



**SCOTTISH**  
**FIRE AND RESCUE SERVICE**

Working together for a safer Scotland

**PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE**

**TUESDAY 25 JUNE 2024 @ 1000 HRS**

**BRAIDWOOD SUITE, SCOTTISH FIRE AND RESCUE SERVICE HEADQUARTERS,  
WESTBURN DRIVE, CAMBUSLANG, G72 7NA / VIRTUAL (MS TEAMS)**

**PRESENT:**

Brian Baverstock, Chair (BB)	Neil Mapes (NM)
Malcolm Payton (MP)	Madeline Smith (MS)
Mhairi Wylie (MW)	

**IN ATTENDANCE:**

Ross Haggart (RH)	Chief Officer
Stuart Stevens (SS)	Deputy Chief Officer
Liz Barnes (LB)	Interim Deputy Chief Officer, Corporate Services
Mark McAteer (MMcA)	Director of Strategic Planning, Performance and Communications
Sarah O'Donnell (SO'D)	Director of Finance and Contractual Services
David Johnston (DJ)	Risk and Audit Manager
Matt Swann (MSw)	Internal Audit (Azets)
Michael Oliphant (MO)	External Audit (Audit Scotland)
Tommy Yule (TY)	External Audit (Audit Scotland)
Robert Scott (RS)	His Majesty's Fire Service Inspectorate (HMFSI)
Kirsty Darwent (KD)	Chair of SFRS Board
Kevin Murphy (KM)	Group Commander, Board Support Manager
Heather Greig (HG)	Board Support Executive Officer
Gillian Downey (GD)	Corporate Business Support/Minutes

**OBSERVERS:**

Karen Horrocks (KH)	Assistant Verification Team Officer, Risk and Audit
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**1 CHAIR'S WELCOME**

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

**2 APOLOGIES**

- 2.1 Gary Devlin, 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 21 (*Internal Control Review Report*) and Item 22 (*Breach of Financial Regulations and Misappropriation of Funds*) would be heard

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in private session due to matters relating to individuals in line with Standing Orders Item 9A.

3.2 No further items were identified.

## 4 DECLARATION OF INTERESTS

4.1 There were no declarations of interest made.

## 5 MINUTES OF PREVIOUS PUBLIC MEETING

### 5.1 Tuesday 26 March 2024

5.1.1 The minutes of the meeting held on 26 March 2024 were approved as a true record of the meeting.

### 5.2 Matters Arising

5.2.1 There were no matters arising.

## 6 ACTION LOG

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

Action 9.1.2 Audit Dimensions and Best Value Report and Annual Report 2021/22 (18/01/2024): SO'D confirmed this action can be closed as the report is included as part of this Committee meeting.

Action 7.2.2 SFRS Progress Update/Management Response (26/03/2024): BB confirmed this action can be closed as a commitment has been provided in relation to up-to-date verbal updates.

Action 7.1.9 Internal Audit Progress Report 2023/24 (26/03/2024): MSw confirmed a meeting would be arranged prior to the October Committee meeting.

Action 9.1.11 SFRS Internal Audit Progress Report 2023/24 Final Report – Sickness Absence Management (27/06/2023): LB confirmed it would be expected that this action could be closed at the next meeting.

Action 15.2.2 Anti-fraud/Whistleblowing Update (26/03/2024): BB requested a timescale be provided for this action.

Action 14.2 Quarterly Update of Gifts, Hospitality and Interests Register (26/03/2024): NM briefly outlined the discussion that took place during the meeting in relation to the updates to the register.

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

## 7 COMMITTEE ANNUAL REPORT 2023/24 TO THE ACCOUNTABLE OFFICER AND BOARD

7.1 BB presented the Audit and Risk Assurance Committee (ARAC) Annual Report 2023/24 for approval, prior to submitting to the Scottish Fire and Rescue Service (SFRS) Board 'For Information only'. The following key points were highlighted:

- The Committee can provide the Board and Accountable Officer reasonable assurance that SFRS has effective governance, risk management and internal control arrangements in place.
- Areas of development have been noted in relation to risk management arrangements.

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7.2 The Committee queried if a private session had taken place with External Audit as well as Internal Audit and requested confirmation be obtained around this. The Committee noted an amendment would be made to confirm once a review had been carried out.

7.3 **Subject to the above amendment, the Committee approved the Committee Annual Report 2023/24.**

### **8 ANNUAL GOVERNANCE STATEMENT 2023/24**

8.1 MMcA presented a report to the Committee to advise of the Annual Governance Statement (AGS), for inclusion in the Annual Report and Accounts of the SFRS for the year ended 31 March 2024. The following key points were highlighted:

- Within the AGS 2023/24, there were no significant issues or risks as defined in the Scottish Public Finance Manual (SPFM) that required to be highlighted.
- Areas for improvement that have been identified will be progressed to strengthen assurances around the effectiveness of the SFRS's internal controls, risk management and corporate governance arrangements.
- Areas of Fraud Risk identified will be progressed to strengthen controls and measures to reduce Fraud Risk.

8.2 The Committee confirmed clarity should be provided within the report to state that there are no significant risks to be highlighted within the AGS, which should not be interpreted as the Risk Register. However, the Committee noted the AGS should highlight significant challenges the organisation has faced in the current period or period to follow, specifically those relating to the procurement of a new Mobilisation System..

8.3 The Committee agreed, subject to the above amendments, that the AGS was a comprehensive report and were content for it to be included within the Annual Report and Accounts.

8.4 **The Committee scrutinised the report.**

### **9 INTERNAL AUDIT**

#### **9.1 SFRS Internal Audit Progress Report 2024/25**

9.1.1 MSw presented a report to the Committee which summarised the progress on the delivery of the 2024/25 Internal Audit Plan and provided an overview of internal audit assignments scheduled to commence in quarter two of 2024/25.

9.1.2 The Committee commented on the order in which the reports had been presented and any future reports should be in chronological order within the agenda.

9.1.3 In relation to the Cyber Security audit, the Committee sought assurance that any risk associated with Artificial Intelligence (AI) would be covered within the report, and the resilience framework considered AI at relevant points in time. MSw confirmed this would be covered appropriately within the report.

9.1.4 MS queried how this compared with a Network and Information Systems (NIS) Audit which essential services such as NHS must be externally audited for. MSw advised relevant areas of good practice are considered during the review. SO'D noted the Scottish Government (SG) framework seeks to align with key, wider cyber related requirements under General Data Protection Regulation (GDPR) and safety directives and other relevant international standards. SO'D advised that discussions took place to cross reference against the National Fire Chiefs Council's (NFCC) recent work on Cyber Resilience.

9.1.5 The Committee commented on the risk tolerance of the Service and how this can be captured. SO'D confirmed risk appetite is a key priority which is currently being developed. SO'D noted, when further developed, this would allow for an initial cross comparison when the audit report is provided.

- 9.1.6 In relation to the Environmental Management Audit, the Committee queried if the effectiveness of the staff training detailed in the control objective would be captured. MSw advised the content and application of the training were included within the review and feedback would be provided.
- 9.1.7 The Committee highlighted the assurance provided through the work carried out during preparation stages to ensure the audits achieve their objectives.
- 9.1.8 In relation to the Anti-Fraud Arrangements Audit, the Committee queried if the audit would review the Service's capacity and capability to investigate fraudulent activity, alongside prevention and detection of fraud. MSw confirmed this would be covered as outlined in Control Objective 5.
- 9.1.9 The Committee requested that Control Objective 5 include ARAC as well as the Strategic Leadership Team (SLT) and the Board. MSw confirmed this would be amended.
- 9.1.10 Internal Audit Report on Contract Management  
MSw advised the Committee of the outcome of the audit, noting the following key points:
- The Service generally has robust controls in place in terms of day-to-day monitoring of contracts.
  - Contract management and policy is not being carried out in a consistent manner.
  - The definitions of the levels of risk associated with contracts need to be made clearer, which would assist in appropriate prioritisation of activity to deliver an efficient and targeted contract management function, particularly in a tightening resource environment.
- 9.1.11 SO'D noted the inconsistencies and issues raised within the report. SO'D confirmed management teams are focusing on the actions required, utilising electronic tools available to record the contract management that is already undertaken. SO'D highlighted the challenges of ensuring there are resources and capacity to complete actions within the report.
- 9.1.12 The Committee queried how the issues within the report will impact the effectiveness of contract management as a control measure for organisational risk, such as Operations Control system failure. SO'D highlighted contract management is carried out by the Service, and this is an example of a key strategic contract that is in place with strong contractor relationships. However, improvements are needed to ensure consistent recording and setting key performance indicators (KPI) from the outset, that are reviewed and checked. It was noted that KPIs can also be used during the procurement renewal process.
- 9.1.13 The Committee queried if issues around procurement resource could be addressed in partnership with other bodies using procurement resource. SO'D confirmed the Service works with other bodies and are exploring different options to improve resourcing.
- 9.1.14 The Committee noted that, due to timings of meetings, the Annual Procurement Report would be presented to the Board, prior to being presented to ARAC.
- 9.1.15 In relation to section 3.1 of the report, the Committee requested that the wording of the management action be reviewed to better reflect the control objective and consider prioritising internal capabilities.
- ACTION: SO'D**
- 9.1.16 The Committee queried if there was a need for interim controls to be applied if recommendations have longer timescales. MSw noted that it is important that progress on

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the implementation of recommendations is presented to the Committee to allow this detail to show the interim measures that are being applied.

### 9.1.17 Internal Audit Report on Risk Assurance Advisory Review

MSw provided an overview of the report and advised the Committee that the approach to this audit differed from others. MSw highlighted the following:

- SFRS's risk management arrangements sit within the risk defined/risk managed categories following an assessment against a risk maturity model.
- Establishing a risk appetite is a key enabler for the Service.

9.1.18 The Committee noted the recommendations within the report and the actions required to progress.

9.1.19 The Committee highlighted the importance of the work on risk appetite and its significance to the Strategic Service Review Programme (SSRP).

### 9.1.20 Internal Audit Report on Partnership Working

MSw provided an overview of the report and highlighted the following:

- There is a good overall approach to partnership working that has good strategic alignment.
- It is recommended that resources should be proportionate and aligned to allow for efficiencies to be made and meet key obligations.
- It is evident that there are positive partnership arrangements in place, specifically with engagement.

9.1.21 The Committee welcomed the recommendations within the report and highlighted the complexity of partnership working. MMcA advised the Annual Partnership Report would be presented to the Board in August 2024 and would highlight the wide range of partnership working that is being undertaken.

9.1.22 The Committee queried the risk of staff turnover impacting partnership working and the relationships established if appropriate handovers, guidance and support was not provided. MMcA advised that the impact of this had been recognised and work was underway to ensure appropriate support and guidance was provided.

9.1.23 The Committee sought assurance that relationships as defined within the Community Justice Act are understood throughout the service.

**ACTION: MMcA**

9.1.24 The Committee queried what process was in place to collate the information gathered from local areas and utilise this at a strategic level and to inform strategic objectives. MMcA confirmed in response to the report, formal reporting would be provided to demonstrate the work being undertaken, not just the awareness of the work being carried out in local areas.

9.1.25 RS advised the Committee that the HMFSI review of the West Service Delivery Area also includes detail on the effect of staff turnover on partnership working. RS noted an evaluation from the community planning partnerships would be beneficial to establish a cost-benefit analysis.

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

## 9.2 **SFRS Progress Update/Management Response**

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

- The majority of remaining actions are from 2022/23 and 2023/24 which is a positive position for the Service.

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- The oldest actions relate to risk appetite. MSw noted that with the conclusion of the Risk Assurance Advisory Review, actions included within this report may supersede these older actions and asked the Committee to consider their preference on how these relating actions should be monitored.

9.2.2 The Committee considered and agreed to marking any relevant actions as superseded, highlighting previous discussions and the work undertaken around the accuracy of completion dates, ensuring they are realistic.

9.2.3 MS queried what is the progress around maximizing those opportunities, particularly non capital, revenue and other grants. SO'D advised that governance arrangements had changed due to amendments to the Executive Board structure. The new internal governance that would review this aspect was the Corporate Board and an update would be provided to them in relation to progress made in line with the Income Generation policy.

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

### 9.3 SFRS Internal Audit Annual Report 2023/24

9.3.1 MSw presented a report to the Committee providing an overview of the work undertaken in respect of the 2023/24 internal audit programme and to provide Azets overall annual opinion. The following key points were highlighted:

- SFRS has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives.
- Key themes identified summarise key matters that should be a focus for the Service.
- The summary of outcomes from the external quality assessment carried out on Azets, confirming the service SFRS receives is of a high quality and fully compliant with internal audit standards.

9.3.2 RH noted the work required to progress areas highlighted in the report and commends the joint work undertaken between Azets and SFRS, along with the completion of the external review carried out on Azets.

9.3.3 The Committee queried how many of the higher-grade outstanding actions were significantly overdue. MSw advised that this detail was contained within the SFRS Progress Update/Management Response report however clarified the detail for the Committee.

9.3.4 **The Committee scrutinised the report.**

## 10 AUDIT ACTION PLANS AND CLOSING REPORTS UPDATE

10.1 MMcA presented a report to the Committee providing an overview update of the current HMFSI inspection action plans for scrutiny. The following key points were highlighted:

- The iHub Project went live in April which will allow progress to be made on remaining actions.
- All remaining plans will be completed within appropriate timescales.

10.2 In relation to Firefighting in High Rise Buildings, the Committee requested clarity around the RAG status due to different ratings within the report and appendix. MMcA confirmed this should have an amber rating.

10.3 **The Committee scrutinised the report.**

## 11 EXTERNAL AUDIT

### 11.1 External Audit Update Report

11.1.1 SO'D presented the report to the Committee for scrutiny, outlining the progress on the external audit follow up activity following the appointment of Audit Scotland. The following key points were highlighted:

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- Following updates, 3 recommendations have been classed as complete by action owners, with supporting evidence provided to Audit Scotland.
- One recommendation is awaiting confirmation of completion following supporting evidence being sent to Audit Scotland.
- One recommendation is seeking an extension to its completion date due to ongoing work.
- Audit Scotland will review any remaining outstanding actions at the end of this year's audit and incorporate these as appropriate into their recommendations.

11.1.2 TY provided an overview of the work that has been undertaken, covering areas including Workforce Planning, Asset Management and the Performance Management Framework. TY confirmed a full update will be provided within the Annual Audit report.

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

### 12 **AUDIT AND RISK ASSURANCE COMMITTEE QUARTERLY PERFORMANCE Q4 2023/24**

12.1 MMCA presented the Committee with the fourth quarter performance of KPIs 35 – 42 for fiscal year 2023-24 along with end year performance for KPIs 58-61, 64 and 65 for scrutiny. Key points were highlighted including in relation to KPI38 - % FOI responded within timeframe, additional resource was being provided to assist with the current volume of FOI requests.

12.2 In relation to KPI25, Cyber Security breaches, the Committee queried if there is data on the number of attempted attacks or attacks that the Service have prevented and if the threat has increased or decreased. SO'D acknowledged that this specific KPI did not provide this detail, however ICT are developing more detailed performance indicators to provide this information. SO'D noted that the firewalls the Service have in place to block any potential attack from unknown sources and security incidents are also monitored by the Cyber Security Team. SO'D highlighted the importance of ensuring there is appropriate resources to maintain and monitor this capability.

12.3 The Committee welcomed any recommendations the Cyber Security audit would identify in relation to how reporting effectiveness is measured.

12.4 The Committee commented on this report evolving to link to risk management, performance reports and different KPIs that would be relevant to ARAC.

12.5 **The Committee scrutinised the report.**

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

13.1 DJ presented the Gifts, Hospitality and Interests Policy and Quarterly Update (Q1 2024/25) to the Committee for scrutiny. The following key points were highlighted:

- Total number of individual declarations, as of 10 June 2024, was 4 with a further 2 since then that were under the £50 threshold and not published.
- Following the previous report to ARAC in March 2024 a further 2 entries were added to the 2023/24 Q4 register. These entries related to an offer of Hospitality and a declared Interest. The GHI register published on the website has been updated to include this information.
- Engagement is ongoing to provide awareness in Fraud and Gifts and Hospitality within directorates which has resulted in more information being reported.

13.2 DJ provided further detail in relation to the entry for the 2024 Euros, confirming the invitation was for formal engagement with their senior staff, attending a civic event, a review of preparations during the build-up to Euro 2024 and the opportunity to attend the opening ceremony of Euro 2024, in a formal capacity, not seated allocation. DJ noted staff attending were wearing uniform, as SFRS representatives.

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- 13.3 The Committee welcomed the detail provided on the authorisation process and if attending in an official capacity, the register will require to be amended.
- 13.4 SS noted processes have been adhered to, however it would have been of benefit to have the additional information from the outset and it would not be unusual for SFRS to be invited to events.
- 13.5 The Committee commented on what elements could potentially fall under hospitality and the differences when attending in a formal capacity.
- 13.6 DJ assured the Committee that all processes were undertaken and documentation completed for this specific entry.
- 13.7 NM highlighted the work required to ensure interests are appropriately registered which will assist with increasing awareness and knowledge in relation to notifying of any gifts or hospitality.
- 13.8 MO highlighted the Service needs to ensure appropriate information is provided within the documentation, particularly around the details provided. It was agreed that the descriptive wording within the Details column of the register be reviewed.  
**ACTION: DJ**
- 13.9 The Committee requested a brief be circulated to Committee members that outlined the specific detail and approval process for the recent entry discussed and to include the guidance provided and learning outcomes/feedback.  
**ACTION: SS/SO'D**
- 13.10 The Committee commented on the Service attending other events in a similar capacity to learn lessons from other organisations dealing with large events.
- 13.11 **The Committee scrutinised the report.**

## 14 INTERNAL CONTROLS UPDATE

### 14.1 Risk Report Update

- 14.1.1 DJ presented the risk report and dashboard to the Committee for scrutiny. The following key points were highlighted:
- There are currently 34 directorate risks, aligned to all Committee's and Executive Boards, 8 of which are assessed as 15 or above.
  - Section 3.1.9 identifies new risks added.
  - Appendix A provides detail on associated controls for risks with changes to probability and impact.
  - Section 3.3 provides background and an update on the work being carried out on risk appetite. DJ noted as stated within the Risk Assurance report from Azets, SFRS have highlighted that by the end of the year, the aim is to have all the statements developed but also used as part of discussions for SSRP or for the Strategic Plan.
- 14.1.2 The Committee acknowledged the work that had been undertaken for the report to evolve to its current format.
- 14.1.3 The Committee queried if all risk actions were achieved, what progress would be made to the target risk. DJ advised that the risk assurance report articulates the need for risks to be aligned more clearly with assurance and that risk targets are set at a realistic level. BB noted the next stage of the development will detail the route to green which is critical in understanding the effectiveness of the actions that were applied.



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- 14.1.4 SO'D commented once the Service is clear on risk appetite, targets are set based on this. Risk owners will be expected to set out the most coherent plan to achieve the target that has been set, which would then be scrutinised. RH noted SLT were in agreement and the next iteration needs to have a clear risk appetite which will inform the targets and the appropriate actions taken to reach the target.
- 14.1.5 The Committee commented on the risk appetite focusing on minimising loss, however, in some instances, risk taking is needed in order to maximum gains.
- 14.1.6 The Committee commented clear detail would have to be provided in relation to Political risk. While it was recognised that political issues were unavoidable, the Service should consider the governance involved within this category and how these issues should be handled.
- 14.1.7 The Committee commented on the possibility of two financial categories, one for the ongoing stability of the organisation and another for innovation which could have higher risk but potential for a greater return.
- 14.1.8 In relation to the risk category, Compliance, the Committee discussed Health and Safety being a category in its own right. MMcA confirmed this will be included within further discussions.
- 14.1.9 RH noted information had been gathered internally and from Scottish Government and NFCC to inform the initial risk categories. Directors have been allocated categories to develop the risk statements which will be reviewed at an SLT workshop in July 2024. The risk categories will then be applied to existing risks and any gaps will be identified to ensure the risk categories cover all risks. This will provide an appropriate level of information to be presented to the Committee.
- 14.1.10 **The Committee scrutinised the report and noted the continuing progress being made.**
- 14.2 **National Fraud Initiative Exercise 2022-23**
- 14.2.1 SO'D presented a report to the Committee providing an update on the outcomes of the National Fraud Initiative (NFI) Exercise 2022/23. The following key points were highlighted:
- There are 1200 participating organisations and the most recent exercise commenced in September 2022.
  - The Service provided data sets on both payroll and trade creditors.
  - The Service had 670 matches which was slightly more than half of what had been identified at the previous exercise. SFRS's good practice is to open and investigate all matches and no instances of fraud have been identified through investigations undertaken.
  - At the date of this report 655 (98% of matches) have been investigated and closed.
  - In relation to trade creditors, a couple of errors had been identified totalling £3,668. To date £1,546.58 has been recovered, with the recovery of the remaining £2,121.60 in progress.
  - This exercise allowed investigation of undeclared interests, with 13 matches identified. 4 matches did identify an interest not previously reported and have now been added to the Gifts, Hospitality and Interests register.
  - For matches undertaken in relation to Payroll, a total of 89 matches were identified. To date 74 matches have been completed with only 1 error being identified and recovered.
  - Investigations in relation to the remaining matches are still in progress, with 9 awaiting investigation from other matching government bodies, external to SFRS.
- 14.2.2 The Committee requested the addition of a conclusion section for future reports to capture what has been gained from the information detailed.

14.2.3 The Committee received assurance from Audit Scotland that the arrangements SFRS have in place are robust and the engagement in the exercise and the planning, progress and response to outcomes would provide a Green RAG status.

14.2.4 **The Committee scrutinised the report.**

14.3 **Anti-fraud/Whistleblowing Update**

14.3.1 SO'D advised the Committee that there had not been any new instances of fraud and updates would be provided within the private session for the two ongoing cases.

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

**15 REPORT(S) FOR INFORMATION ONLY:**

**15.1 Quarterly Update Report on HMFSI Business**

15.1.1 RS presented the quarterly report to the Committee to provide an update on HMFSI's inspection and reporting activity during 2023/24 and an update on inspection work underway or planned for 2024/25. The following key areas were noted:

- East Service Delivery Area (ESDA) Inspection concluded in last financial year and was published in October 2023.
- The West Service Delivery Area (WSDA) has concluded, and the report is expected to be laid in the Scottish Parliament on 4 July 2024. RS noted the report would not be available until after the general election. RS highlighted there are similar findings to the ESDA inspection which is not unexpected. RS highlighted his statutory duty as Chief Inspector was to ensure that SFRS were operating effectively and efficiently across the whole of Scotland. Once 3 area inspections have been completed, focus would be on ensuring improvements are made across the Service.
- Chief Inspectors Update Report outlines the last 3 years, reflecting on work of the Inspectorate.
- The North Service Delivery Area (NSDA) Inspection is underway, and the inspectorate are engaging with local areas as well as local authorities and other partners. RS noted this inspection has a longer timeframe due to the complexity of the NSDA and also budget restrictions due to the travel required for rural areas.
- In relation to the Organisational Culture inspection, time has been spent on engagement with the Service, representative bodies and other partners to shape and progress this work. RS highlighted it has been agreed the first focus will be on corporate, policy and procedure elements of the organisation to ensure the Service is operating correctly and culture is appropriate. RS noted issues have been resolved to allow for data transfer to take place and engagement will now commence within areas to check understanding of the documentation, policies and values. RS highlighted that to provide an additional level of assurance for the inspection, a number of external consultants had been appointed. RS advised a visit had taken place to introduce external consultants to SFRS and thanked the Service for the engagement that has taken place to date. RS noted the intention would be to produce the report by the end of 2024, prior to consultation and then published around March 2025.
- The Operational Assurance review would seek to understand how the Service learns for its own operational activities, improves training, policies and procedures from lessons learned and monitoring operational activity.

15.1.2 RS noted that on reflection, the report template required to highlight the positive relationship between HMFSI and SFRS. RS commented that counterparts within other areas of the UK are considering making recommendations mandatory, however RS did not feel that was required within Scotland due to the engagement and relationship established.

15.1.3 The Committee welcomed the comment of the additional section to be included within the HMFSI report.

15.1.4 **The Committee noted the report.**

**16 REVIEW OF ACTIONS**

16.1 KM confirmed that 4 formal actions were recorded during the meeting.

**17 FORWARD PLANNING**

**17.1 a) Committee Forward Plan Review**

17.1.1 The Committee considered and noted the Forward Plan.

17.1.2 The Committee commented on ensuring enough time was available to discuss Risk Appetite, at the next meeting of ARAC. SO'D advised that an update on the progress of work undertaken on Risk Appetite was scheduled for the Board Strategy Day in September.

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

17.2.1 There were no items identified.

17.2.2 BB advised the Committee that Board Member Malcolm Payton would undertake the role of Deputy Chair of ARAC with immediate effect.

**18 DATE OF NEXT MEETING**

18.1 The next public meeting is scheduled to take place on Tuesday 29 October 2024 at 1000 hrs.

18.2 There being no further matters to discuss, the public meeting closed at 1315 hrs.

**PRIVATE SESSION**

**19 MINUTES OF PREVIOUS PRIVATE MEETING: TUESDAY 26 MARCH 2024**

19.1 The minutes of the private meeting held on 26 March 2024 were approved as a true record of the meeting.

**20 ACTION LOG**

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

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

**21 INTERNAL CONTROL REVIEW REPORT**

21.1 DJ presented a report to the Committee to update on the development of the action plan in relation to the investigation undertaken.

21.2 **The Committee scrutinised the report.**

**22 BREACH OF FINANCIAL REGULATIONS AND MISAPPROPRIATION OF FUNDS**

22.1 DJ provided an update to the Committee on a breach of the SFRS's Financial Regulations, External Funding Policy and Procedure, Code of Conduct and Anti-Fraud and Corruption Policy.

22.2 **The Committee scrutinised the report.**