	24.03.2023	-	-	✓	-	100%	BLUE*	✓
1.6	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	31/03/2023	24.03.2023	-	-	✓	-	100%	BLUE*	✓

FINANCIAL SUSTAINABILITY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS	AUDIT CLEARANCE
2.1	Acting Director of Asset Management	HIGH	31/03/2022	31/03/2023	03.04.2023	-	-	✓	-	100%	BLUE*	✓
2.2	Acting Director of Asset Management	HIGH	31/03/2022	30/06/2024	02.10.2023	-	✓	-	-	60%	GREEN	
2.3	Acting Director of Finance & Procurement	HIGH	31/03/2023	31/03/2024	24.03.2023	-	✓	-	-	10%	GREEN	
2.5	Director of People (formerly People & Organisational Development)	HIGH	31/12/2022	30/09/2023	27.07.2023	-	-	✓	-	100%	BLUE*	More evidence
2.6	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	31/03/2023	24.03.2023	-	-	✓	-	100%	BLUE*	✓
2.8	Acting Director of Asset Management	MEDIUM	31/03/2022	30/06/2023	26.07.2023	-	✓	-	-	65%	GREEN	
2.9	Acting Director of Asset Management	MEDIUM	31/03/2022	31/05/2022	20.01.2023	-	-	✓	-	100%	BLUE*	✓
2.10	Director of Training, Safety & Assurance	MEDIUM	31/03/2022	18/10/2023	02.10.2023	-	✓	-	-	95%	GREEN	
2.11	Director of People (formerly People & Organisational Development)	MEDIUM	31/03/2022	31/03/2023	04.04.2023	-	-	✓	-	100%	BLUE*	More evidence
2.12	Director of People (formerly People & Organisational Development)	MEDIUM	31/03/2023	-	19.05.2023	-	-	✓	-	100%	BLUE*	✓

VALUE FOR MONEY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS	AUDIT CLEARANCE
4.1	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	31/01/2023	26.01.2023	-	-	✓	-	100%	BLUE*	More evidence
4.2	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	31/03/2023	18.05.2023	-	-	✓	-	100%	BLUE*	✓
4.3	Director of Service Development	HIGH	31/03/2022	30/06/2023	06.07.2023	-	-	✓	-	100%	BLUE*	More evidence
4.5	Director of People (formerly People & Organisational Development)	MEDIUM	31/12/2022	31/03/2024	02.10.2023	-	✓	-	-	90%	GREEN	

FOLLOW PREVIOUS YEARS ACTIONS

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS	AUDIT CLEARANCE
1	Director of Finance & Contractual Services	MEDIUM	31/03/2021	31/03/2023	24.03.2023	-	-	✓	-	100%	BLUE*	✓

Outstanding Actions

* Marked Complete subject to confirmation from External Audit

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – FINANCIAL MANAGEMENT		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		9	77%	2	5	0	1	0	0	0	1	0

Rec No. 1.1	**Financial Reporting** The annual budget should be able to serve as a stand-alone item, capable of scrutiny and challenge on its own merits rather than by reliance on previous reporting and assumed knowledge. This should include clearly setting out the assumptions underpinning the budget.		Target Date	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed. SFRS have provided information to the Board on the annual budget as part of Board development/information sessions and then this is consolidated at the Board meeting where the budget reports are approved. In our opinion cumulatively, this gives the Board sufficient information to scrutinise the annual budget. SFRS however accepts the recommendation and will reference outputs from the information sessions to improve transparency and provide a standalone report for the Capital and Resource budgets for Board approval.	31/03/2022	28/02/2023	HIGH	100%	BLUE*

Progress to Update	The budget strategy for 2022/23 which outlined the assumptions and parameters for the resource budget was approved by the Board on the 22nd March 2022. The draft resource budget papers for 2022/23 have been produced and are currently being reviewed. The Resource Budget presentation was completed at the Board Information Day on 22nd February. Resource budget was scrutinised by Board on 31st March 2022. Deloitte reviewed this management response in November 22 as below and further work is recommended to close of this action. The budget process for 2023/24 has commenced and will follow similar process as previous but will include details of changes made to the budget strategy following discussions with Board. The Budget Approach 2023/24 was presented to the Board on 23rd February 2023 meeting. This action has been discussed with our new auditors Audit Scotland and they are content with SFRS approach. The outstanding point is to provide evidence to our auditors that Board Members provide sufficient scrutiny in a public forum.
Outstanding actions to close the recommendation	Audit Scotland will review based on discussion and provide an update on this action for the ARAC on 5th October.
External Audit Comments – October 2023	The budget report presented to the Board in March 2023 for approval set out the process through which the budget was developed – consideration of the budget approach, development of savings including the service review process, consideration of scenarios by the board, and a presentation and feedback session with the board prior to consideration of the budget report. Action closed.

Rec No. 1.3	**Financial Reporting** The annual budget should provide a high-level summary of how resources are allocated against the Service's outcomes, to enable the Board to challenge whether resources are appropriately allocated and sufficiently targeted to address areas of poor performance.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	SFRS agree with this recommendation and will seek to engage with the Board on the presentation of the budget to demonstrate how resources are allocated to outcomes to aid scrutiny.	31/03/2023	31/03/2024	HIGH	10%	GREEN

Progress to Update	Discussion with Audit Scotland on action. Auditors have confirmed there are no examples to follow. Audit Scotland have suggested a revised action (s)
	1) That SFRS present regular resource monitoring to the Board that includes Actual V Budget spend by Directorate to enable greater scrutiny of financial information and linkage to outcomes

	2) That SFRS suggests developing financial reporting against a single outcome e.g. Climate Change. This would facilitate learning and also provide information to support Scottish Government's objectives of net zero.						
Outstanding actions to close the recommendation	The above actions will now be progressed. Audit Scotland will consider this update for ARAC on 5th October 2023						
External Audit Comments – October 2023	We understand that Home Fire Safety Visits will be considered rather than climate change as a budget area on which to develop an approach for allocating costs to outcomes. Audit Scotland will continue to work with finance on this project. As action is not yet complete, we have no further comment at this time.						

			Action Date Due	Agreed Revised Date	Priority	% Complete	Status
Rec No. **1.4**	**Savings Plans** The budget should clearly set out how the savings target included within it links in with the savings requirements identified in the MTFM and the LTFS.						
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed. SFRS will be explicit about the targeted budgeted savings anticipated as part of the budget setting process. The Medium Term Financial Model (previously validated by Deloitte) is updated on an annual basis to include the latest assumptions such as inflation or pay awards used in the annual budget setting process. The model is then used to run various financial scenarios and support strategic decision making and where appropriate identify potential funding gaps that require efficiencies to be achieved. The Long Term Financial Strategy will be updated to reflect the latest position on savings.	31/03/2023	n/a	MEDIUM	100%	BLUE*
Progress to Update	Scottish Government have now published intended SFRS budget allocation for 2023/24 which includes a £10million increase in Resource Budget for 2023/24. The Service will continue to progress identified savings to meet the new financial parameters to then present a balanced budget for next year. A new Resource Spending Review (RSR) savings programme has been initiated to develop and manage the savings required over the next four years. This will be a strategic programme reported to the Change Committee. The savings required for 2023/24 has been included in 2023/24 Resource Budget for Board approval at end of March. A number of financial scenarios were presented to the Board that included savings required in the medium term. This information has been communicated as part of approved Resource Budget for 2023/24						
Outstanding actions to close the recommendation	Review of information by Audit Scotland for update at ARAC on 5th October 2023						
External Audit Comments – October 2023	The RSR savings programme covers a 4 year period. The savings required for 2023/24 are set out in the Resource Budget and progress against savings is reported in each Resource Budget Monitoring Report to the Board. Reporting includes a RAG status for each savings line for the year to date and estimated full year position. Action closed.						

			Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
Rec No. **1.6**	**Savings Plans** The annual budget should clearly set out efficiency savings targets, including where these are expected to be achieved. The budget should identify which savings have already been identified and can be specifically reported against in the year, with a 'RAG' risk rating for those savings yet to be identified in terms of the risk of the Service being able to deliver them.						
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed. All targeted savings are identified and included in the budget setting process. Moving forward budgeted savings will be tracked and the associated RAG status will be provided and reported against. The reporting of progress against budgeted efficiencies will be reported to the Board as part of the resource monitoring report.	31/03/2022	31/03/2023	MEDIUM	100%	BLUE*
Progress to Update	Agreed this was a version issue and reconciled the overall savings target did not change.						
Outstanding actions to close the recommendation	None the point is noted						
External Audit Comments – October 2023	The savings required for 2023/24 are set out in the Resource Budget and progress against savings is reported in each Resource Budget Monitoring Report to the Board. Reporting includes a RAG status for each savings line for the year to date and estimated full year position. Action closed.						

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – FINANCIAL SUSTAINABILITY		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		12	67%	3	5	0	2	2	0	0	0	0

Rec No. 2.1	**Capital Planning & Asset Management** Following completion of work with the Scottish Government in assessing the capital investment needs of the Service, the AMS should be reviewed to ensure that it aligns with this need, the Strategic Plan and the Change Programme.		Target Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Asset Management**	The AMS is part of a suite of strategy documents (Fleet, Property and Equipment) to be undertaken by the newly recruited Asset Governance & Performance Manager. The priority is to work on the SFRS Board request for a new Fleet Strategy. The intention is for the new AMS to be aligned to the outcomes of the SDMP, Standard Station Design and the Service Review as well as the Strategic Aims and Objectives of the Service.	31/03/2022	31/03/2023	HIGH	100%	BLUE*

Progress to Update	Recent Progress on Strategic Asset Management Plan (SAMP) for Property Over 400 responses to Questionnaire now collated into spreadsheet so that specific issues raised can be highlighted; Stakeholder Engagement sessions at Fire stations and with Departmental teams now complete; First draft completed in January 2023; The SAMP Paper has been presented for approval through Governance route - AMLB - 7th February 2023 - CPG - 7th February 2023 - SMB - 15th February 2023 - SLT - 8th March 2023 & Board - 30th March 2023
Outstanding actions to close the recommendation	
External Audit Comments – October 2023	Fleet Asset Management Plan published 2022, Property Asset Management Plan approved in March 2023, Equipment Asset Management Plan due for completion in 2023. This will be combined within a single strategic asset management plan by 2024. Action closed.

Rec No. 2.2	**Capital Planning & Asset Management** Instead of reporting against a single 'backlog' figure, the Service should differentiate between required capital investment to transition from the current asset base to the required asset base, and actual maintenance/repair/replacement backlogs, to enable appropriate assessment of the risk of asset failure and the impact of delayed capital investment on service delivery.		Target Due	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Asset Management**	As part of the work for the new Asset Strategy documents for Fleet, Property and Equipment, a detailed examination of current maintenance backlog figures will be undertaken. The intention will be to differentiate the backlog figure between required capital investment to transition from the current asset base to the required asset base, as well as to highlight actual maintenance/ repair/ replacement backlogs.	31/03/2022	31/08/2023 New date request 30/06/2024	HIGH	60%	GREEN

Progress to Update	Work on an updated document detailing a 10-year risk-based approach to the Capital Programme for Property, Fleet and Equipment is now complete and will be presented to the Board in February 2024.
Outstanding actions to close the recommendation	A formal reporting document will be produced for submission to Scottish Government; although it is recognised that this will have to be revisited at a future date to align the strategy with the outcomes from the SDMP process. New Date requested to 30th June 2024 to coincide with new governance dates.
External Audit Comments – October 2023	As the agreed action is not yet complete, external audit has not commented at this time.

Rec No. 2.3	**Medium-to-Long Term Financial Planning** The LTFS should be revised to demonstrate how the Service plans to allocate resources against outcomes over the length of the Strategy. Alternatively, the MTFM could be revised to serve this purpose.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed. As indicated at 1.3 the Service will review the LTFS and will include how the service applies budget resources to outcomes.	31/03/2023	31/3/2024	HIGH	10%	GREEN

Progress to Update	Audit Scotland have confirmed there are no examples to follow. The revised action will be to consider how SFRS could present Directorate information over MTFM to enable greater scrutiny by Board. In addition, in developing the LTFS considers budget allocation on a single outcome being climate change.
Outstanding actions to close the recommendation	Development of the LTFS based on discussions with Audit Scotland and review in October 2023
External Audit Comments – October 2023	As the agreed action is not yet complete, external audit has not commented at this time.

Rec No. 2.5	**Workforce Planning** Subject to ongoing work on the vision for the future, the Workforce and Strategic Resourcing Plan needs to be reviewed to clearly set out how it is aligned to the Strategic Plan, LTFS, and other key strategic documents – including any successor to the Transformation Programme.		Action Date Due	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of People** (formerly Director of People and Organisational Development)	Agreed. The Service will ensure that this is achieved via the Strategic Workforce & Resourcing Plan (WFP) which is already commissioned by the POD Workforce Planning and Resourcing Team with an expected publish date of Q4 2021/22. This document is developed in line with the aims of the SFRS Strategic Plan, the Future Vision, AOP, and any other relevant future plans via focus groups which assess the key data and ensure it is integrated into the WFP. The plan is organic in nature and is adjusted in accordance with any change factors identified via the aforementioned Forums and will align in the same way with any future strategic plans. These are scrutinised and approved through a chain of governance from POD DMT through to the SFRS Board and any challenges, risks and mitigations are identified in the relevant Risk Registers.	31/12/2022	30.09.2023	HIGH	100%	BLUE*

Progress to Update	Work continues on the Strategic Resourcing approach, including modelling scenarios based on available data related to the Pensions Remedy. These impacts are dynamic due to factors such as recent changes to Pensions entitlement including increased commutation factors, implementation of legislation relating to the Deferred Choice Underpin in October 2023 and Average Weekly Earnings amendments. Additionally, workforce planning models are adapted to take account of organisational change delivered via the Strategic Service Review Programme which has led to interim and permanent changes to the Wholetime Uniformed Target Operating Model, the potential impact at Flexi Duty Officer level of increased forecast leavers of "in scope" personnel and the transition to the new structure of the People Directorate. A detailed Workforce Planning update is provided to the SLT on a monthly basis to enable agile, data based decision making.
Outstanding actions to close the recommendation	
External Audit Comments – October 2023	The agreed action is seeking linkages between the Workforce and Strategic Resourcing Plan and the service's long term plans. We have sighted evidence which provides a flavour of the range of activity being undertaken to plan for the future. At this stage in the audit process, we do not have a sufficient enough understanding of the wider workforce planning landscape to be conclude on the action. Further audit review to be undertaken.

Rec No. 2.6	**Budget Setting** The budget report to the Board should set out the process through which the budget was developed, the extent to which there has been consultation and how this consultation was reflected in the budget, so as to enable the Board to satisfy themselves as to the robustness of that process in approving the budget.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Finance & Procurement**	Agreed, the budget setting process for 22/23 will include the consultation completed with budget holders, SLT and the Board.	31/03/2022	31/3/2023	MEDIUM	100%	BLUE*

Progress to Update	The approach for budget setting for resource and capital was included in the presentation to the Board on 22nd February 2022. The budget approach for both resource and capital has been amended to include greater engagement. For resource budget an SLT sub group was established and this has shaped the budget allocation and decision making. For capital, more information was captured from budget holders on the rational for investment and the impact on asset backlogs etc. In addition, the allocation of capital was linked to the developed asset investment plan. The final budget papers for resource and capital 2022/23 will be presented to the Board for approval. Information on engagement on budget strategy has been provided including feedback from Board members to seek to complete action. The final resource budget report for 2023/24 will include more detail on the consultation/engagement as part of the final document.
Outstanding actions to close the recommendation	The action is considered closed subject to audit confirmation. This information to be considered by Audit Scotland for update at the October ARAC.
External Audit Comments – October 2023	The budget report presented to the Board in March 2023 for approval set out the process through which the budget was developed – consideration of the budget approach, development of savings including the service review process, consideration of scenarios by the board, and a presentation and feedback session with the board prior to consideration of the budget report. The capital budget report set out more information on engagement and consultation than the resource budget. The draft capital programme was discussed with capital budget holders, Asset Management Liaison Board, Strategic Leadership Team and as part of Board strategy days to build consensus on priorities and refine the capital programme. Action closed.

Rec No. 2.8	**Capital Planning & Asset Management** The Service should ensure that the Capital Programme is linked to the LTFS, AMS and Resource Budget, setting out how the Capital Programme progresses these and the anticipated consequences of the capital investment decisions on the resource budget over the period.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Acting Director of Asset Management**	Agreed. The Service recognises that capital funding received is less than required to fully address the asset backlog from legacy services. SFRS has worked with Scottish Government to secure additional funding where possible and has agreed to share premises at 51 stations with other public sector organisations including police and ambulance service. SFRS has applied for funding to support decarbonisation of its activities and this includes fleet and property which will partially support addressing our asset backlog. SFRS will continue to work with Scottish Government to seek additional funding where this is available. Within this context, the Service will update the LTFS, based on the revised AMS and highlight the impacts on the resource budget.	31/03/2022	30/06/2023	MEDIUM	65%	GREEN

Progress to Update	The Asset Management and Finance Departments are developing a new report, which will be presented on an annual basis. The report will show how the Capital Programme is linked to the LTFS and the Strategic Asset Management Plan document for Property, which is scheduled for completion on 31st March 2023. This report will further detail how delivery of the Capital Programme progresses the LTFS and the AMS, whilst also showing the consequences of the capital investment decisions on the resource budget over the year.
Outstanding actions to close the recommendation	Staff from the Asset Management and Finance Departments will continue to meet to develop the format of the new report based on the Strategic Asset Management Plan (SAMP) for Property and the risk based approach to the Capital Programme Report.
External Audit Comments – October 2023	As the agreed action is not yet complete, external audit has not commented at this time.

			Action Date Due	Agreed Revised Date	Priority	% Complete	Status
Rec No. **2.9**	**Capital Planning & Asset Management** Monitoring of performance against the Capital Programme should include summary information on the number of projects expected to be (or which have been) delivered in line with the original timescales and original budgets.						
	Responsible Owner Agreed Response **Acting Director of Asset Management**	Agreed. The Service already provides information on all major projects to the change portfolio committee and this provides information on time, cost and quality. The recommendation is to expand this to cover the timeline around all capital projects and to report at a summary level to the Board. In reality, the capital programme is delivered throughout the year to maximise the funding available which requires many projects to be delivered within the financial year. In line with the recommendation the Service will provide additional summary information on the delivery of projects against original timelines recognising the many detailed projects involved in the programme.	31/03/2022	31/05/2022	MEDIUM	100%	BLUE*
Progress to Update		The Asset Management and Finance Departments have developed a new Capital monitoring report which will highlight variations from the original project cost and timescales. This report will be presented on a monthly basis at Capital Monitoring meetings. The new Capital monitoring report went live from the start of the new financial year.					
Outstanding actions to close the recommendation		Report now includes RAG status keys so as to ensure that the RAG status meaning is clear to all. Supporting evidence has been forwarded to Deloitte and awaiting outcome of their review.					
External Audit Comments – October 2023		Capital Monitoring Reports now have a milestone RAG status column with an explanatory key which indicates whether the project is in a red / amber/ green status depending on whether the projects are meeting original milestones / timescales set or not and whether the projects will be complete by 31 March. The budget RAG status column indicates whether the project is in a Red, Amber or Green status, depending on the percentage the project is under/(over) budget. The RAG status tolerances were shared with capital budget holders to help them determine the RAG status for each of the projects and the status of these are updated each month by budget holders and then reported at the monthly capital monitoring meetings. Action closed.					
			Action Date Due	2nd Agreed Revised Date	Priority	% Complete	Status
Rec No. **2.10**	**Workforce Planning** The Training Strategy should be clearly linked to the Strategic Plan and the Workforce and Strategic Resourcing Plan, including measurable actions and targets						
	Responsible Owner Agreed Response **Director of Training, Safety and Assurance**	The foreword of the Training Strategy specifically mentions the following "The Training Strategy supports the intended outcomes of the SFRS Strategic Plan 2019-22, the findings of the Training and Employee Development (TED) Review and compliments the People and Organisational Development (POD) Directorate plans". With regards measurable actions and targets, 7 priorities (Actions) are identified with dates identified as quarters across a number of years. Recovery plans are now in place and they also support the delivery of the strategy with dates and targets. Within the Training Function the Continuous Improvement Plan Actions and Targets are set with dates and support the delivery of the Strategy. In recognising the comments made, the strategy will be reviewed to strengthen the link to the POD Resourcing Plans.	31/03/2022	18.10.2023	MEDIUM	95%	GREEN
Progress to Update		The Training Vision & Strategy is now in the final stages of governance having been presented to the SLT and People Committee in September for scrutiny. The design version is now completed however being amended following their feedback. It has been agreed this will be submitted to the SLT in November ('For Decision') following which it will be published, thereby concluding this recommendation.					
Outstanding actions to close the recommendation		Following wider stakeholder engagement refine the final draft of the Training Strategy & Vision prior to our design version being produced and going through governance.					
External Audit Comments – October 2023		As the agreed action is not yet complete, external audit has not commented at this time.					

Rec No. 2.11	**Workforce Planning** Progress on implementing the Workforce and Strategic Resourcing Plan should be considered on a periodic basis the relevant committee or the Board, to ensure that there are effective targets in place and to assess performance against them.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of People** (formerly Director of People and Organisational Development)	Agreed. This will be done via the People Board and People Committee which will agree targets and monitor progress against them.	31/03/2022	31/03/2023	MEDIUM	100%	BLUE*
Progress to Update		Ongoing workforce planning and resourcing activity is maintained as Business as Usual with resilient recruitment and promotional Holding Pools in place. Ongoing engagement and reporting within SFRS governance maintains oversight on current landscape and horizon scans for future risk. The refreshed Strategic Resourcing plan, once agreed, will be progressed via appropriate governance routes and a monthly report is produced for the Senior Leadership Team to ensure organisational awareness of any resourcing related risks.					
Outstanding actions to close the recommendation		Finalise our documented approach to Strategic Workforce Planning and progress this though the SFRS governance route.					
External Audit Comments – October 2023		Monthly workforce updates are provided to the Strategic Leadership Team. These cover operational stats e.g. TOM headcount, potential retirement numbers, recruitment, transfers, support staff numbers, and are used to inform forecasting and decision making. Comprehensive workforce management information reports are provided quarterly to the People Committee. At this stage, Audit Scotland have not sighted reports providing progress updates on performance against the plan e.g. no reference to targets etc. More evidence required.					
Rec No. 2.12	**Workforce Planning** The Workforce and Strategic Resourcing Plan should be reviewed to clearly set out the Target Operating Model for the entire workforce, and what actions it plans to take to transition from the current workforce to the workforce required in the future		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of People** (formerly Director of People and Organisational Development)	Agreed. This will continue to be implemented via the Strategic Workforce and Resourcing Plan and will be monitored via the People Board and agreed with SLT, People Board and SFRS Board as appropriate	31/03/2023	n/a	MEDIUM	100%	BLUE*
Progress to Update		Workforce Planning models have been enhanced to enable appropriate planning in the context of the Strategic Service Review Programme (including the impacts of the Service Deliver Model Programme) and uncertainties around the short and mid term retirement profile. This has enabled any potential changes to the TOM for different staff groups to be modelled and appropriate recruitment, promotion and development programmes to be planned and delivered to meet evolving organisational needs. Plans will continue to be reviewed and evolved in response as organisational change impacts are agreed.					
Outstanding actions to close the recommendation							
External Audit Comments – October 2023		Monthly workforce updates are provided to the Strategic Leadership Team. These cover operational stats e.g. TOM headcount, potential retirement numbers, recruitment, transfers, support staff numbers, and are used to inform forecasting and decision making. Comprehensive workforce management information reports are provided quarterly to the People Committee. Action closed.					

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – VALUE FOR MONEY		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		5	80%	4	0	0	0	1	0	0	0	0

Rec No. 4.1	**Performance Management Framework** The Service should report on the process it has undertaken to attempt benchmarking of performance internally, in order to ensure that local areas learn from good practice elsewhere in the Service. This report should identify those areas where effective benchmarking can be carried out and how this will be done going forward, as well as reporting on those areas where effective benchmarking cannot be carried out and why this is the case.		Target Date	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of Strategic planning, Performance & Communications**	Agreed. As part of the annual review of the Performance Management Framework (PMF) an annual performance report detailing trends in performance including relevant benchmarking data from Services elsewhere in the UK will be produced for the Board. The Business Intelligence and Data Services Team continues to support the Service Delivery Directorate on internal benchmarking and sharing of improvement practices across the Service. The development of performance monitoring across the service will be reported to Good Governance Board. This will include reporting on benchmarking of internal performance.	31/03/2022	31/03/2023	HIGH	100%	BLUE*

Progress to Update	The PMF reports on indicators which affect 'Scotland' and at present there is no national standards to benchmark selected indicators against. SFRS official statistics published each year does provide a 'Great Britain' comparison for fires, types of fire and resulting casualties but not for 'organisational' statistics. For local area consideration, work is still on-going through the NFCC to redesign EFRS family groups. Once complete this will allow SFRS to compare Local Senior Officer (LSO) areas to EFRS of similar geodemographic structure. The timescale for SFRS cannot be determined until conclusion of NFCC work (unknown). Reporting solutions (dashboards) have been rolled out to Service Delivery at a management level (Continuous Improvement Forums (CIF)) and in local solutions for LSO areas. This has been done using Power BI. These provide the means for localised comparison of operational activity and for some community safety engagement such as Home Fire Safety Visits. Improvements in all aspects of data management is required in order to broaden local comparisons to organisational data which is now a focus of the Data Governance Group. There is no update on Fire Service family groupings from NFCC. Engagement is still on-going with Heads of Function to identify which key indicators within their area of business can be built to demonstrate success towards the Strategic Plan. The draft PMF in that respect is delayed but planned steps have been revised aiming to have document with SMB on the 15th February and still presented to the Board on the 31st March
Outstanding actions to close the recommendation	Action has been marked as 100% complete as we have identified how local areas can consider operational performance across other areas. This is done to suit their management arrangements where the 'good practice' can be shared in settings such as CIF.
External Audit Comments – October 2023	The revised Performance Management Framework was approved by the Board in April 2023. This contains an approved suite of performance indicators which will be regularly monitored. Internally, a 'dashboard' has been developed using software called PowerBi which will enable the performance of different parts of the service to be compared and to drill down to different levels of the service. While tools are in place, more evidence of benchmarking and improvement is required.

Rec No. 4.2	**Performance Data** Performance reports should include targets and trend data to enable a meaningful assessment of performance.		Target Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of Strategic planning, Performance & Communications**	Agreed. As part of the annual review of the Performance Management Framework all performance reports are reviewed. Existing reporting against targets and trend data, for example Health and Safety Reporting, Quarterly Performance, will continue. The PMF includes targets and key performance indicators. Progress against these will continue to be reported to the SFRS Board. This will include trend data. Targets contained within directorate or service areas and trends will also be reported on.	31/03/2022	31/03/2023	HIGH	100%	BLUE*

Progress to Update	Work has taken place to investigate how both the UK FRS sector and other public sector organisations (NHS) present performance data to stakeholders. As part of SFRS wider program of work in improving data management (Data Governance Group) and Service wide Data Literacy, we are also aiming to implement a standard process for practical performance management mirroring what takes place elsewhere in public sector. We are upskilling within the Business Intelligence team to better inform all business areas what constitutes practical performance measurement, and help all to rethink the way we measure and drive organisational success. One demonstrable way this is being done

		is using statistical process control charts (XmR) which will help decision makers stop reacting to noise and only consider true signals of change. These changes have been implemented. The new PMF for 23-24 has been approved by the board and the new reporting dashboards will be provided for Q1 reporting in 23-34 and be modified throughout the remainder of the year.					
Outstanding actions to close the recommendation							
External Audit Comments – October 2023		The Service has refreshed its Performance Management Framework and now includes targets against agreed benchmarks. Action closed.					
	Performance Management Framework Consideration should be given to the development of a systematic programme of operational self-assessment to demonstrate the Service's commitment to continuous improvement.		Action Date Due	2nd Revised Date	Priority	% Complete	Status
Rec No. **4.3**	Responsible Owner Agreed Response **Director of Service Development**	Agreed. SFRS does not have at this time a specific forward-looking plan for service improvement. The service improvement team work proactively with Directorates to support Service Improvement across the Service to ensure appropriate methodologies are being used and good practice applied. A Service Improvement Framework to ensure the systematic approach to continuous improvement will be developed to demonstrate the commitment to continuous improvement across the service. That is to say, we do not have a defined framework in place today that has a specific and structured approach to Self-Assessment required to assess SFRS wide performance and for the identification of service wide improvements. The Deloitte finding is specific to operational self-assessment. SFRS do align to and train our internal employees on the use of the Public Service Improvement Framework (PSIF) designed by NHS National Education for Scotland (NES) for continuous improvement and are currently going through a 2nd cohort of training delivered by NHS. However, the Embedding of those skills, practices and frameworks that allow for self-assessment and continued improvement across SFRS that is seen as sustainable would be our next maturity step. In addition, the forward-looking objective has to be how we integrate self-assessment into our existing planning and review frameworks, along with how we introduce a process of identification and prioritisation of improvement to ensure we align organisation resources appropriately. Lastly, we need to consider how we might bring transparency and visibility to the results of these assessments and share widely within the organisation and highlight agreed actions resulting from it. The target date set across for this recommendation is for the development of the relevant framework, with adopting and embedding across the Service expected to occur beyond this date.	31/03/2022	30/06/2023	HIGH	100%	BLUE*
Progress to Update		We have concluded our consideration of a systematic programme of operational self-assessment to demonstrate the Service's commitment to continuous improvement. This involved selecting a methodology, the European Foundation for Quality Management (EFQM), training key staff in this, developing a test of change, and implementing this test of change within the D&G LSO Area. Local Areas for Improvement and expansion of strengths have been prioritized and embedded in the local improvement plan, whilst national findings are being given consideration in support of prioritization within the Strategic Service Review. The Test of Change on EFQM Self-Assessment will now not go to CPIG, but is being included into Corporate Services Review of SSRP.					
Outstanding actions to close the recommendation		Supporting evidence to be forwarded by responsible owner					
External Audit Comments – October 2023		Supporting evidence demonstrating completed actions has yet to be provided by the service. No further comment at this point.					

Rec No. **4.5**	**Equalities** Annual reporting on equality outcomes should provide reporting against targets (where they exist) and summarised trend data to demonstrate where inequalities are being reduced and where further work is required.		Action Date Due	1st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of People** (formerly Director of People and Organisational Development)	Agreed. This will be collated throughout the year and summarised for the Annual Report.	31/12/2022	31/03/2024	MEDIUM	90%	GREEN
Progress to Update		A Mainstreaming Report for 2022-23 was published in April 2023. The Equality Partnership Group has been reconvened with a series of meetings scheduled for 2023/24. Further support in gathering information on progression of the Equality Outcomes is being provided by the introduction of the Strategic People Partner role providing closer working relationships between the People Directorate functions and senior management across SFRS.					
Outstanding actions to close the recommendation		Evidence on progress against the Equality Outcomes is being progressed principally through the Equality Partnership Group and the EDI business partnership route and will form the basis of a published report in April 2024, with governance taking place in Q4 of 2023/24. This will provide evidence of three successive annual reports and allow this action to be closed.					
External Audit Comments – October 2023		As the agreed action is not yet complete, external audit has not commented at this time.					

EXTERNAL AUDIT DIMENSIONS & BEST VALUE REPORT – FOLLOW-UP PREVIOUS YEARS ACTIONS			Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
					H	M	L	H	M	L	H	M	L
			1	100%	0	1	0	0	0	0	0	0	0

Rec No. **1**	**Financial Sustainability** The Service should continue to ensure that they review, and where appropriate revise their financial strategy during 2020/21 to reflect on the impact of COVID-19, it is important that the Service also build into the scenarios the impact of demand pressures on costs to the Service along with the estimated changes in funding to get a fuller picture of the likely challenges that it faces.		Target Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response **Director of Finance & Contractual Services**	Work has been carried out on an ongoing basis since before the start of the Covid-19 lockdown in the UK. This has resulted in the preparation of a Route map to delivering Reset and Renew to allow the SFRS to navigate through the impact of Covid-19. This covers 8 key themes: People, Workplace, Operational Strategy, Governance and Compliance, Technology, Leadership, Partnership Working and Communications and Engagement. Finance is a factor in all of these themes and the impact of Covid-19 has been reflected in budget monitoring reports to the Board and will be considered when preparing the budget for 2021/22.	31/03/2021	31/03/2023	MEDIUM	100%	BLUE*
Progress to Update		The budget setting process considered the impact of COVID-19 based on the Service's experience to date and anticipated costs and savings were reflected in the budget for 2022/23. Recovery actions were agreed as part of business cases approved in April 2021. Recruitment of temporary resources for these recovery activities has been slower than planned due to difficulties within the marketplace. In the main temporary resources were required over a two year period and these resources are still required to continue the recovery work and have been rephased as required. The Recovery, Reset and Renew programme continues to meet and manage overall progress in terms of recovery and set out the pathway for reset and renewal. The elements of Covid recovery have been included in the resource budget for 2023/24					
Outstanding actions to close the recommendation		Given the passage of time, this action is considered complete.					

SCOTTISH FIRE AND RESCUE SERVICE The

Audit and Risk Assurance Committee

Report No: C/ARAC/43-23

Agenda Item: 10

Report to:	**AUDIT AND RISK ASSURANCE COMMITTEE**
Meeting Date:	**30 OCTOBER 2023**
Report Title:	**ANNUAL PROCUREMENT REPORT FOR THE PERIOD 1ST APRIL 2022 - 31ST MARCH 2023**

Report Classification:	**For Decision**	**SFRS 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 the Audit and Risk Assurance Committee (ARAC) for approval, the Annual Procurement Report for the period 1st April 2022 – 31st March 2023, which the Scottish Fire and Rescue Service (SFRS) is required to prepare and publish under the requirements of the Procurement Reform (Scotland) Act 2014.

2	**Background**
2.1	The Procurement Reform (Scotland) Act 2014 ("the Act") provides a national legislative framework and states obligations for Scottish public bodies such as a sustainable procurement duty, community benefits requirements and additional duties that affect lower threshold procurement exercise referred to as "regulated procurements".
2.2	The Act requires contracting authorities with regulated procurement activity of £5 million or more per annum to have prepared a Procurement Strategy and subsequently to produce an Annual Procurement Report after the end of each financial year. The Annual Procurement Report reviews the contracting authority's regulated procurement activities against its stated procurement strategy.
2.3	For the purposes of the Act, the SFRS is a public sector contracting authority due to its annual regulated procurement spend and therefore is required to produce and publish an Annual Procurement Report as soon as reasonably practical after the end of its financial year.
2.4	These individual annual procurement reports published by relevant public bodies in Scotland inform a separate annual report on public procurement activity across Scotland prepared each year by Scottish Ministers.
2.5	The SFRS when preparing its Annual Procurement Report, must include the following: (a) A summary of the regulated procurements that have been completed during the year covered by the report. (b) A review of whether those procurements complied with the contracting authority's procurement strategy. (c) To the extent that any regulated procurements did not comply, a statement of how the contracting authority intends to ensure that future regulated procurements do comply.

	(d)	A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the financial year covered by the report.
	(e)	A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurement during the reporting period covered by the report.
	(f)	A summary of the regulated procurements the authority expects to commence in the next two financial years.

3	**Main Report/Detail**
3.1	The Annual Procurement Report for the period 1st April 2022 – 31st March 2023 has been prepared in accordance with legislative reporting requirements and is attached at Appendix A.
3.2	Thirty-seven (37) regulated procurements were awarded during the year with a total estimated value of £41,830,556 exclusive of VAT.
3.3	SFRS is committed to paying suppliers on time and we understand the importance of prompt payment to our supply base. SFRS achieved 96% of suppliers paid with 30 days and 79% within 10 days.
3.4	The benefits of collaborating with partner organisations is recognised and the SFRS Procurement Team seek new opportunities to undertake joint working where possible. In the reporting period, approximately 73% of total contract spend was through collaborative contracts such as Scottish Government, Scotland Excel, Crown Commercial Services or NFCC Frameworks. Savings of £1.12million were achieved using Scottish Government frameworks.
3.5	Our procurement processes are applied in a manner which facilitates the involvement of small and medium-sized enterprises (SME), Supported Business and third sector bodies. We continue with our membership of the Supplier Development Programme (SDP) which consists of Local Authorities, Scottish Government and a range of other public bodies working together to support SMEs in all aspects of tendering. During the reporting period, the Procurement Team attended" Meet the Buyer events held both on a national and local basis.
3.6	SFRS's continued commitment to deliver on its sustainability duty and demonstrate community benefits through the delivery of relevant procurement activity is described in detail in the report but the following highlights key achievements.
3.7 3.7.1	**Supplier Spend** In financial year 2021/22, 47.35% (£43.73million) of the SFRS total spend was with suppliers based in Scotland, which was similar to the previous reporting period.
3.8 3.8.1	**Climate Change** we continue to invest in technologies to reduce waste energy. In financial year 2022/23, we completed 171 projects linked to climate change and invested £4.5 million whilst working with our contractors to install smart energy controls, low carbon heating, pollution prevention measures, solar panels in our properties throughout Scotland.
3.9 3.9.1	**Supported Business** Our procurement activities continue to promote and explore opportunities to engage with the Supported Business and Third Sector. We awarded a new contract for Trauma Back Packs to Ulster Supported Employment with potential value of £47,000. In the reporting period we spent £44,263 VAT with this sector through existing arrangements.

3.10 3.10.1	**Fair Work** SFRS is an Accredited Living Wage employer and through its procurement activity, it continues to ensure that Fair Work provisions are included in relevant contracts, to the extent permitted by law. In the reporting period, eighteen contracts were awarded with fair work criteria.
3.11 3.11.1	**Community Benefits** Delivery of Community Benefits is a key aspect of the Scottish Government's drive to achieve a range of national and local outcomes. The SFRS Procurement Strategy clearly states the organisation's commitment to the inclusion and consideration of Community Benefits in all relevant procurement activity. A range of community benefits were delivered in the Soft FM, Hard FM and the West ARC projects by Sodexo, Robertson Facilities Management and McLaughlin & Harvey.
4	**Recommendation**
4.1	The Audit and Risk Assurance Committee is asked to approve the Annual Procurement Report for the period 1st April 2022 – 31st March 2023, as attached at Appendix A.
5	**Key Strategic Implications**
5.1 5.1.1	**Risk** There are no risks associated with the recommendations of this report.
5.2 5.2.1	**Financial** As detailed within the Annual Procurement Report, the total value of Regulated Procurements undertaken within the reporting period is £41,830,556. Savings of £1.12million were achieved across all procurement activity
5.3 5.3.1	**Environmental & Sustainability** The Procurement Reform (Scotland) Act 2014 states a requirement for all relevant bodies to observe a Sustainable Procurement Duty. The report details the SFRS performance in respect of Sustainability, Community Benefits, and the use of Supported Business.
5.4 5.4.1	**Workforce** The regulated procurement activity undertaken by SFRS accounted for Fair Work Practices as detailed in the statutory guidance issued by Scottish Government.
5.5 5.5.1	**Health & Safety** The regulated procurement activity undertaken by the SFRS accounts for the health and safety implications relevant to each individual project.
5.6 5.6.1	**Health & Wellbeing** Any implications arising from the report will be managed by the relevant Directorate.
5.7 5.7.1	**Training** Training requirements continue to be delivered where a need is identified to maintain and improve procurement capability to ensure that all regulated procurement activity is undertaken in compliance with legislative requirements.
5.8 5.8.1	**Timing** The SFRS is required to publish its Annual Procurement Report no later than the end of August in accordance with Scottish Procurement Policy Note (SPPN) 2/2023.
5.9 5.9.1	**Performance** The Annual Procurement Report evidences the way the Corporate Procurement Strategy complies with legislative requirements and supports the delivery of the SFRS Strategic Plan.

5.10	**Communications & Engagement**
5.10.1	Once approved by Strategic Leadership Team (SLT) and the Board, the 2014 Act requires that the Annual Procurement Report be published and made available online, with the SFRS also required to notify Scottish Ministers where the report can be accessed.

5.11	**Legal**
5.11.1	Publication of the Annual Procurement Report is a requirement of the Procurement Reform (Scotland) Act 2014.

5.12	**Information Governance**
5.12.1	DPIA completed No. If not applicable state reasons.
5.12.2	This report does not contain personal information.

5.13	**Equalities**
5.13.1	EHRIA completed No. If not applicable state reasons.
5.13.2	This report provides details of the Annual Procurement Report for the period 1st April 2022 – 31st March 2023, which the SFRS is required to prepare and publish under the requirements of the Procurement Reform (Scotland) Act 2014 and does not in itself warrant an EIA.
5.13.3	The regulated procurement activity detailed in the Annual Procurement Report accounts for the requirements of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, in particular the following specific duty: • Duty to consider award criteria and conditions in relation to public procurement.

5.14	**Service Delivery**
5.14.1	The publication of the Annual Procurement Report highlights the way procurement activity assists in the delivery of the Strategic Plan, Annual Operating Plan and supports Scotland's National Outcomes

6	**Core Brief**
6.1	Not applicable

7	**Assurance (SFRS Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance & Procurement
7.2	**Level of Assurance:** (Mark as appropriate)	**Substantial/**~~Reasonable/Limited/Insufficient~~
7.3	**Rationale:**	This report covers all of the procurement activity undertaken by the Service for 22/23. It confirms the Service has undertaken regulated procurements in accordance with governance arrangements and procurement strategy. There has been no successful legal challenges to our procurement activity.

8	**Appendices/Further Reading**
8.1	Appendix A - Annual Procurement Report for the Period 1st April 2022 – 31st March 2023

Prepared by:	Stephen McDonagh, Procurement Manager
Sponsored by:	John Thomson, Acting Director of Finance and Procurement
Presented by:	John Thomson, Acting Director of Finance and Procurement

Links to Strategy and Corporate Values
Strategic Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.

Governance Route for Report	Meeting Date	Report Classification/ Comments
Strategic Leadership Team	*17 October 2023*	*For Decision*
SFRS Board	*26 October 2023*	*For Decision*
Audit and Risk Assurance Committee	*30 October 2023*	*For Decision*

ANNUAL PROCUREMENT REPORT
FOR THE PERIOD
1st APRIL 2022 – 31ST MARCH 2023

Contents

Section 1: Introduction

1.1   The Scottish Fire and Rescue Service (SFRS) is the world's fourth largest fire and rescue service, committed to ensuring the safety and wellbeing of the people of Scotland. We are a national organisation delivering our front-line services locally from three strategically positioned hubs based in the North, West and East of the country.

1.2   The strategic priorities for the Scottish Fire and Rescue Service (SFRS) are set out within the Fire and Rescue Framework for Scotland 2022 and the SFRS Strategic Plan 2022-25.

1.3   In delivering our services we recognise the significant role we play in helping to achieve the Scottish Government's purpose, which is to focus government and public services on creating a more successful country by increasing sustainable economic growth and providing opportunities for all of Scotland to flourish.

1.4   An Annual Operating Plan is produced each year to support the delivery of the SFRS Strategic Plan and uphold corporate values.

1.5   In accordance with its legislative obligations under the Procurement Reform (Scotland) Act 2014, the SFRS publishes a Corporate Procurement Strategy which is maintained by the SFRS Finance and Procurement Directorate, and it aligns procurement activity with the SFRS Corporate Plan and Annual Operating Plan.   The Corporate Procurement Strategy which was approved in April 2021 places sustainability at the SFRS spending power.

1.6   Our Corporate Procurement Strategy articulates how our procurement activity is aimed at supporting the delivery of SFRS strategic priorities and undertaking these in a manner which supports delivery against National Outcomes.

1.7   As required under section 15 of the Procurement Reform (Scotland) Act 2014 ("the Act"), the SFRS publishes an Annual Procurement Report, as required by section 18 of the Act.

1.8   The Annual Procurement Report monitors the authority's regulated procurement activities against delivery of its procurement strategy.

1.9 The Scottish Fire and Rescue Service is pleased to publish our sixth Procurement Report covering the period 1st April 2022– 31st March 2023. The content of this Report covers all regulated procurements completed during this period and details how those procurements supported the objectives included within our Corporate Procurement Strategy.

1.10 The success in delivery of the Corporate Procurement Strategy is achieved only by working in partnership with colleagues across the Service and this positive commitment and collective contribution from all is highlighted within this report.   We look forward to the continuation of this collaborative approach in the delivery of our new procurement strategy.

1.11 This report details six main areas, the first five cover mandatory reporting with the sixth discretionary, these being:

i. Summary of Regulated Procurement Completed
ii. Review of Regulated Procurement Compliance
iii. Community Benefits Summary
iv. Supported Business Summary
v. Future Regulated Procurement
vi. Procurement Performance Analysis

John Thomson

Acting Director of Finance and Procurement

Section 2: Summary of Regulated Procurement

2.1   Section 18(2)(a) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: "a summary of the regulated procurements that have been completed during the year covered by the report"

2.2   A regulated procurement as defined by the Act is any procurement for supplies or services with a value more than £50,000 and for works contracts with a value over £2million.

2.3   A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. Regulated procurements can refer to new contracts and framework agreements but also to mini-competitions and call offs from existing framework agreements.

2.4   The SFRS maintains and publishes on its external website a register of contracts awarded. The Register provides information on current live contracts and is updated on a quarterly basis

2.5   Wherever possible, the SFRS, has sought to make use of national, sectoral and local collaborative contracts and frameworks. Collaboration opportunities with other public bodies can offer greater efficiencies and are included in the regulated and non-regulated contracts awarded. In addition to the leveraging the value of aggregated spend to assist in the delivery of savings, the burden of risk with respect to contract and supplier management can be centralised. The key areas of collaboration are reflected in the use of frameworks which have been established by Scottish Government, Crown Commercial Services, National Fire Chiefs Council (NFCC) and Centres of Expertise such as APUC and Scotland Excel

2.6   SFRS regulated procurement within the reporting period was undertaken across 6 categories of spend:

　i.   Fleet

　ii.   Personal Protective Equipment

iii.   Operational Equipment

iv.   Property and Facilities

v.   ICT

vi   Corporate

2.6   Table 1 below summaries the regulated procurement awarded by the Scottish Fire and Rescue Services in the period 1st April 2022 – 31st March 2023.   These include contracts for goods, services and works

Number of Regulated Procurements Awarded in the reporting period	**37**
Total Estimated Value of Awarded Regulated Procurements (excl VAT	**£41,830,556**

2.7   Full details of these regulated procurements can be found in Appendix Ai.

2.8   Contracts which have a value less than the £50k or £2m thresholds are known as "Non-Regulated" procurement.   Details of the non-regulated procurements awarded during the reporting period can also be found in Appendix A. This information has been provided to provide transparency of this area of expenditure.

2.9   Section 9 of the Procurement Reform (Scotland) Act 2014 details the sustainable procurement duty and in particular the facilitation of the involvement of small and medium sized enterprises. During the period 30.48% of third party spend (circa £28 million of the £92 million third party spend was with SME's.

2.10   The SFRS is a Living Wage Accredited Employer and is committed to working with our contractors to ensure the same commitment to fair working practices. In all relevant procurement exercises, there is provision included within the invitation to tender for those organisations who participate in our procurement activity to highlight their commitment.

Section 3: Review of Regulated Procurement Compliance

3.1   Overview of Regulated Procurement Compliance

3.1.1   Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical.

3.1.2   Section 18(2) states that an annual procurement report must include, at 18(2)(b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2)(c), "to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply".

3.1.3   The Corporate Procurement Strategy 2021-24, as approved by the Board of the Scottish Fire and Rescue Service in April 2021, sets out the basis for all procurement activity across the SFRS and it ensures that our procurement activity is undertaken in an efficient and customer focused manner which adds values whilst ensuring compliance with legislative duties. It is aligned to the Scottish Model of Procurement.

3.1.4   The Procurement Strategy sets out the basis for all procurement activity across the SFRS and it continues to ensure that procurement activity enables delivery of the SFRS Strategic Plan and Annual Operating Plan.   The Strategy also reflects the SFRS legal obligation to ensure compliance with Procurement legislation and associated Statutory Guidance across its procurement activity.

3.1.5   The SFRS has a fully documented procurement governance framework which provides a well-established set of policies and processes to support effective and compliant public procurement.

3.1.6   All procurements progressed by the Procurement Team and undertaken in the reporting period observed the following themes as fully detailed within our Procurement Strategy which are detailed in the following pages.

3.2   Value for Money and Efficiency

3.2.1   Our activities continue to increase around the delivery of Regulated Procurements. In the reporting period, the procurement activity undertaken by the SFRS can be summarised as follows (full details are listed in Appendix A):

Procurement Type	Nos.	Projected Total Value (£) – Excl VAT
Regulated Procurement	37	£41,830,556
Framework Call-Offs (Below £50,000)	19	£424,496
Property Contracts (below £2,000,000)	1	£1,600,000
Quote	25	£652,314
Non-Competitive Action	5	£59,672
Total	**87**	**£44,567,038**

3.2.2   The benefits of collaborating with partner organisations is recognised and the SFRS Procurement Team seek new opportunities to undertake joint working where possible. In the reporting period, approximately 73% of total contract spend was through collaborative contracts.

3.2.3   Similarly, 78% of all regulated procurements undertaken utilised national or sectoral frameworks.

3.2.4   We continue to utilise national frameworks established by Scottish Government and achieved cash savings of £1.12million through their use. We are associate members of Scotland Excel and make use of relevant frameworks.   Work continues to further develop relationships with the wider UK Fire and Rescue Services for the procurement of common goods and services, with SFRS continuing to make use of National Frameworks for key operational personal protective equipment and front-line vehicles.

3.2.5   Work also continues with partners such as Scottish Government, Transport Scotland, Scottish Enterprise and the Energy Savings Trust, to explore future opportunities for

collaboration and innovation particularly within our Fleet and Property Categories to minimise the impact of climate change.

3.2.6 Spend and contract analysis continues to inform the planning of our procurement. The outcome of the analysis assists in the development of a rolling three-year programme of work which is agreed with stakeholders and monitored throughout the financial year.

3.2.7 We are committed to paying suppliers on time and we understand the importance of prompt payment to our supply base. We act in a responsible and sustainable manner so prompt payment is a priority. Our on-time payment performance for financial year 2022/23 is detailed below together with previous year's performance.

Payment Term	2018/19	2019/20	2020/21	2021/22	2022/23	Target 2022/23
Payment within 30 days	97%	96%	97%	98%	96%	97%
Payment within 10 days	67%	81%	82%	82%	79%	N/A

3.2.8 The SFRS recognises the continued importance of SME's including third and fourth sector organisations in supporting economic growth and employment in Scotland.   As detailed in our Corporate Procurement Strategy we are committed to improving the access to such opportunities.

3.2.9 The SFRS is committed to supplier inclusion, and we seek to conduct our procurement activity with a wide range of providers including Small and Medium Enterprises (SMEs), and third sector, including supported business.   We continue to build upon our relationship with the Supplier Development Programme to encourage the ongoing use of Scottish SMEs in the delivery of SFRS requirements.

3.2.10 In financial year 2022/23, 47.35% (£43.73million) of the SFRS total spend was with suppliers based in Scotland, which was similar to the previous reporting period. This spend making a positive contribution to local economies.

3.2.11 The table below details the breakdown of SMEs as a percentage of overall Suppliers in scope and SME spend as a percentage of overall 3rd party spend in scope.

SME Spend

Financial Year	% of Supply Base classified as SME	SME spend as a % of overall 3rd party spend
18/19	46%	35%
19/20	46%	36%
20/21	62%	31%
21/22	62%	33%
22/23	61%	30%
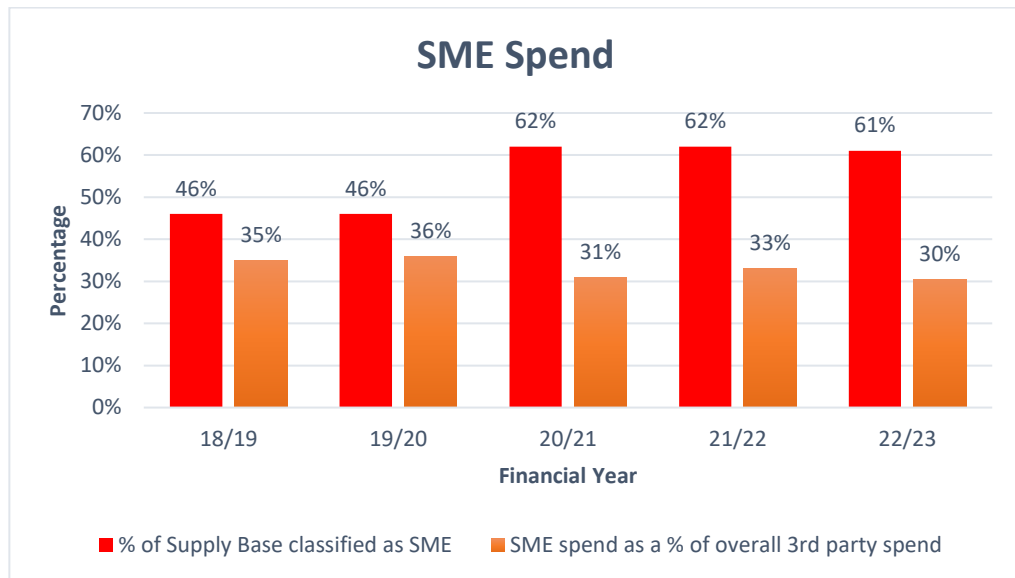
3.2.12 We continue to work with partner organisations and our contractors to better understand the impact of our procurement spend on the communities we serve whether through the delivery of community benefits, social impact and national GVA figures.

3.2.13 End user involvement and consultation continues to be key to the development of Commodity Strategies and Tender Documents to ensure that technical specifications meet Service needs and can be clearly understood by suppliers. Early engagement with End users continues to be progressed by the Procurement team.

3.2.14 The Procurement Team continue to engage and build on existing relationships with internal customers ensuring their involvement in the planning and undertaking of SFRS procurement activity and aiding greater understanding of the need to observe the sustainable procurement duty.

3.2.15 Market engagement is undertaken in all relevant procurement activity and is used to assist understanding of market capability to address the SFRS needs and to inform

the development of the specification and ensure that the procurement route chosen and the Invitation to Tender requirements are appropriate and well-developed.

3.2.16 Contract management continues to provide a challenge to the Service due to the resource requirements required both from a procurement and directorate perspective and this continues to be an area where improvement will be sought.

3.3   Governance, Risk and Fraud

3.3.1   The SFRS has a well-established procurement government framework with supporting documentation and standard template which support the delivery of its procurement activity and ensure compliance with legislation and associated Statutory Guidance together with the Scottish Model of Procurement.

3.3.2   Within the reporting period we updated our procurement governance processes as required and the Procurement Team continues to engage with customers to reinforce the application of the procurement governance model and ensures that regulated procurement is undertaken in accordance with the legal and procedural framework. Training is provided to those individuals who are involved in supplier selection and tender evaluation.

3.3.3   Progress continued with the delivery of the "Red Flag Procurement Fraud Action Plan" with approximately 88% of improvement actions completed (an increase of 8% on the previous reporting period) and the Plan on track to be delivered over the period of our Procurement Strategy

3.3.4   The application of SFRS procurement governance framework and the undertaking of our quality review process to provide assurance on projects undertaken ensured that there were no successful legal challenges within the reporting period, with any issues raised by unsuccessful tenderers being robustly defended in conjunction with Legal Services and external legal support as required.

3.3.5   Work continues with the delivery of the Procurement Capability Improvement Programme Action Plan in preparation of the next assessment which is due in May 2024.

3.4 Transparency

3.4.1 Transparency in public procurement requires the SFRS to show openness, visibility to its procurement activities and to have ready accessibility to information regarding its procurement plans and spend, all of which provides external parties with confidence that we undertake our procurement activity in a fair and transparent manner.

3.4.2 The SFRS utilise Public Contracts Scotland (PCS) to advertise all regulated procurement activity with a value of £50,000 or more. All relevant procurement activity is also published on UK Find a Tender site.

3.4.3 In accordance with the Public Contracts (Scotland) Act 2014, the SFRS has published and maintained a Contracts Register thereby providing visibility on live contracts.

3.4.4 In all relevant procurements, evaluation methodology is fully detailed in the Invitation to Tender and full debriefs are provided to all participants in all regulated procurement and quotes undertaken by the Service.

3.5 Enhancing Capability

3.5.1 The range of goods, services and works procured by the SFRS requires Procurement and Property Team members to exhibit strong commercial and procurement knowledge and skills. The teams also offer professional support to Directorates in the delivery of procurement services through clear controls and guidance.

3.5.2 We continue to make use of technology to assist in the delivery of the Corporate Procurement Strategy. We continue with the use of Achilles Themis, which provides up-to-date case law interpretation together with various guidance documents which assist in the update / maintenance of our procurement governance framework.

3.5.3 The SFRS continues to support Procurement team members with their professional studies which will lead to full membership of the Chartered Institute of Procurement and Supply.

3.5.4 In the previous recruitment period the structure of the Procurement Team was amended with the addition of post of Procurement Specialist, which were successfully recruited. However, the recruitment process led to vacancies in other posts which proved difficult to fill, reflecting a common problem in recruitment across the Scottish Public Sector. The impact of these vacancies was that over the reporting period the Procurement Category Teams were operating at 70% capacity which then impacted upon procurement exercise and improvement actions that the team could undertake.

3.5.5 The Procurement Competency framework is also utilised by the Procurement Team, aligning its use with the SFRS appraisal system. This national toolkit sets out the skills and competency levels required of procurement teams involved in the public-sector procurement process and its use is aligned to each individual / role within the Procurement Team.

3.5.6 Partnership working involving the sharing of knowledge and best practice continues with the NFCC for fire sector specific goods and services where the SFRS is represented on various committees related to national procurement activity. The SFRS also continues to contribute to the Central Government Procurement Collaboration Group and work continues with Police Scotland and the Scottish Ambulance Services to identify areas of collaboration.

3.5.7 There continues to be successful close engagement between Procurement and all Directorates / key stakeholders through the planning of procurement activity and the User Intelligence Group (UIG) process where input is sought on specification development and relevant stakeholders are also engaged in supplier selection, tender evaluation, contract award decisions and in supporting contract and supplier management arrangements. Training of relevant members of the UIG continues for individual tender exercises in key areas such as selection and tender evaluation.

3.5.8 The manner by which the Procurement Team interacts with suppliers is a key factor in the success of relevant projects. The SFRS undertakes pre-procurement activity, early

market engagement and being accessible to prospective suppliers.   This involves the use of the Prior Information Notice to alert the market to forthcoming opportunities and holding supplier briefing days, both virtual and face-to-face.

3.5.9   Senior members of the Procurement Team have completed formal course of study in Public Procurement Law and Policy.

3.5.10 Work continues in the development of improved feedback mechanism both for suppliers and Directorates.

3.6   Sustainability

3.6.1   The Scottish Fire and Rescue Service (SFRS) is committed to observing our sustainable procurement duty as stated within the Procurement Reform (Scotland) Act 2014 and continue to review and update our internal policies and procedures to reflect our legal duty and to ensure the proper consideration of how best we can improve the social, environmental and economic wellbeing of our communities through our procurement activity.

3.6.2   Sustainability is an area that the SFRS can and does influence by making sure the elements which impact on sustainability are built into the procurement process at an early stage and considered throughout the procurement lifecycle in the specification development, tender evaluation and contract management.

3.6.3   For all procurements for goods and services with a value of £50,000 or more, we develop a Commodity Strategy which requires the use of the Procurement Journey Sustainable Procurement Toolkit which assists in embedding relevant and proportionate requirements in our procurement activity.

3.6.4   Reflecting the requirement contained within SPPN1/2021 that Procurement professionals have a responsibility to be climate literate and to have an appreciation of how contracting activity can support net-zero aims for their organisation and Scotland, all members of the Procurement Team have previously completed their Literacy e-learning and Sustainability Training.

3.6.5   In support of our commitment to our sustainable procurement duty, we have a nominated Sustainable Procurement Champion who is responsible for ensuring compliance with legislation across the Service and promoting the adoption of sustainable procurement practices.

3.6.6   Our Procurement Strategy 2021-2024 was published in April 2021 and is anticipated to remain relevant until March 2024, but it is reviewed on an annual basis and adjusted to ensure that it remains current to the challenges faced by the SFRS. The strategy re-iterates our commitment to ensure the consideration of issues that may assist in improving the economic, social and environmental wellbeing of the communities that we serve.

3.6.7   We include the consideration of community benefits in all relevant procurement activity and use these to deliver wider benefits for the communities which we serve. Section 4 of this Report details the Community Benefits delivered in financial year 2022/23.

3.6.8   Our procurement processes are applied in a manner which facilitates the involvement of small and medium-sized enterprises (SME), Supported Business and third sector bodies. We continue with our membership of the Supplier Development Programme (SDP) which consists of Local Authorities, Scottish Government and a range of other public bodies working together to support SMEs in all aspects of tendering.   During the reporting period, the Procurement Team attended the in-person Meet the Buyer events held both on a national and local basis.

3.6.9   The SFRS continues to successfully use project bank accounts (PBA), with the PBA being used in the West Asset Resource Centre project. Project Bank Accounts are designed to pay sub-contractors at the same time as main contractors in relevant procurement activity.

3.6.10 Our procurement activities continue to promote and explore opportunities to engage with the Supported Business and Third Sector. Although no new contracts were awarded within the reporting period, there was still spend of approximately £40,000 excl. VAT with this sector through existing arrangements.   We continue to work in partnership with the Scottish Prison Service on a contract for Station Storage which provides opportunities for those individuals within the care of the Scottish Prison

Service to gain valuable social skills and realistic work skills to enhance employability prospects. Section 5 of this Report details our spend with Supported Business.

3.6.11 The SFRS is an Accredited Living Wage employer and through our procurement activity, we recognise that inviting suppliers to adopt fair working practices will reduce inequalities and develop a more inclusive and sustainable society. We continue to ensure that all relevant procurement activity includes criteria to address Fair Work Practices. We are committed to developing our requirements further to include mandating the payment of the Real Living Wage where it is relevant and proportionate. In the reporting period, we awarded eighteen which included Fair Work Practices criteria, many of these contracts being call-offs from National Frameworks.

3.6.12 The SFRS continues to consider Equality and Diversity in all relevant procurement activity and observers the requirement to comply with the Equality Act 2010 and the 'General Duty'. Completion of an Equality and Diversity Impact Assessment is undertaken and where appropriate provision is included in the conditions of contract, specification and contract award criteria, with performance measured through management of the contract.

3.6.13 SFRS has recently achieved silver status in Stonewall UK workplace Equality Index, which is the benchmarking tool for employers to measure their progress on LGBTQ+ inclusion in the workplace. Procurement continues to work with directorates and end users to ensure that our contractors share a similar commitment.

3.6.14 The SFRS recognises the importance of ensuring that it continues to comply with the Health and Safety at Work Act 1974 and that our contractors are familiar with this legislation, understand their responsibilities and operate safe systems of work.   The SFRS continues to check and monitor contractors understanding of their responsibilities. For relevant contracts, the SFRS addresses specific Health and Safety issues as they relate to the contract requirement.   Relevant contractors are also required to demonstrate and ensure compliance with the CDM Regulations 2015.

3.6.15 The SFRS is a member of the Scottish Free Trade Forum, and our standard procurement process includes consideration of what Fair Trade provisions or

equivalent could apply appropriately in the delivery of the contract provision. Our Soft Facilities management contractor, Sodexo has a similar commitment to Fairtrade.

3.6.16 SFRS is currently engaging through our Local Senior Officers (LSO's) as part of our partnership working with local authorities to support Community Wealth Building Projects. Progressive procurement is a core principle to help develop local supply chains of businesses likely to support local employment and keeping wealth in communities. The SFRS Procurement Team continues to support LSOs to provide subject matter expertise as part of these projects.

3.6.17 We continue to procure timber for use in carbonaceous training facilities with all timber products supplied by our contractor is certified as being sourced from legal and sustainable sources. Timber supplied to the SFRS must be accredited to meet either the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC).   Conformity to this requirement is monitored throughout the contract duration.

3.6.18 The SFRS has adopted the flexible framework tool for Sustainability, and we will utilise this to measure our level of performance and identify the actions required to embed good procurement practice to realise intended sustainable outcomes. We will seek to achieve level 3 on the flexible framework by 31st March 2024.

3.7   Climate Change

3.7.1   Procurement is a key area which can assist in the delivery of climate change actions which are vital in supporting Scope 3 Emission reductions.   The SFRS Sustainability Team champions climate emergency and waste management activity and oversee progress against our Climate Change Response Plan 2045 across the service   We support the Scottish Government's goal to become net zero by 2045 and SFRS has pledged to cut carbon emission by 6% per annum until 2030 which equates to an 80% overall reduction.

3.7.2 To support this, we continue to invest in technologies to reduce waste energy and in the reporting period there continued to be investment in a number of programmes and initiatives across the Service to assist in the reduction of emissions caused by powering and heating our buildings and powering our fleet. Since the launch of our new Carbon Management Plan in April 2020, we have been rolling out new measures and technologies across the estate which will start to have long term positive impacts on reducing our emissions. These include installation of Solar photovoltaic (PV) panels on many of buildings, new smart heating controls and building management systems, trailing of new electric boilers instead of gas and oil boilers, improved insulation of our buildings and continuing to invest in new Electric Vehicles (EVs) for our light fleet.

3.7.3 In financial year 2022/23, we completed 171 projects linked to climate change and invested £4.5 million whilst working with our contractors to install smart energy controls, low carbon heating, pollution prevention measures, solar panels in our properties throughout Scotland. The table below summarises the projects completed in the reporting period.

3.7.4 **Projects Completed in Financial Year 2022/23**

Improvement Measures	No of Locations
Installation of electric Vehicle Charging points	87
Heating Systems and Smart Controls	44
Solar PV	23
Retained Station Carbon Energy Upgrade	9
Heating Controls	8
Total	**171**

3.7.5 Over the past three financial years, the SFRS has invested over £10 million in projects which will assist the Services from addressing matters related to climate change.

	20/21	**21/22**	**22/23**	**Rolling Total to Date**
Investment in Financial Year	1,890,000	£3,716,549	£4,500,000	£10,106,549

3.7.6   As reported in the last Annual Procurement Report, the SFRS previously awarded contract for a zero-emissions fire appliance with the assistance of funding Transport Scotland and this innovative project is the first step in a journey to discover how we can potentially move away from fossil fuel powered appliances.   The vehicle is currently with the station for vehicle familiarisation and driver training before being deployed operationally.   The design and manufacturing of the appliance will fully comply with British Standards for firefighting and rescue service vehicles. The zero emissions appliance has the same capability and equipment as a diesel model, and it will be able to assist at emergencies. However, it is estimated that an electric appliance will reduce emissions by 66% compared with a diesel appliance.

3.7.7   Through continued investment in our light fleet and working with partner organisation, approximately 21% of SFRS light fleet is now full electric and the SFRS continues with the installation of vehicle charging infrastructure to support the change from fossil fuel.

3.7.8   The new Asset Resource Centre (ARC) West which opened recently, was designed to reduce greenhouse gas emissions from the building's performance and to maximise sustainability and energy efficiency.   The SFRS is committed to supporting the Scottish Government's ambitions for a 70% reduction in emissions that can affect climate change by 2030. ARC West is designed to meet the Scottish Building Standards requirements by maximising passive solar gain through design orientation, selection of materials and enhanced building service to incorporate low carbon and energy-saving technologies.

Carbon Reducing Design and Technologies

Passive Solar Gain
The ARC building is building is oriented to make the best use of passive solar gain, with translucent roof panels and roof lights incorporated to allow natural light into the building.

Photovoltaics Rooftop Panels with Linked Battery Storage
The installation of 464 JA Solar Panels and 4 Solis Inverters has a PV generator output of 190.24 kWp, with the system yielding 154.000 kWh annually. As well as reducing $CO_$ emissions by 72,818 kg a year.

Air Sourced Heat Pumps & Improved Existing Heat Network

Installation of a localised energy-efficient air source heat and cooling pump fitted to conserve energy.

<u>EV Charging</u>

The new facility has 5 new parking spaces with electric charging points in the public car park. To future proof the SFRS EV rollout, an electric charging infrastructure within the northern service yard and carpark for at least 25 vehicle charging points was installed.

The environmental impact of the new building facility will be considerably lower than the ageing buildings previously in use. The utilities cost (directly correlated to usage) for the new Centre is anticipated to be 39% of the combined cost of operating the existing facilities post-refurbishment.

Section 4   Community Benefits Summary

4.1   Section 18(2)(d) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory for an annual procurement report to include "a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report".

4.2   Delivery of Community Benefits is a key aspect of the Scottish Government's drive to achieve a range of national and local outcomes. Community benefit requirements are defined in the Procurement Reform (Scotland) Act 2014 as a contractual requirement imposed by a contracting authority relating to:

    i.   training and recruitment
    ii.   availability of sub-contracting opportunities
    iii.   or which is otherwise intended to improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.

4.3   Section 25 of the Procurement Reform (Scotland) Act 2014 mandates that all contracting authorities "must consider whether to impose community benefit requirements as part of the procurement" when the estimated contract value is greater than or equal to £4,000,000. However, as stated in SFRS Standing Orders for the Regulation of Contracts, we aim to consider community benefit requirements in procurement exercises with a value greater than £1,000,000 where deemed relevant and within its procurement governance processes and procedures, the SFRS has embedded the requirement for community benefits to be considered where appropriate.

4.4   The SFRS Procurement Strategy clearly states the organisation's commitment to the inclusion and consideration of Community Benefits in all relevant procurement activity.

4.5   The following key projects highlight SFRS continued commitment to deliver community benefits in relevant procurement activity.

4.6   **Hard FM**

Robertsons Facilities Management (RFM) were successful in being awarded the contract for Hard Facilities Management in financial year 2021/22 and have undertaken a significant number of specific community engagement activity which is detailed in Appendix C of this Report.

In the period since contract commencement, the profile of the contract has increased amongst SFRS and its stakeholders across the regions with teams in regular contact as RFM discuss how to best navigate community related 'asks', geographical reach, and resource available. These developments and discussions have led to a strategic partnership between the wider SFRS and Robertson Group which creates much greater resource and capacity for partnership work across the two organisations, benefiting community groups across the regions with productive partnership work emerging between both SFRS and RFM, community stakeholders and local authorities.   Examples of the community engagement activity being delivered is detailed in Appendix C.

4.7   Soft Facilities Management

The SFRS Soft Facilities Management contract is delivered by Sodexo, who's produce at regular intervals the Social Impact Reports related to the delivery of the contract requirements.   Highlights are detailed in Appendix C.

4.8   **West Asset Resource Centre**

The contract for the Design and construction of the West Asset Resource Centre was awarded to McLaughlin Harvey in February 2022 and the building was recently completed and is now in operation. A Project Bank account was used on the project with both sub-contractors and the main contractor signing up to its use.   The PBA required payments made directly and simultaneously by SFRS to members of the construction supply chain involved in the Project and supports prompt payment which assist firms involved in construction projects with their cashflows, this has been particularly important over the reporting period when accounting for the impact of the global pandemic.

McLaughlin Harvey, made a number of commitments in relation to the delivery of Community Benefits through their Social Value model which creates added value for society across five areas:

    i.   Building Futures
   ii.   Good Employer
  iii.   Shared Prosperity
  iv.   Communities Matter
   v.   Sustainably Green

These are fully detailed in Social Impact Report for the West ARC, with some of the highlights from the report detailed in Appendix C.

4.9   **Museum of Scottish Fire Heritage**

After undergoing a complete refurbishment, the Museum of Scottish Fire Heritage is open to the public. The museum charts the history of fire and rescue services in Scotland. Fire and rescue service artefacts dating back almost two hundred years can now be viewed at the new museum in Edinburgh. The Museum of Scottish Fire Heritage is a new attraction designed for people of all ages and interests. Visitors will be able to explore five themes within the museum, which brings a touch of modern technology and interactive displays to the experience. The museum is located at the site of McDonald Road Fire Station in the heart of Edinburgh. It also holds collections of well-preserved antique fire engines and historical uniforms worn by firefighters during significant fires in Scotland's history.

4.10   **Wireless Smoke Alarms**

We continue with contract provision for wireless smoke alarms to ensure that the SFRS can continue to provide wireless smoke alarm provision to high-risk households under The Housing (Scotland) Act 1987 (Tolerable Standard) (Extension of Criterion) Order 2019.

Meeting this requirement will assist the SFRS in meeting Scottish Government National Outcomes and ensure that the Service are leading on best practice for Home Fire Safety for high-risk groups within the UK

4.11. Fire Retardant Bedding

Contract provision for Fire Retardant Bedding, which was awarded in the previous reporting period continues within the current reporting period. The Scottish Fire and Rescue Service (SFRS) continues to work closely with local communities and partners to identify those most at risk of unintentional harm within their home. Many of the most vulnerable members of our communities can have underlying health conditions, mobility issues or a dependency to drugs and/or alcohol, this impacting their judgement and lifestyle choices.

The SFRS is focussed on prevention activity to target those most at risk, to reduce fire casualties and fatalities, and support intervention activity designed to improve outcomes for our communities across Scotland. The supply of fire-retardant textiles can be an effective solution to reduce or mitigate the risk of careless or accidental disposal of smoking materials.

4.12. Fair Work

SFRS is an Accredited Living Wage employer and through its procurement activity, it continues to ensure that Fair Work provisions are included in relevant contracts, to the extent permitted by law. In the reporting period, eighteen contracts were awarded with fair work criteria.

4.13. SFRS Donation for Ukraine

As the conflict in the Ukraine continues, the SFRS continues to donate fleet items, equipment and PPE for deployment in Ukraine. Within the reporting period this included donations to the Scottish Emergency Rescue Association of the following:

2 eighteen tonne rescue pump appliances

1 Heavy Rescue Vehicle

126 Structural Firefighting Tunics

126 Firefighting Leggings

59 Firefighting Helmets

53 Pairs Firefighting gloves

46 Pairs firefighting boots

7 Hydraulic Rescue equipment

60 GP Lines

88 Gas tight suits

The following donations have also been made to Fire aid:

34 Hydraulic power packs.

13 Hydraulic cutters.

22 Hydraulic spreaders.

40 Hydraulic rams.

21 hydraulic rescue rams.

8 hydraulic combi tools.

2 Inflatable Rescue boats, outboard engines.

26 Flood Suits donated to Fire Aid.

104 Personal Floatation Devices donated to Fire Aid.

42 Water Rescue Helmets donated to Fire Aid.

An example of how such vehicles, equipment and PPE which would normally have been discarded, have been utilised in a manner in which to extend their life cycle.

Section 5   Supported Business Summary

5.1   Section 18(2) (e) of the Procurement Reform Act requires organisations to include a "summary of any steps taken to facilitate the involvement of supported businesses in regulated procurement during the year covered by the report".

5.2   A supported business is defined in Regulation 21 of The Public Contracts (Scotland) Regulations 2015 and means "an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

5.3   SFRS recognise that the inclusion of Supported Business in SFRS procurement activity is a key aspect in delivering its Sustainable Procurement Duty and have a clear commitment to this contained within its Procurement Strategy.

5.4   One new contract for the Provision of Trauma Care Back Packs with a potential value of £47,520 was awarded during the reporting period to Ulster Supported Employment Limited.

5.5   Spend with supported business for the period 1st April 2021 to 31st March 2022 was as follows.

Supported Business	Value (£) Excl. VAT
Haven Products Limited	£16,845
Ulster Supported Business	£11,963
Lady Haig Poppy Factory	£7,906
City Building (contracts)	£4,341
Dovetail Enterprises	£3,208
Total	**£44,263**

5.6   The following tables highlights the consistency of spend with supported business over the past 4 years.

Supported Business Spend

Financial Year	Value
18/19	£43,468.00
19/20	£86,891.00
20/21	£130,114.00
21/22	£87,796.00
22/23	£44,263.00
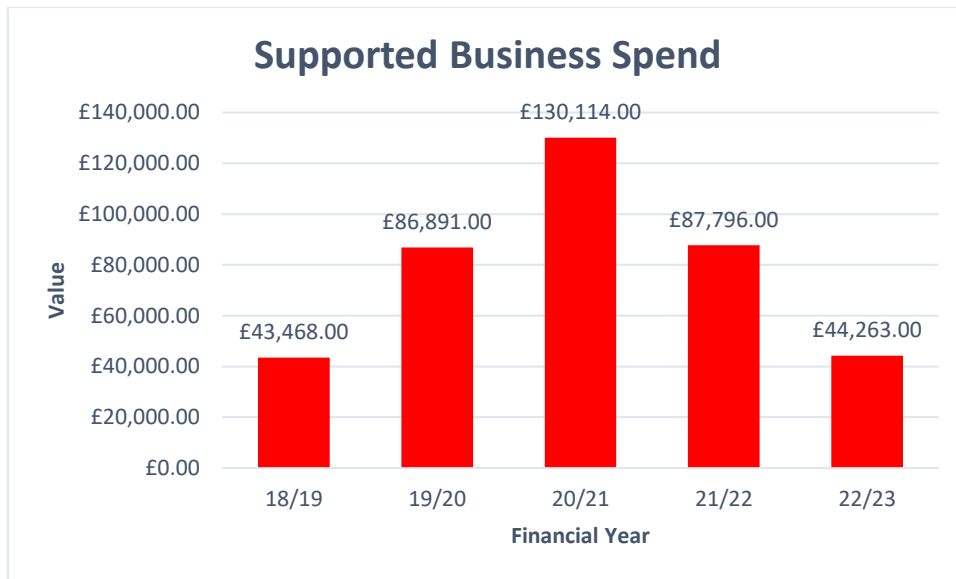
5.7 As reported in the previous reporting period, a contract was awarded to Scottish Prison Service Industries for the provision of Station Lockers Solutions. The SFRS spent approximately £5,500 (excl VAT) on this contract in financial year 2022/23.

5.8 In the construction of the West asset Resource Centre, the contractor McLaughlin & Harvey engaged with a number of social enterprises who were awarded contracts to deliver packages of work on the project. The value of the contracts awarded was £14,000 in total. The firms used were:

Community Wood who are a nationwide social enterprise that provided a commercial waste wood collection service and who provides life changing training and employment opportunities for people, especially those from marginalised or disadvantaged backgrounds.

Scotland's Bravest Manufacturing Company who provided printing and signage. The company provides employment and training opportunities to members of the Armed Forces community and aims to support ex-service personnel who have been unemployed or are experiencing a disability or health condition.

Milk Café, a Glasgow based social enterprise aims to empower and support women from refugee and other migrant backgrounds, and to support victims of modern slavery.

Social Bite which aims to provide homes, jobs, food, and support to empower people to transform their own lives.

Section 6   Future Regulated Procurement

6.1   Section 18(2)(f) of the Procurement Reform (Scotland) Act 2014 states it is mandatory that an annual procurement report must include "a summary of the regulated procurements the authority expects to commence in the next two financial years."

Regulated procurement reflects contracts over £50k in value for goods and services or over £2m in value for public Works (excluding VAT).

6.2   Future regulated procurements have been identified via the following means:

- Current contracts on the SFRS contracts register that will expire and need to be extended or re-let over the next three years.

- New procurements identified via future work plans provided by SFRS Directorates.

- New procurements identified via anticipated work plans for service transformation.

- Projects identified from Capital Programme approved by the Board of Scottish Fire and Rescue Service.

6.3   A full list of procurements which are anticipated to be carried out in the next three years is detailed in Appendix B.

6.4   Contracts which are worth less than the £50k or £2m thresholds are known as "Non-Regulated" procurement. We have included the latter for information to provide transparency of this area of expenditure.

6.5   This Section reflects the range of Goods, Service or Works contracts which, as at September 2023, the SFRS reasonably expects to tender either in 2023-24 or 2024-25. / 2025-26 Whilst SFRS can forward forecast and anticipate a number of contract renewals, the SFRS forward work programme in this Section 5 (both the number of Regulated procurement projects and the estimated £ value) is dynamic and subject to variation annually.

6.6   Emerging or changing business needs and availability of funding or capital to support investment activity also influence when projects may be progressed. In some cases, the SFRS has yet to take a decision whether to exercise an option to extend an existing contract or to retender. The decision- making process will include due consideration of the procurement route options (including collaborative government contracts) which the SFRS could take, and the duration of any new contract.

6.7   The appendix lists potential future Goods or Service contracts on the basis of the estimated annual value – this is on the basis that decisions about the duration of the forward contracts are generally confirmed closer to the date of any Contract Notice advertisement.

Section 7   Procurement Performance Analysis

7.1   **Procurement Spend**

7.1.1   Total non-salary spend for the reporting period (1st April 2022 – 31st March 2023) was approximately £103.38 million (exclusive of VAT) which can be broken down as follows:

Category of Spend	Value (£) Million
In-Scope Spend	91.67
Out of Scope Spend	11.10
Below £4,000	0.61
Total	**103.38**

Notes:

I.   "Out of Scope" spend includes payments to local authorities, pension authorities, government bodies etc.

ii.   "In-scope spend" is spend which the organisation can directly influence through the co-ordination and regulation of the SFRS procurement activity.

iii.   Below £4,000 spend amounted to £0.61million.   This amount was excluded from the final analysis of spend as shown in the table in paragraph 7.1.2, as it was undertaken in accordance with relevant procurement guidance regarding below £4,000 spend.

iv.   Purchase Card spend of approximately £0.13million is included in the above total. This spend is monitored on a monthly cycle to ensure use is consistent with the Purchase Card Policy.

7.1.2   In-scope spend can be broken down as follows:

Category of Spend	1st April 22 – 31st March 2023 Value (£) Million	%	KPI Target
Contract Spend	87.96	95.95%	**95.00%**
Non- Contract	3.71	4.05%	
Total	**91.67**	**100.00%**	

Contract spend increased over the reporting period when compared with the previous reporting period as illustrated in the table below:
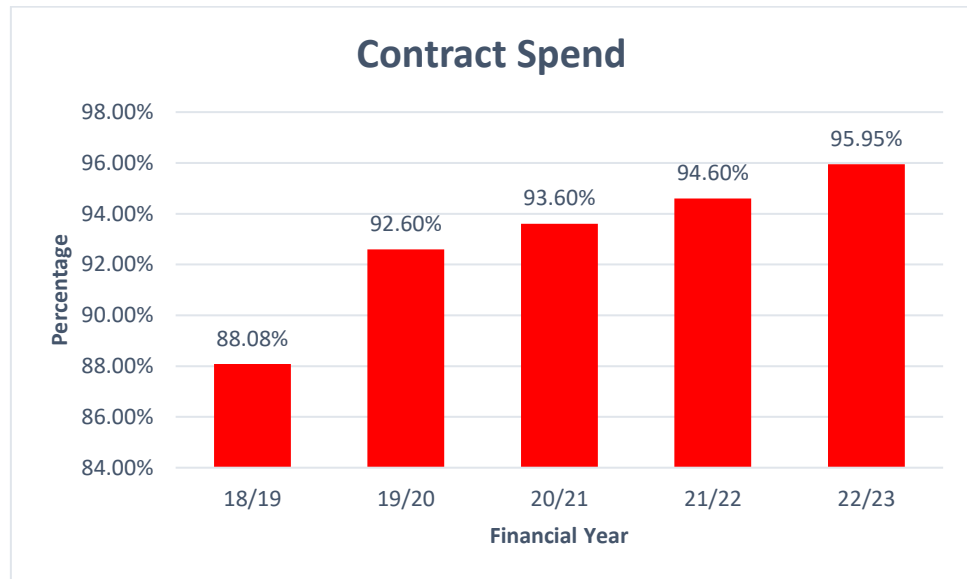
Contract Spend

vi.   The contract spend is split across categories as follows:

Category Spend as a % of Overall Spend 22/23
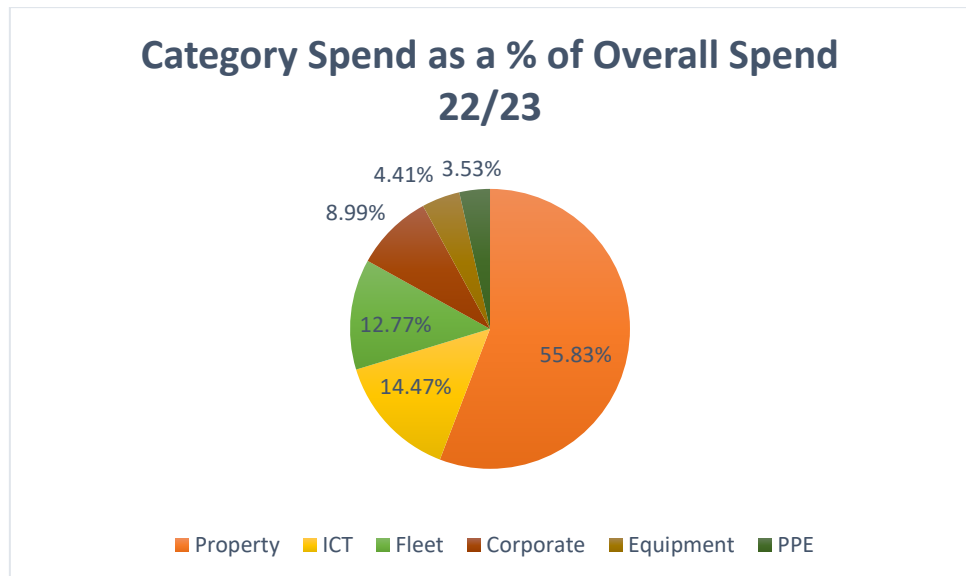
ii.   Non-contract spend continues to fall showing a reduction of £0.69million (15.68%) in the previous figure.

i.   The following table and chart highlights the reduction over the past 5 years in monetary and percentage terms.

Financial Year	18/19	19/20	20/21	21/22	22/23
Non-Contract	8.30m	5.50m	5.00m	4.40 m	3.71m
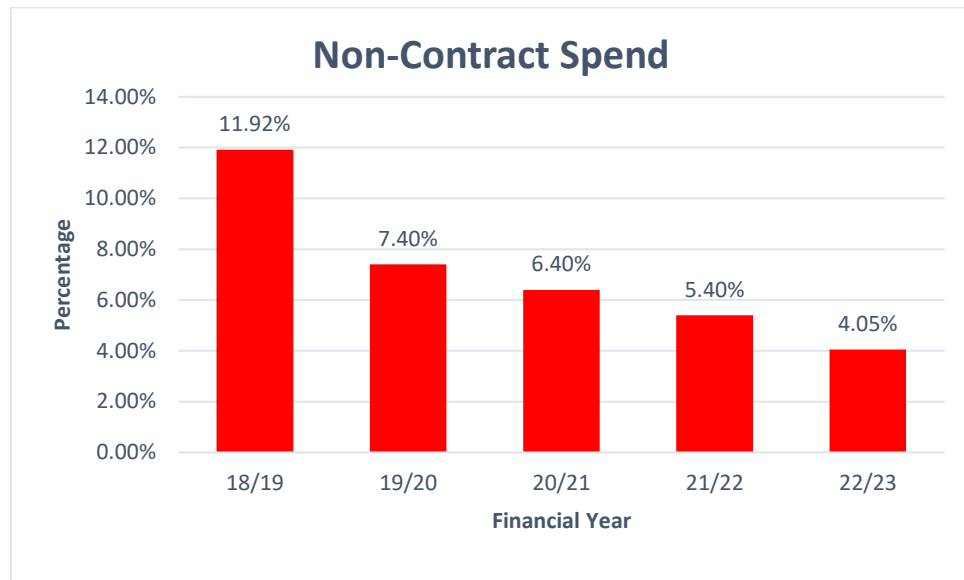
ii.   Appendix B details the projects that the SFRS anticipates will be progressing in financial years 2023-24 / 2024-25 / 2025-26 that will assist in the delivery of the Capital Programme and addressing remaining areas of non-contract spend where resources permit.

7.1.3 A total of 887 suppliers were used in the reporting period across the in-scope spend, which is broken down as follows.

Category	Numbers of Suppliers	KPI Target (Contract / Non-Contract)
Contract	215	600
Non-contract	197	Actual Figure: 412
Below £4,000	475	
Total	**887**	

7.1.4 Supplier numbers over the past 5 reporting periods (inclusive of the current reporting period) are shown in the table below:

Number of Suppliers
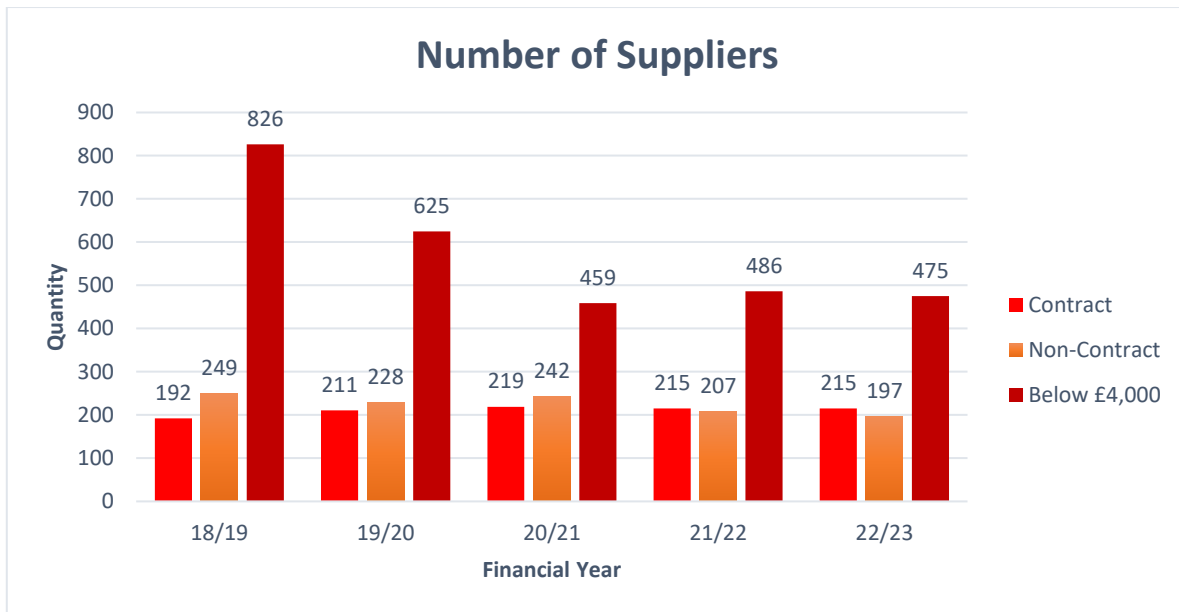
7.1.5 Contract spend against the top 50 supplier's amounts to 90.11% of total contract spend.

7.1.6 Below £4,000 spend increased slightly to £0.61million from £0.54million in the previous reporting period.

7.1.7 Below £4,000 continues to be analysed to see how best it can be undertaken in a manner which supports adherence to current procurement governance and support spend with local SME's and other procurement initiatives linked to Local Community Wealth Building initiatives

7.1.8 Approximately 73% of total contract spend was through collaborative contracts which represents a decrease of 12% on the previous year's figure. This is reflective of Hard Facilities Management contract no longer being classified as a collaborative contract and the spend being removed from collaborative contract total.

7.1.9 A total saving of £1.12million was achieved through the use of Scottish Government frameworks.

7.1.10 The table below illustrates the savings achieved through the use of such frameworks over the past 4 financial years.

Savings from SG Frameworks

A bar chart titled "Savings from SG Frameworks". The y-axis is labelled "Value" ranging from £0.00 to £2,000,000.00 in increments of £200,000.00. The x-axis is labelled "Financial Year" with categories 18/19, 19/20, 20/21, 21/22, 22/23.

- 18/19: £890,000.00
- 19/20: £980,000.00
- 20/21: £1,770,000.00
- 21/22: £1,180,000.00
- 22/23: £1,120,000.00
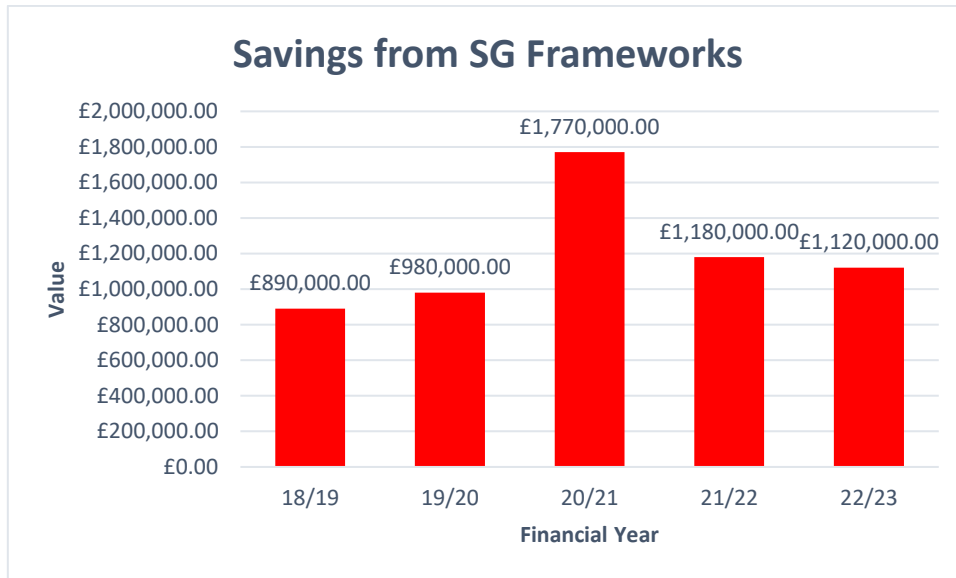
7.2   Key Achievements

7.2.1   The primary focus for SFRS procurement activity in financial year 2022-23 has been to ensure the continuity of supply for key goods, services and works against the agreed workplan. This proved to be a challenge during the reporting period when due to resourcing issues, the Procurement team were operating at 70% capacity which impacted on the improvement actions that could be progressed by the team.

7.2.2   Thirty-seven regulated procurements with a potential value of £41.83million over the contract term were awarded during the reporting period.

7.2.3   Nineteen call-offs were made from frameworks with a value below £50,000 with an estimated potential value of £0.42million over the contract term were awarded during the reporting period

7.2.4   Twenty-five quotations with an estimated potential value of £0.65 million over the contract term were awarded during the reporting period.

7.2.5   A significant reduction was achieved in the use of Non-Competitive Action (NCA) with the procurement team challenging their use.   In the reporting period, they were used on 5 occasions, a reduction from 17 occasion in the previous reporting period. The value of the NCA's also fell from £0.23 million to £0.05 million, with their main use being in to ensure service provision in legacy command and control systems (4 out of the 5 occasions). The use of the NCA reflects the need to maintain "business as usual" in several key areas where due to operational and business needs there is limited / no scope for competition. The NCA processes followed the approval route as stated in the Standing Orders for the Regulation of Contracts**.**

7.2.6   Cash savings of £1.12million were delivered across all procurement activity.

7.2.7   Non-contract spend continues to be addressed with a 15.68% reduction in the previous year's figure being delivered.

7.2.8   significant community benefits were delivered across soft Facilities Management, Hard Facilities Management and the construction of the Asset Resource Centre West.as fully detailed earlier in this report.

7.2.9   Eighteen contracts were awarded where the contractor had a commitment to Fair work

7.2.10   Actions related "Procurement Red Flag Action Plan, which was developed in response to the Audit Scotland Report for the Scottish Public Sector, were progressed with approximately 88% of actions now completed.

7.2.11   The contract awarded to Ulster Supported Employment Ltd for the Supply of Trauma Care Back Backs with a potential contract value of £47,520, highlighted continued commitment to Supported Business.

7.2.12   Collaboration opportunities continued to be maximised with partner organisations such as NFCC, Scottish Government, Scotland Excel, other Emergency Services and Crown Commercial Services to ensure the best use of SFRS resources.

7.2.13   Training support continued to be provided to the Procurement Team with financial support provided for the continuation of professional Chartered Institute of Procurement Institute training.

7.2.14   The following represent a sample of the Regulated Procurements awarded in the reporting period (full details are listed in Appendix A):

- Wildland Personal Protective Equipment
- Wildland Firefighting Vehicles
- Provision of Smoke Curtains
- Service, Maintenance and Repair of BA Compressors
- Supply of Disposable PPE
- Provision of Legionella Risk Assessment and Associated Services
- Provision of Digital Fireground Radios
- Provision of Thermal Image Cameras
- Leadership Skills Development Services

Section 8: Further Information

For further information on our annual report or any other information on the procurement work that we're doing in SFRS please contact:

John Thomson

Acting Director of Finance and Procurement

john.thomson@firescotland.gov.uk

SCOTTISH FIRE AND RESCUE SERVICE
Audit and Risk Assurance Committee

Report No: **C/ARAC/42-23**

Agenda Item: **11**

Report to:	**AUDIT AND RISK ASSURANCE COMMITTEE**						
Meeting Date:	**30 OCTOBER 2023**						
Report Title:	**GIFTS, HOSPITALITY, AND INTERESTS POLICY**						
Report Classification:	**For Scrutiny**	**SFRS 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 approval.

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 Acting Director of Financial and Procurement 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 Good Governance Board (GGB) for noting. The Risk & Audit Section will be responsible for managing any relevant information.

3	**Main Report/Detail**
3.1	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. The general principles of the policy have not significantly changed and the revised policy is attached within Appendix A.
3.2	Following review however, a number of areas have been strengthened and added to the policy, with the main revisions outlined below: • 2.3.2 – The National Fraud Initiative process was identified within the previous policy. The revised policy now states that where the NFI process identifies an undeclared interest a declaration form will be required. • 3.1.4 – the previous policy outlined that declaration forms were only required where the value exceeded £50. The revised wording now requires a declaration for all offers of gifts and hospitality regardless of value.

	• 3.6 – the revised form provides additional information for line managers when considering declarations of interests, making it clear that responsible managers must consider the risk associated with the interest and consider appropriate actions to minimise any potential risk.

• Information outlining the legal framework and definitions have been outlined as an appendix to the policy rather than contained within the main document.

• Details relating to the Principle register of Interests for SLT and Board have been removed from the policy with links added to relevant area of iHub to ensure that version control is maintained. |
| 3.3 | Engagement with the Audit and Risk Assurance Committee and the Good Governance Board identified that the level of reporting aligned to the policy was low and that further engagement was required to enhance awareness and ownership. To assist with this the following actions have been undertaken:

• A series of engagement sessions have been undertaken within Directorates and LSO's during 2022/23 and these will continue throughout 2023/24.

• Communication briefs have and will continue to be forwarded to all staff.

• To consider the alignment between gifts and hospitality offered and interests declared, in comparison to the Service's relationship with the supplier, supplier spend has been identified and discussions held with procurement to identify future actions required. |
| 3.4 | The policy has a number of embedded links which are not currently active. This work is still being undertaken and will be completed before the document goes live. |

4	**Recommendation**
4.1	The Policy is provided to the Audit and Risk Assurance Committee for scrutiny.

5	**Key Strategic Implications**
5.1
5.1.1	**Risk**
The report reflects the general underlying principle that SFRS will operate in an open and transparent manner and aims to ensure that the conduct of all staff is impartial, honest and beyond reproach at all times, ensuring that SFRS suffers no reputational damage and minimises the risk of fraud to the Service.
5.2
5.2.1	**Financial**
The report provides the revised GHI policy which is aimed at minimising the risk of fraud and associated financial loss to the Service.
5.3
5.3.1	**Environmental & Sustainability**
Any implications arising from the report will be managed by the relevant Directorate.
5.4
5.4.1	**Workforce**
Any implications arising from the report will be managed by the relevant Directorate.
5.5
5.5.1	**Health & Safety**
Any implications arising from the report will be managed by the relevant Directorate.

| 5.6 | **Health & Wellbeing** | |
| 5.6.1 | Any implications arising from the report will be managed by the relevant Directorate. | |

| 5.7 | **Training** |
| 5.7.1 | Any implications arising from the report will be managed by the relevant Directorate. |

| 5.8 | **Timing** |
| 5.8.1 | The reporting of the revised policy will allow a report to be prepared for the next Audit and Risk Assurance Committee. |

| 5.9 | **Performance** |
| 5.9.1 | The revised policy and additional level of engagement will raise awareness and ownership of the policy, increasing compliance with reporting requirements. The Compliance Team will monitor declarations received and engage with Directorates to ensure the accuracy of information received. |

| 5.10 | **Communications & Engagement** |
| 5.10.1 | Details of the policy and reporting requirements will be communicated to all staff in conjunction with Communications using publications and the iHub. |

| 5.11 | **Legal** |
| 5.11.1 | Any implications arising from the report will be managed by the relevant Directorate. |

| 5.12 | **Information Governance** |
| 5.12.1 | DPIA completed – Yes, in relation to the Gifts, Hospitality and Interests Policy. |

| 5.13 | **Equalities** |
| 5.13.1 | EHRIA completed – Yes, in relation to the Gifts, Hospitality and Interests Policy. |

| 5.14 | **Service Delivery** |
| 5.14.1 | Any implications arising from the report will be managed by the relevant Directorate. |

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

7	**Assurance (SFRS Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance and Procurement
7.2	**Level of Assurance:**	~~Substantial~~/**Reasonable**/~~Limited/Insufficient~~
7.3	**Rationale:**	It is acknowledged that further work is required to mature the GHI framework and build additional ownership and awareness throughout the Service, ensuring declarations received are accurate and timely. Additional engagement undertaken throughout the Service is resulting in additional declaration and queries being received indicating an improving position.

8	**Appendices/Further Reading**
8.1	Appendix A – Revised Gifts, Hospitality and Interests Policy
8.2	Appendix B – GHI Declaration Form

Prepared by:	David Johnston, Risk and Audit Manager
Sponsored by:	John Thomson, Acting Director of Finance & Procurement
Presented by:	David Johnston, Risk and Audit Manager

Links to Strategy and Corporate Values
The reporting of Gifts, Hospitality and Interests forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6: **Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.** • Objective 5.1: Remaining open and transparent in how we make decisions • Objective 5.6: Managing major change projects and organisational risks effectively and efficiently

Governance Route for Report	Meeting Date	Report Classification/ Comments
Audit and Risk Assurance Committee	*30 October 2023*	*For Scrutiny*

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	4 September 2020
Date of Impact Assessment (commenced)	N/A
Date of Impact Assessment (concluded)	N/A
Quality Control (name)	John Thomson, Acting Director of Finance and Procurement
Authorised (name and date)	**John Thomson, Acting Director of Finance and Procurement**
Last reviewed/amended (name and date)	David Johnston, 3 July 2023
Date for Next Review	3 July 2026

VERSION HISTORY

Version	Change	Who	When
1.0			

GIFTS, HOSPITALITY AND INTERESTS POLICY CONTENTS

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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, thus minimising the risk of fraud.

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, Appendix A. 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 conflicts of interest between their professional and private interests.

1.4   SFRS staff should familiarise themselves with this policy in order to develop and mature an anti-fraud culture and deter corrupt behaviour, minimising the potential for fraudulent activity.

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.   RESPONSIBILITIES

2.1   Acting Director of Finance and Procurement

2.1.1   Section 6.18 of the SFRS Scheme of Delegation details that the Chief Officer sub-delegates authority for Gifts, Hospitality and Interests to the Acting Director of Finance and Procurement. The Chief Officer authorises the Acting Director of Finance and Procurement 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.

2.2   Acting Head of Finance and Procurement

2.2.1   The Acting Head of Finance & Procurement will be responsible for overseeing the arrangements set out in this Policy.

2.3   Compliance Section

2.3.1   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.

2.3.2   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. Where the NFI identifies undeclared interests the Compliance Team will contact the employee directly to request a declaration form.

2.4   Board Support Team

2.4.1   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

2.5   Business Support Team   .

2.5.1   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.

2.6   Director of People

2.6.1   The Director of People 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.

2.7   Good Governance Board

2.7.1   The Good Governance Board (GGB) 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.

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

2.8   Audit & Risk Assurance Committee (ARAC)

2.8.1   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.

2.8.2   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.

2.9   Line Managers

2.9.1   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.

2.10   All Employees

2.10.1   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.

2.10.2 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.

2.10.3 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

2.10.4 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.

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

3.   PROCEDURAL DETAIL

3.1   General Principles

3.1.1 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 anticipated to participate in tendering activity to be undertaken by SFRS.

3.1.2 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 conflicts of interest.

3.1.3 Gifts and hospitality offered by SFRS or accepted by the Service 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.

3.1.4 As a general rule, and subject to exclusions outlined in 3.3.4:

- All gifts and hospitality offered regardless of value require to be declared, whether accepted or not, by completing the Declaration Form and submitting it to the Compliance Section within 10 working days of receipt of the offer.
- An approximate value must be identified on the Declaration Form, "unknown" is not acceptable.
- Gifts and hospitality with a value in excess of £50 will be published on the register.

3.1.5   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.

3.1.6   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.

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

3.2   Acceptance and Provision of Gifts

3.2.1   A gift for the purposes of this policy is defined in Appendix B. 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).

3.2.2   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 or promotional merchandise such as pens, calendars, mugs;

3.2.3   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.

3.2.4   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 declared in the normal manner. The Acting Head of Finance & Procurement, in consultation with the Acting Director of Finance and Procurement, will determine whether it is appropriate for the individual to retain the gift in question.

3.2.5   Where it is impractical to decline or return a perishable gift, the Acting Head of Finance & Procurement, in consultation with the Acting Director of Finance and

Procurement, 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).

3.2.6   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, unless approval provided by Acting Head of Finance and Procurement;
- Prior to purchase, the approval of the Acting 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.

3.2.7   In instances where an employee receives a gift on behalf of SFRS (other than as outlined at paragraph 3.2.2), the gift will remain the property of SFRS. The gift may be required for departmental display or it may, with approval of the Acting 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.

3.2.8   Further examples of what could normally be considered acceptable/ unacceptable is detailed in Appendix C. 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.

3.3   Acceptance and Provision of Hospitality

3.3.1   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.

3.3.2   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.

3.3.3   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.

3.3.4   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.

3.3.5   Further examples of what would normally be considered acceptable/ unacceptable is detailed in Appendix C. 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.

3.4   Strategic Leadership Team

3.4.1   It is recognised that the Strategic Leadership Team (SLT) conducts business with others organisation, which may be on an international basis, which can be ceremonial or formal in nature. 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 and offence may be given if rejected or it may 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.

3.5   Procurement Staff and Those Involved in the Procurement Process

3.5.1   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.

3.5.2   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.

3.5.3   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.

3.5.4   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 .

3.6   Declaration of Interests

3.6.1   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 completing the Declaration Form and submit to the Compliance Section.

3.6.2   Where a potential conflict of interest is identified, the line manager receiving the declaration must discuss the interest received with the individual and assess the risk arising from the interest and determine what, if any, appropriate action might need to be taken to mitigate any risk. Some examples of possible actions are;

- delegating the individual's responsibilities in a particular issue to another member of staff;
- declaring any relevant interests at all meetings to which the interest relates;
- the recording of such potential conflicts in the minutes of meetings;
- the exclusion of staff from meetings (or parts of meetings) which discuss matters related to their interests;

3.6.3   Where a significant risk of conflict is identified or where a manager is unsure how to identify or deal with a potential conflict, advice must be sought from the Compliance Section and notification provided to the relevant senior manager.

3.6.4   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 Acting Head of Finance and Procurement and will result in non- participation in the procurement process.

3.7   Declaration of Interests (SLT only)

3.7.1   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.
- Category 7 – Other Interests.

3.7.2   SLT members will declare their interests against the 7 categories using a Register of Interests Declaration Form. 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.

3.7.3   On appointment to the SLT, the Business Support Team will ensure each individual completes a Register of Interests Declaration Form 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.

3.7.4   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.

3.7.5   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 as soon as practicable to the Business Support Team.

3.7.6   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.

3.8   Declaration of Interests (Board Members only)

3.8.1   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.
- Category 7 – Other Interests.

3.8.2   Board Members will declare their interests against the 7 categories using a Register of Interests Declaration Form. 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.

3.8.3   On appointment to the Board, the Board Support Team will ensure each individual completes a Register of Interests Declaration Form 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.

3.8.4   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.

3.8.5   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 as soon as practicable to the Board Support Team.

3.8.6   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.

3.9   Commercial Sponsorship

3.9.1   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.

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

3.9.3   Attendance at relevant commercially sponsored conferences and courses is acceptable within the terms of paragraph 3.9.1. Receipt or provision of such sponsorship will be recorded in the Register.

3.10   Monetary Gifts/Gratuities

3.10.1   The acceptance of or giving of monetary gifts, gift cards, vouchers or gratuities of any value is not generally acceptable.

3.10.2   Where monies are received by SFRS this will be on behalf of an affiliated charity and all monies must be passed to the relevant Charity or organisation as soon as practicable and confirmation that the money has been transferred notified to the Acting Head of Finance & Procurement.

3.11   External Third Parties

3.11.1   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.

3.11.2   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.

3.11.3   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 2010.

3.12   Inducements

3.12.1   Employees will refer to the Acting 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.

3.13   Completing the Declaration Forms

3.13.1   Where the procedures require a member of staff to complete the Declaration Form, it must be 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 Compliance Section who will acknowledge and retain the form in electronic format.

3.13.2   Where the procedures require a member of the SLT or the Board to complete the Declaration Form, it must be signed by the SLT or Board member. Thereafter, the form must be submitted electronically to the Board Support Team (SFRS.BoardSupport@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.

3.13.3   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.

4.   THE REGISTER OF GIFTS, HOSPITALITY AND INTERESTS

4.1   The Acting Head of Finance and Procurement will ensure that appropriate arrangements are in place for maintaining a Register of Gifts and Hospitality. 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 Good Governance Board and reported to the Audit and Risk Assurance Committee on a quarterly basis.

4.2   All interests that are declared by the SLT, using the procedures set out in section 3.7, 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.

4.3   All interests that are declared by the Board, using the procedures set out in section 3.8, 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.

4.4   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.

5.   MONITORING OF THE POLICY

5.1   The Acting Director of Finance and Procurement will be responsible for submitting a report on a quarterly basis to the Good Governance Board and the Audit and Risk Assurance Committee detailing the declarations as required by the Policy.

6. ASSOCIATED DOCUMENTS / REFERENCES

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 - LEGAL FRAMEWORK

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.

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.

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.

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.

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.

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.

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.

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

APPENDIX B - DEFINITIONS

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'.

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.

Gratuity: is defined as a gift of money.

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. Interests should be declared on an annual recurring basis where the Interest is still valid.

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.

APPENDIX C - 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

GIFTS, HOSPITALITY AND INTERESTS

DECLARATION FORM

(all relevant sections must be completed)

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 NUMBER:	
DIRECTORATE:		LOCATION:	
DESIGNATION:		ROLE:	

PART C : GIFTS, HOSPITALITY OR SPONSORHIP

DATE OFFERED / RECEIVED:		RECEIVED FROM:	
IF ACCEPTED PROVIDE REASON:			
APPROXIMATE VALUE: (UNKNOWN IS NOT ACCEPTABLE)		DETAILS OF ITEM:	

PART D : GIFTS, HOSPITALITY OR SPONSORHIP

DATE INTEREST DECLARED TO MANAGER:		NAME OF SUPPLIER/ ORGANISATION:	
DETAILS OF INTEREST BEING DECLARED:			
CATEGORY OF DECLARATION BEING MADE:	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		☐
	Category 7 – Other Interests		☐
IF CONFLICT WITH CURRENT ROLE EXISTS, PLEASE IDENTIFY ACTIONS TAKEN TO MINIMISE RISK:			

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 and 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 the SFRS Gifts, Hospitality and 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: (are current controls in place or are additional controls required)		I confirm I have been made aware of the above declaration without delay.	YES	☐
			NO	☐
PRINT NAME:		ROLE		
SIGNED:		DATE:		

SCOTTISH FIRE AND RESCUE SERVICE
Audit and Risk Assurance Committee

Report No: C/ARAC/45-23

Agenda Item: 12

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE
Meeting Date:	**30 OCTOBER 2023**
Report Title:	**QUARTERLY UPDATE OF GIFTS, HOSPITALITY & INTERESTS REGISTER**

Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to 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 2023/24 Q2 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 Financial 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 Good Governance Board (GGB) for noting. The Risk & Audit Section will be responsible for managing any relevant information.

3	**Main Report/Detail**
3.1	The Gifts, Hospitality and Interests (GHI) register for 2023/24 identifies 31 entries, with further information identified within Appendix A to this report. Separately, a further 5 declarations, under the £50 threshold, were received but not published.
3.2	Following the previous report to ARAC in June 2023 a further 2 entries were added to the 2023/24 Q1 register. These entries related to gift of gym equipment and an interest relating to the organisation who donated the equipment. The GHI register published on the website has been updated to include this information.
3.3	Engagement in relation to gifts, hospitalities and interests has continued with meetings held with Directorates Management Teams, LSO meetings and Functional meetings to communicate the requirements of the policy and examples of declarations that need to be made.
3.4	Work has been undertaken to consider the alignment between gifts and hospitality offered and interests declared against the relationship between the Service and the supplier. The

	spend against each supplier has been identified and ongoing discussions will be held with procurement to identify whether any additional work is required to manage this spend more appropriately.
4	**Recommendation**
4.1	The report is provided to the Audit and Risk Assurance Committee for scrutiny.
5	**Key Strategic Implications**
5.1 5.1.1	**Risk** The report reflects the general underlying principle that SFRS will operate in an open and transparent manner and aims to ensure that the conduct of all staff is impartial, honest and beyond reproach at all times, ensuring that SFRS suffers no reputational damage and minimises the risk of fraud to the Service.
5.2 5.2.1	**Financial** The report identifies declarations made in relation to Gifts, Hospitality and Interests, minimising the risk of fraud and associated financial loss to the Service.
5.3 5.3.1	**Environmental & Sustainability** Any implications arising from the report will be managed by the relevant Directorate.
5.4 5.4.1	**Workforce** Any implications arising from the report will be managed by the relevant Directorate.
5.5 5.5.1	**Health & Safety** Any implications arising from the report will be managed by the relevant Directorate.
5.6 5.6.1	**Health & Wellbeing** Any implications arising from the report will be managed by the relevant Directorate.
5.7 5.7.1	**Training** Any implications arising from the report will be managed by the relevant Directorate.
5.8 5.8.1	**Timing** The report is provided to the Audit and Risk Assurance Committee on a quarterly basis as required.
5.9 5.9.1	**Performance** The report provides information on declarations received and actions taken to increase awareness and ownership within the Service, the result of which will be increased levels of reporting.
5.10 5.10.1	**Communications & Engagement** Any implications arising from the report will be managed initial through Finance and Procurement and by the relevant Directorate to ensure policy is adhered to.
5.11 5.11.1	**Legal** Any implications arising from the report will be managed by the relevant Directorate.
5.12 5.12.1	**Information Governance** DPIA completed – Yes, in relation to the Gifts, Hospitality and Interests Policy.
5.13 5.13.1	**Equalities** EHRIA completed – Yes, in relation to the Gifts, Hospitality and Interests Policy.

5.14	**Service Delivery**
5.14.1	Any implications arising from the report will be managed by the relevant Directorate.

6	**Core Brief**
6.1	Not applicable

7	**Assurance (SFRS Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance and Procurement
7.2	**Level of Assurance:**	~~Substantial~~/**Reasonable**/~~Limited/Insufficient~~
7.3	**Rationale:**	It is acknowledged that further work is required to mature the GHI framework and build additional ownership and awareness throughout the Service, ensuring declarations received are accurate and timely. Additional engagement undertaken throughout the Service is resulting in additional declaration and queries being received indicating an improving position.

8	**Appendices/Further Reading**
8.1	Appendix A – 2023/24 SFRS Gifts, Hospitality and Interests Register

Prepared by:	Hazel Buttery, Fraud, Risk and Compliance Officer
Sponsored by:	John Thomson, Acting Director of Finance & Procurement
Presented by:	David Johnston, Risk and Audit Manager

Links to Strategy and Corporate Values

External Audit forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6:

Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.
- Objective 5.1: Remaining open and transparent in how we make decisions
- Objective 5.6: Managing major change projects and organisational risks effectively and efficiently

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Audit and Risk Assurance Committee	*30 October 2023*	*For Scrutiny*

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

Date	Name	Role	Description	Type	Value					Notes
22/08/2023	Iain Morris	Support Staff	Fundraising dinner & drinks	Hospitality	£50	Fire Aid and International Development	N/A	Angloco (sponsors)	Declined	
23/08/2023	Chloe Alexander	FFC	2 x tickets Royal Military Tattoo	Hospitality	£220	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Allan Day	FFC	1 x ticket Royal Military Tattoo	Hospitality	£110	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Caroline Gallagher	FFC	1 x ticket Royal Military Tattoo	Hospitality	£110	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Ryan Hall	FF	2 x tickets Royal Military Tattoo	Hospitality	£220	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Meg Hutchison	FFC	2 x tickets Royal Military Tattoo	Hospitality	£220	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
23/08/2023	Magda Kozlowska	SCC	2 x tickets Royal Military Tattoo	Hospitality	£220	Royal Edinburgh Military Tattoo	N/A	Royal Edinburgh Military Tattoo	Accepted	Offer from REMT as thanks to SFRS for our part in the safe delivery of the Tattoo in 2023
31/08/2023	Graeme Junner	FF	FF Junners wife is a partner for Miller Samuel Hill Brown who SFRS trade with	Interest	Data retained by Compliance	Miller Samuel Hill Brown Solicitors	N/A	Miller Samuel Hill Brown Solicitors	N/A	

SCOTTISH FIRE AND RESCUE SERVICE
Audit and Risk Assurance Committee

Report No: C/ARAC/47-23

Agenda Item: 14.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE
Meeting Date:	30 OCTOBER 2023
Report Title:	RISK UPDATE REPORT

Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to 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 current risk report for scrutiny.

2	**Background**
2.1	The purpose of the risk register is to inform decision making through Scrutiny and Assurance processes, providing additional awareness of the risks we face and the actions required to minimise these risks.
2.2	The ARAC is responsible for advising the Board and the Accountable Officer on the adequacy and effectiveness of the Service's arrangements for risk management and has oversight of the Strategic Risk Register.
2.3	The Strategic Leadership Team (SLT) has responsibility for the identification and management of risk and will ensure that Risk Registers present a fair and reasonable reflection of the most significant risks impacting upon the organisation. The SLT will champion the importance of risk management in supporting the achievement of the Service's strategic outcomes and objectives.
2.4	Risk Registers are prepared in consultation with the Board and SLT and are managed collectively by the SLT, with each Directorate Risk allocated to an identified Head of Function. These Responsible Owners provide information on the current controls in place and identify additional actions still required.

3	**Main Report/Detail**
3.1	**Risk Overview**
3.1.1	The risk register is a management tool that provides assurance to the Service and its scrutiny bodies that the significant risks of the organisation have been identified, managed and are subject to ongoing monitoring, review and discussion.
3.1.2	Following discussion within SLT all Directorate risks will be aligned to the Strategic Plan with only those risks rated 15 or above to be included within reporting templates. This will allow scrutiny to be focused on the most significant risks impacting upon Directorates and consideration of related control actions. This work will be completed for the ARAC report in January.

3.1.3	The alignment to the Strategic Plan, and focus upon the most significant risks, will remove the reporting on a separate set of strategic risks and will provide a consistent set of reports across performance and risk.
3.1.4	For the current period Directorates reviewed their current registers identifying 40 Directorate risks, aligned to all Committee's and Executive Boards, with 10 risks rated at 15 or above:

What is the current status of each risk?

Impact	2	3	4	5
2		1		
3	2	5	2	1
4	5	14	7	
5	1	1	1	

3.1.5	In relation to ARAC there are 15 aligned risks with two rated 15 or above.

What is the current status of each risk?

Impact	2	3	4
3		1	
4	3	9	1
5			1

3.16	Information outlined below relates only to those risks rated 15 or above with information on all other risks available through analysis of the risk dashboard.
3.2	**Current Risks Rated 15 or Above**
3.2.1	**SDD007** (Rated 20) There is a risk that we will be unable to maintain adequate levels of Cyber Security to avoid any breach due to a lack of resources, skills or appropriate policy and process being in place. There are three current control actions:

- In conjunction with Multi Factor Authentication (MFA), enhance the current M365 conditional access policies to control all devices and apps that connect to our M365 data and enforce our organisational policies. This control action aims to introduce further technical measures to minimise the opportunity for cyber-attacks (March 24)

- Carry out first bi-annual test exercise of the Cyber Security Incident Plan. This control action aims to confirm the controls implemented including awareness training for users are effective in protecting the Service from cyber attack. (September 23)

- Carry out second bi-annual test exercise of the Cyber Security Incident Plan. This control action aims to confirm the controls implemented including awareness

training for users are effective in protecting the Service from cyber attack. (March 24)

3.2.2   **FCS005** (Rated 16) There is a risk that the Service may be unable to secure levels of funding required to achieve its strategic objectives. There is one current control action:

- Continue to secure Capital and Resource Funding and review spending inline with the Resource Spending Review action plan. Focus now on 23/24 budgets with work progressing each month. (March 24)

3.3   **Control Actions**
3.3.1   Without action taken on progressing identified controls, risks are likely to remain static and additional reporting has now been put in place to manage control actions through a RAG status, similar to internal audit. This will focus scrutiny on priority areas, allowing responsible officers to provide assurance updates.

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

3.3.2   The 4 controls identified above were all on target for completion at the time of the risk update in August 2023. An update on the control action in relation to the fist bi-annual test exercise of the cyber security incident plan will be provided to ARAC at its January meeting.

3.4   **Significant Risk Changes**
Both risks outlined below are reportable to ARAC but are rated below 15.

3.4.1   Closed Risk

SDD010 - There is a risk that the services consultation and engagement processes do not adequately capture stakeholder feedback because of a lack of consistency across the organisation resulting in a loss of workforce, stakeholder and public confidence. This risk has been transferred from SPPC and Controls are being identified for inclusion within Q2 update. This risk was closed as it no longer sits within SDD due to PICT transferring to SPPC. (Risk rated at 12)

3.4.2   New Risk

SPPC015 - There is a risk that the services consultation and engagement processes do not adequately capture stakeholder feedback because of a lack of consistency across the organisation resulting in a loss of workforce, stakeholder and public confidence. (Current risk rating of 8)

3.5   **Risk Dashboard**
3.5.1   The recording and reporting on risk has matured over the last number of years, with a focus on identifying real and dynamic risks impacting upon the achievement of priorities.

3.5.2   Whilst the development on the revised input spreadsheet was a considerable improvement, and allowed an increased ability to track change, it also created challenges in terms of the length of reports and the ability to focus on the most significant risk and challenges they present.

3.5.3   To help manage these challenges work has been undertaken by the Business Intelligence Team to develop an interactive risk dashboard through Power BI. This brings together all risk information within a single tool, with a high-level overview allowing users to quickly and easily analyse risk information, customizing views of this information to enable informed discussion on risk.

3.5.4	Demonstrations of the tool have been provided to Members of the Audit and Risk Assurance Committee and the Good Governance Board as part of its development and the rollout to Directorates will be undertaken, following agreement by ARAC, at the end of November.
3.5.5	The use of the tool will require support from Business Intelligence and the Risk and Audit Team and training sessions will be provided to Members and Directorates. These sessions will build awareness and knowledge of the tools capabilities and allow future maturity of the tool through feedback and discussion.
3.5.6	Development of the risk dashboard has been significant but is still continuing. The next development stage will allow Directorates to update risks directly into the dashboard, avoiding the need for the excel templates. This will also facilitate the more regular updating of risk, anticipated monthly, allowing the currency of reports to be more accurate. Work through ICT is still required to allow this automatic reporting directly into the dashboard but initial monthly updates will be available to Directorates from January 2024, using the current excel template.
4	**Recommendation**
4.1	The Audit and Risk Assurance Committee is asked to: • Scrutinise the information presented within the report. • Agree the rollout of the risk dashboard to Directorates.
5	**Key Strategic Implications**
5.1 5.1.1	**Risk** The report identifies risks from each Directorate together with the significant changes made since the last update. Each Directorate will be responsible for the identification and mitigation of any associated risk and for the update of relevant risk registers.
5.2 5.2.1	**Financial** The report identifies risks from each Directorate with financial implications arising from control decisions to be managed by the relevant Directorate.
5.3 5.3.1	**Environmental & Sustainability** Any implications arising from the report will be managed by the relevant Directorate.
5.4 5.4.1	**Workforce** Any implications arising from the report will be managed by the relevant Directorate.
5.5 5.5.1	**Health & Safety** Any implications arising from the report will be managed by the relevant Directorate.
5.6 5.6.1	**Health & Wellbeing** Any implications arising from the report will be managed by the relevant Directorate.
5.7 5.7.1	**Training** Any implications arising from the report will be managed by the relevant Directorate.
5.8 5.8.1	**Timing** The report is provided to the Audit and Risk Assurance Committee on a quarterly basis.
5.9 5.9.1	**Performance** The risk report is used to ensure risks are identified and suitably managed by relevant Directorates.

5.10	**Communications & Engagement**
5.10.1	Any implications arising from the report will be managed by the relevant Directorate.

5.11	**Legal**
5.11.1	Any implications arising from the report will be managed by the relevant Directorate.

5.12	**Information Governance**
5.12.1	DPIA completed - No. The report provides a summary of risks identified by Directorates. Each Directorate will ensure that any relevant DPIA is completed as required.

5.13	**Equalities**
5.13.1	EHRIA completed - No. An assessment was undertaken in relation to the Risk Management Policy. Any individual elements of work, which may have an impact upon Equalities, will require to be assessed and managed by the relevant Directorate.

5.14	**Service Delivery**
5.14.1	Any implications arising from the report will be managed by the relevant Directorate.

6	**Core Brief**
6.1	Not applicable

7	**Assurance (SFRS Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance and Procurement
7.2	**Level of Assurance: (Mark as appropriate)**	~~Substantial~~/**Reasonable**/~~Limited/Insufficient~~ There is room for improvement in the identification of the right risks, controls and the completion of mitigating actions within identified timescales.
7.2	**Rationale:**	The report is based upon information identified by each Directorate and I have confidence that the information is correctly reported based upon these returns.

8	**Appendices/Further Reading**
8.1	N/A

Prepared by:	David Johnston, Risk and Audit Manager
Sponsored by:	John Thomson, Acting Director of Finance and Procurement
Presented by:	David Johnston, Risk and Audit Manager

Links to Strategy and Corporate Values

Risk Management forms part of the Services Governance arrangements and links back to Outcome 5 of the 2022-25 Strategic Plan, specifically Objectives 5.1 and 5.6:

Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.
- Objective 5.1: Remaining open and transparent in how we make decisions
- Objective 5.6: Managing major change projects and organisational risks effectively and efficiently

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Audit and Risk Assurance Committee	*30 October 2023*	*For Scrutiny*

HM Fire Service Inspectorate

Report to:	**SCOTTISH FIRE AND RESCUE SERVICE**
	AUDIT AND RISK ASSURANCE COMMITTEE
Meeting Date:	**30 October 2023**
Report By:	**HM Fire Service Inspectorate**

Subject:	**Routine Report on HMFSI business**

1. PURPOSE

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

2. RECOMMENDATIONS

2.1 That the Committee notes the update from HMFSI.

3. ACTIVITY AND PROGRESS

3.1 Service Delivery Area Inspection

HMFSI has previously advised the Committee of the replacement of Local Area Inspections and the development of, and move towards, carrying out the inspection and reporting of local service delivery at an SDA level. The first inspection of this type, for the East Service Delivery Area (ESDA), has now concluded and the Report is scheduled to be laid in Parliament and published on our website on 19 October 2023.

Following on from the successful completion of the ESDA Inspection, HMFSI has commenced its inspection process within the West Service Delivery (WSDA). Inspection visits and interviews are continuing with the overall inspection fieldwork scheduled to be complete by early 2024 with the final report due in the spring/early summer of 2024.

3.2   Thematic Inspection Work

Climate Change – Impact on Operational Activity

As the Committee are aware, the aim of this inspection was to assess the effectiveness, efficiency, and preparedness of the Service to respond to 'weather related' incidents that are increasing in volume, severity, and impact. The inspection has concluded and the report consultation response, which the Service has provided, has been considered in the drafting of the final report.

The report contains eight recommendations for the Service and describes four areas of good practice. The recommendations cover water procedures and planning, risk information, records, internal engagement, the Community Asset Register, and collection of statistics.

We are pleased to advise the Committee that the report has now published and was laid in the Scottish Parliament on 25 September 2023.

Mental Health and Wellbeing Provision in the SFRS

Mental Health and Wellbeing within the SFRS has been highlighted in the Chief Inspector's Plan 2022-25 as an area for a thematic inspection. The purpose of this inspection is to consider the Services' provision of Mental Health and Wellbeing services in line with the SFRS Mental Health Strategy 2020-2023.

Following formal consultation, it is anticipated that the report will be laid in the Scottish Parliament in November 2023.

Organisational Culture

HMFSI are currently preparing to carry out an inspection of organisational culture within the SFRS. The draft inspection outline and proposed timetable has been sent to the Service for consideration and comment. We anticipate this inspection will take around 12 months to complete.

3.4   Additional Inspection Activity

Independent Inspection of Northern Ireland FRS

As the Committee are aware, the Chief Inspector has been conducting an inspection of the Northern Ireland Fire and Rescue Service (NIFRS). This inspection has now concluded, and the final report has been shared with the Service and the Department of Health. The report was published on our website on 7 September 2023.

HM Chief Inspector Robert Scott QFSM

Date: 30 October 2023

SCOTTISH FIRE AND RESCUE SERVICE			
Audit Risk and Assurance Committee			

Report No: **C/ARAC/44-23**

Agenda Item: **15.2**

Report to:	**AUDIT AND RISK ASSURANCE COMMITTEE**						
Meeting Date:	**30 OCTOBER 2023**						
Report Title:	**OUTCOME OF HMRC COMPLIANCE REVIEW 2023**						
Report Classification:	**For Information Only**	**SFRS 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 advise the Committee of the outcome of a recent HMRC Compliance Review.

2   Background

2.1   HMRC carried out a compliance review of the following areas, covering years 2021/22 and 2022/23:
- Construction Industry Scheme (CIS),
- Benefits In Kind (BIK) including P11D,
- Salary Sacrifice Schemes,
- Redundancy / compensation / compromise agreements.

2.2   The purpose of the review was to ensure that the treatment of these areas by the Service are compliant with the appropriate legislation to ensure that the correct tax and National Insurance is deducted, and the appropriate returns are submitted to HMRC.

3   Main Report/Detail

3.1   The review involved providing HMRC with processes, procedures and transaction data for each of the areas. This included providing samples of payslips, employee declarations, contracts, supplier listings and invoices.

3.2   The review started in May 2023 and concluded on 2 October 2023 on receipt of a letter from HMRC to confirm that "Following our discussions on 3 May 2023 and review of supporting documents provided we have not identified any potential irregularities or areas of concern. As such I do not require any additional information and have no further queries."

3.3   The checks are now complete, however HMRC reserve the right to conduct further checks on tax compliance in the future.

3.4   There were previous issues relating to compliance with CIS which have been fully addressed and resolved. This review confirms that HMRC are content with the processes that have been put in place.

3.5   In terms of moving forward, any new initiatives involving pay and reward will be scrutinised carefully to ensure they are treated correctly.

4	Recommendation
4.1	The Committee is asked to scrutinise the information provided in this report.

5	Key Strategic Implications
5.1 5.1.1	**Risk** There are no Risk implications.
5.2 5.2.1	**Financial** There are no financial implications.
5.3 5.3.1	**Environmental & Sustainability** There are no Environmental and Sustainability implications.
5.4 5.4.1	**Workforce** There are no Workforce implications.
5.5 5.5.1	**Health & Safety** There are no Health and Safety implications.
5.6 5.6.1	**Health & Wellbeing** There are no Health and Wellbeing implications.
5.7 5.7.1	**Training** There are no Training implications.
5.8 5.8.1	**Timing** There are no Timing implications.
5.9 5.9.1	**Performance** There are no Performance implications.
5.10 5.10.1	**Communications & Engagement** There are no Communications and Engagement implications.
5.11 5.11.1	**Legal** The Service was selected along with a number of employers and contractors to undergo a check to ensure that PAYE (Pay As You Earn) responsibilities and CIS obligations have been met. The relevant tax legislation includes the Income Tax (Earnings and Pensions) Act 2003 and The Income Tax (Construction Industry Scheme) Regulations 2005.
5.12 5.12.1	**Information Governance** DPIA completed ~~Yes~~/No.
5.13 5.13.1	**Equalities** EHRIA completed ~~Yes~~/No.
5.14 5.14.1	**Service Delivery** There are no Service Delivery implications.

6	Core Brief
6.1	HMRC carried out a compliance review for the years 2021/22 and 2022/23 covering the following areas: • Construction Industry Scheme (CIS), • Benefits In Kind (BIK) including P11D, • Salary Sacrifice Schemes,

		• Redundancy / compensation / compromise agreements. The review found no areas of concern and the checks are now complete.
7	**Assurance (SFRS Board/Committee Meetings ONLY)**	
7.1	**Director:**	John Thomson, Acting Director of Finance and Procurement
7.2	**Level of Assurance:** **(Mark as appropriate)**	**Substantial/**~~Reasonable/Limited/Insufficient~~
7.3	**Rationale:**	The review by HMRC covering the areas noted above found no areas of concern.
8	**Appendices/Further Reading**	
8.1	Appendix 1: HMRC Closure Letter	

Prepared by:	Alan Duncan, Accounting Manager
Sponsored by:	John Thomson, Acting Director of Finance and Procurement
Presented by:	John Thomson, Acting Director of Finance and Procurement

Links to Strategy and Corporate Values

Governance Route for Report	**Meeting Date**	**Report Classification/ Comments**
Strategic Leadership Team	*17 October*	*For information*
Audit and Risk Assurance Committee	*30 October 2023*	*For scrutiny*

Appendix 1

HM Revenue & Customs

Wealthy/Mid-sized Business Compliance WMBC
S1250
NEWCASTLE
NE98 1ZZ

SCOTTISH FIRE & RESCUE SERVICE
SCOTTISH FIRE & RESCUE SERVICE HQ
WESTBURN DRIVE
CAMBUSLANG
GLASGOW
G72 7NA

Phone   03000 559895

Web   www.gov.uk

Date   2 October 2023
Our Ref   475/AA80300
Your Ref   WMBC/CPCE/S125/475AA80300

Dear Mr Duncan

Following our discussions on 3 May 2023 and review of the supporting documents provided we have not identified any potential irregularities or areas of concern. As such I do not require any additional information and have no further queries.

Our checks are now complete. Please note, we reserve the right to conduct further checks into your tax compliance in the future. Additionally, from time to time, specific projects and campaigns may require you to carry out a review or audit.

If you contact us, we can deal with you more quickly if you quote our reference number and give us your contact details.

Yours sincerely

Miss Louise Aitchison
Officer of HMRC

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account Or you can use the HMRC app.

To find out about the service and standard of behaviour you can expect from us, go to www.gov.uk and search 'HMRC Charter'.

If you need extra support, for example if you have a disability, a mental health condition, or do not speak English/Welsh, go to www.gov.uk and search for 'get help from HMRC'.
Text Relay service prefix number – 18001

FF20230929 Scottish Fire and Rescue Service Closure Letter

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
30 NOVEMBER 2023 – Special Private	• Chair's Welcome • Apologies • Consideration of and Decision of any items to be taken in Private • Declaration of Interests • Review of Actions • Date of Next Meeting • **HOT DEBRIEF**			**Standing/Regular Reports** • SFRS Draft Annual Report and Accounts 2022/23 (Private) **External Audit** • Private Session – Annual Report to Members and Auditor General for Scotland	
18 JANUARY 2024	• Chair's Welcome • Apologies • Consideration of and Decision of any items to be taken in Private • Declaration of Interests • Minutes of Previous Meeting • Action Log • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting **HOT DEBRIEF**	**Standing/Regular Reports** • HMFSI Quarterly Report **New Business** •	**Standing/Regular Reports** **Internal Audit** • Internal Audit Progress Report 2023/24 • Internal Audit – Annual Assurance Statement 2022/23 • Progress Update – Internal Audit Recommendations **External Audit** • Wider Scope and Other External Audit Actions (JT) • Independent Audit/ Inspection Action Plan Update • Internal Controls Updates - Strategic Risk Register - Anti Fraud/Whistleblowing • Gifts and Hospitality – Quarterly Update **New Business** •	**Standing/Regular Reports** **Internal Audit** • Draft Internal Audit Plan 2023/24 **External Audit** • External Audit – The Audit Plan 2022/23 **New Business** •	**Standing/Regular Reports** **New Business** •

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION

26 MARCH 2024	• Chair's Welcome
	• Apologies
	• Consideration of and Decision of any items to be taken in Private
	• Declaration of Interests
	• Minutes of Previous Meeting
	• Action Log
	• Review of Actions
	• Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days
	• Date of Next Meeting
	HOT DEBRIEF
		Standing/Regular Reports
		• HMFSI Quarterly Report
			Standing/Regular Reports
			Internal Audit
			• Internal Audit Progress Report 2023/24
			• Internal Audit – Annual Assurance Statement 2022/23
			• Progress Update – Internal Audit Recommendations
			External Audit
			• Wider Scope and Other External Audit Actions (JT)
			
			• Independent Audit/ Inspection Action Plan Update
			• Internal Controls Updates
			  - Strategic Risk Register
			  - Anti Fraud/Whistleblowing
			• Arrangements for Preparing the AGS 2022/23 (Annual)
			• Gifts and Hospitality – Quarterly Update
				Standing/Regular Reports
				Internal Audit
				• Draft Internal Audit Plan 2024/25
				
				External Audit
				• External Audit – The Audit Plan 2023/24
					Standing/Regular Reports
					• Accounting Policies

		New Business •	**New Business** •	**New Business** •	**New Business** •

Item to be still be scheduled:
• Security Strategy – Periodic Update (Dates TBC)