



SCOTTISH
FIRE AND RESCUE SERVICE

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PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

TUESDAY 29 OCTOBER 2024 @ 1345 HRS

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

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 MEETINGS: TUESDAY 25 JUNE 2024

(attached)

B Baverstock

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

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 2024/25 *(attached)*

- Environmental Management Internal Audit Report *(attached)*

- Cyber Security Internal Audit Report *(verbal)*

Azets

I Bashir

S O'Donnell

7.2 SFRS Progress Update / Management Response *(attached)*

Azets

The Committee is asked to scrutinise these reports.

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

OFFICIAL

- 17 **EXTERNAL AUDITOR'S REPORT ON THE 2023/24 AUDIT** *(attached)* *Audit Scotland*

The Committee is asked to scrutinise this report.

- 18 **SCOTTISH FIRE AND RESCUE SERVICE DRAFT ANNUAL REPORT AND ACCOUNTS 2023/24** *(attached)* *S O'Donnell*

The Committee is asked to recommend this report.

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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

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

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.

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

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.

- 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:

- 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.

- 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.

- 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.**

AUDIT AND RISK ASSURANCE COMMITTEE ROLLING ACTION LOG



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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 6 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 2 actions categorised as Yellow status on the action log.

**AUDIT AND RISK ASSURANCE COMMITTEE
ROLLING ACTION LOG**



Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 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.	SO'D JF	June 2024 (Org June 2023)		October 2024	<p>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.</p> <p>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.</p> <p>Updated (18/01/2024): This work will now be incorporated in 2024/25, which will include a refresh of the medium term financial plan and LTFS in Q1 of the new financial year.</p> <p>Updated (26/03/2024): This is the same as last update as timeframe has not passed.</p> <p>Updated (25/06/2024): Development of</p>

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						<p>the MTFM continues as part of the 24/25 workplan and with consideration around SSRP, SFRS objectives and board requirements. Aiming for a draft proposal by early Q2.</p> <p>Complete (29/10/2024): This work is ongoing with input provided to the September Board Strategy Day on medium term capital planning, and the medium term resource planning model is being further updated to present alongside the development of the next Strategic Plan at the Board's Away Days in November. The outstanding aspects of the Deloitte 2021/22 audit will be captured within Audit Scotland's 2023/24 Annual Audit Report, with progress reported to ARAC. As such it is proposed that this action be closed.</p>
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Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 27 June 2023						
9.1.11	<p>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.</p>	LBa	October 2023		<p>March 2024 December 2023</p>	<p>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</p>

					<p>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.</p> <p>Complete (18/01/2024): Of the 5 outstanding actions, 4 are due to be complete by 31 December 2023 (following an extension to 3 of these) and are on track to do so. A request to extend the remaining action to Q1 2024/25 will be made to enable further discussions with Risk & Audit colleagues on a verification/QA process to provide future assurance that the completed actions have addressed the weaknesses identified. The detailed actions and progress updates are provided within the Audit Action report itself.</p> <p>REOPENED (18/01/2023): Further clarification to be provided that the action has been fully addressed.</p> <p>Complete (26/03/2024): Of the 6 actions identified, 3 have been accepted as closed by Azets and one is under consideration for closure. Recommendations 1.1 and 4.2 remain outstanding and a revised date of 30 April 2024 has been requested. Both are 90% complete, with a range of activity being progressed to update management guidance and development packages to ensure responsibilities and accountability are understood. To conclude the recommendations discussions have been</p>
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					<p>taking place between the People Directorate and Audit & Risk colleagues regarding development of an independent periodic verification process for compliance, this is at an early stage and will be progressed during Quarter 4.</p> <p>REOPENED (26/03/2024): LB confirmed that this action should remain open.</p> <p>Updated (25/06/2024): Two actions remain open. Discussion around the development of an independent periodic verification process of compliance (all absence management file documentation being complete and recorded in e-PRF) between People and Audit & Risk commenced in Quarter 4. There have been some delays to developing a proposed process and approach due to competing priorities and some associated actions required related to GDPR and storage of documentation in centralised location however, it is anticipated that this will be completed in Q1.</p> <p>Update (29/10/2024): Two actions remain in progress. Work is progressing to complete activities related to GDPR and document storage before the remaining audit actions can be closed. Both actions have a due date of 31 December 2024 on the audit action plan.</p>
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Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 30 October 2023						
13.5	<p>Risk Spotlight: Retrieval of PPE: Committee request an update on inter-departmental discussions relating to leavers returning all equipment and PPE, and any improvements to the process that can be made including consequences for non-compliance.</p>	<p>IB/FM/ LMcG IM/IB/RM eK</p>	<p>January 2024</p>			<p>Update (18/01/2024): Asset Management are continuing to work, in conjunction with the People Directorate and Service Delivery colleagues, on a procedure which defines roles, responsibilities and timescales for the return of PPE. This procedure will be incorporated within a SFRS Leavers process, which will be prepared by the People Directorate. Finance and People colleagues are meeting on 19 January 2024 to discuss what consequences, if any, could be implemented for failing to return PPE.</p> <p>Updated (26/03/2024): 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. Finance and People Directorate colleagues have met to discuss the consequential action for not returning Kit, awaiting outcomes from this meeting. Communications Plan to be agreed explaining consequences for non-return</p>

					<p>of kit.</p> <p>Updated (25/06/2024): Leavers return list for ICT and Kit return is in use and issued to leavers. Resignation/retiral letters also include “return of SFRS property” text.</p> <p>Stores Team undertake a reconciliation check return of kit against SFRS leavers list and Equipment Return List form.</p> <p>People Services are preparing a revised guidance note on the Exit Interview Policy. Ext interview questionnaire now includes response with regards to return of PPE.</p> <p>A communications plan has been agreed explaining the importance of returning kit and will be issued shortly.</p> <p>Finance and People Directorate colleagues have met to discuss the consequential action for not returning Kit, awaiting outcomes from this meeting.</p> <p>Update (29/10/2024): Awareness Briefing in Communications bulletin has made a difference as stores staff in Cambuslang and Dundee ARCs have been "inundated" with returns, a large number of kitbags have been returned. Issue of non returns was less of an issue in Inverness due to smaller numbers making it easier to address non returns. Further report on return of kit for April to June will be undertaken once kit bags have been assessed. Most common item of non-return is helmets (£200).</p>
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Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 26 March 2024						
7.1.9	Internal Audit Progress Report 2023/24: Committee request that Azets consider including satisfaction level information within the KPI descriptors section of the report.	Azets/ DJ	October 2024			Updated (25/06/2024): Meeting to be arranged between Audit & Risk Manager and Azets to agree the approach to obtaining and reporting on feedback Update (29/10/2024): Meeting held between Audit and Risk Manager and Azets. Discussion ongoing as to how to take this forward and agree approach.
15.2.2	Anti-fraud/Whistleblowing Update: SO'D agreed to review whether the Whistleblowing Policy was up to date and feedback	SO'D	June 2024			Update (25/06/2024): The SFRS Whistleblowing Policy is due for formal review in 2026. However, a desktop review will be carried out to ensure that the policy wording remains fit for purpose in the context of the recent issues raised related to fraud. Update (29/10/2024): The desktop review of the Whistleblowing Policy has not yet commenced due to competing priorities within the People Directorate. The completion date for this action has been extended until 31 March 2025.

Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 25 June 2024						
9.1.15	IA report on Contract Management: Review wording of management action within 3.1 to better reflect the control objective and consider prioritising internal capabilities.	SO'D	October 2024		October 2024	Complete (29/10/2024): The Internal Audit has been signed off and concluded. However, additional criteria will be added to this management action identifying that the procurement team will provide oversight of contract management

						arrangements, providing advice, guidance and training where required. The IA follow up report will incorporate these additional criteria for monitoring purposes, with the revised management action provided to AZETS for their review.
9.1.23	IA report on Partnerships: Provide assurance that relationships as defined within the Community Justice Act are understood throughout the service.	MMcA	October 2024			Update (29/10/2024): Work has commenced to provide a principle-based guidance document that clearly defines our responsibilities/expectations with regard to partnership working and the reporting of such work. It is anticipated that this document will be developed by 31 March 2024.
13.8	Quarterly Update of GHI Register: Review descriptive wording within Details column of register	DJ	October 2024		October 2024	Complete (29/10/2024): Q1 register has been reviewed to ensure details provide an accurate description of gift, hospitality or interest declared. Future declarations will be sense checked to ensure details provide an accurate description of declaration made.
13.9	Quarterly Update of GHI Register: Promptly circulate a brief to Committee members outlining the specific detail and approval process regarding a recent entry on the register to include the guidance provided and learning outcomes/feedback.	SS/SO'D	July 2024		September 2024	Complete (29/10/2024): Briefing note circulated via email (03/09/2024). (Link to briefing note)



Report No: C/ARAC/37-24

Agenda Item: 7.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	29 OCTOBER 2024						
Report Title:	SFRS INTERNAL AUDIT PROGRESS REPORT 2024/25						
Report Classification:	For Scrutiny	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	To provide a summary of progress in the delivery of the 2024/25 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 2024/25.						
3	Main Report/Detail						
3.1	To provide confirmation of the progress made in relation to all audits contained within the 2024/25 agreed audit plan and to provide the scopes of the audits due to commence in Quarter 3 for consideration by ARAC.						
4	Recommendation						
4.1	ARAC is asked to scrutinise the content of the report and to consider the scopes of the three reviews due to commence in Quarter 3 i.e. Change Management.						
5	Key Strategic Implications						
5.1	Risk						
5.1.1	The internal audit programme forms part of the Service's Assurance Framework.						
5.2	Financial						
5.2.1	There are no direct implications associated with the report.						
5.3	Environmental & Sustainability						
5.3.1	There are no direct implications associated with the report.						
5.4	Workforce						
5.4.1	There are no direct implications associated with the report.						
5.5	Health & Safety						
5.5.1	There are no direct implications associated with the report.						
5.6	Health & Wellbeing						
5.6.1	There are no direct implications associated with the report.						
5.7	Training						
5.7.1	There are no direct implications associated with the report.						

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5.8	Timing	
5.8.1	The report notes progress in relation to audits to be undertaken in the 2024/25 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:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial/Limited/Insufficient Reasonable
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: Internal Audit Report on Environmental Management	
Prepared by:		Jamie Fraser, Manager - Azets
Sponsored by:		Sarah O'Donnell, Director of Finance and Contractual Services
Presented by:		Gary Devlin, Partner - Azets
Links to Strategy and Corporate Values		
Working Together for a Safer Scotland		
Governance Route for Report		Meeting Date
<i>Audit and Risk Assurance Committee</i>		<i>29 October 2024</i>
		Report Classification/ Comments
		<i>For scrutiny</i>



Scottish Fire and Rescue Service

Internal Audit Progress Report

October 2024



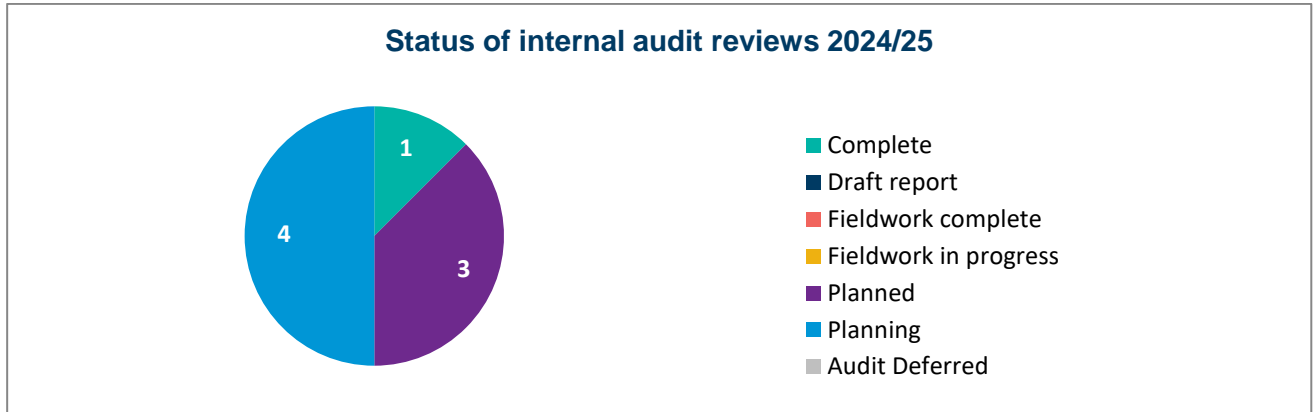
Scottish Fire and Rescue Service

Internal Audit Progress Report

Summary	1
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Internal audit assignments scheduled to commence in Quarter 3	3
KPI status	4
Internal Audit Client Briefing Notes	5

Summary

This paper provides the Audit and Risk Assurance Committee with a summary of activity in relation to the 2024/25 internal audit programme.



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
Gill Callaghan, Senior Manager	gillian.callaghan@azets.co.uk	0131 473 3500
Jamie Fraser, Manager	jamie.fraser@azets.co.uk	0141 567 4500

2024/25 audit plan progress

Ref and Name of report	Days	Current status	Planned ARAC	Actual ARAC
C9. Anti-Fraud Arrangements	35	Fieldwork in progress	Jan 25	
C10. Environmental Management	20	Complete	Jan 25	Oct 24
C11. Change Management	30	Planned	Mar 25	
E3. Cyber Security	25	Draft report	Oct 24 See note 1 below	
F1.1 Follow Up Q1	2.5	Complete	Jun 24	Jun 24
F1.2 Follow Up Q2	2.5	Complete	Oct 24	Oct 24
F1.3 Follow Up Q3	2.5	Planning	Jan 25	
F1.4 Follow Up Q4	2.5	Planning	Mar 25	
G1. Annual report	n/a	n/a	Jun 24	

1) The Cyber Security audit was originally intended to be presented at the October 2024 ARAC meeting. However, this report has been delayed. In order to keep the audit plan on track and ensure an audit report was presented to the October 2024 ARAC meeting, we have brought forward the Environmental Management audit report as this was finalised earlier than planned. The report is subject to SLT approval at the meeting being held on 24 October 2024.

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

Internal audit assignments scheduled to commence in Quarter 3

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

- Change Management

The scopes of the reviews have been agreed by the Audit Sponsors and they have also been considered by the SLT during the meeting held on 02 October 2024.

Audit Assignment:	CHANGE MANAGEMENT
SFRS Audit Sponsor:	Liz Barnes, Director of People, Interim Deputy Chief Officer (Corporate Services)
Agreed start date:	02 December 2024
Scope:	Our review will assess whether there are effective processes in place which ensures that SFRS has the appropriate organisational capacity and capability to deliver and embed business change activity. The review will assess a sample of planned and active projects/ programmes.
Control Objectives	<ul style="list-style-type: none"> • There are adequate governance processes through which change demand is identified, assessed and prioritised. All changes are assessed against an agreed future state to confirm strategic alignment. • There is effective planning to ensure business change activity and Annual Operating Plans are aligned. • Planned activity sets out a clear vision of change and future operating model to allow the organisation to determine the skills, resources and time required to support implementation. • The organisation has the appropriate capabilities and capacity in place to support business and cultural change activity. • There are effective governance processes in place for oversight of change project/programme delivery. • There are adequate processes in place to identify, manage and monitor quantitative and qualitative benefits arising from change activity.

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	GREEN	

Key

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

Internal Audit Client Briefing Notes

New Research Shows Human Error is Driving Data Breaches

Background Information:

The Verizon 2024 Data Breach Investigations Report highlights that there is an increasing trend of data breaches being caused by human error. This year's findings reveal that mistakes made by individuals - such as misconfigured systems, poor security practices, and mishandling of sensitive information - are increasingly leading to data compromises.

The analysis covers multiple industries, and indicates that while technological vulnerabilities remain a concern, human factors are becoming more critical. It emphasises the rising frequency of breaches caused by internal errors rather than external attacks.

This shift underscores the need to address the human element in cybersecurity and recognise the often-overlooked impact of employee behaviour and decision-making on data security. The increased focus on human error in this year's report marks a vital area of concern for modern organisations.

Status: For Information



Management Response:

In response to the Verizon 2024 Data Breach Investigations Report, it is crucial for organisations to proactively address human error in cyber security.

Our Risk Assurance team is here to assist you in strengthening your defences and minimising these risks. We will work with you to enhance your cyber security measures, ensuring your organisation is well-protected and compliant with current standards.

Further information can be found on the following link: [Data Breaches Report 2024](#)

For more information and advice on how Azets can help you, please contact your Internal Audit Team.

Steps to be taken:

Organisations must implement strategic measures to address the rise in data breaches caused by human error, as highlighted in the Verizon 2024 Data Breach Investigations Report. This may include:

- Implementing Strict Access Controls: Restricting data access to only those employees who require it for their role.
- Enhancing Training and Awareness: Regularly educating staff on cybersecurity best practices and the importance of secure data handling.
- Regularly Updating Security Protocols: Reviewing and updating security policies and procedures to keep pace with evolving threats.
- Conducting Frequent Security Audits: Performing comprehensive audits to identify and rectify any weaknesses in the organisation's cybersecurity posture.

By taking these proactive steps, organisations can significantly reduce the risk of data breaches caused by human error and bolster their overall data security.

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Scottish Fire and Rescue Service

Internal Audit Report 2024/25

Environmental Management

October 2024



Scottish Fire and Rescue Service

Internal Audit Report 2024/25

Environmental Management

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Management Action Plan	6
Appendix A – Definitions	17
Appendix B – Assignment Plan	18

Audit Sponsor	Key Contacts	Audit team
<i>Sarah O'Donnell, Director of Finance & Contractual Services</i>	<i>Peter Robertson, Environment & Carbon Manager</i> <i>Stuart Free, Asset Governance and Performance Manager</i> <i>Ijaz Bashir, Head of Asset Management</i>	<i>Gary Devlin, Partner</i> <i>Gill Callaghan, Senior Audit Manager</i> <i>Oluwatosin Ayoola, Senior Internal Auditor</i>

Executive Summary

Conclusion

The Scottish Fire and Rescue Service (the Service) has implemented effective controls to manage its environmental impact and work towards the Scottish Government's 2040 net zero emissions target. The Service has developed clear strategies, plans, and policies and communicates environmental matters to its staff and the public through various channels, including the Intranet, emails, and the Service website. Our review confirmed that adequate arrangements are in place for monitoring and reporting progress and changes on environmental management to both internal and external stakeholders, including the Scottish Government.

In this context, we have also identified several opportunities for improvement. These include: i) Revising the Service Delivery Board (SDB) Terms of Reference (ToR) to clarify how environmental issues will be managed; ii) Ensuring all funding applications are reviewed and approved; iii) Maintaining a log of funding applications, their outcomes, and the conditions of received funding; iv) Align environmental initiatives with available resources; and vi) Monitoring additional emission sources, including procurement and hybrid work arrangements.

In light of the current financial and operational challenges facing the Service, there is some risk that environmental ambitions identified some years ago may no longer be achievable or desirable relative to the investment required to meet those objectives. We have recommended that the Service undertakes a further review of its strategic environmental goals to confirm they remain achievable over the planning period.

Background and scope

In September 2019, the Scottish Government committed Scotland to achieving net zero carbon emissions by 2045. In response to this, the Service developed its Climate Change Response Plan 2045 and identified the need for a consolidated approach to energy management and carbon reduction. The following month, the Service agreed and implemented its Environmental Management System, and the Environment and Carbon Management Board was established to oversee this and the implementation of the Service's environmental strategies and policies.

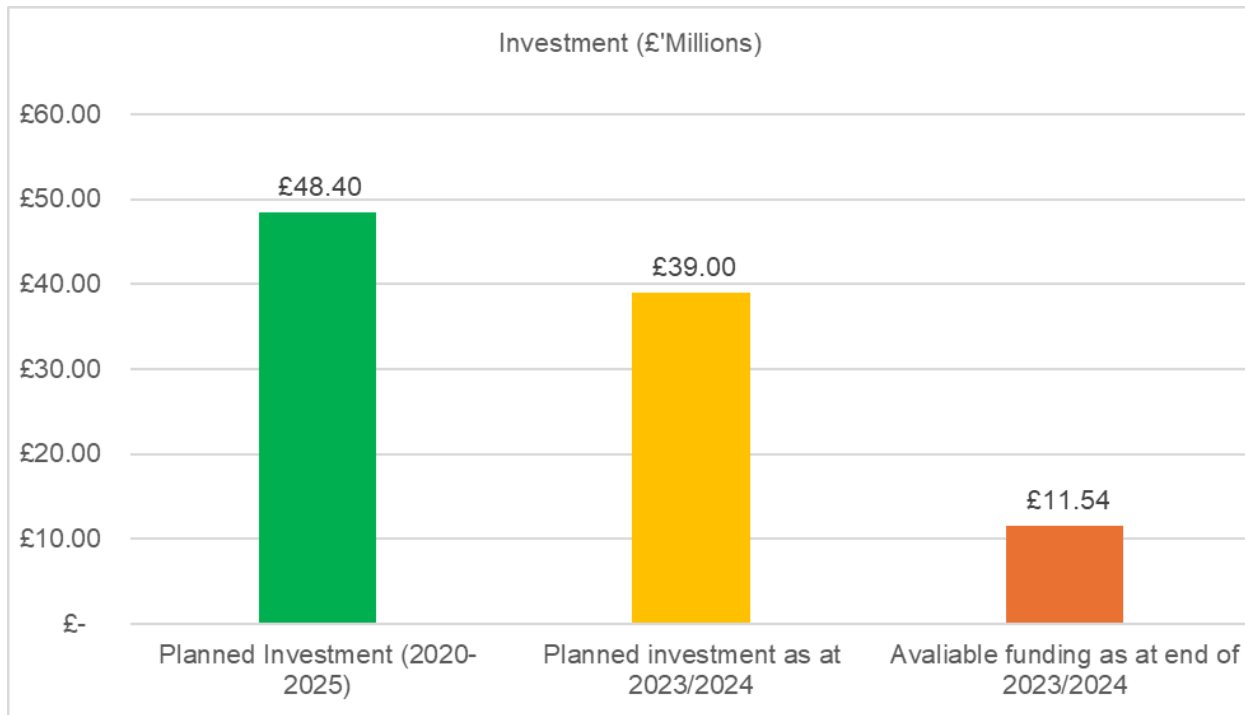
In December 2020, the Board approved the Service's Carbon Management Plan 2020-25 which aimed to deliver a programme of works across the Service's estate that would give rise to an estimated reduction of 9,037 tonnes CO₂e over the 5-year period, at an estimated cost of £48.38m.

In November 2023, a report was presented to the Environment and Carbon Management Board which recommended the early closure of the Carbon Management Plan due to the lack of funding available to complete the plan. An update was subsequently provided to SLT in April 2024, following which work is now progressing to develop a new Carbon Management Plan which will commence in 2025.

In accordance with the 2024/25 Internal Audit Plan, we performed a review of Environmental Management. The review focused on the Service's plans, strategies and supporting policies and procedures to ensure the Service meets the requirements of environmental legislation and Scottish Government targets. As part of the audit, we reviewed arrangements for raising staff awareness; controls over funding opportunities and resourcing; arrangements for reviewing plans and strategies and progress against them including communication with stakeholders; and management information and reporting.

Data Analytics

We obtained and analysed data on funding and investment as of the end of the 2023/2024 financial year. We reviewed the details of planned investments for 2020-2025, compared them with the expected investment by 2023/2024, and assessed the actual funding available at the end of this period. Details is provided below.



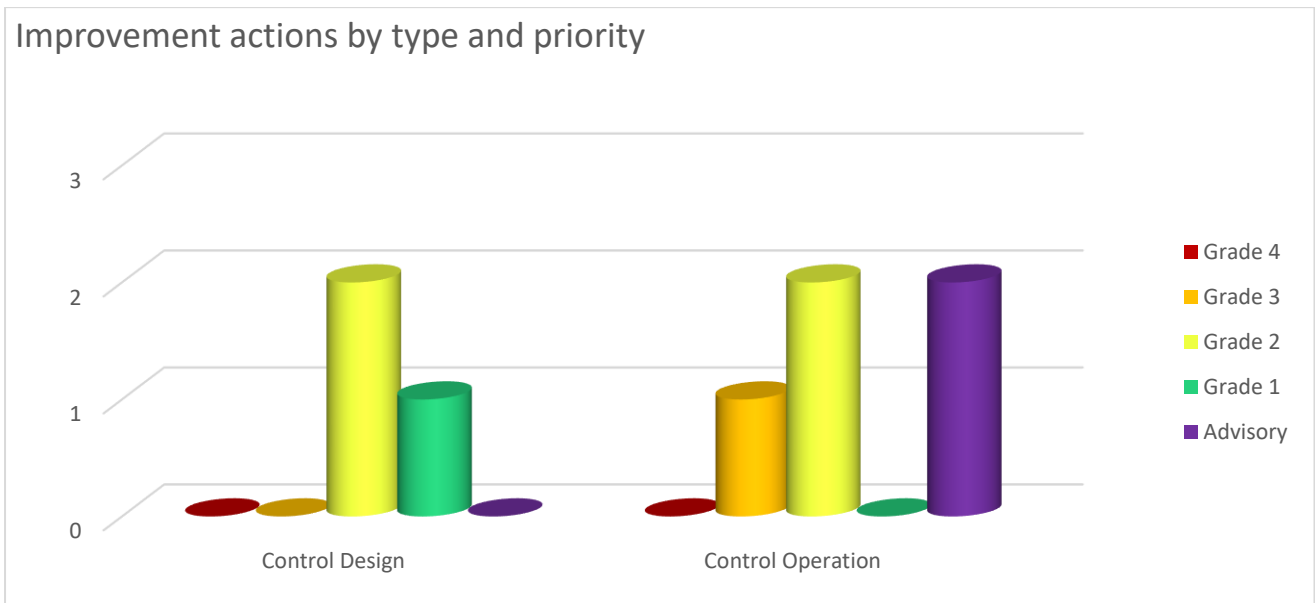
We noted that only 30% (£11.54 million of £39 million) of the required funds was available and deployed to projects aimed at environmental management, including reducing the Service's carbon footprint. This shortfall has impacted the Service's ability to meet the required targets for reducing carbon emissions. Given the challenges of inadequate funding and resourcing, it is crucial that the Service aligns all its future plans with the available resources.

Control assessment



- 1. SFRS has appropriate strategies and policies in place to enable the Service to meet relevant SG environmental legislation and to promote best practice with roles and responsibilities in relation to environmental management being clearly defined.
- 2. Environmental matters are actively promoted throughout SFRS and embedded within its day-to-day operations with staff being required to undergo awareness training on this subject.
- 3. Appropriate arrangements are in place to ensure funding opportunities are maximised. Funding conditions are closely monitored to ensure its received and allocated effectively. Shortfalls are appropriately communicated and escalated.
- 4. Progress against environmental plans and strategies is closely monitored with these being subject to regular review and adjustment, as required. Effective communication is maintained with stakeholders in relation to progress and any changes made.
- 5. Appropriate management information and reporting arrangements are in place in respect of environmental matters to ensure SLT and the main Board have sufficient oversight of this area.

Improvement actions by type and priority



Seven improvement actions have been identified from this review, three of which relate to the design of the control themselves and the remaining four relate to the operations of controls. See Appendix A for definitions of colour coding.

Key findings

Good practice

- The Service has clear strategies, plans and policies in place to address and respond to the Scottish Government plan to achieve net zero emissions target by 2040.
- There is an arrangement in place for communicating and promoting environmental matters among staff and the community. This is carried out via bulletins, the need to know series, and community engagement.
- The Service has a clear governance structure in place that ensures effective reporting and oversight of the strategy, targets, and actions being implemented. This structure includes a working group, known as the Energy Group, which reports to the SDB formerly known as Environment and Carbon Management Board (ECMB). The SDB, in turn, reports to the Senior Leadership Team (SLT) on a half-yearly basis.
- The LCMS provides a range of training modules that cover best practices and statutory requirements, equipping staff with the knowledge needed to manage environmental responsibilities within their roles.
- The Service offers a variety of training programmes covering aspects of environmental management, including pollution prevention, energy management, waste and water management, and health and safety. Each programme is designed to provide in-depth information on specific topics, including relevant legislative requirements and industry best practices. The training is tailored to meet the needs of different roles within the organisation, with some programmes being role-specific and others more general.
- There is an arrangement in place to communicate progress and changes to relevant stakeholders, including the Board and the Scottish Government. Achievements in environmental management, such as efforts to reduce carbon emissions, funding challenges, and completed projects, are documented in the Annual Performance Review, Annual Reports and Accounts, quarterly reports on the Annual Operating Plans, and the Annual Report to the Sustainability Scottish Network (SSN).

Areas for improvement

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

- Updating the SDB ToR to specify how the forum will handle and oversee environmental issues.
- Reviewing and approving all funding applications before submission.
- Maintaining a log of funding applications, outcomes, and reasons for success or failure.
- Recording and monitoring conditions and terms of received funding.
- Aligning environmental initiatives with available resources and funding. This includes the creation of a revised Carbon Management Plan.
- Monitoring additional emission sources, including impact of procurement activities and hybrid/remote work.

In light of the current financial and operational challenges facing the Service, there is some risk that environmental ambitions identified some years ago may no longer be achievable or desirable relative to the investment required to meet those objectives. We have recommended that the Service undertakes a further review of its strategic environmental goals to confirm they remain achievable over the planning period.

These are further discussed in the Management Action Plan below.

Impact on risk register

The SFRS Financial and Contractual Services Risk Register included the following risks relevant to this review:

- FCS008: There is a risk of that the Service will be unable to achieve environmental and carbon reduction commitments of 6% per annum; Because of limited investment or anticipated saving targets not being achieved through current projects; Resulting in lost saving opportunities, potential fines if required targets are not met and possibly negative media coverage.

While challenges such as limited funding and resourcing continue to pose risks to achieving environmental sustainability and carbon reduction commitments, the recommendations outlined in this report will assist the Service in mitigating these risks.

Acknowledgements

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

Management Action Plan

Control Objective 1: SFRS has appropriate strategies and policies in place to enable the Service to meet relevant Scottish Government environmental legislation and to promote best practice in this area with roles and responsibilities in relation to environmental management being clearly defined.



1.1 Terms of Reference (ToR)

SFRS has established governance forums, including the Energy Group and Service Delivery Board, to effectively oversee environmental management. Each forum operates under a comprehensive ToR that defines several critical aspects. The ToR outlines the forums' reporting responsibilities, specifying how and when they must communicate their activities and findings to ensure transparency and accountability. It also details meeting arrangements, including the frequency, format, and scheduling of meetings, to facilitate organised and regular discussions. Additionally, the ToR outlines the authority of each forum, specifying their decision-making powers and influence over environmental management matters.

However, we noted from the review of the ToRs, that the Service Delivery Board (SDB) document does not include detailed information or clearly define the extent to which the forum should address or handle environmental issues.

Risk

The risk includes ineffective management of environmental issues, unclear responsibilities and missed environmental objectives.

Recommendation

Management should update the ToR for the Service Delivery Board to include specific details about how the forum will address and manage environmental issues.

Management Action

Grade 2
(Design)

Management will update the ToR for the Service Delivery Board to include specific details about how the forum will address and manage environmental issues.

Action owner: Stuart Free, Asset Governance and Performance Manager

Due date: 31 March 2025

1.2 Strategies, Plans and Policies

SFRS has established comprehensive policies, strategies, and plans to comply with Scottish Government legislation on environmental management. These include:

- **Climate Change Response Plan 2045:** Outlines SFRS's long-term strategy to mitigate and adapt to the impacts of climate change by 2045.
- **Carbon Management Plan:** Details initiatives aimed at reducing carbon emissions and improving energy efficiency across SFRS operations.
- **Energy and Carbon Strategy 2020-2030:** Provides a roadmap for managing energy use and carbon output, setting targets for reduction over the decade.
- **Waste Management Strategy 2022-2025:** Establishes guidelines for minimising waste production and promoting recycling and responsible disposal practices.
- **Asset Management Policy:** Governs the efficient management and sustainability of SFRS's physical assets, including an operational plan covering Fleet, Property, and Equipment to ensure alignment with environmental goals.
- **Environmental Policy:** Sets out SFRS's overall commitment to environmental stewardship, including compliance with relevant legislation and promotion of sustainability.
- **Waste Management Guidance Policy:** Provides specific guidance on how waste should be managed within SFRS to ensure compliance with environmental standards and promote sustainability.
- **Buildings Heating, Ventilation, and Cooling (HVAC) Policy:** Establishes standards for the energy-efficient operation and maintenance of HVAC systems in SFRS buildings, aiming to reduce energy consumption and minimise environmental impact.

These documents have been approved, with a defined frequency for review, and have been made available to relevant stakeholders, including staff and the public through the intranet and the Service website. However, we noted from the review of the documents that one of the policies; the Waste Management guidance policy was not reviewed according to the scheduled timeline for its review.

Risk

There is the risk of non-compliance with regulations, reduced effectiveness and operational inefficiencies.

Recommendation

Management should update the Waste Management Guidance Policy and set reminder to ensure timely reviews subsequently.

Grade 1
(Design)

Management Action

Version control and documents to be saved in iHub to document library. This will ensure reviews of documents are timeously carried out.

Action owner: Peter Robertson, Environment and Carbon Manager

Due date: 31 March 2025

Control Objective 2: Environmental matters are actively promoted throughout SFRS and embedded within its day-to-day operations with staff being required to undergo awareness training on this subject.



No reportable weaknesses identified

SFRS is committed to ensuring its staff are well-informed and effectively trained on environmental matters through a structured approach using the Learning Content Management System (LCMS) platform. The LCMS provides a range of training modules that cover best practices and statutory requirements, equipping staff with the knowledge needed to manage environmental responsibilities within their roles.

The Service offers a variety of training programmes covering aspects of environmental management, including pollution prevention, energy management, waste and water management, and health and safety. Each programme is designed to provide in-depth information on specific topics, including relevant legislative requirements and industry best practices. The training is tailored to meet the needs of different roles within the organisation, with some programmes being role-specific and others more general.

Role-specific training programmes for operational staff are mandatory and must be completed within a defined timeline. To ensure compliance, SFRS has established a quarterly deadline for completing all mandatory training. Progress is closely monitored, and any non-compliance is addressed promptly to maintain the integrity of the programme.

To maintain high levels of awareness and engagement with environmental management policies, the Service employs multiple communication channels. Staff are regularly updated on key developments, projects, and policy changes through bulletins, the "Need-to-Know" series, and periodic briefings. In addition, the Service actively promotes environmental management within the community through its Community Involvement initiatives, which include consultations, training sessions, and briefings. Notable examples include initiatives like "Shaping Our Future Service: Your Say" and consultations on the future of Leadhills Community Fire Station, aimed at gathering community input on environmental and service-related issues. The Service also provides updates on its investments, such as those related to electric vehicles and charging infrastructure, supporting the organisation's development of an electric vehicle fleet. These measures ensure that both staff and the community are consistently informed about any changes or advancements in environmental management practices.

Control Objective 3: Appropriate arrangements are in place to ensure funding opportunities in relation to environmental matters are maximised. The conditions of any funding obtained are closely monitored to ensure monies are received and that funding is allocated effectively. Any shortfalls in funding are appropriately communicated and escalated.



3.1 Monitoring Funding Terms and Conditions

The Service manages grant conditions according to the External Capital Grant Procedure. Upon receiving a successful grant notification and Grant Offer letter, the Service reviews the conditions and deadlines. If deadlines cannot be met, extensions are requested and confirmed by email. The Deputy Accounting Manager assesses any special accounting requirements and ensures accurate grant recording. Project codes are established and updated, and grant-funded projects are tracked through regular meetings and monthly monitoring, as detailed in the Capital Monitoring Report.

While we confirmed that funding is monitored to ensure effective allocation and utilisation, we noted a lack of evidence for recording and tracking the specific conditions and terms of the funding. For instance, there was no documentation of monitoring and tracking conditions related to asset disposal, inspection, and information for the “Pre-Capital Works” from the Green Public Sector Estate Decarbonisation Scheme – Central Government Grant Funding Programme.

Risk

There is a risk of non-compliance with terms and conditions, which could lead to penalties, loss of funding, or damage to the organisation's reputation.

Recommendation

Management should ensure that all conditions and terms of funding received are recorded and monitored. This should include establishing a centralised repository or log to ensure that all conditions are documented and tracked consistently.

Management Action

Grade 3
(Operation)

Management will ensure that all conditions and terms of funding received are recorded and monitored. This will include a log to ensure that all conditions are documented and tracked consistently.

Action owner: Lynne McGeough, Head of Finance

Due date: 31 March 2025

3.2 Approval of grant applications

The Service has established appropriate arrangements to maximise funding opportunities for environmental projects. This is managed through the Income Generation Policy and the External Capital Grant Procedure, which guide the identification, application, and oversight of funding for environmental commitments.

The Service actively pursues funding through collaboration with public sector partners and invitations from Scottish Government directorates. Grant applications are managed by team members from Property, Fleet, and Finance, with oversight from the Director of Finance and Contractual Services to ensure appropriate funding is applied for.

The Environment and Carbon Manager completes bid templates provided by the funding provider, which are then reviewed and authorised by the Director of Finance and Contractual Services before submission. However, we noted that 33% of applications sampled lacked evidence of review and approval by the Director of Finance and Contractual Services.

Risk

There is a risk of incomplete or inaccurate submissions, missed funding opportunities, and potential compliance and reputational issues.

Recommendation

Management should ensure that all grant applications are reviewed and approved by the Director of Finance and Contractual Services before submission and maintain documentation of this review process to enhance accuracy, compliance, and funding success.

Management Action

Grade 2
(Operation)

Management will ensure that all grant applications are reviewed and approved by the Director of Finance and Contractual Services before submission and maintain documentation of this review process to enhance accuracy, compliance, and funding success.

Action owner: Lynne McGeough, Head of Finance

Due date: 31 March 2025

3.3 Funding Application Documentation

From our review of the samples and discussions with the Environment and Carbon Manager, we found that there is currently no repository or log to record and monitor funding applications and their outcomes. Consequently, there is no evidence that lessons learned from each application is being recorded or used to inform future submissions. Furthermore, there is no formal process in place outlining the steps for documenting and tracking the status of applications and their results.

Risk

There is the risk that the absence of a repository and formal process for tracking funding applications and outcomes may lead to repeated mistakes and missed opportunities for improvement, reducing the effectiveness of future funding efforts.

Recommendation

Management should develop a central repository and formal process for tracking funding applications and outcomes. This will help minimise repeated mistakes, identify areas for improvement, and enhance the effectiveness of future funding efforts.

Management Action

Grade 2
(Design)

Management will develop a central repository and formal process for tracking funding applications and outcomes.

Action owner: Lynne McGeough, Head of Finance

Due date: 31 March 2025

3.4 Aligning spending plans on Environmental management Initiatives to available resources/funding

In the context that the Service has arrangements in place to identify and maximise funding opportunities for sustainable environmental management and carbon footprint reduction, the Service has not met its carbon emission reduction targets due to significant funding and staffing challenges. The Service aimed to achieve a 75% reduction in carbon emissions by 2030, targeting a 6% annual reduction for a total of 30% (7,004 tonnes CO₂e) over the five-year period from 2020 to 2025 through planned projects designed to deliver estimated energy savings, carbon reductions, and cost savings.

By the end of the 2023/2024 financial year, only 61% of the 7,000 tonnes CO₂e target had been achieved. It is increasingly unlikely that the remaining target will be met due to the continued unavailability of sufficient funding. The planned projects were estimated to require £48.4 million in total capital costs between 2020 and 2025 but have not progressed as expected. The funding plan included £1 million annually from SFRS's resources, supplemented by external grants from Transport Scotland, the Scottish Government, and other partners. However, by the end of the 2023/2024 financial year, only £11.54 million had been financed, with 70% of this amount coming from external sources. This represents a significant 70% shortfall compared to the anticipated cumulative spend of £39 million for the period. As a result, few or no projects were completed in the 2023/2024 financial year, severely impacting the Service's ability to meet its carbon emission reduction targets as planned.

In light of the current financial and operational challenges facing the Service, there is some risk that environmental ambitions identified some years ago may no longer be achievable or desirable relative to the investment required to meet those objectives.

Risk

There is a risk that environmental management projects aimed at reducing carbon emissions may not be completed, which could hinder the Service's ability to meet its environmental objectives and commitments.

Recommendation

We recommended that the Service undertakes a further review of its strategic environmental goals to confirm they remain achievable over the planning period.

Management should reassess its plans and set realistic targets that align with available resources. Plans for environmental management and carbon footprint reduction should be feasible and developed with clear consideration to the constraints of current funding and staffing levels. Regular reviews should be conducted to monitor progress and address any shortfalls promptly.

Management Action

Advisory
(Operation)

A revised Carbon Management Plan is under development, this will have to be based on the outcomes of SSRP, as part of this work we will reassess the current plan and set targets that align with available resources.

Action owner: Peter Robertson. Environment and Carbon Manager

Due date: 31 December 2025

Control Objective 4: Progress against environmental plans and strategies is closely monitored with plans and strategies being subject to regular review and adjustment, as required. Effective communication is maintained with stakeholders in relation to progress and any changes made.



Yellow

No reportable weaknesses identified

The Service has established targets to monitor the progress of specific projects aimed at managing the environment sustainably and reducing carbon emissions, which are crucial for achieving the organisation's goal of reaching net-zero emissions by 2045. The Service tracks these projects and closely monitors their impact on key areas, including fleet management, business travel, utility consumption (gas and electricity), and waste management. Regular reporting to the SDB (formally ECMB), and SLT ensures that these areas are continually assessed and adjusted to stay on track towards reducing carbon emissions.

From our review, we observed that there are adequate arrangements in place for communicating changes and progress to relevant stakeholders on environmental management matters, including the Board and the Scottish Government. This is done through reports such as the Annual Performance Report, Sustainable Scotland Network (SSN) reports, Annual Reports and Accounts, and quarterly updates to the Board on the Annual Operating Plans. While these reports cover completed projects, progress initiatives, and funding challenges, they do not clearly demonstrate how these elements contribute to or impact the achievement of overall targets, such as the annual 6% carbon emission reduction goal.

The Carbon Management Plan includes projects designed to contribute to the Service's overall reduction target. These projects are overseen by the Energy Group, which uses the Carbon Project Workplan to ensure progress of the Carbon Management Plan is on schedule and within budget. The current Carbon Management Plan has been closed due to funding constraints and work is underway to develop a revised plan. As such there have been no ongoing projects in this current financial year which had to be included in the Carbon Project Workplan for monitoring and progress reporting.

If corrective actions are needed, the SDB (formerly ECMB) has the authority to initiate measures based on information provided by the Energy Group. Our review of the Energy Group's action log and agenda confirmed that projects are being monitored, with regular reporting to the SDB and SLT on completed projects and their impact on fleet management, utility consumption, and business travel.

As reported at MAP 3.4, a revised Carbon Management Plan is under development, this will have to be based on the outcomes of SSRP. As part of this work management will reassess the current plan and set targets that align with available resources. A separate recommendation has not been raised for this finding; however, once this new plan has been agreed, formal monitoring mechanisms will be required to track progress.

Despite not raising an overt recommendation for this control objective, we have graded it yellow because it relates to recommendations across other control objectives of this report.

4.1 Tracking other Emission Sources including Procurement Activities and Hybrid/ Remote Working

The Service has identified key areas for reducing carbon emissions to meet its net-zero target, focusing on fleet, utility consumption and Business travel. However, to fully align with best practices and ensure comprehensive coverage of all potential emission sources within the Service, it is crucial to quantify, track, and report the sustainable impact of procurement activities, including those related to climate change. This involves assessing and recording the carbon footprint of purchased goods and services and promoting sustainable sourcing. Additionally, the organisation should consider the impact of hybrid and remote working arrangements, which can significantly reduce emissions from commuting and office energy use. Engagement with Procurement Management revealed that the Cenefits system, designed for monitoring and recording procurement impacts, is currently underutilised.

Risk

The risk is that failing to quantify, track, and report the sustainable impact of procurement activities, as well as not considering hybrid and remote working, may result in missed opportunities for emission reductions and undermine SFRS's efforts to achieve its net-zero target.

Recommendation

Management should enhance the use of the Cenefits system to effectively monitor and record procurement impacts, implement procedures to quantify and track the carbon footprint of purchased goods, and assess the potential emissions reductions from hybrid and remote working arrangements. Conducting regular reviews will ensure that practices remain aligned with best practices and support the organisation's net-zero targets.

Management Action

Advisory
(Operation)

Asset Governance and Performance Manager to liaise with Procurement Section regarding use of Cenefits System

Action owner: Stuart Free, Asset Governance and Performance Manager **Due date:** 31 March 2025

Control Objective 5: Appropriate management information and reporting arrangements are in place in respect of environmental matters to ensure SLT and the main Board have sufficient oversight of this area.



No reportable weaknesses identified

The Service has established an effective system to comply with the legislative requirements set by the Scottish Government, ensuring robust reporting and decision-making on environmental matters.

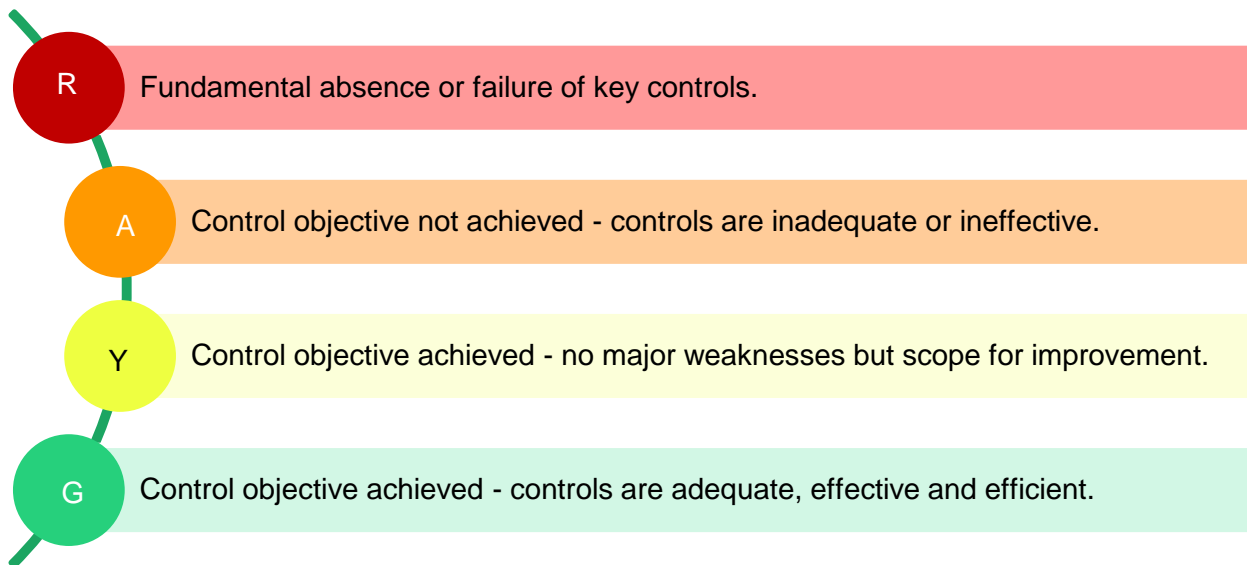
The Energy Group is responsible for monitoring energy use and decarbonisation efforts in line with the Service's environmental strategies and plans. This group regularly updates the SDB, formerly known as the ECMB, and proposes operational or financial improvements for projects as needed.

The SDB evaluates these recommendations in the context of the Service's broader objectives before deciding on corrective actions. For decisions beyond its authority, the SDB escalates matters to SLT or, if necessary, the SFRS Board.

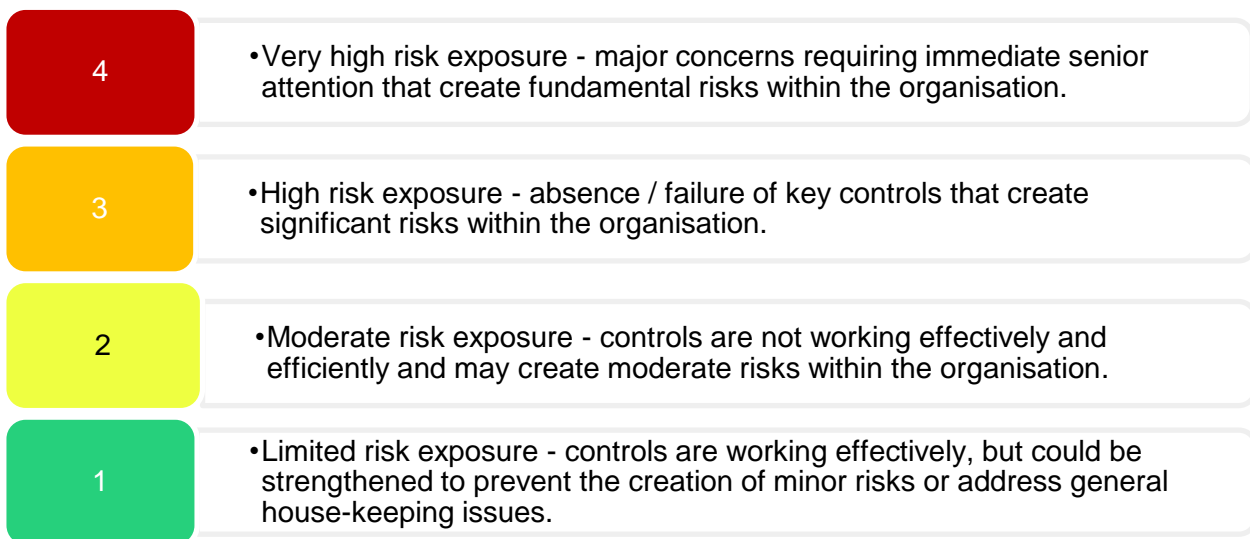
Furthermore, the SDB reports to the SLT as required and provides a six-monthly highlight report. Environmental updates are also included in the annual operating plan progress report and performance report to the Board, ensuring comprehensive oversight and accountability on environmental matters.

Appendix A – Definitions

Control assessments



Management action grades



Appendix B – Assignment Plan

Client:	Scottish Fire and Rescue Service
Assignment:	Environmental Management
Background:	<p>In September 2019, the Scottish Government committed Scotland to achieving net zero carbon emissions by 2045. In response to this, SFRS developed its Climate Change Response Plan 2045 and identified the need for a consolidated approach to energy management and carbon reduction. The following month, SFRS agreed and implemented its Environmental Management System and the Environment and Carbon Management Board was established to oversee this and the implementation of the Service’s environmental strategies and policies.</p> <p>In December 2020, the Board approved the Service’s Carbon Management Plan 2020-25 which aimed to deliver a programme of works across the Service’s estate that would give rise to an estimated reduction of 9,037 tonnes CO2e over the 5-year period, at an estimated cost of £48.38m.</p> <p>In November 2023, a report was presented to the Environment and Carbon Management Board which recommended the early closure of the Carbon Management Plan due to the lack of funding available to complete the plan. An update was subsequently provided to SLT in April 2024, following which work is now progressing to develop a new Carbon Management Plan which will commence in 2025.</p>
Scope:	<p>In accordance with the 2024/25 Internal Audit Plan, we will perform a review of Environmental Management.</p> <p>This review will focus on SFRS’s plans, strategies and supporting policies and procedures to ensure the Service meets the requirements of environmental legislation and Scottish Government targets. As part of the audit, we will review: arrangements for raising staff awareness; controls over funding opportunities and resourcing; arrangements for reviewing plans and strategies and progress against them including communication with stakeholders; and management information and reporting.</p>
Control objectives:	<p>To ensure that:</p> <p>Control Objective 1</p> <p>SFRS has appropriate strategies and policies in place to enable the Service to meet relevant Scottish Government environmental legislation and to promote best practice in this area with roles</p>

and responsibilities in relation to environmental management being clearly defined.

Methodology

We will review documented guidance in place covering environmental matters to ensure it is fit for purpose and assists in ensuring compliance with SFRS's policy. We will compare this with other guidance we have seen operating within other similar organisations to identify any areas where enhancements could be made.

Control Objective 2

- **Environmental matters are actively promoted throughout SFRS and embedded within its day-to-day operations with staff being required to undergo awareness training on this subject.**

Methodology

We will ascertain how SFRS promotes environmental matters throughout the organisation including the type of information available and how staff can access this.

We will establish what training is available to staff in order to raise their awareness of environmental matters.

Control Objective 3

- **Appropriate arrangements are in place to ensure funding opportunities in relation to environmental matters are maximised. The conditions of any funding obtained are closely monitored to ensure monies are received and that funding is allocated effectively. Any shortfalls in funding are appropriately communicated and escalated.**

Methodology

We will ascertain what arrangements SFRS has in place to ensure that funding opportunities are identified and that these are applied for.

We will ascertain the arrangements for monitoring SFRS's success rate in being awarded funding to ensure any lessons learned are captured and considered in relation to future funding applications.

We will review a sample of funds received to ascertain how SFRS monitors the conditions of the receipt of the funding and how compliance with these is ensured.

We will also ascertain the arrangements for ensuring funding has been allocated effectively and for determining how it is used to maximum effect.

Control Objective 4

Client:

Scottish Fire and Rescue Service

Progress against environmental plans and strategies is closely monitored with plans and strategies being subject to regular review and adjustment, as required. Effective communication is maintained with stakeholders in relation to progress and any changes made.

Methodology

We will review the arrangements for ensuring that progress against plans and strategies is managed and monitored regularly and effectively.

We will review the arrangements for ensuring that, where required, appropriate adjustments are made to plans and strategies where it becomes apparent that for whatever reason the original plan/strategy is not achievable.

We will review the arrangements for communicating with stakeholders to ensure they are kept informed of progress and any changes required.

Control Objective 5

Appropriate management information and reporting arrangements are in place in respect of environmental matters to ensure SLT and the main Board have sufficient oversight of this area.

Methodology

We will review the management information reported to SLT and the Board to ensure it enables them to have sufficient scrutiny of environmental matters and aids decision making in this area.

Client contacts:

Audit Sponsor: Sarah O'Donnell, Director of Finance & Contractual Services

Key Contacts: Peter Robertson, Environment & Carbon Manager

Resources:

Senior Internal Auditor: Oluwatosin Ayoola, 16 days

Senior Audit Manager: Gill Callaghan, 3 days

Audit Partner: Gary Devlin, 1 day

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Report No: C/ARAC/38-24

Agenda Item: 7.2

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	29 OCTOBER 2024							
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 <u>Board Standing Order 9</u>						
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
1	Purpose							
1.1	To provide Audit and Risk Assurance (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 2022/23. 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 scrutinise the content of the report and consider the timelines noted for outstanding recommendations.							
5	Key Strategic Implications							
5.1	Risk							
5.1.1	The internal audit programme forms part of the Service's Assurance Framework.							
5.2	Financial							
5.2.1	There are no direct implications associated with the report.							
5.3	Environmental & Sustainability							
5.3.1	There are no direct implications associated with the report.							
5.4	Workforce							
5.4.1	There are no direct implications associated with the report.							
5.5	Health & Safety							
5.5.1	There are no direct implications associated with the report.							
5.6	Health & Wellbeing							
5.6.1	There are no direct implications associated with the report.							

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5.7 5.7.1	Training There are no direct implications associated with the report.	
5.8 5.8.1	Timing The report notes progress made in implementing outstanding audit actions from 2022/23 - 2023/24.	
5.9 5.9.1	Performance Internal audit is intended to support the service and where relevant identify areas where performance can be enhanced.	
5.10 5.10.1	Communications & Engagement 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 5.11.1	Legal There are no direct implications associated with the report.	
5.12 5.12.1	Information Governance 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 5.13.1	Equalities 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 5.14.1	Service Delivery 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:	Sarah O'Donnell, Director of Finance and Contractual Services
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 (Quarter 2 2024/25)	
Prepared by: Jamie Fraser, Manager - Azets		
Sponsored by: Sarah O'Donnell, Director of Finance and Contractual Services		
Presented by: Gary Devlin, Partner - Azets		
Links to Strategy and Corporate Values		
Working Together for a Safer Scotland		
Governance Route for Report		Meeting Date
<i>Audit and Risk Assurance Committee</i>		<i>29 October 2024</i>
		Report Classification/ Comments
		<i>For scrutiny</i>

Appendix A – Progress update on Internal Audit Recommendations (Quarter 2 2024/25)

1. Background

In accordance with the Internal Audit Plan 2024/25, 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:

- 22 actions have been added since the previous Quarter.
- For Quarter 1, sufficient evidence has been provided to close 10 actions which are as follows:

Year	Audit Assignment	Rec Ref	Subject of Recommendation	Grade
2020-21	Risk Management	5a & 5b	Risk Appetite (superseded)	2
2022-23	Corporate Performance Management	2.1	KPI Targets	2
2022-23	Personal Protective Equipment	2.2	New Firefighter PPE	2
2022-23	SVQ	4.3	Resourcing	3
2022-23	SVQ	5.4	Governance – Ownership and Oversight	2
2023-24	Workforce Planning – On Call Firefighters	2.2	PREP Analysis	2
2023-24	Equality, Diversity and Inclusion	2.1	Monitoring of training completion data (both parts)	2
2023-24	Equality, Diversity and Inclusion	5.1	Action plan monitoring (Part 2 only)	2
2023-24	Contract Management	2.3	Reporting on the outcome of job inspections	2
2023-24	Contract Management	3.2	Insurance cover information	2

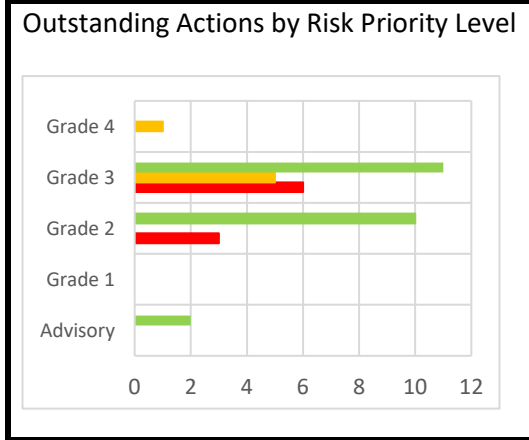
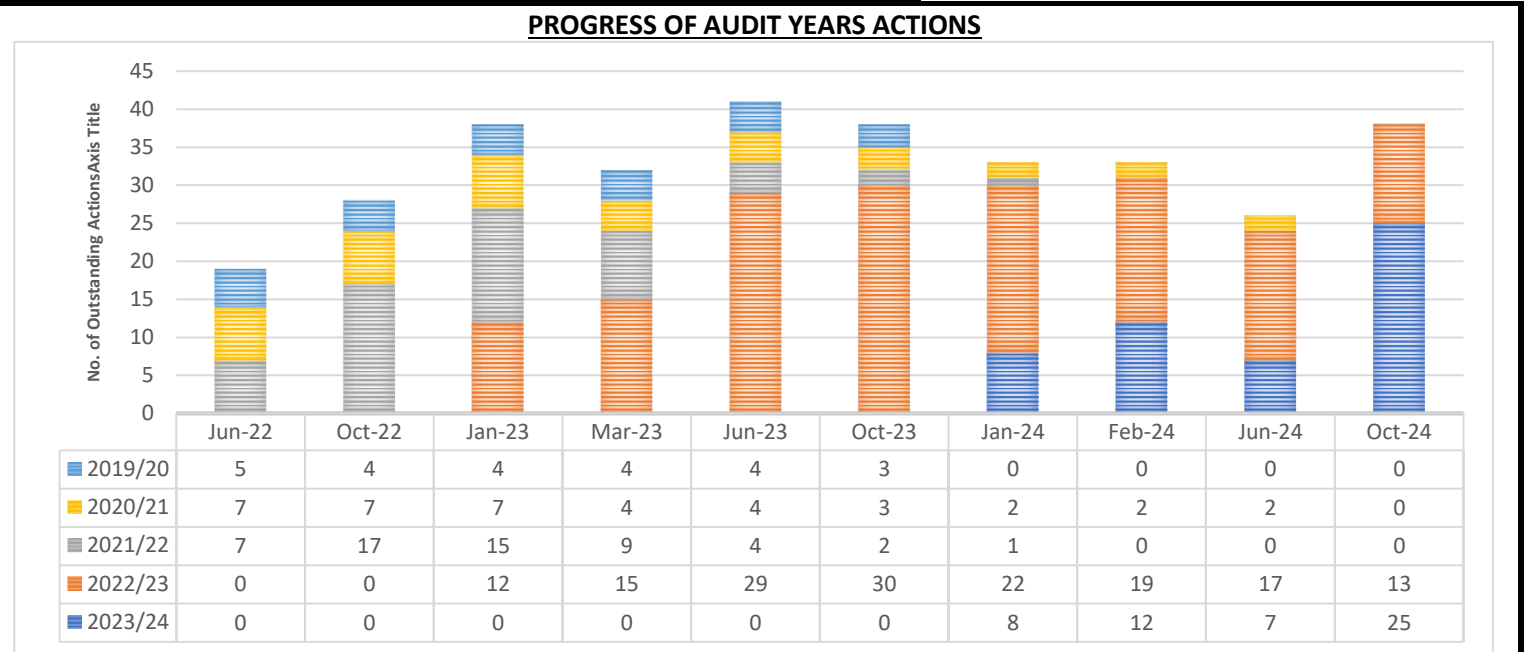
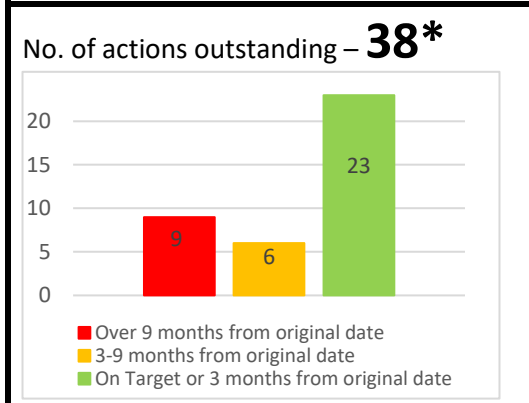
STATUS KEY	
GREEN	On Target to complete within agreed due date or within 3 months of original due date.
AMBER	Delay from original due date of between 3 to 9 months
RED	Delay of over 9 months or no evidence of progress

Dashboard – data as at 30th September 2024

*Budgetary Control Rec No. 4.2 is classed as 1 recommendation & would not be closed until both parts are classed as complete. Equality Diversity & Inclusion, both parts of 5.1 is classed as 1 recommendation & would not be closed until both parts are classed as complete

No. of actions complete past 12 months
34

No. of Actions closed since last ARAC meeting
10



RED STATUS ACTIONS – by months past original due date

No Months past original date (as at 30.09.2024)	AUDIT YEAR	AUDIT REVIEW	Action No.	Action Priority	Original Action Due	Revised Date	% Complete
21	2022/23	Revenue & Funding Maximisation	1.3a	GRADE 3	31.12.2022	31.10.2024	90%
21	2022/23	Revenue & Funding Maximisation	3.1	GRADE 3	31.12.2022	31.10.2024	90%
18	2022/23	Revenue & Funding Maximisation	2.1	GRADE 3	31.12.2023	31.12.2024	65%
18	2022/23	Post Pandemic Review	1.1	GRADE 3	01.04.2023	31.10.2024	90%
15	2022/23	Revenue & Funding Maximisation	4.1	GRADE 2	30.06.2023	31.03.2025	15%
12	2022/23	Capital Investment Strategy	4.1	GRADE 2	30.09.2023	30.09.2024	100%
11	2022/23	Sickness Absence Management	1.1	GRADE 3	31.10.2023	31.12.2024	90%
11	2022/23	Sickness Absence management	4.2	GRADE 2	31.10.2023	31.12.2024	90%
10	2023/24	Budgetary Control	4.2.1*	GRADE 3	01.12.2023	31.12.2024	90%
10	2023/24	Budgetary Control	4.2.2*	GRADE 3	30.11.2023	31.03.2025	90%

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	0
Rec No. 1.1	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.														
	<u>Update Directorate Business Continuity Plans</u>	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	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Head of Governance, Strategy & Performance	<i>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.</i>										01 April 2023	31 August 2024 New Requested date 31 October 2024	Grade 3	90%	RED
Progress to date (Update provided 23/09/24)	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 moving to consultation in Q3/Q4. BCP Policy consultation is complete. All areas requested to update current BCP plans. Business Continuity Framework has been approved by Corporate Board															
Outstanding actions to close the recommendation	All BCP Plans now needs to be updated using new framework and template Delayed due to conflicting pressures with the aim to have this completed by the end of October.															
Azets Comments	Awaiting evidence of updated BCP plans using new framework and template in order to close this action.															

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Rec No. 2.2	RISK	There still appears to be a risk of uncertainty amongst staff who are able to work remotely as o the future of working arrangements at SFRS. Moreover, offices and equipment may be under-utilised leading to inefficient use of resources.					
	<u>Hybrid Working Arrangements</u> 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	3rd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of Finance & Contractual Services (Formerly Acting Director of Asset Management)	<i>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</i> 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.		31 December 2023	31 December 2024	Grade 3	75%
Progress to date (Update provided 24/09/24)		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 30 th 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. Only the Occupational Health team are now in the Hamilton offices, with alterations to their future location due to commence. The desk booking system for Cambuslang HQ now in operation with Central Admin taking over administration of the system. An online survey template has been prepared and will be used by property officers to complete and reflect office usage across the estate and highlight any possible options for rationalisation.					
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 later in 2024. A number of site visits are scheduled for later this year together with completion of an Office Accommodation Review using Space Solutions to assist with input on best use of office space.					
Azets Comments		Awaiting evidence of outcome of office accommodation review to determine whether accommodation is being utilised effectively in order to close action.					

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	50%	0	0	2	0	0	1	1	0	0	0	0	0	
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: <ol style="list-style-type: none"> 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. 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	1 st Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response Head of Governance, Strategy & Performance	<ol style="list-style-type: none"> 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. SFRS will establish a central capability within the BI team to manage data quality and will put in place data quality action plans for key data sources. 			30 April 2024	31 July 2024 New date required	Grade 3	70%	AMBER								
Progress to date (Update provided 23/09/24)		<ul style="list-style-type: none"> - Data Governance Group established. - OSR Standards adopted. - Systems pipelining and connectivity identified and prioritised. - Data quality framework in draft. - Design of reporting product between BI and Data Services and all SFRS directorates is on-going. - SFRS Data literacy Conference held in May 2023. 															
Outstanding actions to close the recommendation		<ul style="list-style-type: none"> - Work to progress the Office for Statistical Regulations (OSR) Standards as part of data quality work but is on hold due to lack of resources. - Pipeline of SFRS systems providing direct access to the Business Intelligence function by ICT is ongoing – it has not been prioritised. - Business Case submitted for dedicated Data Quality role within the service – approved in principle during January 2023 but no resources provided to create post Unable to provide date for completion as no resource to complete the task/remaining action.															
Azets Comments		Awaiting evidence of the implementation of tasks stated above in order to class action as closed.															

2022-23	Revenue & Funding Maximisation		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
			8	50%	0	0	4	0	0	3	1	0	0	0	0	0
Rec No. 1.3a	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.														
	<u>Funding, Revenue Opportunity Identification and Maximisation</u> <u>External Funding Maximisation</u>			Report Agreed Date	4th Agreed Revised Date	Priority	% Complete	Status								
	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.															
	Responsible Owner Agreed Response Head of Finance & Procurement (formerly Acting Head of Finance & Procurement)	<i>Agreed to improve the visibility of external funding by reporting progress on external funding through Good Governance Board for scrutiny.</i>		31 December 2022	30 th Sept 2024 New requested date 31 Oct 2024	Grade 3	90%	RED								
Progress to date (Update provided 23/09/24)	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. At appropriate times, the Deputy Accounting Manager will produce a report to the Head of Finance and Procurement that will be presented to the Corporate Board (CB) 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. Changes to SFRS corporate board structure necessitates that this now progresses through Corporate Board rather than GGB.															
Outstanding actions to close the recommendation	Corporate Board TOR to be reviewed to ensure it meets requirements and then to be provided to Azets. TOR in progress of being reviewed and will be issued to Azets on agreement – request for extension to allow for governance through Corporate Board															
Azets Comments	Awaiting revised Corporate Board ToR.															
Rec No. 2.1	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.														
	<u>External Funding Documentation</u>			Report Agreed Date	4th Agreed Revised Date	Priority	% Complete	Status								
	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.															
	Responsible Owner Agreed Response Head of Finance & Procurement (formerly Acting Head of Finance & Procurement)	<i>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.</i>		31 March 2023	31 December 2024	Grade 3	65%	RED								

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Progress to date (Update provided 23/09/24)	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 ongoing to review existing funding projects to ensure all documentation has been capture & re-engage if needed.
Azets Comments	Awaiting evidence of applications and grant conditions being retained on file centrally and/or re-engagement having taken place to agree details of the funding in order to close the action.

Rec No. 3.1	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.					
	<u>Funding and Revenue Generation Scrutiny Group</u> 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: <u>Scrutiny of funding beyond BAU capital funds</u> <ul style="list-style-type: none"> • 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. <u>Revenue generating activities</u> <ul style="list-style-type: none"> • 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	3rd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Head of Finance & Procurement (formerly Acting Head of Finance & Procurement)	<i>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.</i>		31 December 2022	30 th Sept 2024 New requested date 31 Oct 2024	Grade 3	90%
Progress to date (Update provided 23/09/24)	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. Changes to SFRS corporate board structure necessitates that this now progresses through Corporate Board rather than GGB.						
Outstanding actions to close the recommendation	Corporate Board TOR to be reviewed to ensure it meets requirements and then to be provided to Azets. TOR in progress of being reviewed and will be issued to Azets on agreement – request for extension to allow for governance through Corporate Board						
Azets Comments	Awaiting revised Corporate Board ToR.						

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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.				
	<u>Evaluation Framework</u> The evaluation framework should be expanded to other external funding areas not currently covered to improve consistency of approach and to ensure that lessons learned are captured and fed into planning for the use of future external funding.	Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Head of Finance & Procurement (formerly Acting Head of Finance & Procurement)	30 June 2023	30 Sept 2024 New date requested 31 March 2025	Grade 2	15%	RED
Progress to date (Update provided 23/09/24)	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	Delays of progress due to other priority commitments, ie, Year end. Work on action will now be accelerated.					
Azets Comments	Awaiting evidence of evaluation framework being extended to areas outwith P&P in order to close action.					

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2022-23	Training	Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
		6	67%	4	3	2	1	4	3	2	1	4	3	2	1
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.													
	<u>Cost Efficiency</u> 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 by 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	2nd Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response AC Training Delivery	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	31 Dec 2024	Grade 3	90%	AMBER								
Progress to date (Update provided 19/09/24)		Progress continues to be made regarding the production of our Training Delivery Framework which is nearing completion. Further, workshop, stakeholder engagement and submission of the Framework through recognised Training Function governance structures are agreed next steps through Oct/Nov'24. Elements of SFRS Specialist Training linked to our NFRS capabilities are now being outsourced across the UK Fire Sector following detailed cost/benefit analysis and production of an agreed MOU. Additionally, a new SFRS zero-based budgeting approach launched at the commencement of the fiscal year 2024/25 coupled with a new commodity strategy (currently in draft) for SFRS external training provision will ensure that best value is achieved going forward.													
Outstanding actions to close the recommendation		The production of our Training Delivery Framework in the coming months will ensure that all elements of Training Delivery are facilitated as effectively and efficiently as possible. External Training Provision is an integral component part of the Framework document. Moreover, the imminent production of a Commodity Strategy for the Training Function will ensure best value across the procurement supplier base and sourcing strategies in relation to external training. New extension date requested in allow for Commodity Strategy for SFTS external training provision to follow appropriate Governance route for approval.													
Azets Comments		Awaiting evidence of Training Delivery Framework to demonstrate VFM, consideration of External Training Provision and approval of Commodity Strategy.													
Rec No. 4.1	RISK	There is a risk that firefighters are not adequately trained to perform in their role as they are not compliant with the TfOC 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.													
	<u>Compliance Reporting:</u> 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	2nd Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response AC Training Delivery	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 be deemed to be not yet competent or are out with their refresher training current periods.	01 April 2024	31 Dec 2024	Grade 4	90%	AMBER								
Progress to date (Update provided 19/09/24)		Continued progress is being made regarding the production of a Skills Maintenance Framework. Further workshop stakeholder engagement and submission through recognised Training Function governance structures are recognised next steps through Oct/Nov'24. Additionally, The Training Function recently implemented a National Re-Structure of all SFRS Training personnel, resources and assets on 1 st April 2024. This re-structure has been overlaid with robust performance monitoring elements designed to drive continuous improvement across all Training KPI's.													

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Outstanding actions to close the recommendation	New extension date requested in allow for the Skills Maintenance Framework for SFRS external training provision to follow appropriate Governance route.
Azets Comments	Awaiting evidence of completed Skills Maintenance Framework and its application in order to close this action.

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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	83%	0	0	3	2	0	1	0	0	0	0	0	0
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.														
	<u>Retrieval of PPE</u> 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	2 nd Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response Scottish Equipment Manager/People	<i>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.</i>	31 March 2024	31 Dec 2024	Grade 3	80%	AMBER									
Progress to date (Update provided 19/09/24)		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		Ext interview questionnaire now includes response re return of PPE. Leavers return list for ICT and Kit return in use and issued to leavers. Resignation/retiral letters also include "return of SFRS property" text. Stores Team check return of kit against leavers list and Equipment Return List form. POD to prepare revised guidance note to replace existing policy as per Policy Review Report of 16/11/23. Request to extend date to 31 December 2024 to the Corporate Board, to allow People Services to prepare Guidance Note to replace existing Policy														
Azets Comments		Awaiting evidence of revised guidance note to ensure leavers return of their kit in order to close action.														

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
					0	0	1	1	0	0	1	0	0	0	0	0
Rec No. 4.1	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.														
	<u>Evidence of prioritisation in the event of slippage</u> 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	2nd Agreed Revised Date	Priority	% Complete	Status								
	Responsible Owner Agreed Response Director of Finance & Contractual Services (formerly Acting Head of Finance & Procurement)	<i>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.</i>		30 Sept 2023	30 Sept 2024	Grade 2	100%	RED								
Progress to date (Update provided 23/09/24)		The Capital Investment Strategy works on a risk-based approach which highlights a priority basis for any slippage in the financial year. Further supporting evidence will be supplied by responsible owner for to Azets review – this was pending virement requests being reviewed and agreed by SG and SLT.														
Outstanding actions to close the recommendation		Supporting evidence forwarded to Azets for review & a meeting being arranged between both parties to discuss action.														
Azets Comments		In order to class this action as closed, 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. Meeting arranged for 24 th October to discuss.														

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2022-23	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
					0	3	1	0	0	1	1	0	0	0	0	0
Rec No. 1.1	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.														
	<u>Compliance with Policies and Procedures</u> 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. <u>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.</u>		Report Agreed Date	3rd Agreed Revised Date	Priority	% Complete	Status									
	Responsible Owner Agreed Response People Manager (Advice & Employee Relations) & People Manager (Talent)	<i>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.</i>	31 October 2023	31 December 2024	Grade 3	90%	RED									
Progress to date (Update provided 19/09/24)	<p>The review of the current guidance documentation has taken place. People Adviser leads have completed the action plan to progress the revisions to the middle manager development sessions and develop the inclusion of a managing absence toolkit in the management induction toolkit for implementation in 2024. Communication managers' reminder was issued in January 2024 and will be shared periodically. This includes 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. The Management Capability framework will be rolled out iteratively which will also encompass these aspects. Design of the broader framework beyond the 1 day session based on Senior Leadership Team feedback and an extension of content/ requirements/ delivery model will be discussed and confirmed in Q4. The one day development session will be piloted in the East Service Delivery Area early Q4 and reviewed to inform actions for 2024/25 and will remain iterative. Discussion around the development of an independent periodic verification process of compliance (all absence management file documentation being complete and recorded in e-PRF) between People and Audit & Risk commenced in Quarter 4. There have been some further delays to developing a proposed independent verification process and approach due to competing priorities and absence within the People team, along with some associated actions required related to GDPR and storage of documentation in the agreed centralised location of the e-PRFs which need to be resolved prior to this process being viable and embedded. This will continue to be a future action to be progressed.</p>															
Outstanding actions to close the recommendation	<p>An email communication to Heads of Function and their LSO/Directorate management teams is being prepared to remind them of the purpose of the monthly absence reports they receive for their areas and their responsibilities and follow up actions regards reviewing absences within their areas to ensure the Attendance Management Procedure is being followed including Attendance Support Meetings, support arrangements and appropriate follow up, as well as ensuring all absence files and documentation are recorded, collated and stored appropriately. The manager guidance issued in January 2024 is also being refreshed to include the need for managers to have appropriate checks in place that there management team are managing absence appropriately and documentation is up-to-date and stored – this will be reissued as a further reminder of these responsibilities in October.</p> <p>Whilst development of an independent verification process remains a future action once the Personal Record File/GDPR arrangements have been further developed, the above steps should satisfy the mitigation of this risk and address this audit action in the meantime. Evidence of the above communications will be shared once issued.</p>															
Azets comments	Awaiting evidence of above communications being issued and checks being undertaken by management to ensure all documentation has been correctly retained in order to close this action.															

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	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.					
Rec No. 4.2	<u>Absence Triggers</u> 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	2nd Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response People Manager (Advice & Employee Relations) & People Manager (Talent)	<i>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.</i>	31 October 2023	31 December 2024	Grade 2	90%	RED
Progress to date (Update provided 19/09/24)	<p>The improvements identified in the Guidance documentation will be implemented in 2024 and is supported in the meantime by the managers reminders communication issued in January 2024.</p> <p>Discussions with SDA DACO's were delayed due to absence to consider an independent process for managers vetting of case work within their areas or alternative options which may assist in providing similar assurance, with the view being that whilst local managers would monitor compliance, the preference would be for an independent verification process to provide assurance of compliance across the Service.</p> <p>Discussions commenced around the development of an independent periodic verification process of compliance between People and Audit & Risk in Q4 (linked to Rec No 1.1). There have been some further delays to developing a proposed independent verification process and approach due to competing priorities and absence within the People team, along with some associated actions required related to GDPR and storage of documentation in the agreed centralised location of the e-PRFs which need to be resolved prior to this process being viable and embedded. This will continue to be a future action to be progressed.</p> <p>LSO/Directorate management teams continue to receive absence reports for their areas to ensure that they can effectively identify where employees have hit triggers as per the policy and ensure that this is followed up with their local managers in terms of management actions including completion of Attendance Support Meetings, review periods where appropriate etc. The People Directorate continue to liaise with managers on an ongoing basis to ensure the absence reports they receive provide the information they require to manage absences effectively.</p>						
Outstanding actions to close the recommendation	<p>An email communication to Heads of Function and their LSO/Directorate management teams is being prepared to remind them of the purpose of the monthly absence reports they receive for their areas and their responsibilities and follow up actions regards reviewing absences within their areas to ensure the Attendance Management Procedure is being followed including Attendance Support Meetings, identification of absence triggers, support arrangements and appropriate follow up, as well as ensuring these are clearly documented/recorded.</p> <p>Whilst development of an independent verification process remains a future action once the Personal Record File/GDPR arrangements have been further developed, the above steps should satisfy the mitigation of this risk and address this audit action in the meantime. Evidence of the above communication will be shared once issued.</p>						
Azets comments	Awaiting evidence of above communications being issued and checks being undertaken by management to ensure all documentation has been correctly retained in order to close this action.						

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2023-24	Budgetary Control *4.2 is classed as 1 recommendation		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	0	1	1	0	2	0	0	0	0	0	0
Rec No. 4.1	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														
	Business Case Process	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.							Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status			
	Responsible Owner Agreed Response Decision Support Manager	<i>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.</i>							01 December 2023	31 March 2025	Grade 3	95%	AMBER			
Progress to date (Update provided 24/09/24)		Drafting of the updated Business Case is in progress, however this also links to the determination of stewardship of the Business Case process sits within the Service. Discussion underway to determine Stewardship, financial parameters and governance routes. Due to capacity, competing priorities and changing of roles, we have struggled to move these forward in the time we originally anticipated.														
Outstanding actions to close the recommendation		Work ongoing with Portfolio Office to finalise full BC process documentation and to provide full evidence to Azets .														
Azets Comments		Awaiting evidence of BC process documentation in order to close this action.														
Rec No. 4.2*	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.														
		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.							Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status			
	<u>Action No. 1</u> Responsible Owner Agreed Response Decision Support Manager	<i>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.</i>							01 December 2023	31 Dec 2024	Grade 3	90%	RED			
<u>Action No. 2</u> Responsible Owner Agreed Response Head of Finance & Procurement	<i>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.</i>							30 November 2023	31 March 2025	90%		RED				
Action 1 Progress to date (Update provided 24/09/24)		Stewardship of Business Cases being reviewed as part of task at 4.1 Due to capacity, competing priorities and changing of roles, we have struggled to move these forward in the time we originally anticipated.														
Outstanding actions to close the recommendation		Evidence now to be provided to Azets on Approved Framework and also Comms issued.														

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<u>Action 2</u> Progress to date (Update provided 24/09/24)	Stewardship of Business Cases being reviewed as part of task at 4.1 Due to capacity, competing priorities and changing of roles, we have struggled to move these forward in the time we originally anticipated. This extension allows us to give this full attention and meet the timings of governance routes for any approvals required
Outstanding actions to close the recommendation	Evidence now to be provided to Azets on Approved Framework and also Comms issued.
Azets Comments	As per 4.1 above.

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2023-24	Equality, Diversity & Inclusion *2.1 & 5.1 are classed as one recommendation		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	
			5	25%	0	0	1	0	0	0	4	0	0	0	0	0	0
Rec No. 1.2	RISK	The Equality and Diversity Charter may become outdated and obsolete if it is not subject to periodic review to ensure it remains fit for purpose.															
		<u>Review of Equality and Diversity Charter</u>	SFRS should ensure the Equality and Diversity Charter is subject to periodic review and that this is evidenced by ensuring appropriate version control is recorded on the document. Should any updates be required if there are any changes in Scottish Regulations for Mainstreaming Equality, these should be made in a timely manner.						Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status				
		Responsible Owner Agreed Response EDI Manager	Review as required the Equality and Diversity Charter to ensure this remains up-to-date and relevant, taking account of the outcomes of the review of the Scottish Regulations for Mainstreaming Equality. This should include appropriate version control.						31 March 2025	n/a	Grade 2	0%	GREEN				
Progress to date (update provided 23/09/24)		This item will not progress until Q3 2024 following receipt of further information regarding renewal of the Public Sector Equality Duty.															
Outstanding actions to close the recommendation		Review of Charter following receipt of changes to PSED regulations and introduction of version control onto the document.															
Azets Comments		Awaiting updated Equality and Diversity Charter which includes version control in order to close action.															
Rec No. 4.1	RISK	In the absence of a centralised record of EHRIAs, there is an increased risk that an EHRIA may not have been performed where required. There is also a risk of the EHRIAs not being reviewed and updated in a timely manner which could result in SFRS not having given adequate consideration to EDI matters when approving policies etc.															
		<u>Central record of Equality and Human Rights Impact Assessments</u>	SFRS should maintain a centralised record of Equality and Human Rights Impact Assessments which have been performed along with their respective review dates. As part of this, SFRS should consider whether there are any common issues identified as part of the assessment process from which lessons for future improvement could be learned						Report Agreed Date	1 ST Agreed Revised Date	Priority	% Complete	Status				
		Responsible Owner Agreed Response EDI Manager	Develop and collate a register of existing Equality and Human Rights Impact Assessments and introduce guidance to assist managers in updating the register as they complete an EHRIA.						30 June 2024	30 Sept 2024	Grade 2	100%	GREEN				
Progress to date (update provided 23/09/24)		Validation of existing data held has been completed. The introduction of a revised process for maintaining a register of completed EHRIA has been developed as a component part of the proposed modifications to the EHRIA process which commences governance approval stages on 28 May 2024. The proposed EHRIA revised process is progressing through governance and is scheduled for decision at Corporate Board in August 2024. The renewed EHRIA process was approved by the Corporate Board at their meeting in August 2024															
Outstanding actions to close the recommendation		Supporting Evidence to be forwarded by the responsible owner															
Azets Comments		Awaiting evidence of centralised register of EHRIAs and capture of lessons learned for future improvements in order to close action.															

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Rec No. 5.1*	RISK	There is a risk that important actions raised as part of the Equal Pay and Gender Pay Gap report have not been monitored and progressed as required. In addition, there is a risk that as part of making EDI 'business as usual', directorates may not give sufficient consideration to EDI matters and monitor EDI related actions appropriately in order to provide the EDI team with sufficient information for them to perform their role effectively and efficiently.					
	5.1 Action Plan Monitoring Management should review the Action Plan created as part of the Equal Pay and Gender Pay Gap report 2023 to ascertain how these actions are being taken forward and monitored, if still required. In addition, the EDI Manager should consider what enhancements could be made to the current monitoring/reporting arrangements in relation to EDI actions with particular consideration given to the role of the Equality Partnership Group and ways in which the Directorates could facilitate this process in order to improve effectiveness and efficiency of the EDI monitoring and reporting arrangements.		Report Agreed Date	2nd Agreed Revised Date	Priority	% Complete	Status
	Action 1 Responsible Owner Agreed Response EDI Manager/Reward Manager	Undertake a mapping exercise of the Action Plan within the Equal Pay and Gender Pay Gap report 2023 to identify where and how each action is being progressed. A summary of progress against each action to be provided to Corporate Board.	30 June 2024	30 Sept 2024	Grade 2	100%	GREEN
	Action 2 Responsible Owner Agreed Response EDI Manager	Review the Terms of Reference and attendees of the Equality Partnership Group to incorporate clear expectations regarding the role of the group in relation to EDI monitoring and reporting and reinvigorate the group itself	31 March 2024	31 May 2024	Grade 2	100%	BLUE
Action 1 Progress to date (update provided 23/09/24)	The Equal Pay Gap and Gender Pay Gap Action Plan progress review is included within the governance papers for the Mainstreaming Report which commences governance stages on 28 May 2024. In this regard, an extension to 30 September is requested for this element of the recommendation to allow the completion of all governance stages relating to the update on the Equal Pay actions and publication of the Mainstreaming Report. The Corporate Board accepted and approved the Mainstreaming Report and the update on the Equal Pay Action Plan at their meeting in August 2024.						
Action 1 Outstanding actions to close the recommendation	Supporting Evidence to be forwarded by the responsible owner						
Action 2	Complete – 29/08/2024						
Azets Comments	Awaiting evidence of the above in order to consider closing action.						

2023-24	Partnership Working		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	0	0	0	0	0	1	2	0	0	0	0	0	
Rec No. 1.1	RISK	There is a risk that the SFRS does not have a consistent and effective approach to manage partnerships due to lack of clarity of approach based on the scale and complexity of individual partnerships and the role that SFRS is undertaking.														
	Operational deployment of partnership activities SFRS should develop a principles-based set of guidance that enables LSOs to manage partnership relationships effectively. This should focus on the effective deployment of resources and understanding the extent to which SFRS is meeting their obligations. This will include understanding: <ul style="list-style-type: none"> Whether the partnership is large and/or complex Roles and responsibilities of SFRS in meeting their obligations Expected resource commitments both financial and non-financial Agreed reporting arrangements Internal reporting arrangements should be focused on considering how SFRS have deployed their resources and how that effectively aligns with the objectives of SFRS.			Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status								
	Responsible Owner Agreed Response Director of Strategic Planning, Performance and Communications	We will develop guidance to compliment National Community Planning guidance setting out SFRS expectations for Local Senior Officers and their teams with respect to partnership working, including internal reporting arrangements on local partnership activity and resource commitments.			31 March 2025	n/a	Grade 2	25%	GREEN							
Progress to date (update provided 19/09/24)		<ul style="list-style-type: none"> Work is underway to review the National Community Planning Guidance and carry out research to identify similar guidance documents. Work is underway to develop a reporting process and system that can be referenced within the Guidance document. Work is underway to draft the guidance document. 														
Outstanding actions to close the recommendation		<ul style="list-style-type: none"> Finalise the draft guidance document. Carry out a consultation exercise with stakeholders. Progress guidance through governance route and seek approval. Publish guidance. 														
Azets Comments		Awaiting evidence of the above in order to consider closing action.														
Rec No. 3.1	RISK	There is a risk that resources are not appropriately allocated resulting in either excessive time committed to partnerships to meet SFRS's obligations or insufficient time is committed resulting in objectives not being met.														
	3.1 Effective and proportionate planning of resources SFRS should review the resources committed to partnership working at a local level and ensure that appropriate resources are identified at both individual partnership and corporate levels. Periodically, the resources allocated should be reassessed to ensure that sufficient and not excessive resources are deployed to effectively develop and maintain partnerships.			Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status								
	Action 1 Responsible Owner Agreed Response Director of Strategic Planning, Performance and Communications	Working in Partnership with PP&P, SPPC will develop and support improvements in local partnership reporting by developing a reporting framework that captures key information on SFRS local partnership working that allows SFRS to better assess resources allocated to partnership working.			31 March 2025	n/a	Grade 3	25%	GREEN							

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	Action 2 Responsible Owner Agreed Response Director of Prevention, Protection and Preparedness	SFRS will review the current Community Safety Engagement Toolkit to improve partnership reporting functionality.	31 March 2026	n/a	Grade 3	5%	GREEN
Action 1 Progress to date (update provided 19/09/24)	<ul style="list-style-type: none"> Work has begun to identify the types of information we require to record and an accompanying process. This information and access to an interim reporting tool will form part of the guidance document referred to in Rec. 1.1. The same fields will later be used in Action 2 to develop an ICT module to record partnership activity. The fields identified have been shared with ICT in advance of their work beginning for Action 2 to ensure requirements are understood and achievable. 						
Action 1 Outstanding actions to close the recommendation	<ul style="list-style-type: none"> Finalisation of an improved reporting system and process in advance of CSET replacement review. Carry out a consultation exercise with stakeholders (see 1.1.1). Progress reporting proposal through governance route and seek approval. Publish reporting system and process. 						
Azets Comments		Awaiting evidence of the above in order to consider closing action.					
Action 2 Progress to date (update provided 19/09/24)	<ul style="list-style-type: none"> SFRS will replace the current Partnership Module hosted within the Community Safety Engagement Toolkit with a reporting tool that can capture partnership activity across the Service. Initial discussions have taken place with ICT to progress the development of the outstanding modules on CSET. 						
Action 2 Outstanding actions to close the recommendation	<ul style="list-style-type: none"> Develop list of requirements for partnership recording tool Initiative work with ICT business partner Carry out testing Launch new tool 						
Azets Comments		Awaiting evidence of the above in order to consider closing action.					
Rec No. 4.1	RISK	There is a risk that either insufficient or excessive resources are deployed undermining the achievement of value for money..					
	4.1 Reporting Arrangements	SFRS should periodically review the deployment of resources in relation to partnerships to ensure that they continue to meet their obligations in a value for money manner. This should build on processes identified within recommendation 1.1	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of Strategic Planning, Performance and Communications	SFRS will incorporate the outputs from the partnership reporting framework into the annual SFRS Working in Partnership Report and provide highlight reports to Service Delivery Area DACOs in support of their management scrutiny of local area partnership.	31 December 2025	n/a	Grade 2	25%	GREEN
Progress to date (update provided 19/09/24)	<ul style="list-style-type: none"> Initial planning has taken place to establish milestones and timeline to complete the action. The process to ensure that timely Highlight Reporting has been noted and will be included in the guidance document referred to in Rec. 1.1. 						
Outstanding actions to close the recommendation	<ul style="list-style-type: none"> Ensure output from Partnership Reporting (see 3.1.1) is available to DACOs/HoFs to form timely Highlight Reporting. Include a section in the draft SFRS Working in Partnership 2025/26 publication detailing output from the Partnership Reporting System (see 3.1.1). 						
Azets Comments		Awaiting evidence of the above in order to consider closing action.					

2023-24	Contract 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
			14	14%	0	0	2	0	0	8	4	0	0	0	0	0
Rec No. 1.1	RISK	There is a risk of staff being unaware of the current protocols for monitoring contracts in the absence of up-to-date and comprehensive documented procedures leading to an inconsistent and outdated approach to contract management resulting in poor supplier performance and financial and reputational loss.														
	Outdated Procurement Practice Note	The Procurement Practice Note No.19 needs to be updated and approved as soon as practicable and be subject to periodic review going forward to ensure that it provides current and comprehensive coverage of the overall process and also reflects good practices in operation. This will assist in ensuring that a consistent approach is adopted for contract management throughout SFRS. Management also need to ensure that the Standing Orders for the Regulation of Contracts are also reviewed in a timely manner.				Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status						
	Responsible Owner Agreed Response Procurement Manager	Management will progress a review and update of the Procurement Practice note and the Standing Orders for the Regulation of Contracts. These will be agreed through SFRS governance routes.				31 December 2024	n/a	Grade 3	20%	GREEN						
Progress to date (update provided 25/09/24)		Review of PPN and Standing Orders is currently underway														
Outstanding actions to close the recommendation																
Azets Comments		Awaiting evidence of updated PPN and Standing Orders in order to consider closing this action.														
Rec No. 1.2	RISK	Assessment of the degree of risk associated with a contract is a key element of the contract management process as the type and frequency of monitoring including the level of resources allocated to the management of a contract is dependent on whether the contract is deemed to be high, medium or low risk. Failure to clearly define how risk is assessed in relation to contracts increases the likelihood of an incorrect risk assessment which could lead to inadequate and/or disproportionate contract management, resources not being used efficiently and effectively and subsequent poor supplier performance and financial loss														
	Risk Assessment	When updating the Procurement Practice Note, management should also review the definitions of risk in order to provide clearer guidance for staff on the level of risk assigned to contracts.				Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status						
	Responsible Owner Agreed Response Procurement Manager	Management will review the definition of risk as part of the review and update of the Procurement Practice note to ensure clearer guidance is provided on the level of risk assigned to contracts.				31 December 2024	n/a	Grade 3	20%	GREEN						
Progress to date (update provided 25/09/24)		Review of PPN and Standing Orders is currently underway														
Outstanding actions to close the recommendation																
Azets Comments		Awaiting evidence of updated PPN in order to consider closing this action.														

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Rec No. 2.1	RISK	Failure to keep a formal record of contract management meetings could lead to an increased risk of misunderstandings between SFRS and suppliers which could result in agreed actions not being carried out and potential conflicts between the two parties.					
	Minutes of meetings not formally documented		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Minutes of formal contract management meetings should be recorded and shared with supplier to ensure transparency and accountability.						
	Responsible Owner Agreed Response Procurement Manager	Management will implement a process for recording of Contract Management Meetings and store within a centralised repository accessible by relevant individuals. Processes will be updated to ensure all minutes are shared formally with suppliers.	31 December 2024	n/a	Grade 2	10%	GREEN
Progress to date (update provided 25/09/24)		Process of contract management recording being reviewed and updated – engagement with all relevant stakeholders will follow					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of process for recording Contract Management meetings and storing them centrally in order to consider closing this action.					
Rec No. 2.2	RISK	There is a risk that contract managers may not adequately monitor the services being delivered under the contract in the absence of a method for formally determining and documenting the way in which the contract will be monitored. This could potentially compromise the quality and effectiveness of the contract management process.					
	Monitoring mechanisms not formally documented		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Management should ensure that the way in which the services/goods provided under the contract will be monitored are determined and documented from the outset. This should encompass defined roles, responsibilities, monitoring type and intervals, quality criteria etc. for each contract to ensure comprehensive oversight and adherence to contractual obligations throughout the contract lifecycle						
	Responsible Owner Agreed Response Procurement Manager	As part of the review of the PPN, management will ensure robust guidance and templates are implemented to ensure education provided to contract managers, enabling them to address the contract arrangements and the documentation required.	31 December 2024	n/a	Grade 3	20%	GREEN
Progress to date (update provided 25/09/24)		Review of PPN on-going					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of updated PPN in order to consider closing this action.					
Rec No. 2.4	RISK	There is a risk of duplicate efforts arising from self-monitoring activities being performed by both parties in the absence of a proper assessment mechanism to evaluate the frequency, nature and adequacy of the contractors' own monitoring practices. This could lead to inefficient allocation of resources resulting in financial and operational losses.					
	Contractors' self-monitoring assessment		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	As part of updating the Procurement Practice Note, management should incorporate guidance on assessing the frequency, nature and adequacy of self-monitoring conducted by contractors (including some illustrative examples) and determining whether reliance can be placed on this in order to ensure resources are used efficiently and any duplication is minimised.						
	Responsible Owner Agreed Response Procurement Manager	Management will incorporate guidance as requested as part of the review and update of the PPN.	31 December 2024	n/a	Grade 3	20%	GREEN
Progress to date (update provided 25/09/24)		Review of PPN on-going					

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Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of updated PPN in order to consider closing this action.					
Rec No. 2.5	RISK	There is a risk that contractor's performance may not be measured effectively throughout the period of the contract in absence of formally established quality standards/KPIs resulting in unaddressed performance issues or compromised quality.					
		<u>Contract specific quality standards/KPIs not defined</u> Management should formally establish contract related quality standards/KPIs at the start of each contract either as part of tendering process or before commencing the contract and agree the frequency of assessing performance against those standards throughout the contract period.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Procurement Manager	Management should formally establish contract related quality standards/KPIs at the start of each contract either as part of tendering process or before commencing the contract and agree the frequency of assessing performance against those standards throughout the contract period	31 March 2025	n/a	Grade 3	10%	GREEN
Progress to date (update provided 25/09/24)		Review underway					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of contract related quality standards/KPIs being developed in order to consider closing this action.					
Rec No. 3.1	RISK	There is a risk of insufficient capacity to conduct effective contract management activities due to inadequate resource allocation and the absence of periodic reviews. This situation may result in disruptions or failures to identify contract-related issues in a timely manner.					
		<u>Mechanism for resource allocation not developed</u> Once the frequency and type of monitoring have been defined by management for a given contract (as per recommendation at 2.2), resource allocation to that contract should be conducted with due consideration of these factors, along with the contract's value and associated risks.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Head of Finance & Procurement	Management are in the process of a recruitment campaign with the aim to obtain a fully established Procurement Team. Market demand is extremely competitive in this field, however all options are being considered to build the team. All resourcing of contracts is and will continue to be considered as capacity allows.	30 September 2024	n/a	Grade 3	50%	GREEN
Progress to date (update provided 25/09/24)		Recruitment in currently in progress to maximise the capacity within the team and fill all current vacancies where possible. Category Lead post just finalised and offer made and accepted and one Category Lead recruitment in progress.					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of mechanism for resource allocation being in place in order to consider closing this action.					

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Rec No. 3.3	RISK	There is a risk that staff may not have the necessary knowledge and skills required for managing contracts in absence of regular training on contract management leading to inefficiencies and errors in the contract management process.					
	Training on contract management Management should devise a plan for providing training to staff involved in contract management with regular refresher training also provided on a periodic basis to keep staff up to date with evolving knowledge and practices in this area.		Report Agreed Date	1 st Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Head of Finance & Procurement	Management are currently exploring external training provision with the intention to implement across SFRS.	30 September 2024	31 Jan 2025	Grade 2	5%	GREEN
Progress to date (update provided 25/09/24)		Capacity limitations has delayed this					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of a training plan for contract management in order to consider closing this action.					
Rec No. 4.1	RISK	There is a risk that contractors' performance is not reviewed and measured in the absence of periodic performance reports leading to compromised performance and inefficiency. There is a risk of inaccurate or incomplete monitoring of contractor's performance against established benchmarking in the absence of a structured comparison against the performance table and the failure to address all specified KPIs in the monthly progress report. This could lead to challenges in accurately assessing the contractor's adherence to contractual obligations and identifying areas for improvement or intervention.					
	Performance measurement reports not prepared Management should enforce strict oversight to ensure contractors fully comply reporting requirements established within contracts. This includes mandating structured performance reporting at defined intervals, covering all related standards and KPIs. These reports should clearly articulate benchmarking criteria and deviations from these benchmarks.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Procurement Manager	Robust Contract Management processes will be updated and implemented across SFRS. This will be encompassed within the PPN and centrally held repository for all contract information actions at 1.1 and 2.1.	31 December 2024	n/a	Grade 3	20%	GREEN
Progress to date (update provided 25/09/24)		Ongoing as part of PPN review and update					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of updated PPN in order to consider closing this action.					
Rec No. 4.3	RISK	There is a risk of continued underperformance by the contractor and compromised contract effectiveness in the absence of appropriate actions and penalties for unmet benchmarks leading to diminished value and financial loss to SFRS.					
	Deductions for shortfalls against performance targets Management should ensure that appropriate arrangements are in place for determining if contractor performance falls below expected levels and whether this should result in penalties being incurred (as per the contract). Management should ensure that any financial or other penalties to be made are appropriately enforced.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status

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	Responsible Owner Agreed Response Procurement Manager	As per previous actions, management will ensure robust processes are in place, are being followed and training is provided across SFRS to ensure action is taken if performance of a contractor falls below expected levels.	31 March 2025	n/a	Grade 3	20%	GREEN
Progress to date (update provided 25/09/24)		On-going as part of all previous action / audit points					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of process for determining contractor performance in order to consider closing this action.					
Rec No. 6.1	RISK	There is a risk of inadequate oversight and decision making in terms of contract cost and payments in the absence of appropriate cost reporting covering all the elements mentioned in the contract which could result in financial discrepancies, disputes and inefficiencies.					
	Cost report not presented as agreed in the contract	Management should enforce the contractual requirement for the supplier to present specified cost reports during monthly cost and procurement meetings. This requirement should be clearly communicated to the supplier with emphasis on the importance of timely and accurate reporting.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Procurement Manager	As per previous actions, management will ensure a robust Contract Management review is undertaken and processes updated to clearly communicate supplier expectations and monitor adherence.	31 March 2025	n/a	Grade 2	20%	GREEN
Progress to date (update provided 25/09/24)		On-going as part of all previous action / audit points					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of communication of supplier expectations and the monitor arrangements for this in order to consider closing this action.					
Rec No. 6.2	RISK	There is a risk of inadequate oversight and transparency in contract management processes in the absence of structured periodic reporting to the board and/or sub-committees leading to key stakeholders being unaware of critical contract-related issues, including performance, compliance, and financial matters.					
	Periodic reporting to the board	Management should establish a formal mechanism for preparing and presenting periodic contract reports to the board or relevant sub-committees covering a summary of contract management activities for all the contracts and highlighting key issues, where appropriate.	Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Head of Finance & Procurement	Management currently report monthly through the FCS Procurement Group. New Governance structures have recently been introduced within SFRS – management will establish the most appropriate route for contract reporting and will produce reports for the appropriate boards.	31 December 2024	n/a	Grade 2	20%	GREEN
Progress to date (update provided 25/09/24)		On-going as part of all previous action / audit points					
Outstanding actions to close the recommendation							
Azets Comments		Awaiting evidence of periodic contract reporting to an appropriate forum in order to consider closing this action.					

2023-24	Risk Assurance Advisory Review		Total No of Actions	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					3	2	1	Ad	3	2	1	Ad	3	2	1	Ad
					0	0	0	0	2	1	0	2	0	0	0	0
Rec No. 1.4	RISK	In the absence of a clearly defined risk appetite statement which is understood by staff, there is an increased likelihood of SFRS being exposed to unacceptable levels of risk which should not be tolerated. This could impact the Service's ability to achieve its objectives and successfully deliver its outcomes leading to reputational damage and financial loss.														
	Risk Management Framework - Risk appetite statement		Management should prioritise the development of SFRS's risk appetite statement with input from the Board. Members of the Board and managers with responsibility for managing risk should undergo appropriate training on risk appetite/tolerance to ensure that they fully understand the importance of these concepts and how they should be applied in practice.				Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status					
	Responsible Owner Agreed Response Risk and Audit Manager / SLT	Risk Appetite statements will be developed in a phased approach with the Strategic Leadership Team, ARAC and the SFRS Board. Developed statements will be introduced at Member and Senior Management Team level to test their effectiveness and allow review and refinement.				31 December 2024	n/a	Grade 3	70%	GREEN						
Progress to date (update provided 24/09/24)		Risk appetite statements have been developed by the SLT and have been discussed with the Chair of ARAC														
Outstanding actions to close the recommendation		Agreed statements to be discussed at Board Strategy Day on 26 th September and formal report to be submitted to the Board in October. Risk appetite training will be provided by the Risk & Audit Manager as part of regular Risk Register Update Meetings with Head of Function.														
Azets Comments		Awaiting evidence of agreed risk appetite statements and completion of training in order to consider closing this action.														
Rec No. 1.7	RISK	Assurance should be a key component of any risk management framework as it is essential that there is a means for management and the Board to be able to determine whether the actions they are putting in place to address risk are effective and also, that appropriate action is taken where assurance is lacking. Failure to provide guidance on this to staff increases the risk of the actions put in place to mitigate risks not being effective which leads to the ineffective use of resources and increases the likelihood of the risk occurring.														
	Risk Management Framework - Assurance		The Risk Management and Policy Framework should be updated to provide detailed guidance on the Service's assurance framework including different types of assurance and how this should be collated/reported upon and monitored including the use of assurance mapping as a tool to assist this process. The policy should also be updated to include any changes which have been or will be made to processes following this review so that it reflects how risk management is/should be carried out in practice and provides sufficient guidance to relevant staff.				Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status					
	Responsible Owner Agreed Response Risk and Audit Manager	The risk management policy will be reviewed to align with available guidance on the Assurance Framework. Any associated changes to the reporting framework will be incorporated within the risk management policy.				30 November 2024	n/a	Grade 3	10%	GREEN						
Progress to date (update provided 24/09/24)		Risk Management Policy will be updated following an agreement of the approach taken to develop Risk Appetite statements.														
Outstanding actions to close the recommendation		Work to update the Risk Dashboard has still to be undertaken & once agreed will be reflected within the Risk Management Policy.														
Azets Comments		Awaiting evidence of updated Risk Management Policy in order to consider closing this action.														

OFFICIAL

Rec No. 2.4	RISK	Failure to record assurances received against each risk increases the risk of ineffective actions to mitigate risk and gaps in assurance remaining undetected and therefore an increased likelihood of risks occurring. It also increases the risk of duplication of assurance activities resulting in an ineffective use of resources.					
	Managing risk and assurance – Documenting assurance The Directorate Risk Registers should be expanded to include a column for recording assurance obtained in relation to actions taken to address risk. The possibility of enhancing the Risk Reporting Tool on Power BI should also be explored to ascertain if an additional section can be added so that assurances received can be input for each risk.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Risk and Audit Manager / Head of Corporate Governance	The risk dashboard and associated input templates will be reviewed to identify additional information required in relation to Assurance, aligned to the SFRS Assurance Framework.	31 March 2025	n/a	Grade 2	20%	GREEN
Progress to date (update provided 24/09/24)		Initial discussions held with Data Services in relation to additional development now required of the Risk Dashboard.					
Outstanding actions to close the recommendation		Meeting to be arranged between SPPC and FCS to identify work required and available capacity to complete.					
Azets Comments		Awaiting evidence of updated Risk Dashboard in order to consider closing this action.					
Rec No. 2.14	RISK	There is a risk of different parts of the organisation operating in silos with regard to risk assurance which could lead to the risk assurance framework not being as effective or streamlined as possible with opportunities for a co-ordinated approach to managing and monitoring assurance not being explored and optimised.					
	Managing risk and assurance – Co-ordinated approach to risk assurance Management should consider adopting a more co-ordinated approach to risk assurance to ensure that processes are as effective and streamlined as possible with responsibilities clearly defined. At Appendix C, we have included a flowchart where we have suggested how risk management including the assurance framework could operate in practice to ensure this is achieved and that maximum use is made of the technology available for recording and reporting on risk.		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Risk and Audit Manager / Head of Corporate Governance	Further alignment between Assurance and Risk frameworks will be identified with additional guidance provided.	31 March 2025	n/a	Advisory	10%	GREEN
Progress to date (update provided 24/09/24)		Risk appetite statements have been aligned to the Services Assurance Framework.					
Outstanding actions to close the recommendation		The risk dashboard needs to be developed to allow assurance information to be recorded and reported. The Risk Management Policy needs to be updated to reflect this additional element and guidance provided to users.					
Azets Comments		Awaiting evidence of updated Risk Dashboard and Risk Management Policy in order to consider closing this action.					

OFFICIAL

Rec No. 3.37	RISK	Failure to capture and make best use of the knowledge held by risk owners and associated managers in relation to assurance obtained for their Directorate risks increases the probability that gaps in assurance are not identified which could ultimately result in the risk materialising. Moreover, assurance activities could be duplicated leading to ineffective use of resources.					
	Assurance within the Directorates - Responsibility for documenting assurance		Report Agreed Date	Agreed Revised Date	Priority	% Complete	Status
	Management should consider assigning responsibility for identifying and documenting assurances obtained in relation to individual Directorate risks to the risk owners and relevant managers in order to ensure that assurances are fully reviewed and that any gaps/duplication relating to assurance activities are more likely to be identified.						
	Responsible Owner Agreed Response Risk and Audit Manager / Head of Corporate Governance	The risk management policy will be reviewed and updated to include Directors' and relevant officers' responsibilities for the identification and documentation of assurances obtained in relation to individual risks.	31 March 2025	n/a	Advisory	10%	GREEN
Progress to date (update provided 24/09/24)		Risk appetite statements are being completed which align to the Assurance Framework.					
Outstanding actions to close the recommendation		Agreement of appetite statements required from Board, update of risk dashboard and Risk management Policy to be completed					
Azets Comments		Awaiting evidence of agreed risk appetite statements and updated Risk Dashboard and Risk Management Policy in order to consider closing this action.					

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/36-24

Agenda Item: 8

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	29 OCTOBER 2024							
Report Title:	AUDIT AND RISK ASSURANCE COMMITTEE QUARTERLY PERFORMANCE – Q1 2024/25							
Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>						
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
1	Purpose							
1.1	To provide members with the first quarter performance of KPIs 35 – 42 for fiscal year 2024/25. KPIs 58 - 61, 64 and 65 are only reported annually as part of the fourth quarter report.							
2	Background							
2.1	The Performance Management Framework (PMF) defines how we, the Scottish Fire and Rescue Service (SFRS), manage our performance and how we use performance information to inspire change and improvement. This framework remains in place for the current fiscal year until the roll out of a new Strategic Plan in 2025.							
2.2	56 quarterly indicators (8 for Audit and Risk Assurance Committee (ARAC)) and 9 national indicators (6 for ARAC) were identified across directorates to provide senior leaders, committees and the SFRS Board with relevant information on our performance. This supports those responsible for scrutiny of how SFRS perform in delivering its Strategic Outcomes.							
2.3	The quarterly performance dashboard (and report) provide an overview for those indicators and through the use of statistical process control charts (SPC) alerts stakeholders to situations deteriorating or improving or where performance is stable and in control.							
3	Main Report/Detail							
3.1	This paper covers all performance indicators stated in the PMF intended for scrutiny by the Audit and Risk Assurance Committee.							
3.2	Exceptional variation &/or for monitoring:							
3.2.1	NA							
3.3	Deteriorating (long-term):							
3.3.1	<ul style="list-style-type: none"> • 38 - % FOI within Timeframe 							
3.4	Improving (long-term):							
3.4.1	NA							

3.5 3.5.1	<p>Not changing:</p> <ul style="list-style-type: none"> • 35 - Cyber Security Breaches • 36 - % Subject Access within Timeframe • 37 - Data Breaches • 39 - Confirmed Frauds • 40 - % Invoices in 30 Days • 42 - % Service Desk Requests within SLA
3.6 3.6.1	<p>Not known – limited data:</p> <ul style="list-style-type: none"> • 41 - % Service Desk Incidents within SLA
4	Recommendation
4.1	Members are invited to scrutinise the contents of this, question KPI performance and provide feedback on practical use of reporting to ensure continuous development of user experience. The live version of the report can be accessed through the Governance area of the Power BI Landing Page .
5	Key Strategic Implications
5.1 5.1.1	<p>Risk</p> <p>SFRS has a specific risk SPPC001 There is a risk of the service not consistently providing accurate performance management information from some sources due to inaccurate data or inadequate systems resulting in loss of confidence in reporting service performance.</p>
5.2 5.2.1	<p>Financial</p> <p>There are no specific financial issues raised within this paper.</p>
5.3 5.3.1	<p>Environmental & Sustainability</p> <p>There are no specific Environmental & Sustainability implications addressed in this paper.</p>
5.4 5.4.1	<p>Workforce</p> <p>There are no specific Workforce implications addressed in this paper.</p>
5.5 5.5.1	<p>Health & Safety</p> <p>There are no specific Health and Safety implications addressed in this paper.</p>
5.6 5.6.1	<p>Health & Wellbeing</p> <p>There are no specific Health and Wellbeing implications addressed in this paper.</p>
5.7 5.7.1	<p>Training</p> <p>There are no specific Training implications addressed in this paper.</p>
5.8 5.8.1	<p>Timing</p> <p>Some performance indicators rely on manual collation of data and are a 'snapshot' in time (2/3 weeks ahead of scrutiny) and may be subject to change dependant on relevant business areas business practices.</p>
5.9 5.9.1	<p>Performance</p> <p>All performance measures reported are linked to Strategic Outcomes 5.</p>
5.10 5.10.1	<p>Communications & Engagement</p> <p>There are no specific Communications & Engagement implications addressed in this paper.</p>

5.11 5.11.1	Legal There are no specific Legal implications addressed in this paper.	
5.12 5.12.1	Information Governance DPIA completed - No	
5.13 5.13.1	Equalities EHRIA completed - No	
5.14 5.14.1	Service Delivery There are no specific Service Delivery implications addressed in this paper.	
6	Core Brief	
6.1	Not applicable	
7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Mark McAteer, Director for Strategic Planning, Performance and Communications
7.2	Level of Assurance: (Mark as appropriate)	Substantial / Reasonable / Limited / Insufficient
7.3	Rationale:	The service has continued to develop its approach to performance reporting. The Organisational Performance Dashboard, aligned to the SFRS Performance Management Framework, is now live and available across the service with a pdf version made available to the public. Scrutiny of service performance is evident across the service, at executive level and by the SFRS Board at committee and board level.
8	Appendices/Further Reading	
8.1	Appendix A: PDF copy of PBI0068	
8.2	Further Reading: Link to Power BI Landing Page .	
Prepared by:	Chris Fitzpatrick, Business Intelligence and Data Services Manager	
Sponsored by:	Richard Whetton, Head of Corporate Governance, Strategic Planning, Performance and Communications Directorate	
Presented by:	Mark McAteer, Director for Strategic Planning, Performance and Communications	
Links to Strategy and Corporate Values		
<u>Strategy</u> Outcome 5 – We are a progressive organisation, use our resources responsibly and provide best value for money to the public		
<ul style="list-style-type: none"> • Remaining open and transparent in how we make decisions. • Improving levels of Service performance whilst providing value for money to the public. • Improving the use of data and business intelligence to support decision making. 		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Corporate Board</i>	<i>26 August 2024</i>	<i>For scrutiny</i>
<i>Audit and Risk Assurance Committee</i>	<i>29 October 2024</i>	<i>For scrutiny</i>



SCOTTISH

FIRE AND RESCUE SERVICE

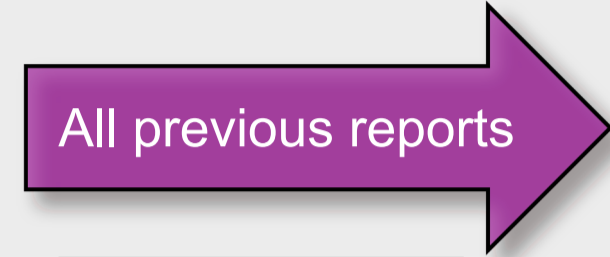
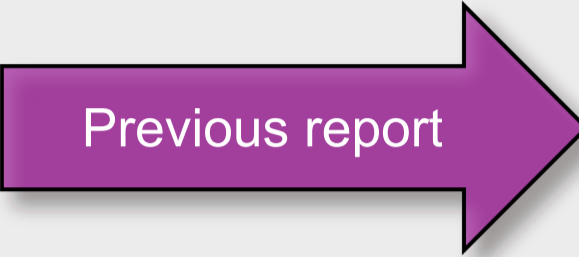
Working together for a safer Scotland

Audit, Risk & Assurance Committee Performance Report



**LIVE
MANAGEMENT
INFORMATION**

Latest quarter shown: **2024-25 Q1**



APPENDIX A

You can use these navigational buttons to go to other pages, or use the contents panel at the left-hand side of the screen



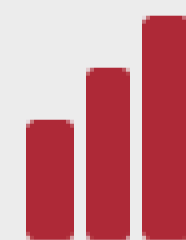
Welcome

The Audit, Risk and Assurance Committee Performance Report provides a view of how the Scottish Fire and Rescue Service is performing against its corporate performance measures, as mapped against our Strategic Plan Outcomes.

Our Performance Management Framework 2023-24 defines these corporate performance measures, whilst the Strategic Plan 2022-25 outlines the high-level outcomes through which the Service will continually work towards its overall purpose.

This report is a tool to support and scrutinise effective delivery of the Strategic Plan 2022-25. Each KPI has an owner, who's responsible for monitoring and commenting on its performance.

Key contact: BI@firescotland.gov.uk



**BUSINESS
INTELLIGENCE**



LIVE MANAGEMENT INFORMATION

There is no confidential information in this report – content can be shared with partners.
Data is subject to change.

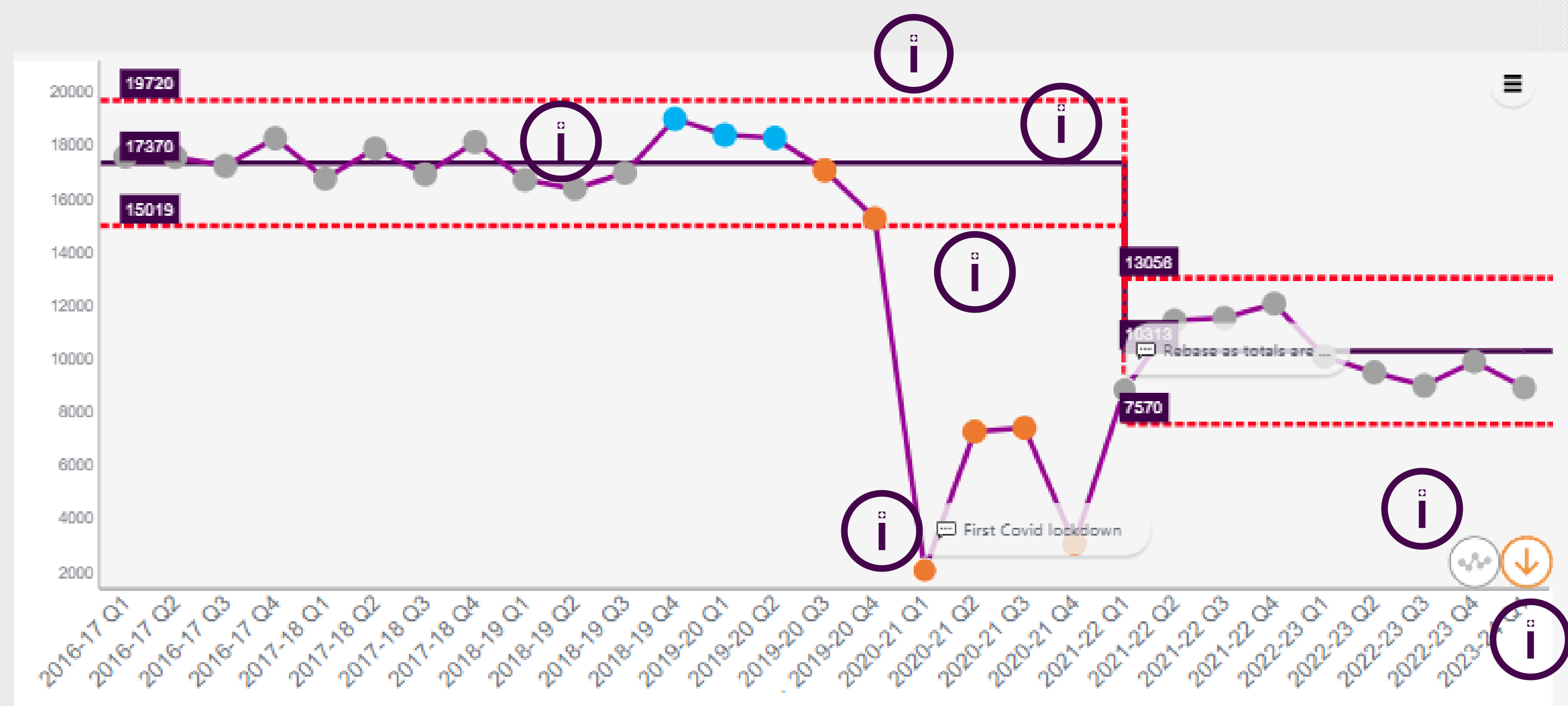
This report presents data over time for each of the quantitative performance measures as detailed in the [Performance Management Framework 2023-24](#), broken down into the Strategic Plan Outcomes. The Contents page (next) provides direction as to where you can find certain information.

SPC Charts

In this PMF Board Report, we use **Statistical Process Control (SPC) charts** to analyse and visualise how the Service is performing against each of its corporate performance measures. We also use commentary as provided by the KPI owner to provide context and highlight key messages. This approach to analysis is how the Business Intelligence Team will analyse, interpret and present performance data going forwards.

SPC is an analytical technique that **plots data over time**. It helps us to **understand variation** and guides us to take the most appropriate action.

SPC alerts us to a situation that may be deteriorating, shows us if a situation is improving, shows us how capable a system is of delivering a standard or target, and shows us if a process that we depend on is reliable and in control.



Above: anatomy of a SPC chart

How to Interpret SPC Charts - see chart - anatomy of a SPC chart

Normally data points will fall **between the upper and lower control limits**. If any of the following scenarios apply, the change needs to be investigated and an explanation provided. Over time this lets us analyse performance in a meaningful way.

- ORANGE** data point indicates special cause variation of particular concern and needing action. For example, whenever a data point falls outside of a control limit, or if 2 out of 3 data points are close to a control limit.
- BLUE** data point indicates where improvement appears to lie.
- GREY** data point indicates no significant change (common cause variation) as well as the baseline.

The following variation icons will also appear on each SPC chart:

Common cause – no significant change	Special cause of concerning nature or higher pressure due to (H)igher or (L)ower values	Special cause of improving nature or lower pressure due to (H)igher or (L)ower values

Source: [making-data-count-getting-started-2019.pdf \(england.nhs.uk\)](#)

Data source for this report:

Details of each data source can be found on the Index page. Some of these are automated whilst others are manual.

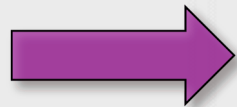
Frequency of update:

This report will be updated quarterly.



OUTCOME 05 (Effective Governance & Performance)

We are a progressive organisation, use our resources responsibly and provide best value for money to the public.



We are a progressive organisation, use our resources responsibly and provide best value for money to the public.

KPI	Indicator	Purpose	Geography	Frequency	Target	Business Area
35	Number of Cyber Security Breaches	To record the number of successful cyber breaches experienced by the Service	National	Quarterly	0	Information and Communication Technology
36	% of subject access requests responded to within the statutory timescales	Demonstrates if we are meeting the statutory timescales of GDPR/Data Protection legislation	National	Quarterly	95%	Corporate Communications
37	Number of Data Breaches	Demonstrates if staff are complying with GDPR/Data Protection legislation to avoid data breaches	National	Quarterly	0	Corporate Communications
38	% of FOIs responded to within statutory timescales	Demonstrates if we are meeting the statutory timescales of Freedom of Information legislation	National	Quarterly	95%	Corporate Communications
39	Number of confirmed frauds	Unavailable	National	Quarterly	0	Finance and Procurement
40	% of invoices paid in 30 days	Unavailable	National	Quarterly	98%	Finance and Procurement
41	% Service Desk incidents resolved within Service Level Agreement	To demonstrate the level of compliance with Service Level Agreement for dealing with incidents (eg broken equipment or no access to an ICT system or service)	National	Quarterly	85%	Information and Communication Technology



Effective Governance and Performance

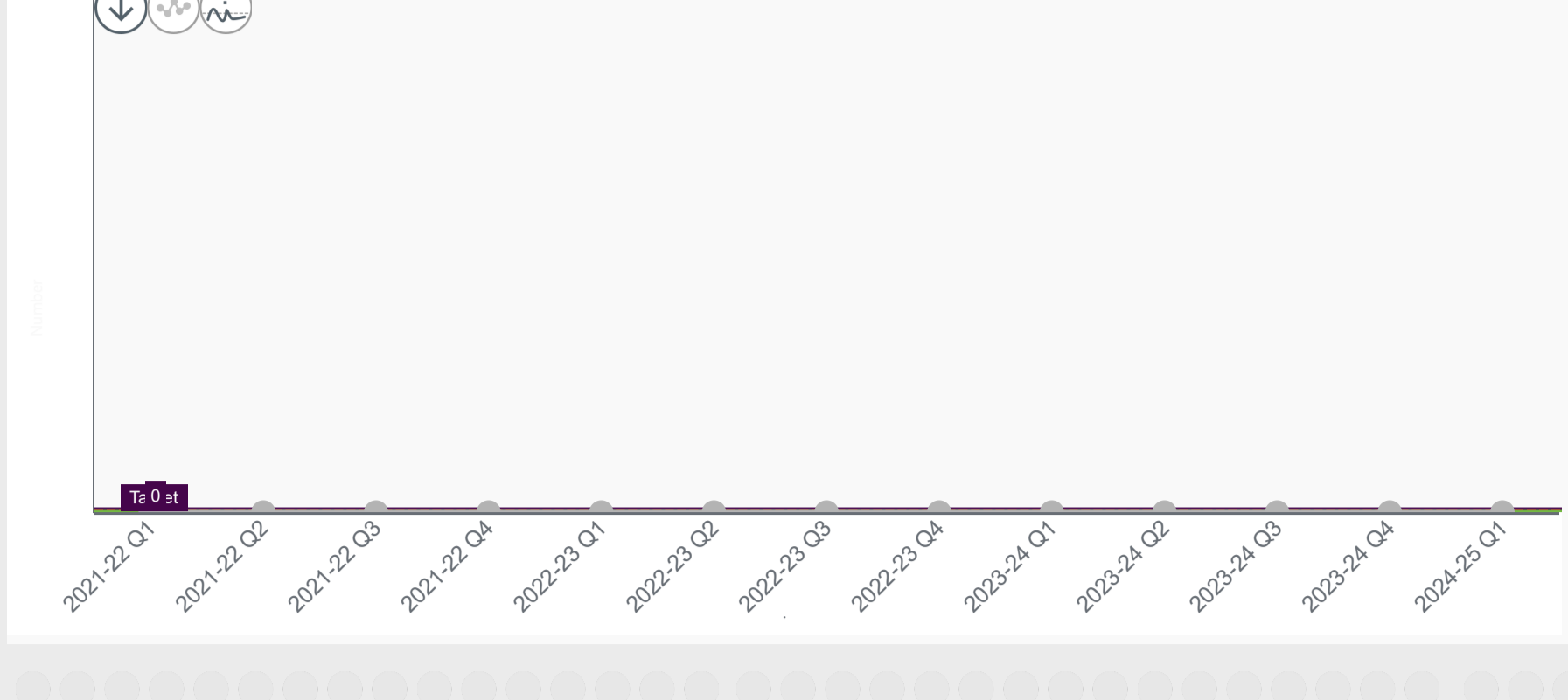


We are a progressive organisation, use our resources responsibly and provide best value for money to the public.

KPI 35 Cyber Security Breaches 0

PURPOSE: To record the number of successful cyber breaches experienced by the Service

OWNER: Head of ICT

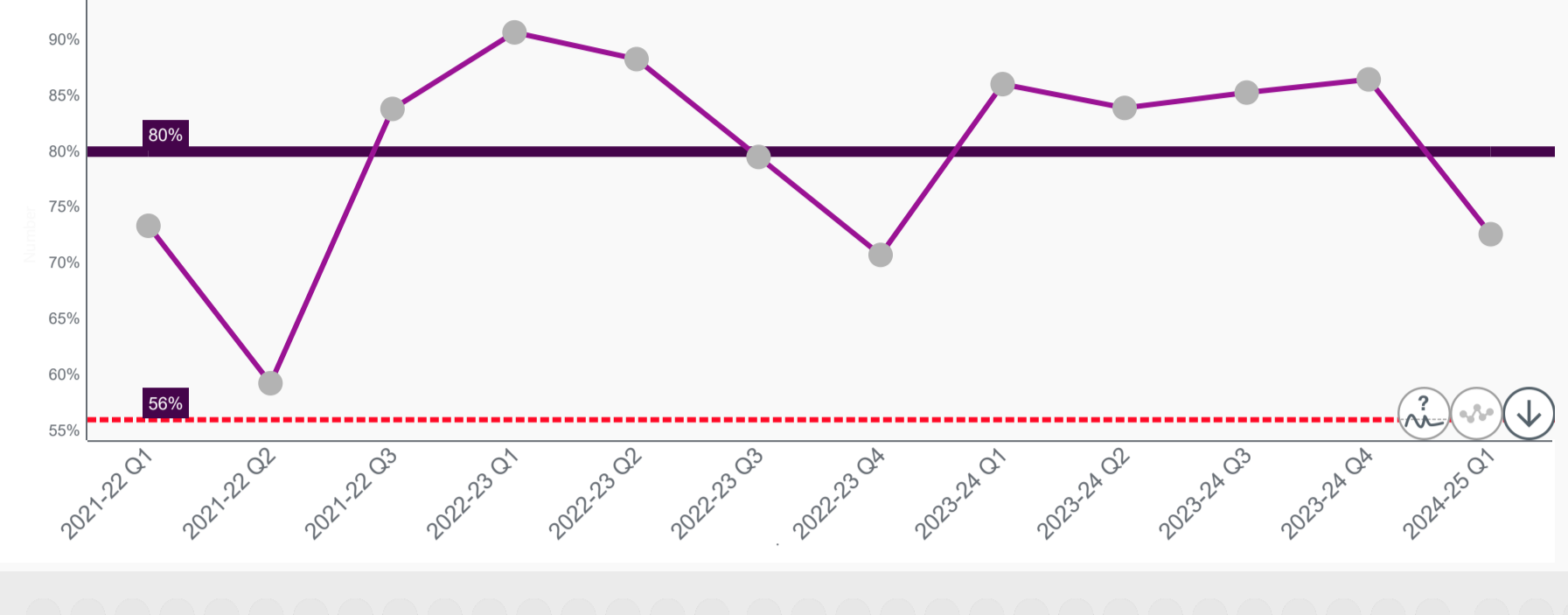


SUMMARY
Reviews of existing risk mitigation elements including technical controls by the Cyber Team are carried out on an ongoing basis. Regular reviews of threat intelligence to identify any new vulnerabilities and zero day threats is also carried out by the Cyber Team.

KPI 36 % Subject Access within Timeframe 95%

PURPOSE: Demonstrates if we are meeting the statutory timescales of GDPR/Data Protection legislation

OWNER: Head of Corporate Communications

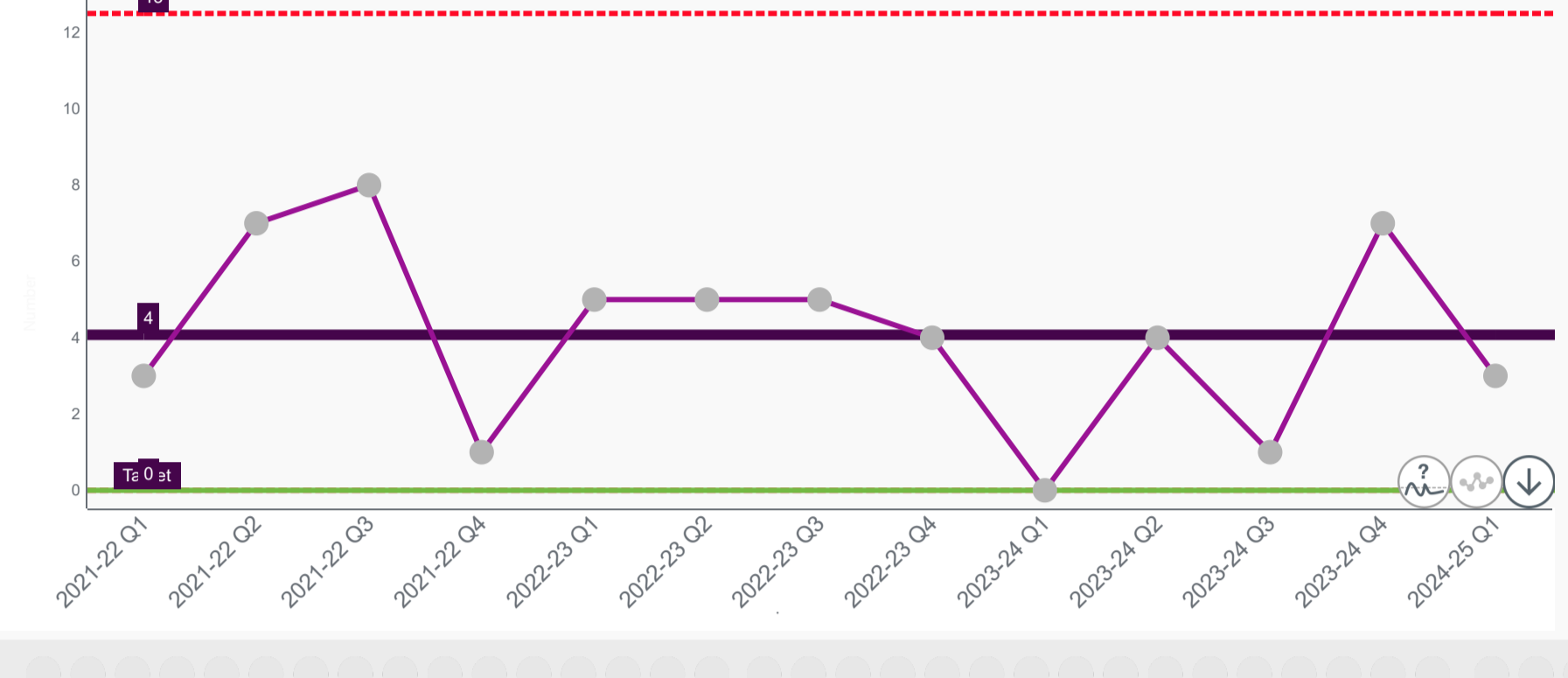


SUMMARY
Unable to meet statutory timescales due to staff being on long term sick and increase in number of requests. Paper being submitted to SLT to request support

KPI 37 Data Breaches 0

PURPOSE: Demonstrates if staff are complying with GDPR/Data Protection legislation to avoid data breaches

OWNER: Head of Corporate Communications

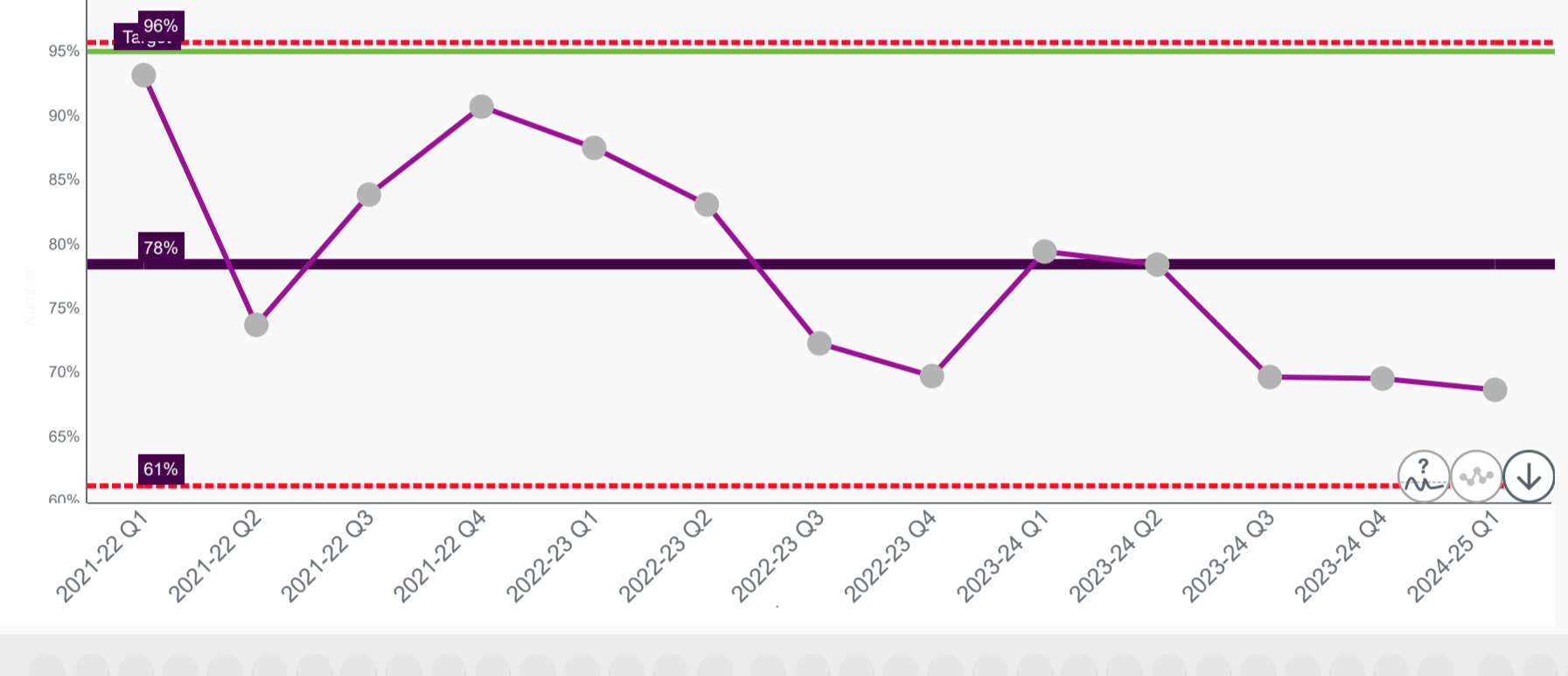


SUMMARY
This is a reduction in numbers based on recent quarters, although the number for an organisation of our size is still relatively low. Continual promotion of the GDPR/Information Security E Learning package which is completed in January/February has probably had some impact on this.

KPI 38 % FOI Responded within Timeframe 95%

PURPOSE: Demonstrates if we are meeting the statutory timescales of Freedom of Information legislation

OWNER: Head of Corporate Communications

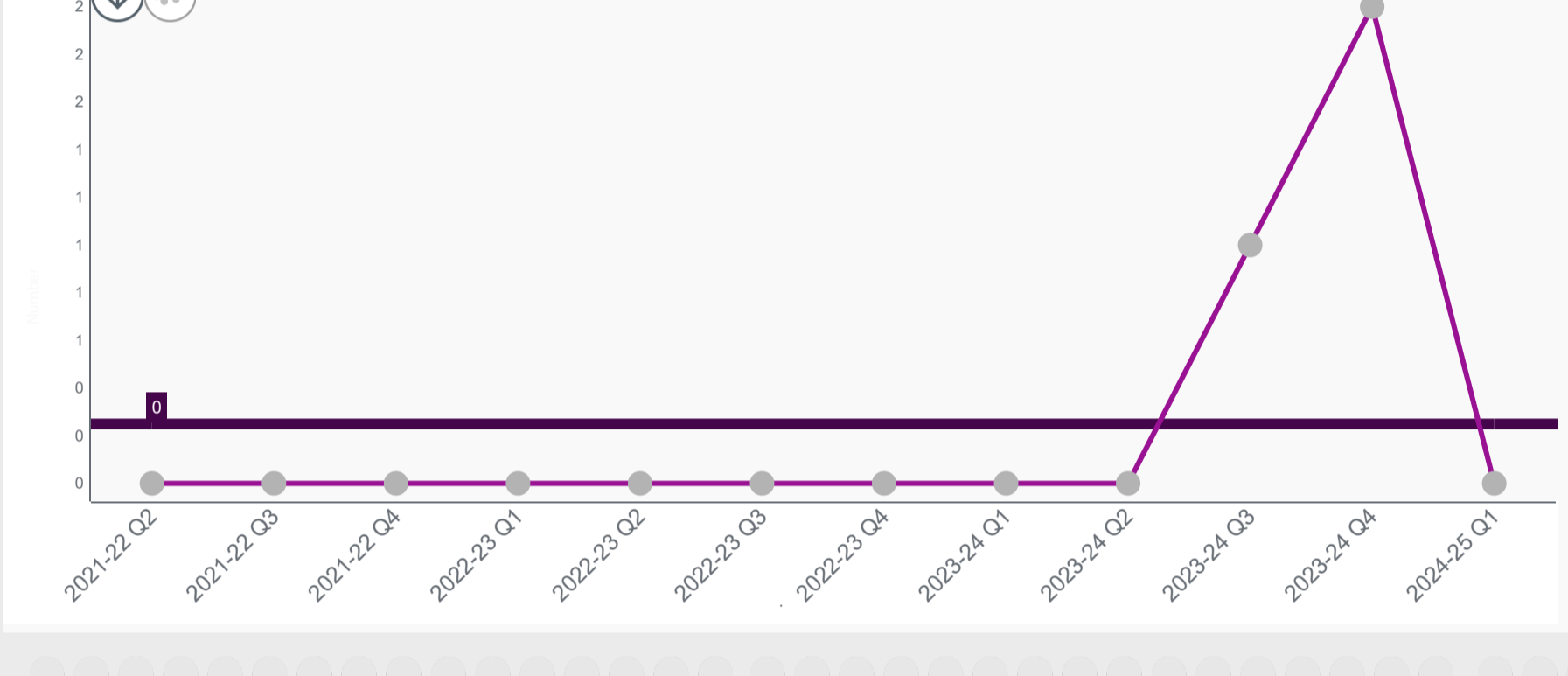


SUMMARY
Unable to meet statutory timescales due to staff being on long term sick and increase in number of requests. Paper being submitted to SLT to request support

KPI 39 Confirmed Frauds 0

PURPOSE: Unavailable

OWNER: Head of Finance & Procurement

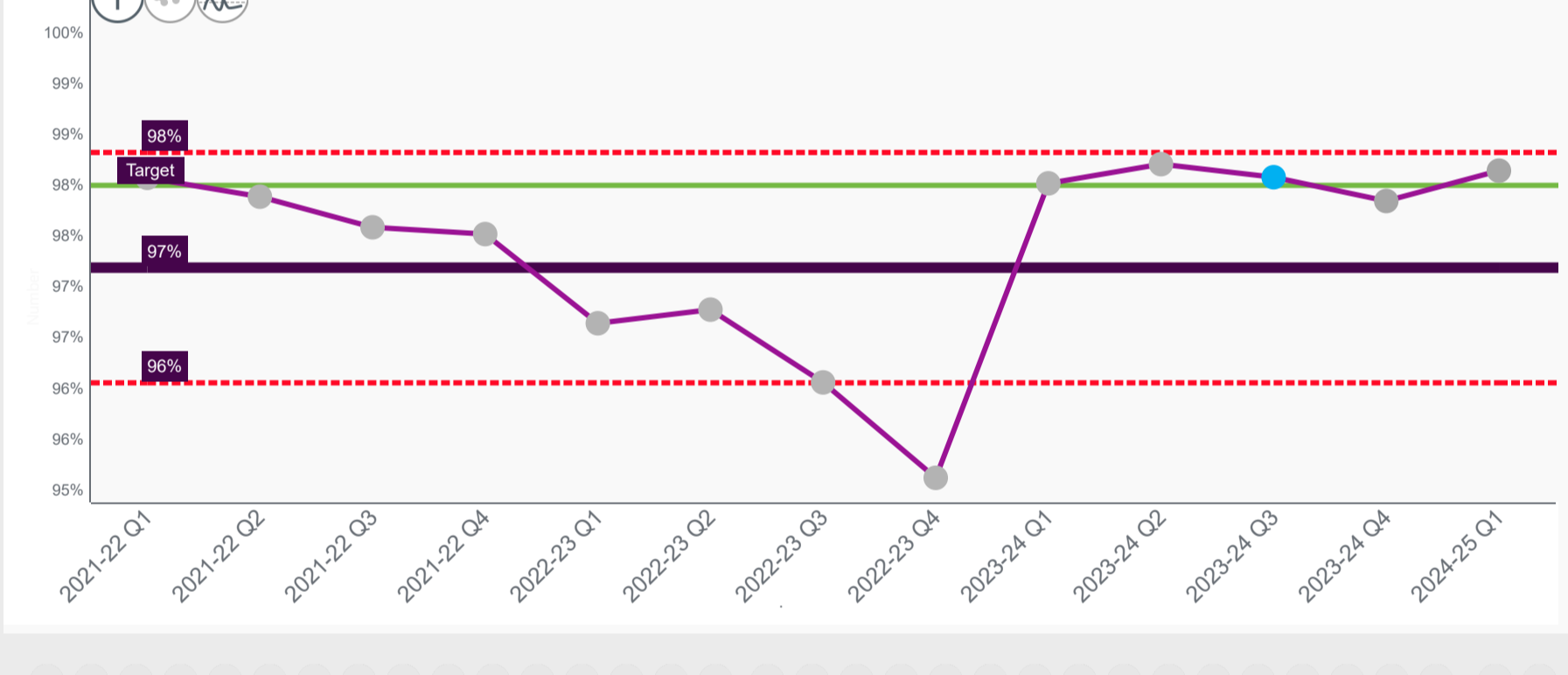


SUMMARY
The Service continues to undertake Fraud Risk Assessments as part of the Annual Governance process in order to minimise the potential for fraud events to occur. If areas of fraud are identified, processes are in place to report and investigate.

KPI 40 % Invoices Paid in 30 Days 98%

PURPOSE: Unavailable

OWNER: Head of Finance & Procurement

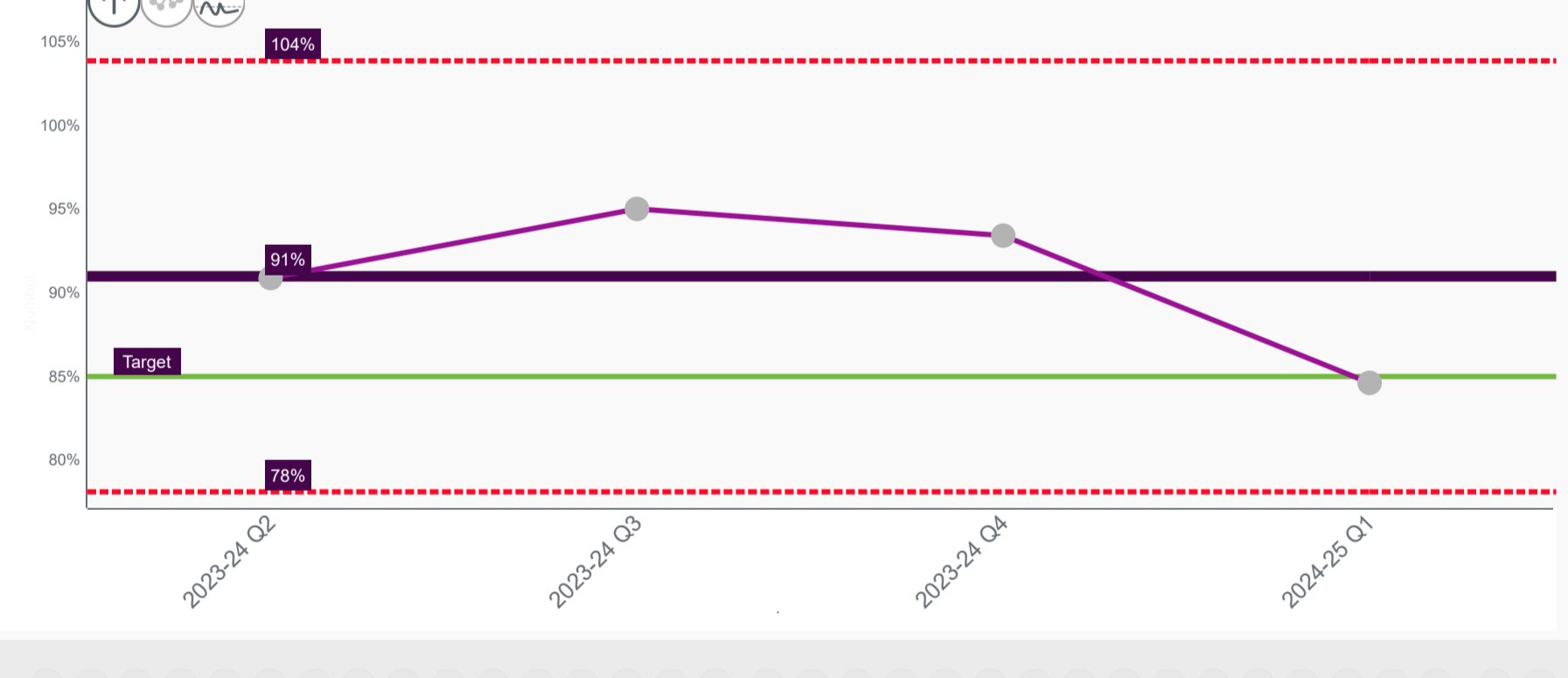


SUMMARY
The aim is to maintain this level by ensuring all invoices are processed in the financial system and budgetholders are reminded to authorise invoices as soon as possible.

KPI 41 % Service Desk Incidents within SLA 85%

PURPOSE: To demonstrate the level of compliance with Service Level Agreement for dealing with incidents (eg broken equipment or no access to an ICT system or service)

OWNER: Head of ICT

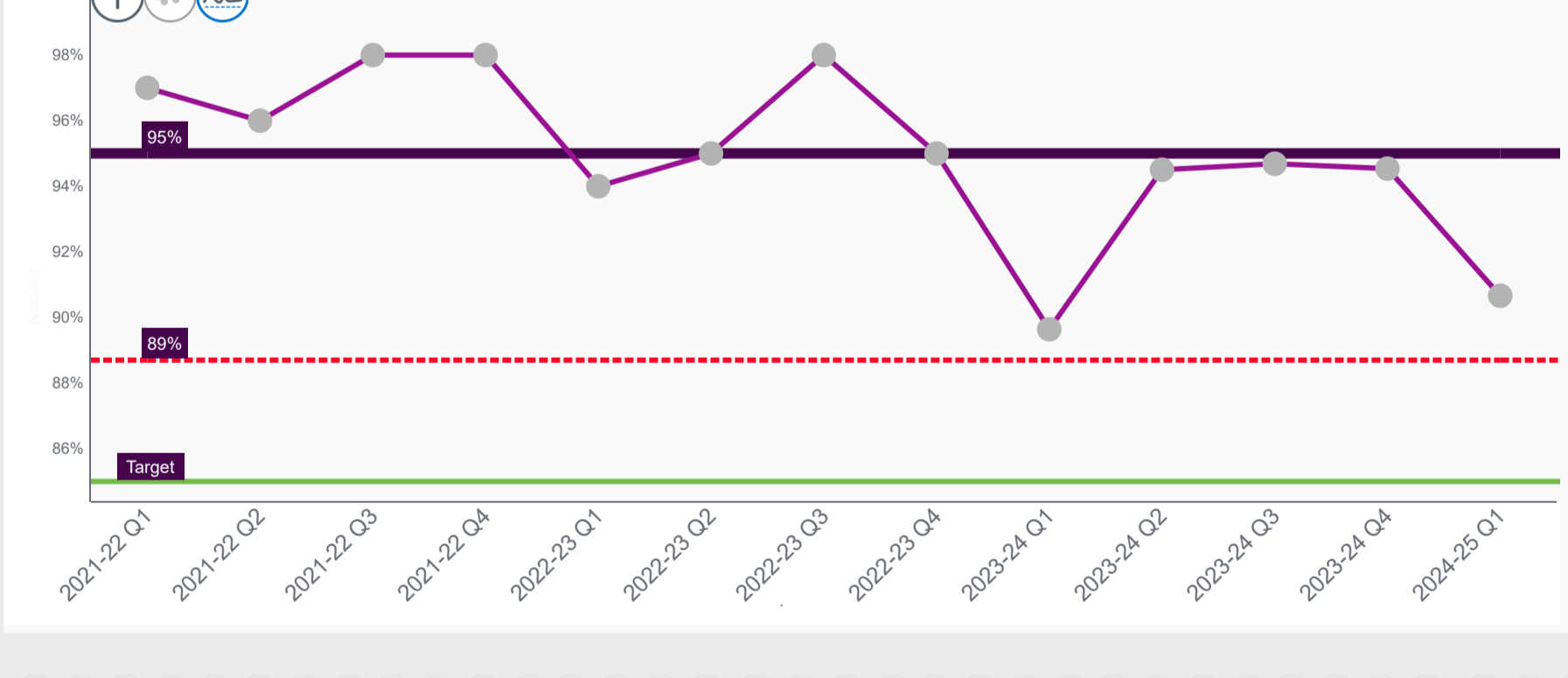


SUMMARY
There is work ongoing to improve self service capabilities when engaging with ICT Service Desk.

KPI 42 % Service Desk Requests within SLA 85%

PURPOSE: To demonstrate the level of compliance with Service Level Agreement for dealing with service requests (eg new or additional equipment or improvement to an ICT system or service)

OWNER: Head of ICT



SUMMARY
There is work ongoing to improve self service capabilities when engaging with ICT Service Desk. In addition, ICT have a project on this years workplan to develop and publish a formal service catalogue to make it easier for users to consume services.

Full guidance can be found on the [Power BI Users Yammer Community](#), along with details of available support.

How to navigate your way around this report:

You can use the navigational buttons on the left-hand/top of each page to return to the home page, go to the next page, return to the previous page, go to the Help page, or go to the About page.

How to interact with the report:

Power BI reports and dashboards are very interactive; this means you'll be able to interrogate the data yourself to look into certain periods or areas.

- Look out for the hint buttons on pages, which tell you how you can interact with the dashboard:



- You can view the details of data that make up a visualisation by **hovering over a chart/visual** (e.g. a point on a map or bar/line on a chart).
- You can change how a visual looks by sorting it, for example by numeric values or text data. To sort a visual, first select it and then click on the **More actions (...)** button on the visual, which will bring up the sorting options. Power BI reports retain the filters, slicers, sorting, and other data view changes that you make.
- You can use the filters on the report page to target specific areas or time periods etc. To select more than one option in a filter (for example more than 1 business area), **press and hold the Ctrl button on your keyboard** whilst you click on the filter selections.

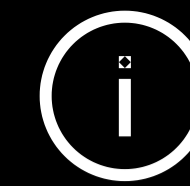
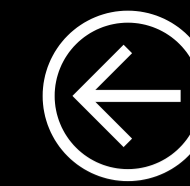
Interpreting statistics and trends:

For help with interpreting the statistics within this report, identifying potential trends, or to gain a deeper understanding of what the data means, please contact the Business Intelligence Team.

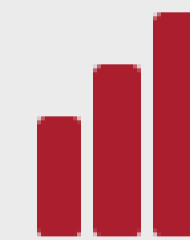
Usage:

This report uses **LIVE MANAGEMENT INFORMATION**. Only specific users can access the report, and you must not take screen shots of any of the pages.

For further help, please contact the Business Intelligence Team - bi@firescotland.gov.uk



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SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/41-24

Agenda Item: 9

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	29 OCTOBER 2024							
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 <u>Board Standing Order 9</u>						
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
1	Purpose							
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with the 2024/25 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 Finance and Contractual Services will publish a register of Gifts, Hospitality and Interests with a value in excess of £50 submitting a report on a quarterly basis to the Audit & Risk Assurance Committee (ARAC) and the Corporate Board (CB) 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 2024/25, up to 3 October 2024, comprises 22 entries, with 12 of these declarations received during Q2. A further 3 declarations, under the £50 threshold, were received but not published. Appendix A provides further information on declarations received.							
3.2	Following the previous report to ARAC in June 2024, a further 4 entries were added in relation to Q1 declarations. These related to an offer of a Gift and 3 declared Interests. The GHI register is published on the website and has been updated to include this information.							
3.3	Work has continued in relation to raising awareness and ownership of the GHI policy with the introduction of a mandatory Gifts, Hospitality and Interests LCMS module, within Training for Operational Competence (TFOC). Approximately 4,200 members of staff have now completed this module, with monitoring of completion rates monitored through the Compliance Team.							

3.4	The GHI policy has also been updated to include criteria for escalating declarations, depending upon the value or type of gift or hospitality offered or the number of offers received from a single third party company. The policy will continue to be updated to reflect lessons learned or to provide additional clarity on areas queried by Directorates.
4	Recommendation
4.1	The report is provided to the Audit and Risk Assurance Committee for scrutiny.
5	Key Strategic Implications
5.1	Risk
5.1.1	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	Financial
5.2.1	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	Environmental & Sustainability
5.3.1	Any implications arising from the report will be managed by the relevant Directorate.
5.4	Workforce
5.4.1	Any implications arising from the report will be managed by the relevant Directorate.
5.5	Health & Safety
5.5.1	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 report is provided to the Audit and Risk Assurance Committee on a quarterly basis as required.
5.9	Performance
5.9.1	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	Communications & Engagement
5.10.1	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	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 5.13.1	Equalities EHRIA completed – Yes, in relation to the Gifts, Hospitality and Interests Policy.	
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:	Sarah O'Donnell, Director of Finance and Contractual Services
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. The introduction of the mandatory LCMS module, together with engagement within Functions, and the introduction of additional routes for escalation within the policy, all aim to increase awareness and ownership of the process.
8	Appendices/Further Reading	
8.1	Appendix A – Gifts Hospitality and Interests Register Q2 2024-25	
Prepared by:		Hazel Buttery, Fraud, Risk and Compliance Officer
Sponsored by:		Sarah O'Donnell, Director of Finance and Contractual Services
Presented by:		David Johnston, Risk and Audit Manager
Links to Strategy and Corporate Values		
<p>The monitoring 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:</p> <p>Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.</p> <ul style="list-style-type: none"> 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
<i>Audit and Risk Assurance Committee</i>		<i>29 October 2024</i>
<i>Corporate Board</i>		<i>28 October 2024</i>
		Report Classification/Comments
		<i>For Scrutiny</i>
		<i>For Scrutiny</i>

Date	Employee Name	Employee Position	Area/Directorate/Function		Details of Gift / Hospitality (G/H) & Interest	G/H or Interest	Estimated Value	From (Organisation offering)	Any other Organisation involved	Accepted / Declined / Interest Cat.	Comments
05/04/2024	Dougie Campbell	GC	Service Delivery North	Western Isles, Orkney Islands and Shetland Islands	Animal rescue gear for use at incidents & to enhance FF safety & animal welfare	Gift	£400	British Horse Society (Scotland)	British Horse Society (Scotland)	Accepted	This equipment has been identified to asset management for adding to register and TSA have authorised the training on the equipment and delivered
12/04/2024	Liz Barnes	SLT	SLT		Public Sector Leaders Luncheon	Hospitality	£50	Oracle	Oracle	Declined	Not attending due to conflict with SFRS
23/04/2024	David Dourley	AC	Service Delivery East	City of Edinburgh	Invitation received from the Head of the Munich Fire Department to attend the opening match of Euro 2024 to observe the FD's aligned operational activities	Hospitality	NA	Munich Fire Department	Munich Fire Department	Accepted	The declaration was received from David Dourley on behalf of 3 members of staff who attended the event. David did not attend the event but forwarded the declaration on behalf of the members of staff
25/04/2024	Ross Haggart	CO	SLT		Charity dinner at BT Tower in aid of FFC	Hospitality	£100	Motorola Solutions	Motorola	Declined	
09/06/2024	Julie McDonough	RCMC	Service Delivery North	City of Aberdeen, Aberdeenshire and Moray	£50 note within thank you card	Gift	£50	Mary Smart	Mary Smart	Accepted	Accepted card at community event not knowing monetary contents until afterwards. Money since donated to FF Charity
10/06/2024	William Stoops	WC	Service Delivery North	Perth & Kinross, Angus and Dundee	Part time personal trainer with David Lloyds Gym Group	Interest	Unknown	David Lloyds Gym Group	David Lloyds Gym Group	1	
11/06/2024	Jonathan Boal	Support Staff	Training, Safety and Assurance		Owens a Health & Safety Consultancy business	Interest	Unknown	Salus Risk Consultancy Ltd	Salus Risk Consultancy Ltd	7	
13/06/2024	Alan Taylor	WC	Service Delivery North	Aberdeenshire & Moray	Voucher for a free round of golf for up to 4 players	Gift	£140	Garmouth and Kingston Golf Club	Garmouth and Kingston Golf Club	Declined	Voucher has been destroyed
20/06/2024	Lewis Preston	RFFC	Service Delivery West	East and West Dunbartonshire and, Argyll and Bute	Works for Mitie Communities under Mitie Group	Interest	Unknown	Mitie	Mitie	1	
20/06/2024	Lorraine Taylor	RFFC	Service Delivery West	East and West Dunbartonshire and, Argyll and Bute	Works for Calmac Ferries Ltd who provide transport services the SFRS may use	Interest	Unknown	Calmac Ferries	Calmac Ferries	1	
01/07/2024	Barry Florence	RCMC	Service Delivery North	City of Aberdeen, Aberdeenshire and Moray	Company director of H.M Sheridan	Interest	Unknown	H.M Sheridan	H.M Sheridan	1	H.M Sheridan supply packed lunches to SFRS
06/07/2024	Graeme Junner	FF	Service Delivery West	East Renfrewshire, Renfrewshire and Inverclyde	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	Miller Samuel Hill Brown Solicitors	7	
10/07/2024	Ross Haggart	CO	SLT		Charity dinner for Fire Aid	Hospitality	£50	Scrumptious Consultancy	Scrumptious Consultancy	Declined	
27/07/2024	Colin Stewart	Volunteer WC	Service Delivery North	Highland	Owens an industrial unit of which 1/3 rd is rented to SFRS and utilised as Newtonmore Community Fire Station	Interest	Unknown			4	Rental agreements are arranged between legal property team and WC Stewart. There is no connection between Service Delivery management team and WC role
30/07/2024	Barrie McCutcheon	GC	Service Delivery West	City of Glasgow	Cash donation to SFRS in relation to a recent incident	Gift	£5,000	AS Scaffolding	AS Scaffolding	Declined	Advised we wouldn't accept this offer, but directed him to 2 of our supporting charities (Family Support Trust and The Firefighters Charity) advising him if he still wanted make a donation that he could contact them direct
31/07/2024	Gordon MacLeod	Support Staff	Finance & Contractual Services	Property	Hospitality at the 2024 SFRS Winter Ball	Hospitality	£100	Robertson Facilities Management	Robertson Facilities Management	Accepted	RFM have taken the gold sponsorship package at the SFRS Winter Ball 2024. Declan Gordon (RFM Account Manager) & Shona Dunsmore (Business Development Director) extended an invite. Attendance will develop the relationship with the RFM Team
31/07/2024	John Docherty	Support Staff	Finance & Contractual Services	Property	Hospitality at the 2024 SFRS Winter Ball	Hospitality	£100	Robertson Facilities Management	Robertson Facilities Management	Accepted	RFM have taken the gold sponsorship package at the SFRS Winter Ball 2024. Declan Gordon (RFM Account Manager) & Shona Dunsmore (Business Development Director) extended an invite. Attendance will develop the relationship with the RFM Team
01/08/2024	John MacKenzie	Retained	Service Delivery North	Highland	Operates as Director of garage providing services & MOTs to SFRS	Interest	Unknown	Highland Motors Ltd	Highland Motors Ltd	1	

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/42-24

Agenda Item: 10.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	29 OCTOBER 2024							
Report Title:	RISK UPDATE REPORT (INFORMATION AS AT SEPTEMBER 2024)							
Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>						
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
1	Purpose							
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee with an overview of the current risks highlighted by Directorates.							
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 Audit and Risk Assurance Committee (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.							
3.1.3	The table below identifies the alignment between the 2022-25 Strategic Outcomes and the current Directorate Risks with each risk aligned to a single outcome:							

Strategic Outcomes		Directorate Risks				Total
		VH	H	M	L	
Outcome 1	Community safety and wellbeing improves as we deploy targeted initiatives to prevent emergencies and harm.	1	1	1		3
Outcome 2	Communities are safer and more resilient as we respond effectively to changing risks.	5	3	2		10
Outcome 3	We value and demonstrate innovation across all areas of our work.			1		1
Outcome 4	We respond to the impacts of climate change in Scotland and reduce our carbon emissions.		1			1
Outcome 5	We are a progressive organisation, use our resources responsibly and provide best value for money to the public	3	6	4		13
Outcome 6	The experience of those who work for SFRS improves as we are the best employer we can be.	1	3	3		7
Outcome 7	Community safety and wellbeing improves as we work effectively with our partners			1		1
		10	14	12		36

3.1.4 Risk Registers have also been updated to reflect common themes. Initial work has identified themes from within the Key Strategic Implications section from corporate reports and the table below provides an alignment between these themes and identified risk.

Themes	Directorate Risks				Total
	VH	H	M	L	
Communication and Engagement		1	1		2
Environmental and Sustainability		1			1
Financial	1	2			3
Health and Safety		1			1
Health and Wellbeing			1		1
Information Governance	1				1
Legal		2	2		4
Performance	1	1	1		3
Service Delivery	2		3		5
Training	1	1			2
Workforce	4	5	4		13
		10	14	12	36

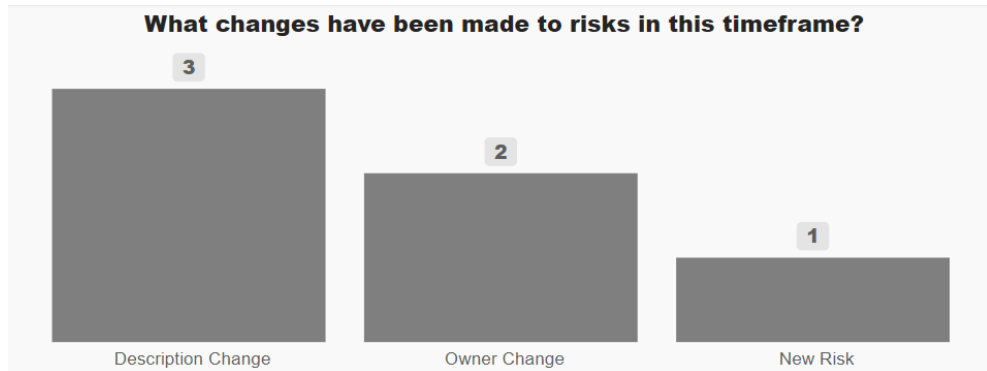
3.1.5 The development of relevant themes will be informed by work being undertaken in relation to risk appetite (RA). Once the RA framework is developed a review will be undertaken of themes used and alignments revised.

3.1.6 In relation to the current period Directorates reviewed their registers identifying 36 Directorate risks, aligned to all Committee's and Executive Boards, 10 of which are assessed at 15 or above and coloured red within the table.

What is the current status of each risk?						
		Impact				
		1	2	3	4	5
Probability	1					
	2			2	4	
	3		1	5	10	1
	4			4	5	1
	5			1	2	

3.1.7 Appendix A to the report provides information on the 10 risks rated 15 or above. The information is also available through the risk dashboard and a copy of the link is attached for information - [Risk Dashboard](#).

3.1.8 Following review in September 2024 the following changes have been made to risks over the last quarter:



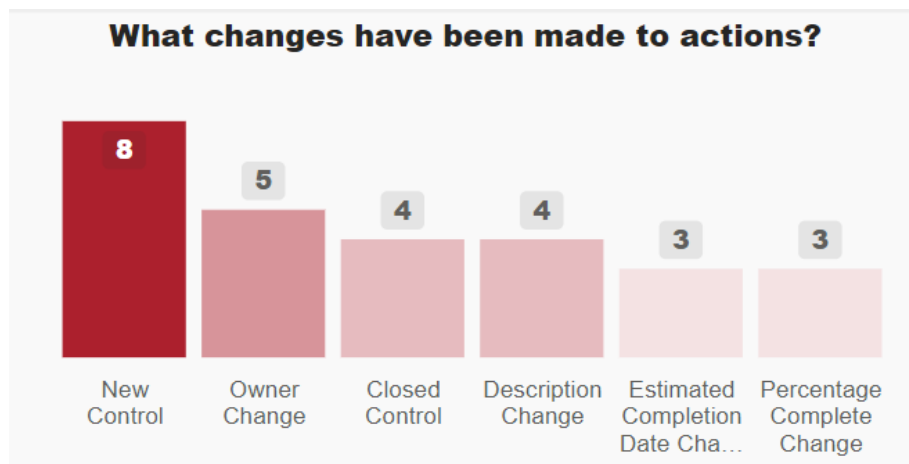
3.1.9 Information on the new risk is outlined below. This relates to OD001 and is rated 15 within the Appendix:

Risk ID	Risk Name	Changes Made
OD001	Operations Control Staffing	There is a risk of a non-resilient fire control due to insufficient employees and an ineffective fire control structure. Failure to attract, recruit, personnel, high abstraction and sickness levels lead to ineffective workforce planning, as a result, we would be failing to provide a resilient fire control capability.

3.1.10 In relation to the Operational Delivery register there are still a number of risks referenced as SD, which relates to the previous Directorate structure. Work is being undertaken to realign the original Service Delivery risk references (SD) to Operational Delivery (OD) but, as the references formed part of the initial coding structure of the risk dashboard, some development work is required to retain an audit trail of any changes made.

3.2 **Control Actions**

3.2.1 All Directorates are now able to provide monthly updates which will assist in ensuring up to date information is provided within risk reports. Following review, the following changes have been made to control actions:

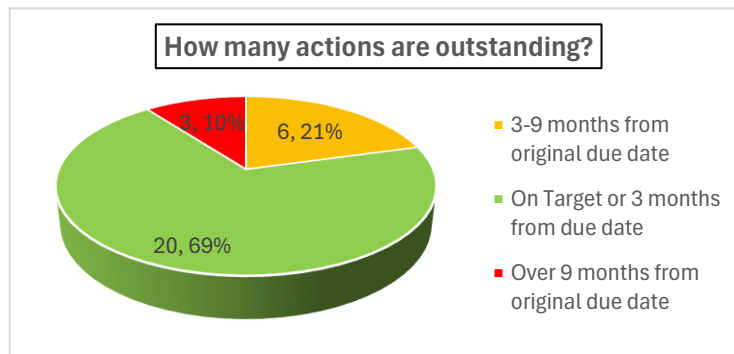


3.2.2 Following the last update received for OD001, 8 new actions were identified in August 2024. 3 of these actions were subsequently completed within a month of identification, with the Appendix to the report outlining the remaining 5 control actions.

3.2.3 Without immediate action being taken on progressing identified controls, risks are likely to remain static. Discussions with Directorates will focus on identifying actions required within the current financial year with a RAG status incorporated within reports, aligned to the agreed process for Internal Audit, to identify progress made. 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

3.2.4 In relation to risks rated 15 or above, Appendix A identifies the 3 control actions now over 9 months from their original due date, 6 control actions 3-6 months from their original due date and 20 on target.



3.2.5 The table below identifies the 3 control actions now over 9 months from their original due date. Discussions will be held with Directorates to ensure these control actions are progressed in line with revised dates:

Risk ID	Control Action	Control Action Comment
POD015	Ensure regular participation in process planning, and ongoing dialogue with the Scottish Public Pensions Agency and Finance colleagues through a number of forums. Provide regular progress updates to SFRS management teams and stakeholders to ensure appropriate oversight and escalation of potential challenges should these arise.	Project Plan for implementation of 2nd Option exercise now in final stage of development. Plan for implementation of Booth Bradshaw under development. Delay in development of project plan for McCloud Sargant due to bugs in SPPA software package developed to carry out Remedy Calculations. The issue of Remedial service statements will be rescheduled from August 2024 till April 2025.
SD001	Procurement and implementation of Vision 5 Disaster Recovery System (for EOC and DOC)	Modems have been configured at EOC and await NEC configuring Modems at JOC. Once testing to station end kit has been completed and proves to be successful, we will progress implementation of the WAN bearer in the North SDA which will replace the requirement for modems. Work continues with NEC to support essential ESDA data input. V5 training continues at EOC we are also progressing Airwave code of connection with Airwave which will greatly improve V5 functionality.
SD001	Support the design, procurement, delivery and implementation of the New Mobilising System (NMS) - Phase 1	Following recent progress and completion of the last phase of work a contract is expected to be awarded by the end of October 2024.

3.2.6 Information on the progress of all control actions for Very High risks is attached within Appendix A. Two of these control actions are now more than 9 months from their original due date and relate to SD001 which is currently under review. The SD reference now relates to Operational Delivery and will be amended within future reports.

4	Recommendation
4.1	The Audit and Risk Assurance Committee is asked to scrutinise the information presented within the report.
5	Key Strategic Implications
5.1	Risk
5.1.1	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	Financial
5.2.1	The report identifies risks from each Directorate with financial implications arising from control decisions to be managed by the relevant Directorate.
5.3	Environmental & Sustainability
5.3.1	Any implications arising from the report will be managed by the relevant Directorate.
5.4	Workforce
5.4.1	Any implications arising from the report will be managed by the relevant Directorate.
5.5	Health & Safety
5.5.1	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 report is provided to the Audit and Risk Assurance Committee on a quarterly basis.
5.9	Performance
5.9.1	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:	Sarah O'Donnell, Director of Finance and Contractual Services
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 risk 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	Appendix A: Significant Risks – October 2024	
Prepared by:	David Johnston, Risk and Audit Manager	
Sponsored by:	Lynne McGeough, Head of Finance and Procurement	
Presented by:	Sarah O'Donnell, Director of Finance and Contractual Services	
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.		
<ul style="list-style-type: none"> 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
<i>Strategic Leadership Team</i>	<i>24 October 2024</i>	<i>For Scrutiny</i>
<i>Audit and Risk Assurance Committee</i>	<i>29 October 2024</i>	<i>For Scrutiny</i>

**Appendix A – Significant Risks and Related Control Actions
(Risks rated 15 or above)**

Risk ID	Strategic Outcome	Risk Description	Governance Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
FCS018	6	There is a risk of continued challenges with recruiting and retaining staff with the necessary skills and experience required to support the move to a Cloud based environment as well as the availability of budget to upskill existing staff with the skills required. This is because of a very buoyant ICT job market, pay grade challenges and the availability of budget to provide the necessary training. This can result in the inability to support our current systems and deliver innovation that new systems would bring.	PC (CB)	Director of Finance and Contractual Services	20	12	20
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Implement ICT Restructure		31/12/2024	31/12/2024	Head of ICT	Staff engagements sessions held, job evaluation to be finalised and the final implementation of new ICT structure		On Target or 3 months from due date
Review current Market Allowance and propose new allowances for new roles		31/12/2024	31/12/2024	Head of ICT	Discussions are ongoing with exercise to be completed by end of December 2024		On Target or 3 months from due date

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Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
POD015	2	There is a risk that the People and Finance teams are unable to effectively support the significant number of concurrent Pensions related exercises and associated implementations due to competing priorities and capacity constraints, and not receiving timely information and engagement from the Scottish Public Pensions Agency resulting in lack of clarity and discontent for employees, and potential legal challenge and / or employee relations issues resulting in delays, employee discontent , uncertainty over procedures and entitlements, and financial disadvantage.	PC (CB)	Director of People	16	4	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Continue to monitor the resource requirements related to each Pensions exercise and capacity within the People and Finance teams to support this as a result of reprioritising work activities or the need for business case for additional resource if appropriate.		31/03/2025	31/03/2025	Deputy Head of People	One Full Time Administration Assistant has been assigned to support the project, with further support from the People Services team during periods of high activity. Ongoing support from the Finance systems team also being provided as required.		On Target or 3 months from due date
Engage with Scottish Public Pensions Agency and stakeholders to develop appropriate employee communications on each Pension related exercise to ensure current and former employees are updated on the potential impacts and implementation arrangements timeously.		31/03/2025	31/03/2025	Deputy Head of People	The detailed project plans which are being developed will set out timescales/responsibilities for comms on each workstream and monthly meetings are in place to discuss comms on an ongoing basis. SPPA and SFRS have agreed a joint Communication Strategy to inform pension scheme members of implementation plans. Regular meetings with Trade Unions also taking place.		On Target or 3 months from due date
Ensure regular participation in process planning, and ongoing dialogue with the Scottish Public Pensions Agency and Finance colleagues through a number of forums. Provide regular progress updates to SFRS management teams and stakeholders to ensure appropriate oversight and escalation of potential challenges should these arise.		31/12/2023	31/03/2025	Deputy Head of People	Project Plan for implementation of 2nd Option exercise now in final stage of development. Plan for implementation of Booth Bradshaw under development. Delay in development of project plan for McCloud Sargant due to bugs in SPPA software package developed to carry out Remedy Calculations. The issue of Remedial service statements will be rescheduled from August 2024 till April 2025.		Over 9 months from original due date

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Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
TSA019	2	There is a Directorate risk, of an inability to maintain or improve our training delivery due to the limited finance/budget available for capital investment, condition and location of our Training Estate and therefore lack of access to appropriate facilities, which could result in current and future negative impact on currency in operational skills & capacity and associated legal, regulatory, compliance, financial and reputational cost.	PC (TSAB)	Director of Training, Safety and Assurance	20	8	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Implementation of the recommendations from the draft contaminants POG with a timeline of Immediate, Medium and Long-term actions.		31/03/2025	31/03/2025	Head of Training	SC (Contaminants) and S&A have held recent meetings to move the creation of the SSOW forward. Bespoke Team still be created (WC + CC).		On Target or 3 months from due date
Review the suitability of Dundee Airport site (course delivery and welfare facilities).		30/06/2024	31/12/2024	Head of Training	GC (BA Reference) visited Warwickshire FS (09/09) to review and inspect bespoke multi-rig BA compartment building to be held as Plan "B" linked to creation of CFBT Training Buildings at Perth and NTC. Cost est. received for brick built CFBT 12/09. NTC £1.5m / Perth TC £3.0m.		3-9 months from original due date
Engagement with Asset Management and Fleet, Equipment & Workshop FEW regarding facilities and equipment.		31/03/2024	31/03/2025	Head of Training	Continued engagement at HOF level to progress this control action, and the identified challenges with regard to the ageing training fleet, this also links to the Training Strategic Asset Management Plan TSAMP.		3-9 months from original due date
Scope out options to utilise temporary structures to increase venue capacity / improve welfare facilities.		31/03/2024	31/03/2025	Head of Training	Asset / property lead (NSDA) has now stated that the relocation of Hamilton Shower / Welfare Unit to Portlethen should begin in Q4 (transfer of unit and build).		3-9 months from original due date
Analysis of USAR specialist skill delivery, including an options appraisal to identify short, medium and long term options to enhance capacity to optimise training delivery.		30/06/2024	30/12/2024	Head of Training	Full review of USAR Operational Response taking place between Ops and Training. Initial meeting to be held (12/09). USAR action plan to be produced post meeting.		3-9 months from original due date

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Risk ID	Strategic Outcome	Risk Description			Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
SD001	2	There is a risk of failure to mobilise to an incident due to a technical failure of the existing mobilising systems. As a result, we would be failing to meet our statutory duty and also potentially bring reputational damage to the Service.			SDC (SDB)	Director of Operational Delivery	15	10	15
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment			Action Status	
Procurement and implementation of Vision 5 Disaster Recovery System (for EOC and DOC)		31/12/2023	31/12/2024	Head of Function	Modems have been configured at EOC and await NEC configuring Modems at JOC. Once testing to station end kit has been completed and proves to be successful, we will progress implementation of the WAN bearer in the North SDA which will replace the requirement for modems. Work continues with NEC to support essential ESDA data input. V5 training continues at EOC. We are also progressing Airwave code of connection with Airwave which will greatly improve V5 functionality.			Over 9 months from original due date	
Procurement and implementation of DS300 ICCS (for DOC and JOC)		31/03/2024	30/11/2024	Head of Function	Initial install of equipment and configuration complete at both DOC and JOC. There are works required to configure the system in line with Airwave DCS works due for completion w/c 29/07/24. Training dates to be confirmed by NEC before training roll out can be planned, training to be conducted before UAT's can be carried out and ways of working can be confirmed given there is no integration with current CAD systems. Awaiting an update on telephony and the provision of voice recording and retrieval of legacy data from current systems. Progress is being made however this is reliant on suppliers' provision of equipment and training.			3-9 months from original due date	
Support the design, procurement, delivery and implementation of the New Mobilising System (NMS) - Phase 1		31/12/2023	31/10/2024	Head of Function	Following recent progress and completion of the last phase of work a contract is expected to be awarded by the end of October 2024.			Over 9 months from original due date	

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Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
SDD007	5	There is a risk of SFRS being unable to maintain adequate levels of Cyber Security to avoid any breach. This may result because of a lack of staff awareness, education and adherence to the policies and processes in place. This may result in the failure of access to or stability of systems, affecting SFRS activity	ARAC (CB)	Director of Finance and Contractual Services	20	12	20
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Staff Engagement and Education (Cybsafe Training)		31/03/2025	31/03/2025	Head of ICT	Monitoring reports being sent to Functions will 1100 staff still to complete		On Target or 3 months from due date
Complete Desktop Cyber Security Exercise (i.e. Phishing Exercise)		31/03/2025	31/03/2025	Head of ICT	Planning arrangements being made for 2 exercises to be undertaken during 2024/25		On Target or 3 months from due date

Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
FCS005	5	There is a risk that the Service may be unable to secure levels of funding required to achieve its strategic objectives. Additional pressure has been placed upon government finances causing uncertainty over future funding settlements. This could result in delays to agreed and future projects requiring a resetting of the Services objectives.	ARAC (CB)	Director of Finance and Contractual Services	16	8	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Medium Term Financial Plan		31/03/2025	31/03/2025	Head of Finance and Procurement	Discussions are being held with SLT and Board Members.		On Target or 3 months from due date
Support Business Case process in relation to Community Resilience Hub Business Case		31/03/2025	31/03/2025	Head of Finance and Procurement	Ongoing discussions regarding business case being held with Asset Management		On Target or 3 months from due date

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Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
FCS019	2	There is a risk that many of our critical services and systems, which support Operations Control team functions, could fail and be unrecoverable. This is because of the age of both the hardware and software elements involved, much of which is substantially beyond end of life. Vendor or SME support contracts are largely on a best endeavours basis resulting in, for example, the potential of Operations Control being unable to mobilise resources to an incident	SDC (SDB)	Director of Finance and Contractual Services	16	12	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Ensure key support contracts are managed in line with contract management arrangements		31/03/2025	31/03/2025	Head of ICT	Engagement with staff to ensure awareness of contract management requirements.		On Target or 3 months from due date
Proactive support and maintenance of systems by ICT staff		31/03/2025	31/03/2025	Head of ICT	Ongoing software and security patching to systems being undertaken.		On Target or 3 months from due date

Risk ID	Strategic Outcome	Risk Description	Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
PPP001	1	There is a risk of ineffective levels of capacity and skilled resource due to challenges with recruitment, promotion, staff retention and training, resulting in the potential that the Directorate may not be able to deliver against its legislative and organisational responsibilities.	SDC (SDB)	Director of Prevention, Protection and Preparedness	16	4	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment		Action Status
Create bespoke development pathway suitable of PPP to attract and retain personnel.		31/03/2025	31/03/2025	Heads of Function	Discussions with People Directorate and Trade Unions is required which will include interim options for Fire-Engineering through sub-contracting		On Target or 3 months from due date
Implement temporary support for East SDA FI team, utilising North and West Teams for an 18 month period		01/10/2025	01/10/2025	Heads of Function	During the 18 month period there will be a rigorous training program for new members of staff. Regular evaluations, knowledge transfer sessions, and effective communication and engagement will be established to ensure training is coordinated and staff progress is tracked		On Target or 3 months from due date

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Risk ID	Strategic Outcome	Risk Description			Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
SPPC004	5	There is a risk that the service fails to comply with information governance legislation because of non-compliance resulting in sanctions and loss of stakeholder and public confidence			ARAC (CB)	Head of Communication and Engagement	16	8	16
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment			Action Status	
Undertake review within SFRS to ascertain policy compliance		01/04/2024	01/04/2025	Head of Communication and Engagement	Discussions with People Directorate and Trade Unions is required which will include interim options for Fire-Engineering through sub-contracting			On Target or 3 months from due date	
Managing freedom of information and subject access request - additional temporary resource to be brought in - advertise post		30/06/2024	31/10/2024	Head of Communication and Engagement	New Data Governance and Oversight in place from October Recruiting additional resource to improve performance in meeting statutory targets.			3-9 months from original due date	
Regular monitoring and review of framework, managing FOI and other information requests, to ensure ownership and awareness retained throughout the Service.		31/03/2025	31/03/2025	Head of Communication and Engagement	New Data Governance and Oversight in place from October Recruiting additional resource to improve performance in meeting statutory targets.			On Target or 3 months from due date	

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Risk ID	Strategic Outcome	Risk Description			Committee Alignment	SLT Risk Owner	Risk Rating	Target	Previous Risk Rating
OD001	2	There is a risk of a non-resilient fire control due to insufficient employees and an ineffective fire control structure. Failure to attract, recruit, personnel, high abstraction and sickness levels lead to ineffective workforce planning, as a result, we would be failing to provide a resilient fire control capability.			SDC (SDB)	Director of Operational Delivery	15	6	15
Controls Actions		Original Due Date	Est' Completion Date	Owner	Comment			Action Status	
Develop succession planning strategy for OC		31/03/2025	31/03/2025	Head of Function	Meeting held with workforce planning on 22nd August to discuss the progression of support from WFP. Terms of Reference being considered. Additionally, the FFC Recruitment and National CC campaigns for 2024 were confirmed.			On Target or 3 months from due date	
Develop and implement and active recruitment strategy		01/08/2024	31/10/2024	Head of Function	Continue to align recruitment with Talent Team - online event complete, opens days planned for weekend of 14th/15th September			On Target or 3 months from due date	
Review OC structure.		31/03/2025	31/03/2025	Head of Function	OC Structure has been reviewed and is currently being negotiated with rep bodies. Meeting due W/C 16th September.			On Target or 3 months from due date	
Explore targeted development of OC Management (Supervisory to Strategic level).		31/05/2024	31/03/2025	Head of Function	Continued liaison with Talent Acquisition and People and Organisational Development.			On Target or 3 months from due date	
Implement OC structure.		31/03/2025	31/03/2025	Head of Function	Implementation of the OC Structure will commence upon agreement with rep bodies.			On Target or 3 months from due date	

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/43-24

Agenda Item: 10.2

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	29 OCTOBER 2024						
Report Title:	DRAFT RISK APPETITE STATEMENTS						
Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee with the draft risk appetite statements, as outlined in Appendix A and updated following the Board Strategy Day; to scrutinise the draft risk appetite statements and approach, noting these will be presented to the Board for approval.						
2	Background						
2.1	The Internal Audit Plan for 2023/24 recommended that the Service prioritise the development of Scottish Fire and Rescue Service (SFRS) risk appetite statements, with input from the Board. This recommendation superseded an outstanding action within the 2019/20 internal audit plan.						
2.2	The purpose of developing risk appetite statements is to add value to the Service's decision-making processes, providing an additional evaluation tool against which decisions are made.						
2.3	The Service's appetite to risk will change over time, as will the categories of risk identified, and there is a need to periodically review our statements, adding or amending categories depending upon current circumstances.						
3	Main Report/Detail						
3.1	Through a series of workshops, the Strategic Leadership Team (SLT) developed a set of draft risk appetite statements in July 2024, with further engagement and development of these statements undertaken within a Board Strategy Day in September 2024. The work undertaken has developed awareness and understanding of the process and has aligned risk appetite to the Service Assurance Framework. The 8 revised draft risk appetite statements are set out within Appendix A.						
3.2	Each of the draft statements, and associated information, have been aligned to previously agreed risk appetite levels, outlined in the table below:						

Risk Appetite Levels	Category Description
Minimalist	Preference for low level of associated risk and uncertainty and will only look to accept risk where it is essential to do so. The creation of opportunity is not a key driver.
Cautious	Preference for safe options where the level of benefit and risk is limited but some opportunity may be experienced.
Open	Willing to consider all potential delivery options and to choose the one that is most likely to result in success and opportunity whilst also providing an acceptable level of risk.
Ambitious	Eager to be innovative and to take opportunities offering potentially higher reward, whilst accepting greater risk and uncertainty.

3.3 Whilst 8 broad risk categories have been identified these have been further split by key activities within each, to provide a range of appetite levels for each category. The tables below provide a summary of this range, identifying changes made following engagement with the Board in September 2024.

3.3.1 Initial Range Summary

	Minimalist	Cautious	Open	Ambitious
Financial	Green	Yellow	Orange	
Organisational Security	Green	Yellow		
Environmental	Green	Yellow	Orange	Red
Compliance	Green	Yellow		
Service Delivery	Green		Orange	Red
People	Green	Yellow	Orange	
Technology		Yellow	Orange	
Political & Stakeholder Relationships	Green	Yellow	Orange	Red

3.3.2 Revised Range Summary

	Minimalist	Cautious	Open	Ambitious
Financial	Green	Yellow	Orange	Red
Organisational Security	Green	Yellow		
Environmental	Green		Orange	Red
Compliance	Green	Yellow	Orange	
Service Delivery	Green		Orange	Red
People	Green	Yellow	Orange	Red
Technology	Green	Yellow	Orange	Red
Political & Stakeholder Relationships	Green	Yellow	Orange	Red

3.4 In addition to changes in risk appetite levels, other revisions were made following feedback. These related to:

- The combination of previous statements
- The identification of new statements
- Identification of additional controls and assurances

3.5 **Next Steps**

3.5.1 Once the risk appetite statements have been agreed by the Board, the next phase of work relates to the development of the risk management framework, aligning Directorate risks to the statements identified. This will require:

- Development of the risk register input template to align to risk appetite work.
- Development of the risk dashboard within Power BI.
- Development of revised and automated output reports for Committee’s and Executive Boards; and
- Revision of the risk management policy to provide guidance on the application of risk appetite within the Service.

3.5.2	The development of the templates, dashboard and automated output reports relies upon sufficient development capacity being identified and meetings will now be held with relevant Functions to identify resource requirements.
3.5.3	The Corporate Report Template identifies 14 key implications against which each report is considered. The first of these relates to Risk, which it is proposed is expanded to incorporate risk appetite.
3.5.4	Each Committee and Executive Board uses Risk Spotlights to gain additional assurance in relation to identified risk. These templates will be revised to incorporate information on risk appetite, following development of the risk input template and dashboard.
3.6	To gain insights into the practical application of risk appetite within other organisations, we spoke to both the Scottish Government and our internal auditors. From these discussions, it is intended that the initial statements will operate for a period of 12 months, after which there will be a review, evaluating the specific statements and the process of adopting risk appetite within our decision making. Following the review any required revisions will be made.
4	Recommendation
4.1	The Audit and Risk Assurance Committee is asked to scrutinise the draft risk appetite statements and approach, noting these will be presented to the Board for approval.
5	Key Strategic Implications
5.1	Risk
5.1.1	The development and implementation of risk appetite within the risk management framework will help inform and manage identified risks more effectively.
5.2	Financial
5.2.1	Any financial implications arising from the management of risk will be managed by the relevant Directorate.
5.3	Environmental & Sustainability
5.3.1	Any implications arising from the report will be managed by the relevant Directorate.
5.4	Workforce
5.4.1	Development capacity will be required to update the Power BI risk dashboard. Discussions are ongoing to secure this.
5.5	Health & Safety
5.5.1	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 report is provided to the Strategic Leadership Team in advance of further discussions with the Chair of ARAC and discussions to be held at a future Board Strategy Day.
5.9	Performance
5.9.1	The introduction of risk appetite statements will be used to ensure risks are identified and effectively 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 information on the development of risk appetite statements that will be used to support and mature the risk management framework. 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:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial/ Reasonable /Limited/Insufficient
7.2	Rationale:	The purpose of the draft risk appetite statements is to add value to the Service's decision-making processes, providing an additional evaluation tool against which decisions are made. The draft statements will be tested over the next 12 months and revised following feedback received.
8	Appendices/Further Reading	
8.1	Appendix A – Draft Risk Appetite Statements	
Prepared by:	David Johnston, Risk and Audit Manager	
Sponsored by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Presented by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Links to Strategy and Corporate Values		
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.		
<ul style="list-style-type: none"> 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
<i>Strategic Leadership Team</i>	<i>24 October 2024</i>	<i>For Recommendation/ Decision</i>
<i>Corporate Board</i>	<i>28 October 2024</i>	<i>For Scrutiny</i>
<i>Audit and Risk Assurance Committee</i>	<i>29 October 2024</i>	<i>For Scrutiny</i>
<i>SFRS Board</i>	<i>31 October 2024</i>	<i>For Decision</i>

DRAFT RISK APPETITE STATEMENTS

Risk Appetite Levels

Risk Appetite Levels	Category Description	Associated Risk Target Rating
Minimalist	Preference for low level of associated risk and uncertainty and will only look to accept risk where it is essential to do so. The creation of opportunity is not a key driver.	Target Rating of 1 - 3
Cautious	Preference for safe options where the level of benefit and risk is limited but some opportunity may be experienced.	Target Rating of 4 - 9
Open	Willing to consider all potential delivery options and to choose the one that is most likely to result in success and opportunity whilst also providing an acceptable level of risk.	Target Rating of 10 - 12
Ambitious	Eager to be innovative and to take opportunities offering potentially higher reward, whilst accepting greater risk and uncertainty.	Target Rating of 15 - 25

Alignment to Assurance Framework

LINES OF DEFENCE			
1st Management Control those responsible for delivery	2nd Oversight Function assurance separate from delivery & the management chain	3rd Independent Internal Scrutiny	4th Independent External assessments
<ul style="list-style-type: none"> Strategies, plans, risk registers, policies Financial Management and reporting at Functional/operational level Internal Control Checklist Self-assessment e.g. Certificates of Assurance 	<ul style="list-style-type: none"> Performance Management and reporting at functional/operational level Functional compliance reviews Risk Management Business Assurance (GGB) Organisational Security Internal Quality Control Checks Customer satisfaction 	<ul style="list-style-type: none"> Review of 1st and 2nd line of defence Internal Audit Annual Plans 	<ul style="list-style-type: none"> External Audit External Accreditation HMFSI Audit Scotland Gateway Reviews Information Commissioner's Office HSE Local Scrutiny Authorities Benchmarking

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Risk Category	Appetite Statement	Control Environment (behaviours we expect to see)	Assurance Measures (Lines of Defence)
Financial	In relation to financial propriety, regularity and fraud risks SFRS has a Minimalist appetite with a strong focus on maintaining effective financial controls and accountability.	<p>Maintain robust system of financial and procurement delegation and accountability.</p> <p>Ensure that there is appropriate separation of duties in relation to processing and approval of spend.</p>	<p>1st Line – Management Control Certificate of Assurance returns – particularly financial and fraud sections</p> <p>Adherence to strategy, policy and procedure</p>
	In relation to qualification of our accounts SFRS has a Minimalist appetite.	<p>Ensure that reconciliations of financial data are carried out and reviewed regularly.</p> <p>Maintain sound and proportionate contract management arrangements.</p>	<p>2nd Line – Oversight Function SLT, Executive Board and Committee scrutiny.</p>
	In relation to breaching budgetary limits SFRS has a Minimalist appetite, aiming to fully utilise but not exceed approved budgets. In exceptional circumstances, where additional spend may be required, that would exceed budget provision, approval may be sought from the Scottish Government.	<p>Develop, maintain, and communicate medium/long term financial scenarios and plans, including asset management plans, linked to service planning.</p> <p>Set realistic budgets in conjunction with budget holders and strategic decision makers to ensure both alignment to strategic direction and credibility.</p>	<p>Monitoring of Key Performance Indicators: KPI39 – No of Confirmed Frauds KPI40 - % of invoices paid within 30 days KPI65 – Budget Outturn/ Annual Report and Accounts</p> <p>Monthly budget monitoring and reporting</p> <p>Verification oversight</p> <p>Monitoring against Assurance Framework</p>
	In relation to ensuring service levels for transaction processing SFRS has a Cautious appetite.	<p>Ensure regular reporting on spend against forecasts to facilitate effective management of the budget in year and early identification of under/overspend to enable corrective action.</p>	<p>3rd Line – Independent Internal Scrutiny Internal Audit reporting</p>
	In relation to transformation and spend to save initiatives, SFRS has an Open appetite, looking to improve longer term financial sustainability, supported by robust business cases.	<p>Maintain ongoing communication and reporting with SG Sponsorship Team on budget progress.</p> <p>Avoid in-year unfunded spending decisions and ensure sound and proportionate governance around new spending priorities and decision making e.g. business case process.</p>	<p>4th Line – Independent External Assessments External Audit reporting</p>
	In relation to multi-year capital planning SFRS has an Open appetite. We are prepared to initiate capital investment beyond confirmed future funding, aligned to careful monitoring and management, to ensure the maximum possible investment in our asset priorities.	<p>Embed finance and procurement business partners to provide professional advice, challenge and scrutiny at all stages of decision making.</p> <p>Ensure alignment and adherence to the Income Generation Policy and associated reporting requirements.</p>	
	In relation to additional income generation, beyond Grant In Aid, SFRS has an Ambitious appetite for being innovative in exploring other sources of potential income.		

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Risk Category	Appetite Statement	Control Environment (behaviours we expect to see)	Assurance Measures (Lines of Defence)
Organisational Security	<p>In relation to the prevention or detection of cyber security incidents, SFRS has a Minimalist appetite.</p>	<p>Develop, maintain, and communicate an SFRS Organisational Security Policy to include Cyber, Information, Physical and People security, in line with best practice standards.</p> <p>Develop, maintain and communicate procedures to be applied by staff, to ensure Cyber, Information, Physical and People security.</p> <p>Senior leaders to model security conscious behaviours to demonstrate its importance.</p>	<p>1st Line – Management Control Adherence to strategy, policy and procedure</p> <p>3 yearly TfOC, e.g. Organisational Security, GDPR Data Protection and Information Security awareness/ training.</p> <p>Phishing exercise, testing awareness</p> <p>2nd Line – Oversight Function SLT, Executive Board and Committee scrutiny.</p> <p>Number of reports of Suspicious Activity, Break-In or Theft</p> <p>Monitoring of Key Performance Indicators: KPI - Annual CybSafe Training KPI - Annual Penetration Testing KPI – known cyber security vulnerabilities not yet addressed KPI – number of cyber security attempts KPI – number of GDPR Data Breaches</p> <p>Progress of Cyber Action Plan (in development)</p> <p>Monitoring against Assurance Framework</p> <p>3rd Line – Independent Internal Scrutiny Internal Audit Reporting</p> <p>4th Line – Independent External Assessments External Audit Reporting</p> <p>Accreditation status – SG Cyber Essentials plus (CE+)</p> <p>Compliance with SG Public Sector Cyber Resilience Framework</p> <p>Insurance Special Perils Survey</p>
	<p>In relation to risks associated with inappropriate use of information, SFRS has a Minimalist appetite</p>	<p>Maintain robust control of access to SFRS estate and IT systems.</p> <p>Implement and regularly review, an assessment of Physical security at all SFRS sites.</p> <p>Implement recommendations and develop best practice based on the Protective Security Management System (PSeMS) framework.</p>	
	<p>In relation to the prevention of unauthorised and/or inappropriate access to estate, SFRS has a Cautious appetite.</p>	<p>Ensure all staff complete Organisational Security (including cyber security) training (initial and refresher).</p> <p>Conduct regular testing and exercising of Cyber defences and business continuity plans, to develop the organisation's response strategy in the event of an attack.</p> <p>Ensure Cyber, Information, Physical and People security standards are adhered.</p>	
	<p>In relation to risks associated with the use, adoption or reliance upon technology resulting in a security exposure, SFRS has a Cautious appetite.</p>	<p>Ensure cyber and other security requirements are reflected within relevant procurement tender and contract management documents, project design and project governance, as appropriate.</p> <p>Report all suspicious activity to Police Scotland, Duty Officer and NILO (if appropriate).</p> <p>Ensure a multi-disciplinary approach to cyber threat intelligence received within the organisation across NILOs, cyber team and other relevant contributors to maximise value and action.</p>	

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Risk Category	Appetite Statement	Control Environment (behaviours we expect to see)	Assurance Measures (Lines of Defence)
Environmental	<p>In relation to the risk of breaching environmental legislation, regarding pollution prevention and control, SFRS has a Minimalist appetite.</p>	<p>Ensure robust training and awareness of individual and organisational climate responsibilities.</p> <p>Senior leaders to model climate conscious behaviours.</p>	<p>1st Line – Management Control Value of additional funding secured for carbon reduction</p> <p>Resource cost impact (positive and negative) of carbon reduction measures/failure to act on carbon reduction</p>
	<p>In relation to maintaining Service resilience, associated with energy supplies, SFRS has a Minimalist approach to new and untested technologies, and will ensure operational response levels are maintained.</p>	<p>Develop, maintain, communicate and implement relevant policies to ensure regulatory compliance.</p> <p>Plan future asset investment with Net Zero Carbon in mind to maximise value from all investment.</p>	<p>Adherence to strategy, policy and procedure</p> <p>Environmental Management System</p> <p>2nd Line – Oversight Function SLT, Executive Board and Committee scrutiny.</p>
	<p>In relation to the measures needed to create and maintain a climate conscious culture, SFRS has an Open appetite.</p>	<p>Pursue all avenues to secure funding for decarbonisation and ensure best value from investment towards Net Zero targets.</p> <p>Adopt a multi-disciplinary approach to pursuing action, making best use of all skills within SFRS and beyond.</p>	<p>Monitoring of Key Performance Indicators: KPI32 organisational carbon emissions – target reduce by 6% annually</p>
	<p>In relation to the risk of failing to meet carbon reduction targets, SFRS has an Open appetite to maximise the impact of available funding.</p>	<p>Work collaboratively and innovatively with partners and communities to explore new ways of working that support carbon reduction.</p>	<p>KPI33 Carbon Management Plan funding – actual v required – target 100%</p> <p>KPI34 Recycling Rate – target increase by 5% annually</p> <p>KPI57 % of Light Fleet that are ULEV – target 100%</p> <p>Monitoring against Assurance Framework</p>
	<p>In preparing for climate change, SFRS has an Ambitious appetite. We will seek new ways of working, pursue opportunities to scale up proven new and impactful technologies and deliver investment with communities and partners. We will build community resilience, reducing our collective energy consumption and recognising that solutions may be site specific.</p>		<p>3rd Line – Independent Internal Scrutiny Internal Audit</p> <p>4th Line – Independent External Assessments Alignment with Scottish Government and partner agency monitoring requirements</p> <p>External Audit</p>

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Risk Category	Appetite Statement	Control Environment (behaviours we expect to see)	Assurance Measures (Lines of Defence)
Compliance	In relation to the Health & Safety of staff, SFRS has Minimalist approach in relation to meeting legal or regulatory requirements.	<p>To ensure the health, safety and wellbeing of staff we will comply fully with all health and safety legislation and regulatory compliance matters.</p> <p>We will deliver Best Value in all that we do.</p> <p>We will engage with regulators to ensure they understand our organisational perspectives on regulations on the Service.</p> <p>We will work with sectoral partners and others in having an appropriate influence on the regulations and standards we operate to.</p>	<p>1st Line – Management Control Adherence to strategy, policy and procedure</p> <p>Internal Health and Safety Management system, aligned to Health and Safety Executive guidance. (HSG 65 – Successful Health and Safety Management)</p> <p>Maintenance of a legal register that ensures ongoing compliance with legislation and regulations as well as identifying best practice from HSE and other external guidance.</p> <p>H&S event investigation and debrief of operational incidents to ensure lessons are learned and actions take to prevent reoccurrence and ensure continual improvement.</p> <p>2nd Line – Oversight Function SLT, Executive Board and Committee scrutiny.</p> <p>Monitoring of Key Performance Indicators – i.e. Safety and Assurance KPI's as part of the SFRS Performance Management Framework.</p> <p>SFRS maintain a programme of support reviews and audit arrangements to provide assurance on legislative compliance.</p> <p>Annual Station Audits and Inspections are scheduled to provide assurance on compliance with organisational procedures and arrangements.</p> <p>Monitoring against Assurance Framework</p> <p>Verification Oversight</p> <p>3rd Line – Independent Internal Scrutiny Internal Audit</p> <p>Assessment against ISO45001 standards.</p> <p>4th Line – Independent External Assessments We will meet the requirements of our Best Value Duty</p> <p>We will engage with Audit Scotland and other regulatory bodies to ensure the regulatory requirements are proportionate and enabling of our ability to delivery services to the community</p> <p>Liaise with HSE on sector specific inspections and audits and where required.</p> <p>HMFSI undertake thematic inspections and audits of Safety and Assurance and Arrangements and include our legal duties.</p>
	In relation to meeting our legal and regulatory obligations SFRS has a Minimalist appetite.	We will fully comply with our statutory duties under all key legislation including the Fire (Scotland) Act 2005, Police and fire Reform (Scotland) Act 2012.	
	In relation to our internal governance, including systems of controls and data governance, SFRS has a Cautious appetite.	<p>We will give full regard to the Fire and Rescue Framework Scotland (2022) in developing our Strategic Plan and other key Service Plans.</p> <p>We will give due regard to His Majesty's Fire Inspectorate in Scotland (HMFSI) inspection reports.</p>	
	In relation to influencing regulators to propose proportionate regulations for the Service SFRS has an Open appetite.		

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Risk Category	Appetite Statement	Control Environment (behaviours we expect to see)	Assurance Measures (Lines of Defence)
Service Delivery	In relation to risk of failing to provide a safe and effective emergency response, SFRS has a Minimalist appetite.	Provide a fit for purpose emergency response service as legislatively required. Ensure our operational footprint is aligned to community risk and demand utilising a data led, evidence-based approach.	1st Line – Management Control Adherence to strategy, policy and procedure Adherence to Operational Strategy, supported by MORRD methodology
	In relation to ensuring that operational staff are safe and competent through compliance with training, SFRS has a Minimalist appetite.	Continue to develop methodologies that ensure the deposition of our resources and weight of response is appropriate and maintains FF and Community Safety.	2nd Line – Oversight Function SLT, Executive Board and Committee scrutiny.
	In relation to providing safety advice, education and support to enhance community safety and resilience, SFRS has a Minimalist appetite.	Support continual assessment and development of an Operational Strategy that remains flexible to changing influences including community risk, innovation and finances.	Utilise the PMF and relevant KPI's to direct continual improvement and to track the longer-term impact of decisions made utilising risk appetite principles. This will include delegating responsibility and risk to the lowest appropriate level whilst supporting the critical outcome of FF and Community Safety.
	In relation to exploring new ways to deliver our training, prevention, preparedness and operational activities for better outcomes, SFRS has an Open appetite.	Continually explore change opportunities including new technology and innovations that will enhance our Service whilst providing Best Value. This includes stations, appliances, equipment and PPE. Maintain our approach to working openly with stakeholders internally and externally to improve how we deliver services to our staff and communities.	Critically assess our operational footprint whilst <i>Matching Operational Resource to Risk and Demand</i> (MORRD). This includes application of a robust impact assessment processes supported by consideration of compliance factors such as equalities, employment and public consultation.
	In relation to continuous improvement and learning utilising all stages of the OA process, SFRS has an Open appetite.	Ensure our people are skilled and safe through compliance with Training and Health & Safety standards.	Ensure our internal management arrangements are appropriate and robust. These will continue to be assessed to ensure effective leadership, management and delivery of Operational Strategy, Priorities and action plans.
	In relation to exploring new delivery models, specifically related to SSRP, utilising various data and information sources, SFRS has an Ambitious Appetite	Continue to recruit, select and develop staff for Service Delivery. This includes acquisition and maintenance training, and development activities/opportunities across all levels of management.	Ensure organisational learning from our OA process is fundamental to decision making in terms of FF Safety and operational response.
	In relation to new ways of working and technologies, that may lead to enhanced or improved operational activities and tactics with safer and/or more efficient outcomes, SFRS has an Ambitious appetite.	Support, encourage and develop our approach to continual improvement. This should be underpinned by our Operational Assurance (OA) process. Ensure our governance and reporting arrangements are appropriate and robust whilst supporting good performance, visibility and accountability. Promote a culture of innovation and improvement methodologies that encourages change.	We will continue to develop our community risk profiling capability using current relevant sources such as historical incidents and socio and economic data. Monitoring against Assurance Framework 3rd Line – Independent Internal Scrutiny Operational Assurance 4th Line – Independent External Assessments e.g. HMFSI

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Risk Category	Appetite Statement	Control Environment (behaviours we expect to see)	Assurance Measures (Lines of Defence)
People	In relation to risks that could compromise the physical and mental health of colleagues, SFRS has a Minimalist appetite, investing in robust health, safety and wellbeing measures to ensure a healthy workplace.	Leaders at all levels prioritise the health, safety and wellbeing of colleagues. Innovative solutions are sought to talent attraction, development and retention challenges e.g. direct entry, links with relevant education establishments.	1st Line – Management Control Adherence to strategy, policy and procedure Monitoring People and Safety & Assurance management information regular mandatory checks put in place 6 or 12 monthly as appropriate.
	In relation to employment law and regulations SFRS has a Cautious appetite, managing these risks through appropriate legal and compliance reviews and ensuring compliance is a priority of the Service.	Leaders at all levels encourage and enable colleague development. We set clear standards and expectations around workplace behaviours and culture	Maintenance of appropriate functional and Directorate risk registers 2nd Line – Oversight Function SLT, Executive Board and Committee scrutiny. Monitoring against Assurance Framework
	In relation to ensuring it has the appropriate capacity and capabilities to deliver its priorities, SFRS has an Open appetite, ensuring robust workforce plans are in place across all colleague groups, while exploring creative or innovative ways to deliver our services.	Representative body partners are engaged and consulted with proactively	Performance Management Framework: KPIs related to People and Safety Employee engagement indicators, including our Colleague Experience and pulse surveys Safety & Assurance performance data Wellbeing performance data
	In relation to seeking innovative approaches to talent acquisition, development and retention SFRS has an Open appetite, looking to experiment with new methods of attracting, developing and retaining talent.		Analysis of employee relations cases, outcomes and lessons learned, learning from NJC and NFCC 3rd Line – Independent Internal Scrutiny
	In relation to fostering progressive, positive and respectful employee relationships, valuing open communication and diverse perspectives, in line with our Working Together Framework, SFRS has an Open appetite, ensuring significant cultural and operational benefits.		Internal Audit 4th Line – Independent External Assessments
	SFRS has an Ambitious approach to ensuring the culture aligns with Service values, fostering positive workplace behaviours that promote wellbeing, engagement, high performance and inclusion.		External Audit HMFSI

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Risk Category	Appetite Statement	Control Environment (behaviours we expect to see)	Assurance Measures (Lines of Defence)
Technology	<p>In relation to handling sensitive data or working with national infrastructure systems or technologies, SFRS has a Minimalist appetite.</p>	<p>We will explore innovative, new or novel digital solutions, we will recognise the finance and skills investment required.</p>	<p>1st Line – Management Control</p> <p>Adherence to strategy, policy and procedure, e.g. Penetration Testing, Development of a Cyber Action Plan, SFRS Application Strategy, SFRS Digital Strategy</p> <p>We will revise the SFRS Innovation Strategy and build an implementation plan</p> <p>We will develop and implement an integrated SFRS Data and Technology Strategy</p> <p>Our target risk is managed through ongoing use of inbuilt technology security controls such as user access; encryption; data loss prevention; firewalls; and ongoing vulnerability scanning and a range of technology security protocols and procedures</p> <p>We will offer specialist information technology and data management advice to all Service areas</p> <p>Executive Directors and Head of Function responsibilities for ongoing compliance with aligned policy, guidance and protocol</p> <p>2nd Line – Oversight Function SLT, Executive Board and Committee scrutiny.</p> <p>Monitoring against Assurance Framework</p> <p>We will produce, in addition to business as usual activities, appropriate programme and project reports where technology and data features as part of our work and report these to the appropriate Executive Board and SFRS Board/ Board Committee Monitoring of Key Performance Indicators</p> <p>3rd Line – Independent Internal Scrutiny</p> <p>Internal Audit and recommendations</p> <p>4th Line – Independent External Assessments We will work with the Scottish Government’s Digital Assurance Office when undertaking major technology dependent change programmes and projects</p> <p>Assessment against Government’s cyber resilience framework and the UK Government National Cyber Security Centre guidance</p>
	<p>In relation to the procurement of new and innovative technologies, SFRS has a Cautious appetite, and operating within defined legal requirements.</p>	<p>We will use our technology networks, cloud based applications to support the delivery of services and processes where manual processes are retained</p>	
	<p>In relation to staff training in innovation and use of technology and the adoption of appropriate online behaviours SFRS has a Cautious appetite.</p>	<p>We will monitor our appetite depending upon the nature, significance and criticality of systems and data used, specifically in relation to sensitive data or national infrastructure systems and technologies.</p>	
	<p>In relation to how innovation is governed and appropriately managed SFRS has a Cautious appetite.</p>	<p>We will manage technology risks appropriately to provide opportunities for technical innovations and digital transformation, maximising improvement whilst providing resilience against potential disruption or cyber threats.</p>	
	<p>In relation to safely replacing obsolete technologies and dealing with matters of technical debt SFRS has an Open Appetite.</p>	<p>We will develop a capacity for research, development, working in partnership and collaboration with others to promote innovation across SFRS.</p>	
<p>In relation to the research, development and adoption of new and emerging technologies, SFRS has an Ambitious appetite.</p>			

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Category	Appetite Statement	Control Environment (behaviours we expect to see)	Assurance Measures (Lines of Defence)
Political and Stakeholder Relationships	In relation to legal requirements in managing stakeholder engagement, SFRS has a Minimalist appetite.	We will undertake stakeholder engagement and consultation exercises, abiding by the Gunning Principles and best practice guidance.	<p>1st Line – Management Control</p> <p>Adherence to strategy, policy and procedure</p> <p>We will undertake and publish systematic Public Sentiment tracking exercises / stakeholder engagement activities, using the insights to inform decision making</p> <p>Adherence to and communication of a revised Political Engagement Strategy</p> <p>SLT/ Heads of Functions will undertake a regular programme of workplace visits to engage with staff and feedback any issues of note or interest.</p> <p>We will publish our annual partnership report detailing how we are working with partners to improve outcomes for communities</p> <p>2nd Line – Oversight Function SLT, Executive Board and Committee scrutiny.</p> <p>Development of Key Performance Indicators</p> <p>Monitoring against Assurance Framework</p> <p>Report outputs from the SFRS Public Consultation Group</p> <p>We will use the lhub to undertake regular staff pulse surveys on a range of issues and we will report the results and use the insights gained in our decision making</p> <p>3rd Line – Independent Internal Scrutiny We will engage with staff representative bodies through the Employee Partnership Forum and individually ensuring that their voices are heard in decision making</p> <p>Internal Audit recommendations</p> <p>4th Line – Independent External Assessments We will engage the SG Sponsor Team when developing our Strategic Plan and other plans</p> <p>HMFSI</p>
	In managing reputational risks arising from political, community and stakeholder engagement, particularly with a change focus in mind, SFRS has a Cautious appetite recognising that the Service is likely to suffer occasional negative publicity.	<p>We will regularly undertake a series of national political engagements across all political parties and regularly undertake engagements with local scrutiny bodies and local politicians, aligned to SFRS guidance.</p> <p>Each major change programme/ project will develop and implement a stakeholder engagement plan and risk management plan where there is chance of reputational repercussion for SFRS.</p>	
	In relation to the involvement of all stakeholders to inform Service decision-making processes, including change options, SFRS has an Open appetite.	<p>We will take decisions which are likely to bring additional governmental/ political scrutiny where benefits outweigh risks.</p> <p>We will involve stakeholders in option appraisal, strategic change, operational change, business planning and decision-making processes</p>	
	In relation to building relationships and influencing Scottish Government, MSPs and local political actors in support of SFRS change objectives and in delivering our Outcomes, SFRS has an Open appetite.	We will have a measured approach to managing all political relations to maintain confidence in SFRS	
	In relation to influencing legislation at the Scottish and UK levels in support of safer outcomes for communities and firefighters, SFRS has an Ambitious appetite.	We will share internally political insights we develop in undertaking our duties to ensure we are informed of relevant political matters.	
	In relation to engaging with communities and stakeholders SFRS has an Ambitious appetite.	<p>We will take active roles in supporting government working groups to ensure safer outcomes for communities and firefighters.</p> <p>We will make full use of both traditional and innovative consultation and engagement processes with communities, stakeholders and partners.</p>	
	In relation to managing consultation processes, SFRS is Ambitious in utilising innovative approaches to community and stakeholder engagement.	We will be an active advocate of partnership/ collaborative working to support our strategic objectives and community wellbeing and report on work undertaken.	
	In working in partnership or collaborating with public service and third sector bodies, SFRS has an Ambitious appetite.	<p>We will be open, honest and clear in how we communicate with our stakeholders.</p> <p>We will review each year the SG Programme for Government to identify issues relevant to SFRS</p> <p>We will develop and deploy stories/ images of SFRS to build stakeholder understanding of the service and secure more positive media coverage.</p>	

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/40-24

Agenda Item: 10.3

Report to:	AUDIT AND RISK COMMITTEE							
Meeting Date:	29 OCTOBER 2024							
Report Title:	NATIONAL FRAUD INITIATIVE (NFI) 2024/25 - PROPOSED APPROACH							
Report Classification:	For Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>						
		A	B	C	D	E	F	G
1	Purpose							
1.1	The purpose of this report is to provide assurance to the Audit and Risk Committee (ARAC) that appropriate measures are in place to manage the National Fraud Initiative (NFI) exercise and to ask ARAC to scrutinise the approach taken.							
2	Background							
2.1	The National Fraud Initiative (NFI) is a proactive data matching exercise designed to identify and prevent fraud. It is undertaken every two years with Audit Scotland leading the exercise in Scotland, working with a range of Scottish Public Bodies and their external auditors, with oversight by the Cabinet Office.							
2.2	Audit Scotland carries out the NFI process under powers within the Criminal Justice and Licensing (Scotland) Act 2010. The Code of Data Matching Practice sets out further guidance on data governance which all public bodies participating in data matching must have regard to. The data matching is carried out by Audit Scotland under part 2A of the Public Finance and Accountability (Scotland) Act 2000.							
2.3	A report by Deloitte, as part of their 2021/22 External Audit, identified that the NFI Self-Appraisal Checklist was not reviewed by ARAC and recommended that the Key Contact and ARAC should review the checklist as a means of monitoring the body's planning and progress with the NFI exercise going forward. A paper was provided to ARAC in June 2023 detailing the Scottish Fire and Rescue Service (SFRS) process in response to this recommendation.							
2.4	For the forthcoming 2024/25 Exercise the preparation work has already begun with Appendix A providing the latest Checklist issued by the Audit Scotland in August 2024. Part A of the checklist is designed to assist audit committee members or equivalent to review, seek assurance or challenge the effectiveness of SFRS's participation in the exercise.							
3	Main Report/Detail							
3.1	The Cabinet Office has still to publish their outcome report on the last exercise (2022/23), but Audit Scotland has now published their report regarding the outcomes within Scotland, and this is attached within Appendix B.							
3.2	Within the report three general recommendations are outlined, aligned to all participating bodies across Scotland: <ul style="list-style-type: none"> Ensure that an appropriate level of resource is available to deliver NFI follow-up activities in an efficient and effective manner, in line with local priorities. 							

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	<ul style="list-style-type: none">• Use the NFI Self-Appraisal Checklist as part of planning for the 2024/25 exercise.• Put in place arrangements for monitoring follow-up activity, and where it is necessary seek to understand reasons for low or nil outcomes.
3.3	The NFI process is undertaken as a BAU activity within Finance and Procurement, with Sarah O'Donnell acting as the responsible Senior Officer and the Assistant Verification and Risk Officer undertaking the role as Key Contact.
3.4	There is regular engagement between the Key Contact and the appointed NFI contact within Audit Scotland, whether to discuss training on the system or guidance to ensure SFRS activities align with the requirements of the exercise.
3.5	The bi-annual exercise is scheduled within the Verification workplan with all relevant members trained on the process. Refresher training is also undertaken prior to the release of new matches to ensure all staff undertaking investigation matches are competent in their role.
3.6	The best practise approached adopted by the Service is for the Verification Team to review all matches, whether internal to SFRS or aligned to information received on third party organisations.
3.7	In relation to the last exercise, for 2022/23, 670 matches were released. SFRS has investigated 658, or 98% of matches received, with only three errors identified. Two errors related to duplicate invoices totalling £3,668.18, with all monies now recovered, with the remaining error identified as a manual input error in relation to sickness absence, where £179 has now been recovered.
3.8	Where relevant information is retained by external organisations contact has been made with them, but no information has yet been received. This accounts for the remaining outstanding matches and discussions have been held with Audit Scotland to identify if they are able to assist in contacting these bodies for information. Any remaining matches will however be incorporated within future NFI exercises where no information is received.
3.9	Audit Scotland, as External Auditors and as the NFI point of contact, have confirmed they are happy with the Services approach and received confirmation that no fraud has been identified during the exercise.
3.10	The NFI Self-Appraisal Checklist is used by the Key Contact to ensure SFRS manages the process, aligned to guidance, to identify fraud or error within the Service. In relation to the Self-Assessment Checklist, Appendix C outlines some of the considerations made within each part of the checklist as the NFI exercise is progressed.
3.11	Identified matches are investigated by the Verification Team with the Assistant Verification & Risk Officer managing access to the NFI system, monitoring progress and escalating any match required for further investigation.
3.12	Agreed processes are in place to escalate any initial match investigation to the relevant function to carry out further investigation, in line with their policy & procedures, and guidance is provided to these functions to undertake this action appropriately.
3.13	Any potential lack of control or gaps in policy or procedures are discussed with relevant functions to ensure remedial actions are taken to minimise the risk of reoccurrence and help strengthen our controls.
3.14	Where any areas of significant risk are identified during the investigation process, this would be reported to the Director of Finance and Contractual Services for further discussion or investigation.

3.15	Once matches are completed the outcome of investigations are recorded within the NFI portal with monitoring reports provided through the internal governance process to the Corporate Board with a Bi-annual outcome report provided to the Senior management Teams and the Audit and Risk Assurance Committee.
3.16	In advance of investigations communications are provided through the iHub, the Employee Self Service (ESS) system and on payslips, advising staff that the process is about to be undertaken and directing them to the associated privacy notice. The Services weekly briefing document is also used to raise awareness of the exercise with an article due to be included within the next weekly news brief.
3.17	The NFI exercise may not always identify areas of fraud, but the process is aligned to the Services wider governance and control framework, the Anti-Fraud and Corruption policy and is also used by the Compliance Team to inform the Gifts, Hospitality and Interests register.
3.18	All exercises have been fully supported by the Service but, as the potential for fraud always exists, this continued support is still required together with the allocation of adequate time and resource.
4	Recommendation
4.1	The Audit and Risk Committee is asked to scrutinise the approach taken by the Service in relation to the National Fraud Initiative.
5	Key Strategic Implications
5.1	Risk
5.1.1	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	Financial
5.2.1	The report identifies activity undertaken as part of the National Fraud Initiative minimising the risk of fraud and associated financial loss to the Service
5.3	Environmental & Sustainability
5.3.1	Any implications arising from the report will be managed by the relevant Directorate.
5.4	Workforce
5.4.1	Any implications arising from the report will be managed by the relevant Directorate.
5.5	Health & Safety
5.5.1	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 report is provided to the Strategic Leadership Teams (SLT) in line with governance.
5.9	Performance
5.9.1	The report provides information on the NFI exercise to assist in the detection of fraud, overpayments and error and to help external auditors assess the arrangements that public bodies have in place.

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. Data matching by Audit Scotland is subject to a Code of Practice. This may be found on the Audit Scotland website.	
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:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial/Reasonable/Limited/Insufficient
7.3	Rationale:	The report provides assurance to the Audit and Risk Committee that appropriate measures are in place to prepare for and manage the National Fraud Initiative. Full engagement is undertaken with Audit Scotland, who are happy with the Service's approach.
8 Appendices/Further Reading		
8.1	Appendix A – National Fraud Initiative Self-Appraisal Checklist 24/25	
8.2	Appendix B – The National Fraud Initiative in Scotland 2024	
8.3	Appendix C – Example Return on Self-Appraisal	
Prepared by:		Karen Horrocks, Assistant Risk and Verification Officer
Sponsored by:		David Johnston, Risk and Audit Manager
Presented by:		Sarah O'Donnell, Director of Finance and Contractual Services
Links to Strategy and Corporate Values		
The National Fraud Initiative is a mandatory exercise and links 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.		
<ul style="list-style-type: none"> 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
<i>Strategic Leadership Team</i>		<i>02 October 2024</i>
<i>Audit and Risk Committee</i>		<i>29 October 2024</i>
		Report Classification/ Comments
		<i>For Decision</i>
		<i>For Scrutiny</i>

National Fraud Initiative in Scotland

Self-appraisal checklist



Background

- 1.** The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland and overseen by the Public Sector Fraud Authority for the UK as a whole. It uses computerised techniques to compare information held by different public bodies and on different financial systems, to identify matches that might suggest the existence of fraud or error.
- 2.** The NFI is an integral part of counter-fraud governance arrangements across the public sector and is referenced in corporate governance codes and annual governance statements as an example of proactive action to detect and prevent fraud.
- 3.** Almost all public sector bodies who have auditors appointed by the Auditor General and Accounts Commission are mandated to take part in the biennial exercise. The exceptions are very small bodies. Details of those mandated to participate can be found [here](#).
- 4.** In addition to the audited bodies mandated to participate in the exercise, wider public sector bodies (outwith the Audit Scotland family of audit appointments) may be invited to participate on a voluntary basis.
- 5.** More information about the NFI is available on our [counter-fraud hub](#).

Self-appraisal checklist

- 6.** We encourage all participating bodies to use the checklist to self-appraise their involvement in the NFI prior to and during the NFI exercises.
 - [Part A](#) is designed to assist audit committee members (or equivalent) when reviewing, seeking assurance over, or challenging the effectiveness of their body's participation in the NFI.
 - [Part B](#) is for staff involved in planning and managing the NFI exercise.

Part A: For those charged with governance	Yes/no/partly	Is action required?	Who by and when?
Leadership, commitment and communication			
1. Are we aware of emerging fraud risks and have we taken appropriate preventative and detective action?			
2. Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?			
3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error. And do we make reference to NFI in our governance codes and statements?			
4. Does our Key Contact have sufficient authority and time to ensure that NFI is delivered effectively?			
5. Has the approach to follow up of different NFI match types been clearly set out and reported as part of the bodies NFI planning process?			
6. Are NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?			
7. Where we have not submitted data or used the matches returned to us (eg, council tax single person discounts), are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?			
8. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?			
9. Do we review how frauds and errors arose and use this information to improve our internal controls?			
10. Do we need and have access to fraud investigation officers to enable frauds to be followed up fully?			
11. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?			

Part B: For NFI Key Contacts and users	Yes/no/partly	Is action required?	Who by and when?
Planning and preparation			
1. Are we aware of emerging fraud risks and taken appropriate preventative and detective action?			
2. Are we investing sufficient resources in the NFI exercise?			
3. Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming available? This includes considering the quality of data and being clear about the approach to follow up of different match types.			
4. Where NFI outcomes have been low in the past, do we recognise that this may not be the case the next time, that NFI can deter fraud and that there is value in the assurances that we can take from low outcomes?			
5. Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?			
6. Do we plan to provide all NFI data on time using the secure data file upload facility properly?			
Effective follow up of matches			
7. Do all departments involved in NFI start the follow up of matches promptly after they become available?			
8. Do we give priority to following up high-risk matches, those that become quickly out of date and those that could cause reputational damage if a fraud is not stopped quickly?			
9. Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?			
10. Are we drawing appropriately (in health bodies) on the help and expertise available from NHS Scotland Counter Fraud Service?			
Cont.			

Part B: For NFI Key Contacts and users	Yes/no/partly	Is action required?	Who by and when?
11. Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal)? Are we recovering funds effectively?			
12. Do we deploy resources in proportion to risks, and scale down work on match reports where early work has not found any fraud or error?			
13. Where the number of high-risk matches is very low, are we adequately considering the medium and low-risk matches before we cease our follow-up work?			
14. Overall, are we deploying appropriate resources on managing the NFI exercise?			
Recording and reporting			
15. Are we recording outcomes properly in the secure website and keeping it up to date?			
16. Do staff use the online training modules and guidance on the secure website, and do they consult the Cabinet Office NFI team if they are unsure about how to record outcomes (to be encouraged)?			
17. If, out of preference, we record some or all outcomes outside the secure website, have we made arrangements to inform Audit Scotland and the Cabinet Office NFI team about these outcomes?			

Suggestions for improving efficiency and effectiveness

7. Audit Scotland continues to encourage organisations to review and investigate NFI matches efficiently and effectively. This enables them to make better use of their limited resources.

Area	How to work more efficiently
Use the NFI software efficiently	Ensure staff involved in the NFI keep up to date with new features of the web application and good practice, by reading the guidance notes and watching the online training modules before they begin work on the matches.
Act upon the matches that are time critical, to identify overpayments at an early stage	Key Contacts should schedule staff resources so that time critical matches, such as housing benefit to students, can be dealt with as soon as they are received.
Coordinate investigations across internal departments to avoid duplication of effort or delays in identifying overpayments	Key Contacts should coordinate investigations across internal departments and, for example organise joint investigation of single person discount matches involving housing benefit, to ensure all relevant issues are actioned.
Only spend time looking at matches that meet local fraud risks	<p>Use the tools within the web application, such as the filter and sort options or data analysis software, to help prioritise matches that you deem the highest risk.</p> <p>You should also look back to see which reports in a previous exercise gave you outcomes.</p> <p>This will save time and free up staff for the most important investigations.</p>
Respond to enquiries from other organisations that take part in the NFI promptly	The web application shows the number of shared comments which require a response (Outstanding Actions). These responses should be prioritised if they relate to an ongoing investigation so that it can be progressed promptly.
Address data quality issues highlighted within the web application Data Quality Module before the next NFI exercise	Review the quality of the data supplied before the next exercise as external providers normally have to phase in changes to extraction processes. Better data quality will improve the quality of resulting matches.
Prioritise employee fraud recovery and the use of civil sanctions	Develop capability and capacity to punish fraudsters, ensuring that investigations are not abandoned if the individual resigns, leaves the property etc. Seek, through collaborating with law enforcement and the courts, the recovery of defrauded funds.

Source: Adapted from the Cabinet Office NFI web app



The National Fraud Initiative in Scotland 2024



Prepared by Audit Scotland
August 2024

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Audit team

The core audit team consisted of:
Tim Bridle, under the direction of Cornelius Chikwama.

Key messages

- 1** Fraud against the public sector costs the taxpayer money and can undermine both confidence in government and the delivery of public services. The proactive detection and prevention of fraud using the National Fraud Initiative (NFI) remains vitally important to public sector financial management as public bodies continue to recover from Covid-19 and to deal with the impact of the cost-of-living crisis.
 - 2** NFI savings and outcomes have increased from £14.9 million in 2020/21 to £21.5 million in 2022/23, with increases across most data match areas. However, savings from council tax single person discounts are slightly reduced and additional outcomes in some areas are attributable to changes in estimation methodologies. Overall, it is not clear whether underlying levels of fraud have increased since 2020/21.
 - 3** NFI governance and follow-up arrangements remained sound for most participating bodies over the period covered by the 2022/23 exercise. However, when compared to previous exercises, fewer bodies have been assessed by their auditors as having fully satisfactory arrangements, and there remains scope for some bodies to follow up on data matches more effectively.
-

Recommendations

Participating bodies should:

- Ensure that an appropriate level of resource is available to deliver NFI follow-up activities in an efficient and effective manner, in line with local priorities.
- Use the NFI Self-Appraisal Checklist as part of planning for the 2024/25 exercise.
- Put in place arrangements for monitoring follow-up activity, and where it is necessary seek to understand reasons for low or nil outcomes.

1. Introduction

The proactive detection and prevention of fraud using the National Fraud Initiative (NFI) remains vitally important to public sector financial management as public bodies continue to recover from the Covid-19 pandemic and to deal with the impact of the cost-of-living crisis.

1. Fraud against the public sector costs the taxpayer and can undermine both confidence in government and the delivery of public services. The National Fraud Initiative (NFI) is a proactive data matching exercise designed to identify and prevent fraud. It remains vitally important during a time of ongoing financial pressure as public bodies continue to recover from the Covid-19 pandemic and to deal with the impact of the cost-of-living crisis.

2. The Public Sector Fraud Authority (PSFA) oversees the NFI across the UK, and Audit Scotland leads the exercise in Scotland, working with a range of Scottish public bodies and their external auditors. The NFI takes place every two years, and this report considers the outcomes from the 2022/23 exercise.

Statutory basis for NFI

3. We carry out the NFI under powers introduced by the Criminal Justice and Licensing (Scotland) Act 2010 and incorporated in [Part 2A of the Public Finance and Accountability \(Scotland\) Act 2000](#). It is important for all parties involved that this exercise is properly controlled, and that data is handled in accordance with the law. The Audit Scotland [Code of Data Matching Practice](#) includes a summary of the key legislation and controls governing the NFI data matching exercise.

Participating bodies

4. In 2022/23, 110 public sector bodies in Scotland participated in the NFI, submitting data and following up on matches. The Scottish Government also submitted data for another 17 central government bodies who share their systems for payroll and/or creditors. Many councils also submit payroll data for their Arm's-Length External Organisations (ALEOs). Across the UK there are over 1,100 participating bodies and data matching takes place across them all.

Main data match areas in 2022/23

5. The main data match areas for the 2022/23 NFI exercise were:

- Payroll
- Creditor payments
- Council Tax (Single Person Discounts and Reduction Scheme reliefs)
- Pensions
- Housing Benefit
- Housing Tenancy and waiting lists
- Blue Badges (disabled parking)
- Adult concessionary bus travel (new in 2022/23 exercise).

6. The 2022/23 NFI exercise matched new data from His Majesty's Revenue and Customs (HMRC) using powers under the Digital Economy Act (2017).

7. Non-Domestic Rates Small Business Bonus Scheme (NDR SBBS) matching was postponed for the 2022/23 exercise due to the national NDR revaluation exercise in 2023. Results will be reported as part of the 2024/25 exercise.

Basis for reported outcomes

8. All monetary outcomes included in this report are on a cash basis, prior year totals have not been adjusted to reflect inflation or changes in estimation methodologies since amounts were originally reported. Details of estimate methodologies used can be found at [Appendix](#).

2. Overall outcomes

Overall outcomes from the NFI have increased from £14.9 million in 2020/21 to £21.5 million in 2022/23.

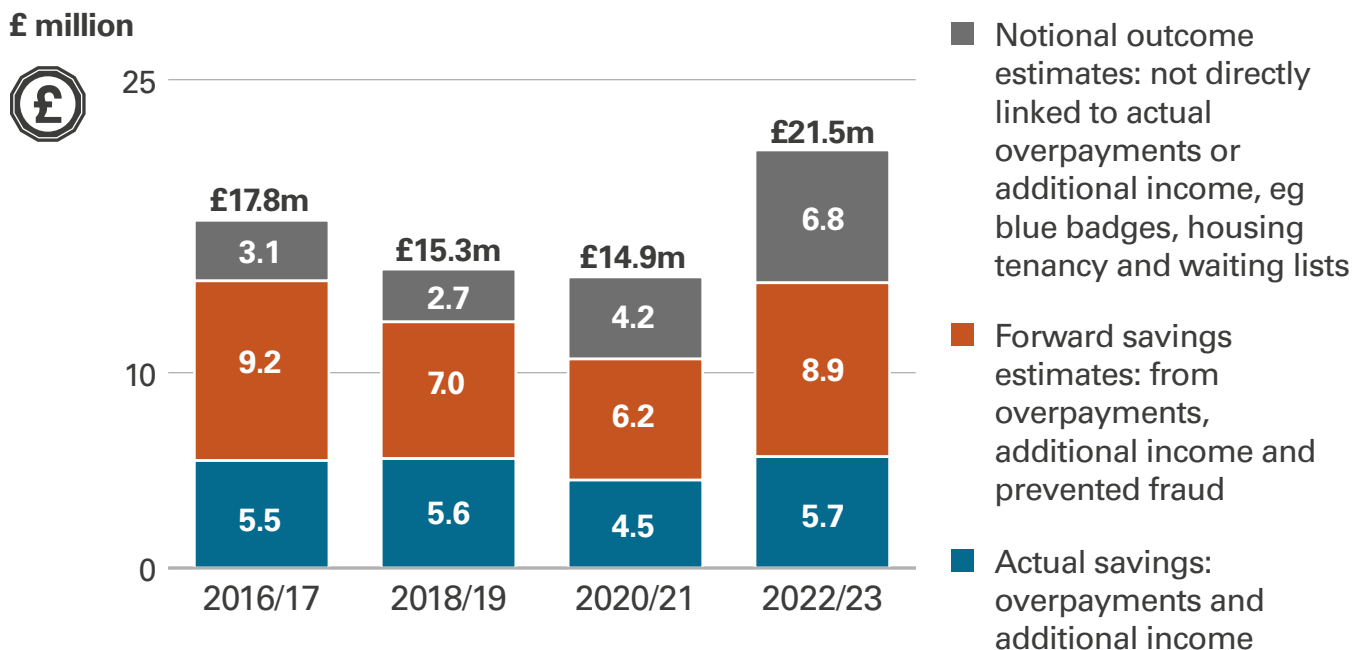
Overall outcomes by type

9. The value of outcomes from the NFI, recorded since our last report, total £21.5 million (up from the £14.9 million in 2022). The cumulative value of outcomes from the NFI in Scotland since participation started in 2006/07 now stands at around £180 million. [Exhibit 1](#) shows NFI outcomes by type for 2022/23 and the previous three exercises.

Exhibit 1.

NFI outcomes by exercise and type, 2016/17 to 2022/23

Reported outcomes have increased to £21.5 million in 2022/23.



Source: Audit Scotland analysis of NFI outcomes

10. Increased outcomes reported in 2022/23 partly reflect improvement in recording of results as bodies continue to recover from Covid-19. There have also been changes to estimation methodologies which contribute to higher outcomes in some areas (details of methodologies can be found in the [Appendix](#)). It is not possible to extrapolate from these figures that underlying levels of fraud have increased.

Outcomes by data match area

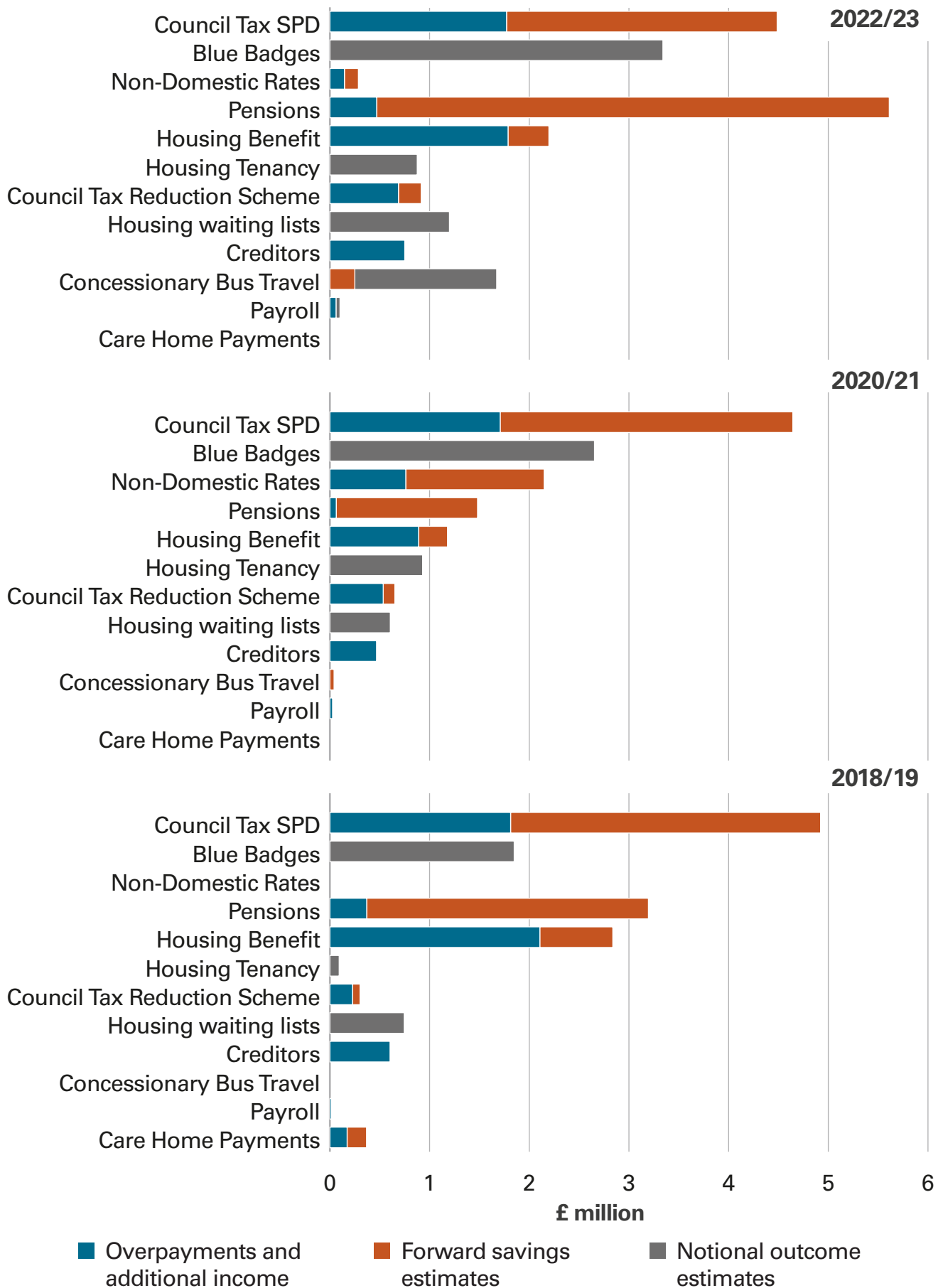
11. Most monetary outcomes from the NFI accrue to councils, the Scottish Public Pensions Agency and the Department for Work and Pensions (DWP) in the form of savings arising from council tax, pensions and housing benefits matches.

12. Many participating bodies only submit payroll and creditors datasets for matching, and this limits the monetary outcomes available to them. However, overpayments associated with duplicate creditor payments and payroll matches are not insignificant. NFI outcomes analysed by main data match area, are shown for the last three exercises in [Exhibit 2 \(page 9\)](#).

Exhibit 2.

NFI outcomes by area and exercise

Most savings arise from Council Tax, Pensions and Housing Benefits matches.



Notes:

1. Non-Domestic Rates Small Business Bonus Scheme data was first submitted for the 2020/21 exercise but did not form part of the 2022/23 exercise due to the revaluation exercise taking place in 2023.
2. Care home payments have not been matched since 2018/19 due to legislative constraints.
3. Adult concessionary bus travel was a pilot exercise in 2020/21 and has been mainstreamed in 2022/23.

Source: Audit Scotland analysis of NFI outcomes

Wider benefits of NFI

13. The NFI also delivers benefits which are more difficult to quantify. These include its fraud deterrent effect and the financial governance assurance it provides to bodies where no issues are identified ([Exhibit 3](#)).

Exhibit 3. Non-monetary benefits of NFI



Acts as a deterrent to potential fraudsters



Can provide assurance that systems are operating well



Can identify where system improvements are required

Source: Audit Scotland

3. NFI delivery

NFI governance and follow-up arrangements remain sound for most participating bodies. However, when compared to previous exercises, appointed auditors assessed fewer bodies as having fully satisfactory arrangements.

Auditor assessments

14. NFI governance and follow-up arrangements remain sound for most of the 110 bodies in Scotland that participated in the 2022/23 exercise. However, several bodies have struggled with delivery and there remains some scope for improvement.

15. We asked auditors to assess participating body NFI arrangements, and rate them as Green (satisfactory), Amber (mostly adequate) or Red (unsatisfactory). Auditor returns for 2022/23 included an increased number of amber and red ratings [Exhibit 4 \(page 12\)](#).

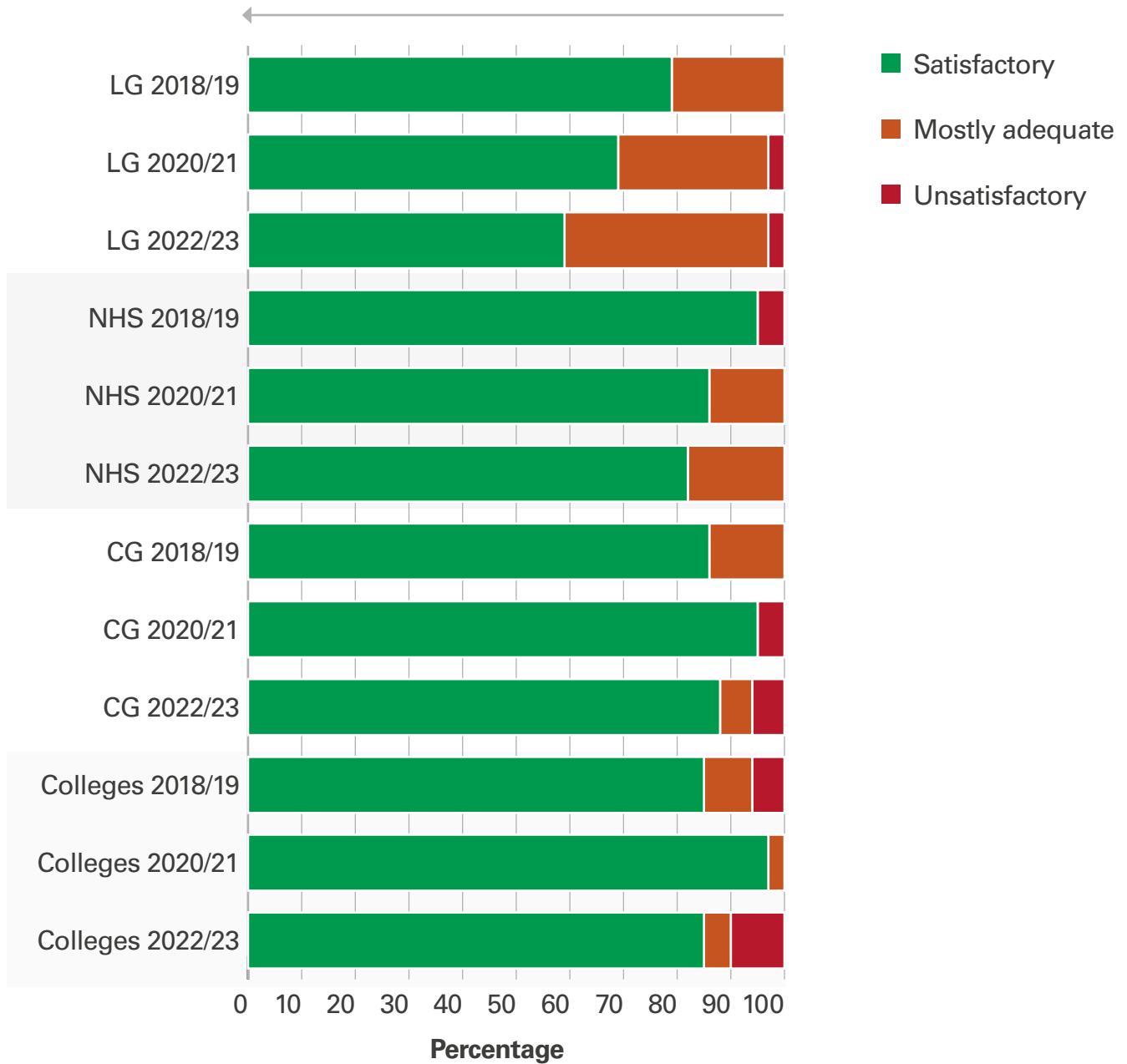
16. In most cases amber or red assessments reflect deficiencies with follow-up activity. Participating bodies routinely cited the lack of adequate resources as the main reason for delay or lack of progress with follow-up activity.

17. Our NFI Self-Appraisal Checklist includes requirements for participating bodies to consider Leadership, Commitment and Communication. The checklist also asks NFI key contacts and users to consider potential improvements to the efficiency and effectiveness of follow-up activity. The checklist can be found on our Counter Fraud [webpage](#) and has been updated for the 2024/25 exercise.

Exhibit 4.

Auditor assessments of NFI delivery arrangements

More bodies received amber and red assessments in 2022/23.



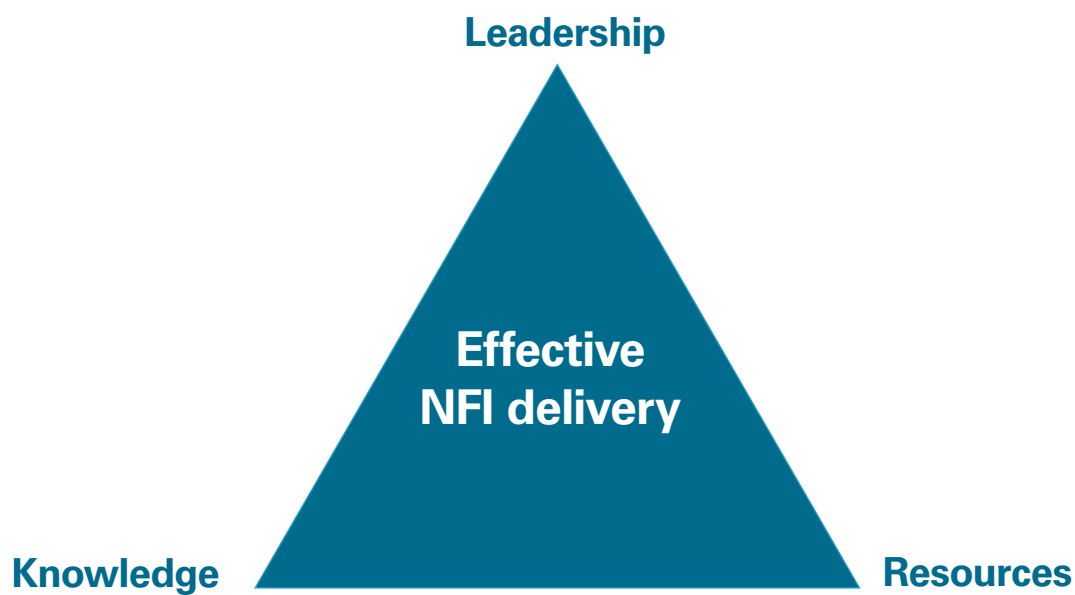
Source: Audit Scotland analysis of Auditor Returns

18. Exhibit 5 shows the main determinants of successful NFI delivery that participating bodies should be focusing on to strengthen their arrangements.

Exhibit 5.

NFI participation – main determinants of success

Successful delivery of NFI requires a clear commitment to a well-thought-out approach that optimises the use of available resources to follow up matches appropriately.



Source: Audit Scotland

19. Audit Scotland will continue to work with bodies to support effective and efficient delivery of NFI through its ongoing engagement activities.

4. Specific match areas

NFI outcomes have increased in most data match areas in 2022/23. However, savings from council tax single person discounts decreased slightly, and increases in some areas are partly due to changes in estimation methodologies.

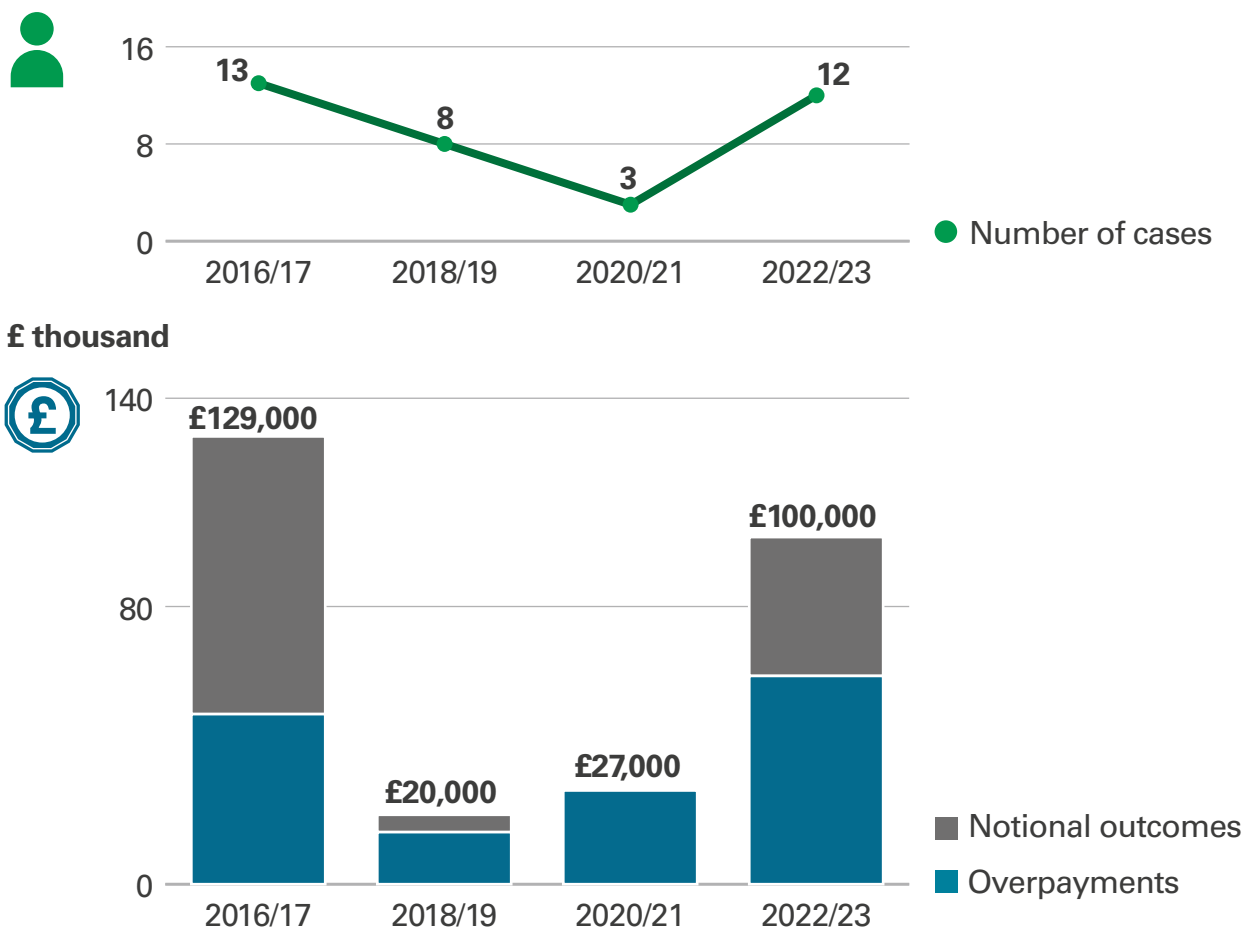
Payroll

20. The number of payroll and multi-contract working frauds identified as a result of the NFI has increased. There were 12 cases identified in 2022/23. This is the highest number since 2016/17, which is the last exercise for which immigration data was matched. Overpayments and case numbers for the 2022/23 exercise are shown alongside those for the three previous exercises at [Exhibit 6](#).

Exhibit 6.

Payroll outcomes and case numbers by NFI exercise

There has been an increase in the level of identified fraud in 2022/23.



Note. Notional outcomes of £5,685 per case are allocated where staff resign or have been dismissed ([Appendix](#)).

Source: NFI management information

Creditor payments

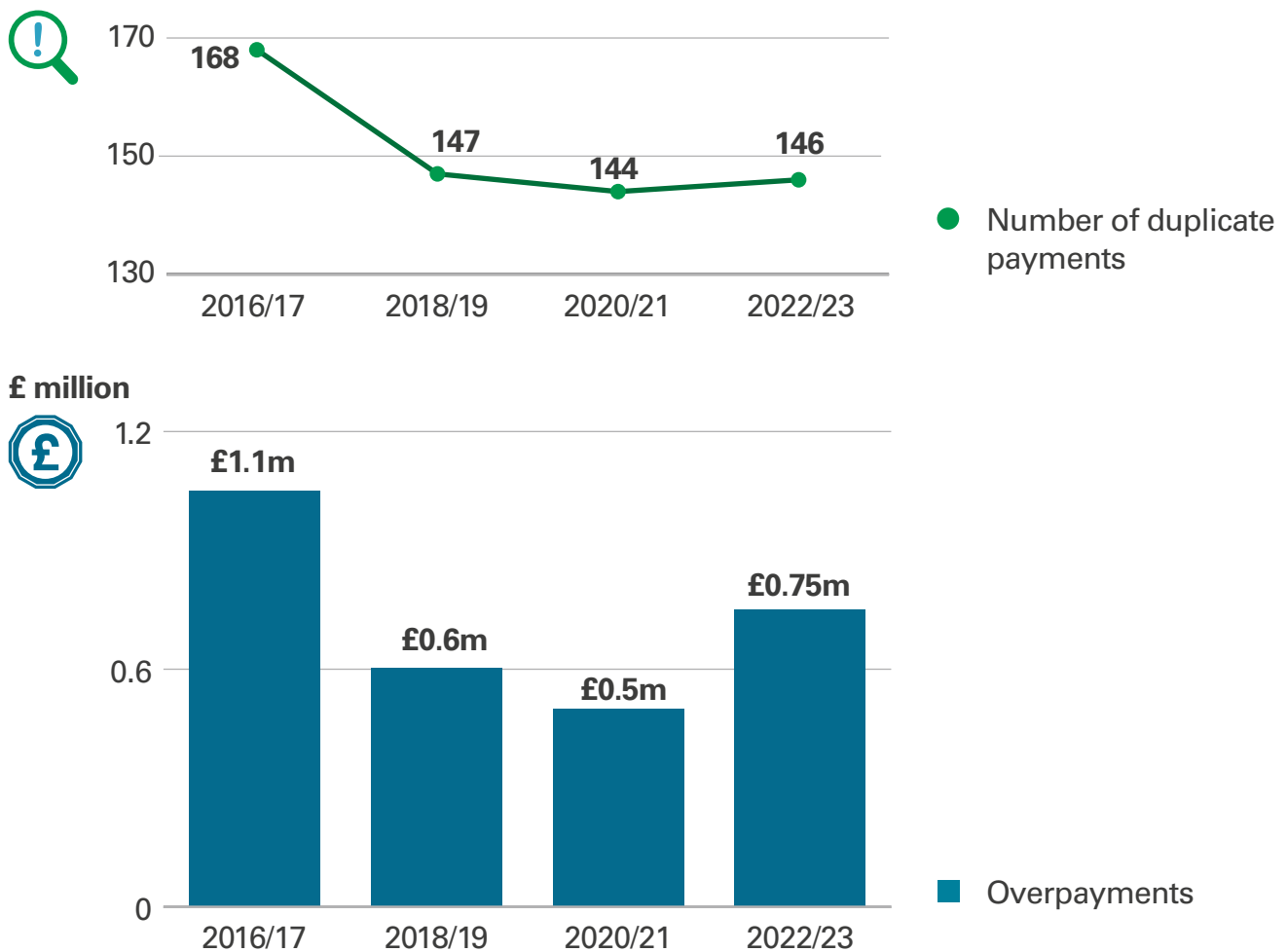
21. Participating bodies submit details of payments made to people or organisations supplying them with goods and services. Data is matched by the NFI to identify potential duplicate payments. Bodies identifying duplicate payments often refresh procedures and tighten controls to reduce future risk.

22. In 2022/23 outcomes worth £0.75 million were identified from 146 duplicate payments across 31 bodies. This is broadly in line with previous exercises as shown in [Exhibit 7](#).

Exhibit 7.

Duplicate creditor payment savings and case numbers by NFI exercise

£0.75 million of recoverable duplicate creditor payments was identified in 2022/23.



Source: NFI management information

Adult Concessionary Bus Travel

23. Following a successful pilot exercise in 2020/21, adult concessionary bus travel mortality screening was rolled out to councils in 2023. The National Entitlement Card Project Office, working in partnership with councils, submitted details of all live travel passes for matching.

24. The NFI identified 99,600 travel passes that belonged to holders who had died. Transport Scotland was able to check usage of these passes and identified that 1,075 had been used after the date of death.

25. The full fare value of fraudulent bus trips associated with these passes amounted to £0.31 million, with a cost to Transport Scotland of around £0.18 million, based on the applicable reimbursement rates to bus companies.

26. The cancellation of these passes will prevent future fraudulent use with an estimated value of £0.45 million (based on £420 per travel pass used fraudulently, see [Appendix \(page 26\)](#)). The resultant saving to Transport Scotland is estimated at around £0.25 million based on current reimbursement rates.¹

Council Tax Single Person Discounts

27. People living on their own, or in some cases with adults who can be 'disregarded', are eligible for a 25 per cent single person discount (SPD) on their annual council tax bill. The NFI matches SPD recipients to the electoral register and to other datasets to identify where other adult residents have not been declared on applications, have subsequently turned 18 or have moved in.

28. Councils withdrew £1.8 million worth of SPDs because of the NFI. The additional income, based on a forward projection of annual savings for two years, in line with the Cabinet Office methodology, equates to an additional £2.7 million. These amounts are shown together and alongside savings for the previous three exercises in [Exhibit 8 \(page 17\)](#).

29. Only 19 councils recorded NFI activity in relation to SPDs, as more councils are now making use of third party providers for data matching and follow-up. Seven councils using third-party providers now record no NFI outcomes (an increase of two from the previous exercise).

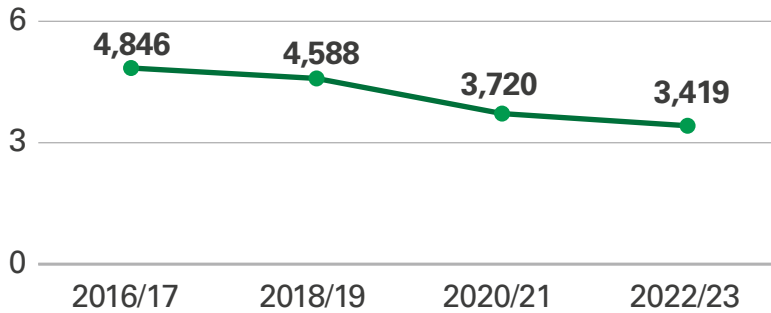
¹ Total outcomes for this area ([Exhibit 2](#)) includes a notional amount of £0.91 million relating to the pilot exercise in 2020/21 (based on the Cabinet Office methodology at the time which applied £550 to each travel pass cancelled).

Exhibit 8.

Council Tax SPD savings and case numbers by NFI exercise

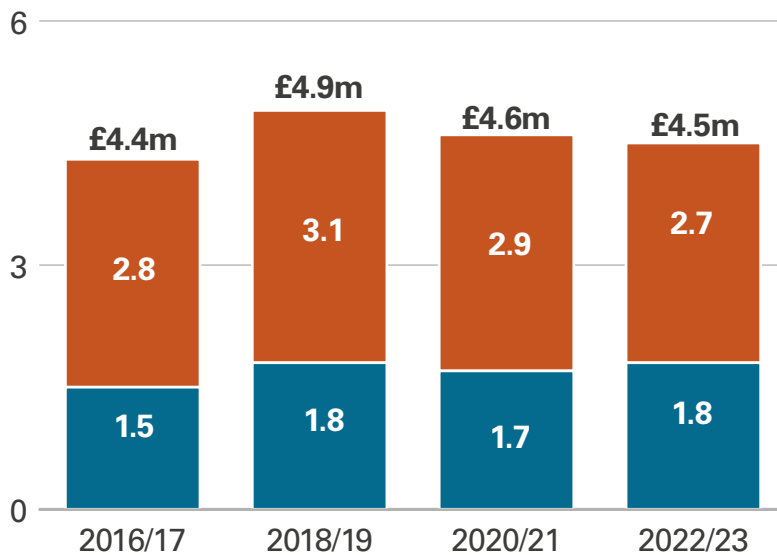
Case numbers and savings from single person discounts decreased in 2022/23.

Thousand



● Case numbers

£ million



■ Forward savings estimate

■ Discounts removed

Source: NFI management information

Council Tax Reduction Scheme (CTRS)

30. Council tax reduction is available to low-income households in Scotland. The NFI matches CTRS data to other datasets, such as payroll and pensions, for example, to identify undeclared income.

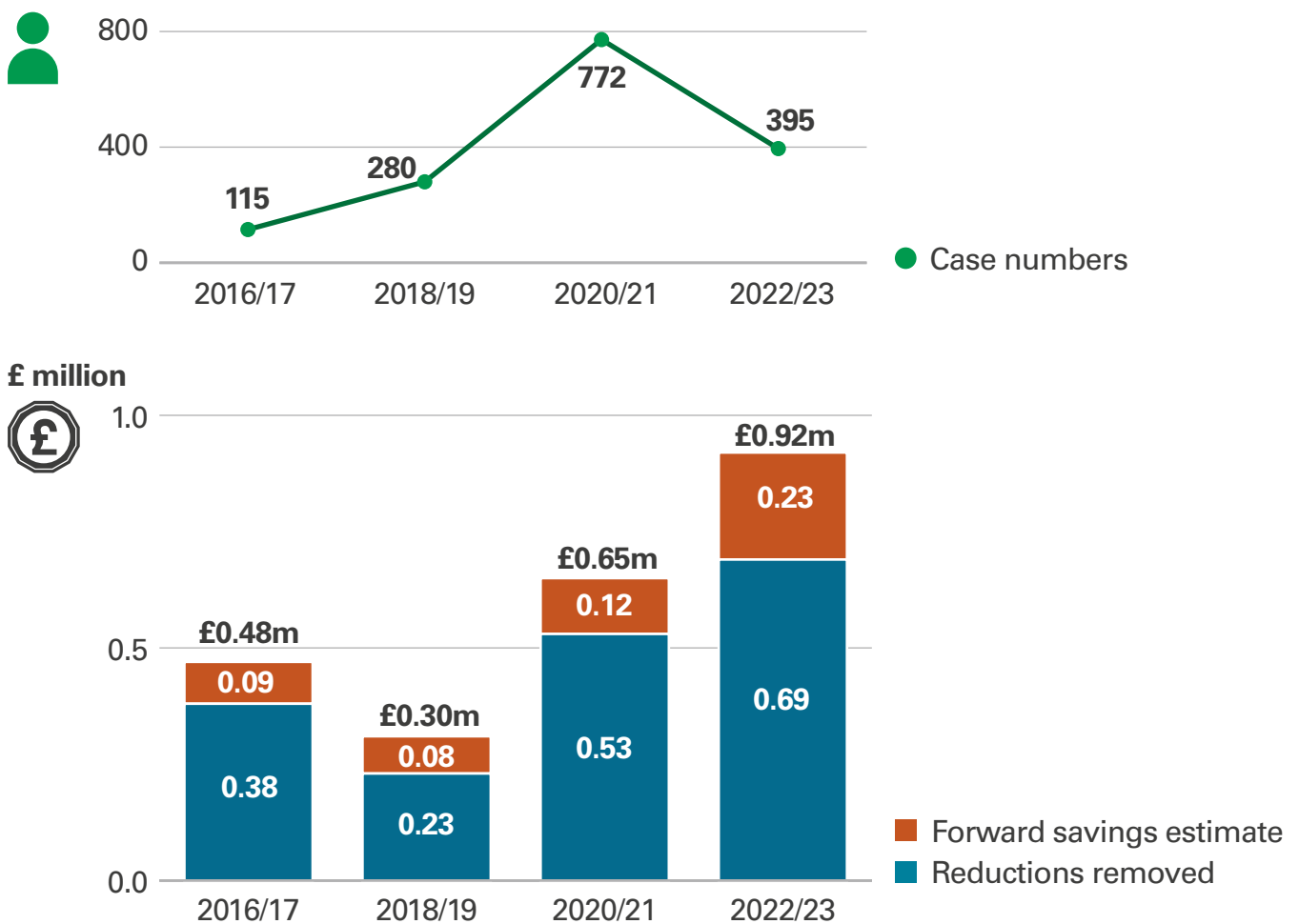
31. In 2022/23, additional council tax income of £0.92 million was identified because of follow-up on NFI matches (up from £0.65 million in 2020/21). Savings and case numbers are shown alongside those from the previous three NFI exercises in [Exhibit 9 \(page 18\)](#).

32. Actual additional income from the removal of council tax reductions has increased, as have forward savings estimates. The forward savings estimate methodology has, however, changed with savings now based on 33 weeks, compared to the 21 weeks previously used.

Exhibit 9.

Council Tax Reduction Scheme savings and case numbers by NFI exercise

Total potential savings from CTRS have increased to £0.92 million in 2022/23.



Source: NFI management information

33. Only 18 councils identified savings from CTRS, with most savings arising from matches to pensions (around 40 per cent) and payroll (around 30 per cent), where income had not been declared.

Housing Benefits

34. Housing benefits (HB) help people on low incomes pay their rent. HBs in payment continues to decrease as more benefit recipients move on to universal credit.

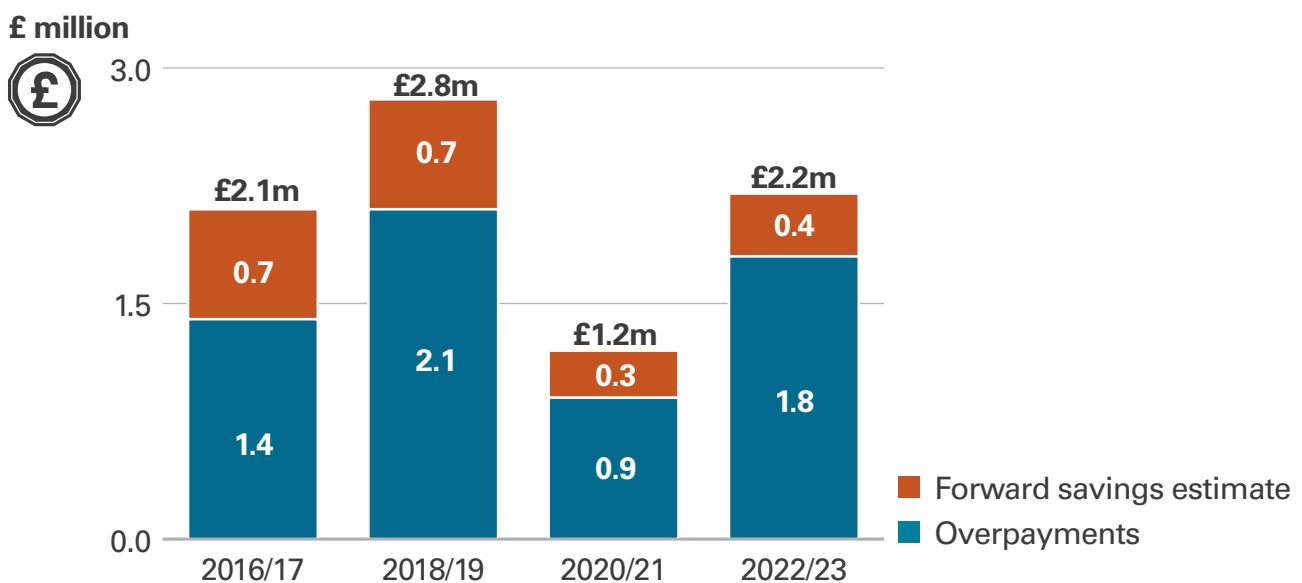
35. The DWP's Verify Earnings and Pensions alerts service has also impacted HB savings from NFI as alerts are sent directly to councils for investigation, allowing them to follow up outside the NFI process. We no longer match HB to payroll and pension as part of the NFI.

36. There has, however, been an increase in reported savings in 2022/23 due to the inclusion of late DWP savings from the 2020/21 exercise which was affected by Covid-19. [Exhibit 10](#) shows the HB overpayments and forward savings reported for the current and previous three NFI exercises.

Exhibit 10.

Housing Benefit savings by NFI exercise

2022/23 includes significant late DWP savings from the 2020/21 exercise.



Source: NFI management information

37. HB matches involving suspected fraud are referred to the DWP for investigation and resultant savings are not attributed back to councils. In 2022/23 almost £2 million of savings arose from these referrals. £0.2 million of savings was identified locally by 17 councils, largely from the follow-up of matches to student loans.

Pensions

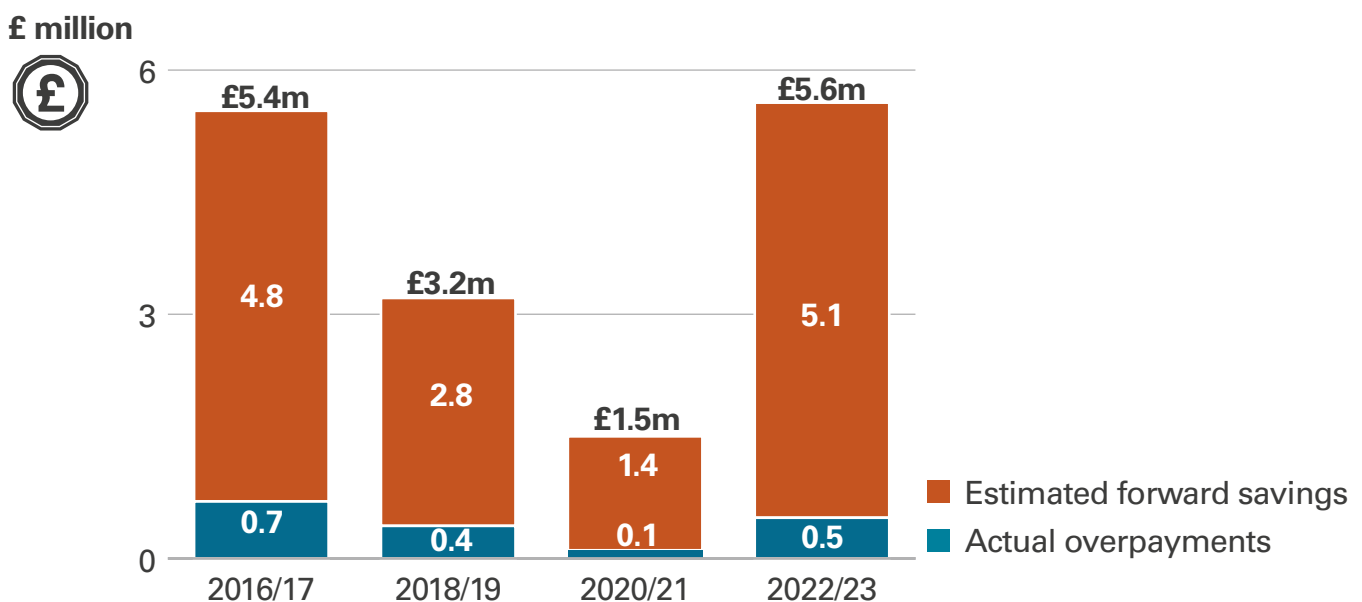
38. The NFI is an efficient and effective way for the Scottish Public Pensions Agency (SPPA) and councils that administer pensions to check that they are only paying pensions to people who are alive.

39. The follow-up of matches has led to the identification of actual overpayments of £0.5 million as at 31 March 2024, with projected forward savings amounting to a further £5.1 million. These savings are shown along with those reported for previous exercises in [Exhibit 11](#).

Exhibit 11.

Pensions savings by NFI exercise

Follow-up activity and recording of outcomes in 2020/21 was impacted by Covid 19.



Source: NFI management information

40. Forward savings are estimated based on a potential payment period from the date overpayments are identified until the date the deceased pensioner would have reached the age of 85 (consistent with actuarial assumptions used to value public sector pension schemes).

41. In 2022/23 we have seen improved follow-up of pensions matches. However, not all overpayments identified had been recorded by 31 March 2024. Late savings will be reported as part of the 2024/25 exercise as a result.

Blue Badges

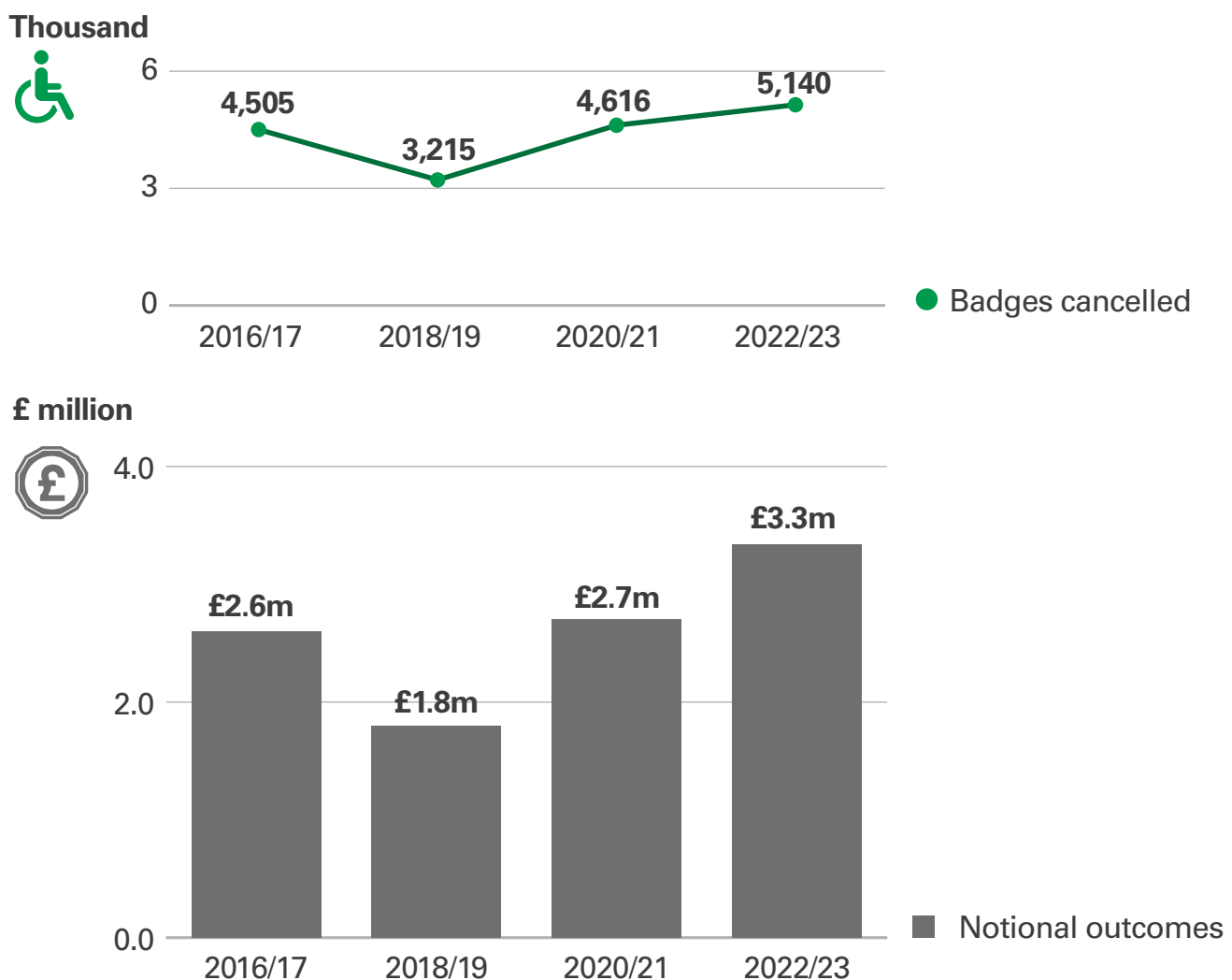
42. The Blue Badge scheme allows individuals with mobility problems to park for free at on-street parking meters, in 'pay and display' bays, in designated Blue Badge spaces, and on single or double yellow lines in certain circumstances. Badges are sometimes used by unauthorised persons after the badge holder has died. Not only is this an offence under the Disabled Persons' Parking Badges (Scotland) Act 2014, but it may also result in parking spaces being denied to people who legitimately use the Blue Badge scheme.

43. The NFI matches Blue Badges issued to records of deaths, enabling badges to be cancelled. The number of badges cancelled in 2022/23 has gone up to 5,140, as shown at [Exhibit 12](#).

Exhibit 12.

Blue Badges outcomes and case numbers by NFI exercise

There have been higher levels of recorded cancellation in 2022/23 than for recent exercises.



Source: NFI management information

44. The increased number of cancellations, together with a new estimate multiplier, has resulted in a higher notional outcome value. The Cabinet Office estimation methodology now applies £650 per badge cancelled (compared to £575 per badge in 2020/21).

Housing Tenancy

45. With reported housing shortages and high levels of homelessness, tenancy fraud is increasingly an issue for councils. Where fraudulent subletting exists, it means that properties are not available to house people who are in most need and this can be costly to councils.

46. The NFI uses council housing tenancy data to identify possible cases where tenants may have sublet their property. It also helps identify cases where the tenant has died, and the property is either empty or has other individuals living in it.

47. As a result of the 2022/23 exercise, councils were able to identify and recover ten properties. A housing association property was also identified and made available for social housing. The numbers of properties recovered along with the notional outcome estimates for the last four exercises are shown at [Exhibit 13 \(page 23\)](#).

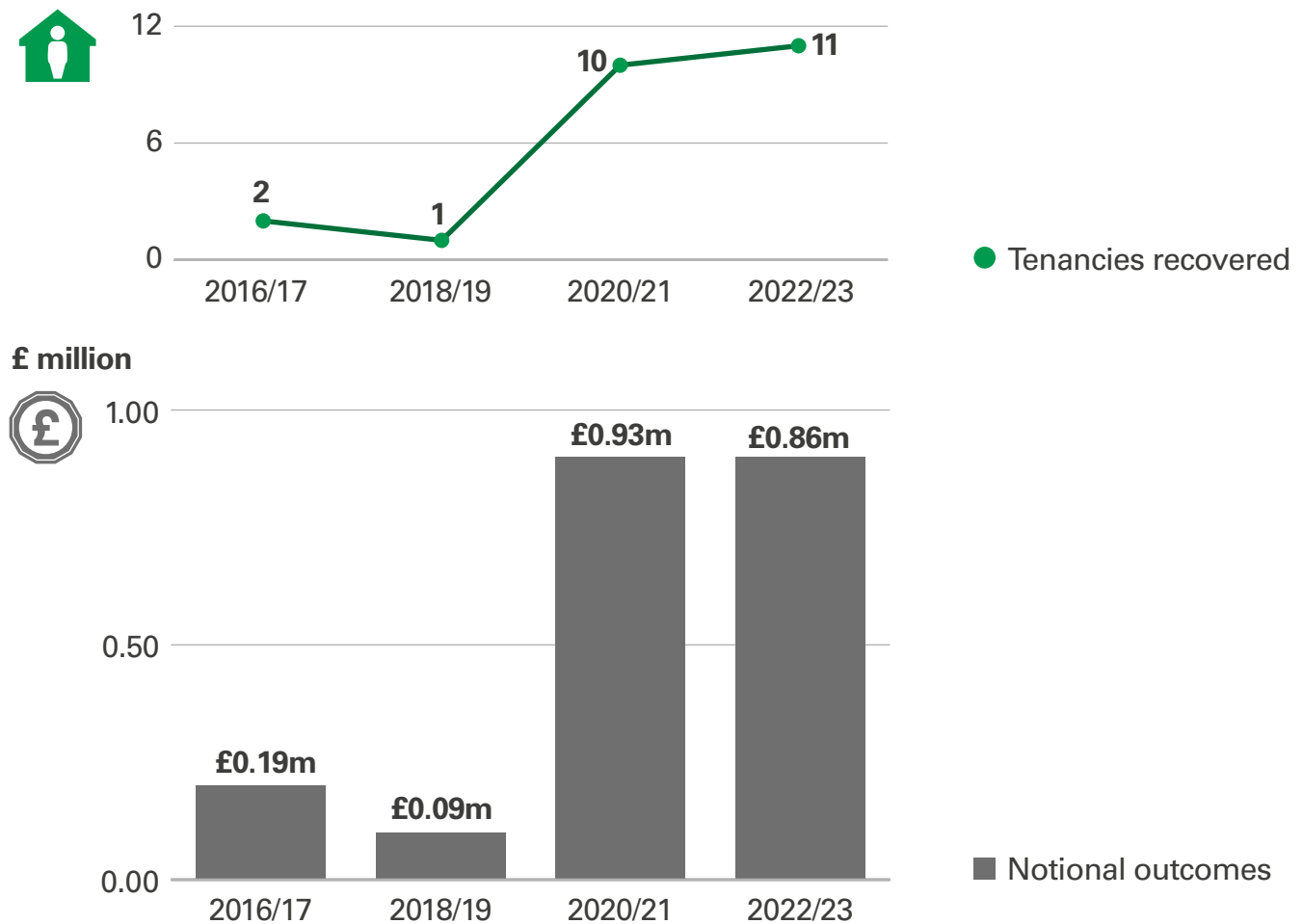
48. Notional outcomes of £78,300 are allocated per property recovered (£93,000 in 2020/21). This is based on an average four-year fraudulent tenancy and includes estimated costs of temporary accommodation for genuine applicants; legal costs to recover property; re-let cost; and rent foregone during the void period between tenancies.

49. In addition to recovery of properties, NFI has enabled several councils to update tenancy details where there has been legitimate succession following a bereavement.

Exhibit 13.

Housing Tenancy outcomes and case numbers by NFI exercise

Tenancies recovered as a result of NFI have remained in double figures in 2022/23.



Source: NFI management information

Housing Waiting Lists

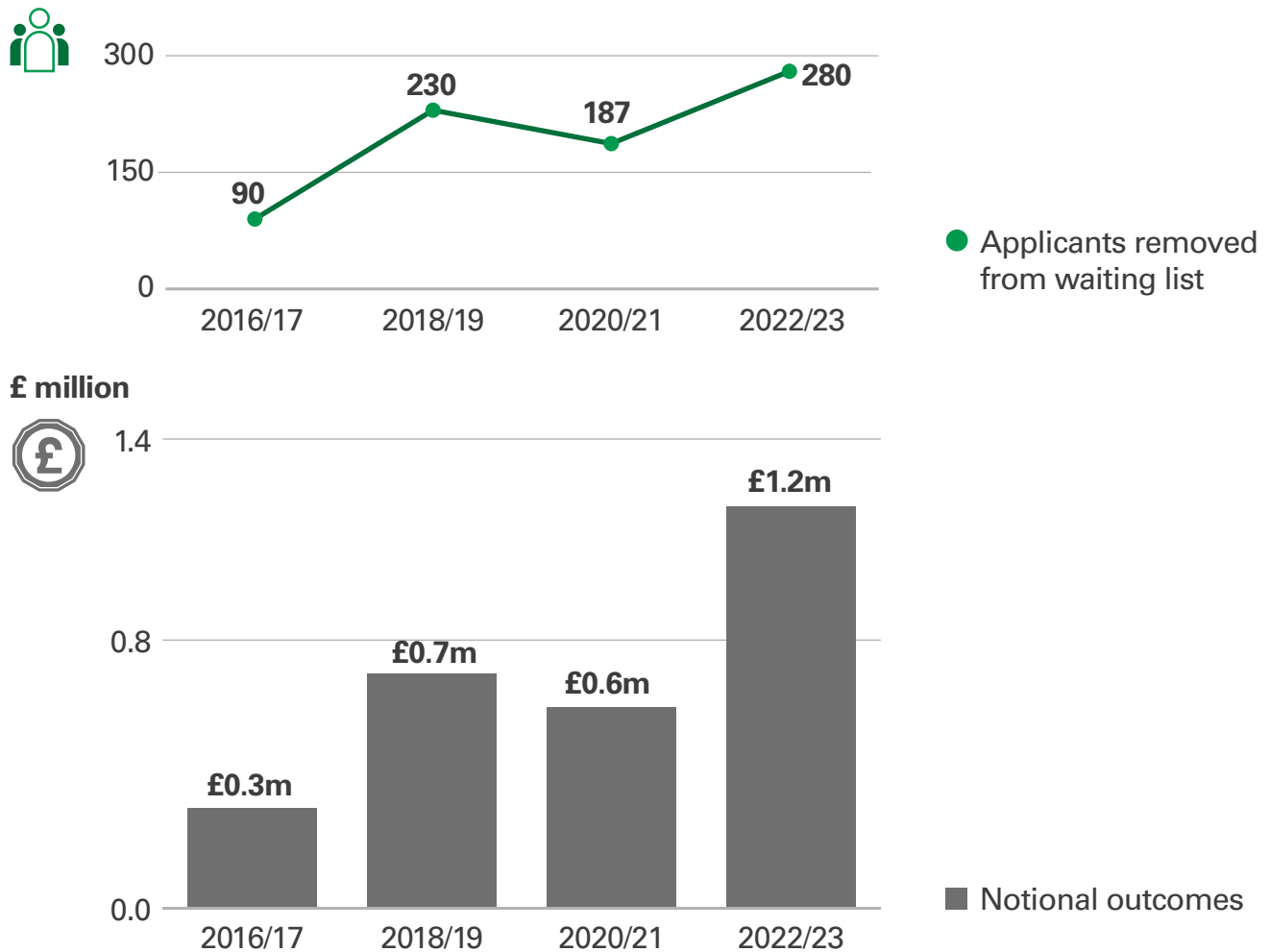
50. Councils maintain waiting lists for council housing, and in some cases for all social housing in their area. The NFI matches waiting list data to housing tenancy data and other data sets, enabling undisclosed changes in circumstances to be picked up. This enables removal of ineligible applicants from the waiting list, stops inappropriate allocations, and accelerates allocations to people in genuine need of social housing.

51. In 2022/23 we have seen an increase in the number of applicants removed from waiting lists as a result of NFI. Notional outcomes have also increased as shown in [Exhibit 14 \(page 24\)](#).

Exhibit 14.

Housing Waiting List outcomes and case numbers by NFI exercise

More applicants have been removed from the waiting list in 2022/23 than in previous exercises.



Source: NFI management information

52. Notional outcomes are attributed to applicants removed from the waiting list on the basis that social housing could have been allocated inappropriately. The estimation methodology allocates £4,283 per case removed from the waiting list (an increase from £3,240 per application in 2020/21).

5. Pilot exercises and future developments

Social Security Scotland took part in a pilot data-matching exercise which identified limited fraud and error. We are also exploring the possibility of involving wider public sector bodies in the 2024/25 NFI exercise on a voluntary basis.

Social Security Scotland – benefits pilot 2022

53. In 2022 a pilot exercise was undertaken with Social Security Scotland (SSS) to identify any instances where claimants received support but were not residing in Scotland, or where claimants appear to have claimed benefits more than once (eg, from more than one Scottish address). The pilot exercise included payments made in the three-month period from April to June 2021.

54. Around 45,000 lines of data relating to benefit payments were submitted for matching, resulting in the identification of 367 claimants who appeared to be residing outwith Scotland. Following review and corroboration of addresses by SSS there were just 17 cases where claimants were not entitled to benefits. Overpaid benefits of £16,450 were identified, a further £20,000 could have been paid out in relation to these claims, over the remaining eligibility periods.

55. Despite the identification of fraud and error, the number and value of cases was not deemed sufficient to justify the inclusion of this match type in the main biennial NFI exercise in 2022/23. The intention is to run another pilot in 2024/25 which may also include Adult Disability Payments for the first time.

Inclusion of bodies on a voluntary basis

56. There are potential benefits from expanding the NFI to include more public sector bodies in Scotland. We invited Scottish housing associations and universities to participate in the 2024/25 NFI on a voluntary pilot basis.

57. While no universities have volunteered for participation, we are working with several interested housing associations. At this time, it is unclear how many of those interested will actually participate.

Appendix

Estimated outcomes methodologies

In some cases NFI outcomes include an estimated element for forward savings or for where no monetary value can be recovered

The NFI uses the term 'outcomes' to refer to the financial value of fraud, error and overpayment that can be attributed to NFI data matching. In some cases NFI outcomes include an estimated element which seeks to capture:

- The value of loss from a fraud or error detected because of an NFI match, in instances where no monetary value can be recovered - such as the value of recovering a property from a tenant who has fraudulently obtained that tenancy. We have called these 'notional outcome estimates' in our report.
- The value of any future losses that may have been incurred without intervention as a result of an NFI match. For example, the value of future overpayments prevented through detecting and stopping a fraudulent or erroneous housing benefit claim. We have called these 'forward savings' in our report.

Most NFI datasets have a methodology to calculate estimated outcomes. These methodologies account for:

- data relevant to the fraud problem, including national published data and data from previous NFI cases
- the policy context relative to the fraud problem
- any regional variances that may result in the generation of estimate methodologies specific to a region or area
- alignment where possible with relevant estimated savings methodologies used in other central government departments.

All methodologies are reviewed prior to the start of each new NFI exercise. Any changes are reviewed by the Cabinet Office NFI Governance Board and approved by the Cabinet Office Fraud Prevention Panel. This panel consists of cross government counter fraud experts (including representatives from DWP, HMRC, NHS, MOD, BEIS, DFID, NAO, etc.) who review and challenge, where necessary, methodologies for calculating the estimated value of fraud prevention initiatives across government departments.

Once approved, these methodologies are built into the NFI web application to enable the estimated outcomes element to be automatically generated.

A summary of the outcomes methodology calculations applied to NFI datasets is set out in the following table:

Data match	Basis of calculation of forward savings and estimated outcomes
Council tax single person discount	Forward savings – Annual value of the discount cancelled multiplied by two years.
Council tax reduction scheme	Forward savings – Weekly change in council tax discount multiplied by 33 weeks (increased from 21 weeks in 2020/21).
Housing benefit	Forward savings – Weekly benefit reduction multiplied by 21 weeks.
Pensions	Forward savings – Annual pension multiplied by the number of years until the pensioner would have reached the age of 85.
Housing Tenancy	Notional outcomes – £78,300 per property recovered, based on average four-year fraudulent tenancy. Includes: temporary accommodation for genuine applicants; legal costs to recover property; re-let cost; and rent foregone during the void period between tenancies (reduced from £93,000 in 2020/21).
Housing waiting lists	Notional outcomes – £4,283 for each case based on the annual estimated cost of housing a family in temporary accommodation, the duration a fraud may continue undetected and the likelihood a waiting list applicant would be provided a property (increased from £3,240 in 2020/21).
Blue Badges	Notional outcomes – Number of badge holders confirmed as having died multiplied by £650 to reflect lost parking and congestion charge revenue (increased from £575 in 2020/21).
Concessionary bus travel	Forward savings – Number of bus passes used fraudulently multiplied by £420. Based on average fraudulent use and reflecting two years forward use.
Payroll	Notional outcomes – £5,685 for each employee dismissed or resigns as a result of NFI matching. (up from £5000 in 2020/21).

The National Fraud Initiative in Scotland 2024



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Example Return on Self-Appraisal

We encourage all participating bodies to use the checklist to self-appraise their involvement in the NFI prior to and during the NFI exercises.

	<u>Part A – For those charged with governance Leadership, commitment and communication</u>	Yes/no/partly	Is action required?	Who by and when?
1	<p>Are we aware of emerging fraud risks and have we taken appropriate preventative and detective action?</p> <ul style="list-style-type: none"> • The mandatory datasets relevant to SFRS in comparison to Councils are relatively small, however they still will assist the Service in identifying areas of potential fraud. • Historically, SFRS have had a large number of NFI payroll matches due to having On-Call Roles where the secondary employer is the main employer. Post Covid, there is the potential for new emerging risks in which the NFI could assist SFRS, where there is the potential for staff to have a second full time job while homeworking for SFRS. However, as the participating bodies are majority government based, the exercise would not be able to identify any secondary working within the private sector. • Still highest risk based on datasets - Sickness Absence payments while working with another government body. (no way to capture against private organisations) • NFI provides the main data analytical tool available to SFRS to help identify areas of potential fraud. Independent to NFI, the development of a Power BI based Verification tool, designed to managed ESS, provides additional assurance in relation to expense and mileage payments made. • The Fraud Risk Assessment process, integrated within the annual governance process, provides additional awareness of potential frauds within the Service. • The LCMS fraud module provides additional awareness to staff in relation to the detection of fraud and engagement with line managers on areas of potential fraud also assists in identifying emerging fraud risks. 			
2	<p>Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?</p> <ul style="list-style-type: none"> • Yes • Information on the outcomes of the NFI is reported to the Audit and Risk Assurance and provided for audit purposes. 			

	<ul style="list-style-type: none"> • Work is undertaken by the Verification Team as business as usual and processes are in place to ensure work is undertaken appropriately. • The Key Contact liaises with the Systems Team and other relevant Functions and is in contact with Audit Scotland to verify activities undertaken. • Appropriate Communication is in place advising staff about exercise with the Privacy Notice issued and published within the iHub. • Information on NFI is communicated on iHub News, held within ESS, with further information published as appropriate through the Weekly New communication. The mid-September weekly news brief will include details of the NFI exercise and information will be added to all employee September payslips. 			
3	<p>Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error. And do we make reference to NFI in our governance codes and statements?</p> <ul style="list-style-type: none"> • Yes • The NFI process is outlined within the Anti-Fraud and Corruption policy and is integral to the Gifts, Hospitality and Interests activity undertaken by the Compliance Team. • Scrutiny of the process is also undertaken through external audit activity to verify the appropriate processes are in place. 			
4	<p>Does our Key Contact have sufficient authority and time to ensure that NFI is delivered effectively?</p> <ul style="list-style-type: none"> • Yes. • The Assistant Verification & Risk Officer, as part of their role and responsibilities, is the Key Contact and will monitor and have oversight of the exercise. • Regular contact with Audit Scotland NFI SPOC ensures that SFRS processes remain valid and appropriate to the activity. • Support and direction is available from the Director of Finance and Contractual Services with relevant information escalated where appropriate. 			

5	<p>Has the approach to follow up of different NFI match types been clearly set out and reported as part of the bodies NFI planning process?</p> <ul style="list-style-type: none"> • The Verification Team support the NFI exercise as part of their Role. • The exercise is included within the Verification Teams workplan, and staff receive refresher training prior to the commencement of match investigations. • The Key Contact will provide additional guidance on any ad hoc issues identified through the matches. • 			
6	<p>Are NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?</p> <ul style="list-style-type: none"> • Yes. • Information on progress is provided monthly to Line Management and at any Internal Audit Follow up Meetings and Quarterly to the Corporate Board. • Bio-annually to SLT and ARAC providing overview of the exercise and any identified issues with actions undertaken to address. • If during the match investigation process, there was a significant issue identified, Director of Finance & Contractual Services would be notified. 			
7	<p>Where we have not submitted data or used the matches returned to us (eg, council tax single person discounts), are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?</p> <ul style="list-style-type: none"> • SFRS submit 100% of the datasets requested by NFI and aim to investigate 100% of the matches issued. 			
8	<p>Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?</p> <ul style="list-style-type: none"> • The Verification Team lead the NFI exercise and liaise with Internal Audit to outline the approach taken. Internal audit is an outsourced provision and whilst NFI falls out with their remit they have access to the information as required. 			

	<ul style="list-style-type: none"> The NFI point of contact is Audit Scotland and they have oversight of the process. Audit Scotland will contact the SRO's if appropriate work has not been undertaken. Current External Audit provider (Audit Scotland) has had good engagement with the Key Contact in relation to the previous exercise and have been very content in the way SFRS undertake the NFI exercise. 			
9	<p>Do we review how frauds and errors arose and use this information to improve our internal controls?</p> <ul style="list-style-type: none"> For any errors identified a review of Internal control is undertaken to identify whether any remedial action is required to strengthen controls. Where issues are identified within the Cabinet Office or Audit Scotland's outcome reports the Verification Team will carry out a table-top exercise on any highlighted issues to review against SFRS processes and revise controls as required. 			
10	<p>Do we need and have access to fraud investigation officers to enable frauds to be followed up fully?</p> <ul style="list-style-type: none"> Identified staff within SFRS have received fraud awareness training through AZETS but the Service has no formally trained Fraud Investigation Officers. If there was a potential fraud detected, progress would be determined by the Anti-Fraud Policy, discussions would be held with Internal audit and a decision on action to be taken with the Director of Finance and Contractual Services. Additional formally trained staff would add value to the work undertaken. 			
11	<p>Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?</p> <ul style="list-style-type: none"> Information on the outcomes of NFI are reported to the Audit and Risk Assurance Committee, SLT and the Corporate Board and where anything significant is identified during investigations this will be reported to the relevant Directorate/Director. No fraud prosecutions have been progressed following the NFI exercise. 			



HM Fire Service Inspectorate

Report to:	SCOTTISH FIRE AND RESCUE SERVICE AUDIT AND RISK ASSURANCE COMMITTEE
Date:	29 October 2024
Report By:	HM Fire Service Inspectorate

Subject:	Routine Report on HMFSI business
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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

The NSDA inspection team continue to work through an inspection schedule and have completed fieldwork in ACAM, PKAD and Orkney and Shetland with the itinerary for these having been agreed with North SDA Officers. Members of the Inspection team will be visiting the Western Isles in October, with one week in total being assigned for travel and site visits on the island group. Running concurrently with all station visits, there are a number of key personnel, and external stakeholder interviews, these are ongoing and will continue with an expected completion in December 2024. There are a number of planning challenges relating to the geography and accessibility of some areas of the NSDA, these have been considered in conjunction with SFRS colleagues as each phase of the inspection plan has been produced and undertaken. It is envisaged that the North SDA Inspection will be published in the summer of 2025.

3.2 Thematic Inspection Work

Organisational Culture

HMFSI have been continuing the desk-top review of a substantial amount of data supplied by the Service in support of our inspection aims. MS Teams fieldwork interviews have commenced with members of the People Directorate and work is underway to arrange the remainder of the interviews and focus groups with a representative sample of SFRS staff across all duty-groups and functions. The publication of the report is anticipated for early Spring 2025.

Operational Assurance

HMFSI are currently carrying out a thematic inspection of Operational Assurance within the SFRS as per the agreed outline. Fieldwork started in July 2024 and has been continuing throughout the summer with engagement meetings and interviews conducted throughout the Service. Further fieldwork is scheduled for the autumn and early part of 2025 with data analysis, report development and consultation thereafter. The final report is due to be published in the early half of 2025.

3.3 Additional Inspection Activity

Chief Inspector's Plan 2025-2028

The Chief Inspector is legally obliged to publish an inspection plan providing detail on inspections planned, and information on how inquiries will be carried out. The Chief Inspector's plan for 2022/25 is due to be reviewed and updated and work has commenced to consider potential areas of inspection for 2025/28. The Chief Inspector will consult with the Service in due course and is keen to consider areas of inspection that SFRS feel might add value.

HM Chief Inspector Robert Scott QFSM

Date: 29 October 2024

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
25 MARCH 2025	<ul style="list-style-type: none"> 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 <p>HOT DEBRIEF</p>	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> HMFSI Quarterly Report <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> Internal Audit Progress Report 2024/25 Progress Update – Internal Audit Recommendations <p>External Audit</p> <ul style="list-style-type: none"> External Audit Actions (SOD) HMFSI Independent Audit/ Inspection Action Plan Update Internal Controls Updates - Strategic Risk Register - Anti Fraud/Whistleblowing Arrangements for Preparing the AGS 2024/25 (Annual) Gifts and Hospitality – Quarterly Update Quarterly Performance report <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> Draft Internal Audit Plan 2025/26 <p>External Audit</p> <ul style="list-style-type: none"> External Audit – The Audit Plan 2024/25 <p><u>New Business</u></p> <ul style="list-style-type: none"> 	<p><u>Standing/Regular Reports</u></p> <ul style="list-style-type: none"> Accounting Policies <p><u>New Business</u></p> <ul style="list-style-type: none">



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

PUBLIC MEETING – AUDIT AND RISK ASSURANCE COMMITTEE
TUESDAY 29 OCTOBER 2024 @ 1345 HRS

REPORTS FOR INFORMATION ONLY



Report No: C/ARAC/44-24

Agenda Item: FIO N/A

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	29 OCTOBER 2024						
Report Title:	INSPECTION 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 <u>Board Standing Order 9</u>					
		A	B	C	D	E	F
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 HMFSI inspection action plans.						
1.2	There are no closing reports to consider.						
2	Background						
2.2	HM Fire Service Inspectorate 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 to meet the report recommendations made will be presented to ARAC to scrutinise progress.						
3	Main Report/Detail						
3.1	ARAC members are presented with the current HMFSI Inspection Action Plan overview dashboard, attached as Appendix A , for information. This provides high level details of all action plans (HMFSI Actions Plans) and includes a section detailing ongoing and forthcoming inspections and reports.						
3.2	<p>The dashboard shows that 16 out of the 23 total Action Plans are complete. Of the seven remaining live Actions Plans:</p> <ul style="list-style-type: none"> • Health and Safety: An Operational Focus remains red due to a further slip in timescales. Work is progressing on the remaining actions with one action having been completed during the reporting period. The remaining three actions have a red status due to slip in timescales as a result of conflicting workloads and interdependency on other projects. These are currently between 75% and 90% complete and one is anticipated to be completed by 31 October 2024. Revised due dates have been proposed for the other two to bring these to completion. Outstanding actions are dependent on: the installation of relevant apps on the Getac tablets to provide the risk critical information from the Document Conversion Project; publication of the Safety and Assurance Communications and Engagement Framework; and the development of a hazard reporting system. • Firefighting in Highrise Buildings remains red due to a slip in timescales. During the reporting period, no actions were completed, and the one remaining action has a red status due to slip in timescales resulting from an interdependence on other projects. This final action is currently at 70% complete. Publication of the High Rise Standard 						

	<p>Operating Procedure is scheduled for Phase 3 of the Document Conversion Project, now due for completion in June 2025. In the meantime, the existing High Rise Standard Operating Procedure (SOP) will be republished to include some of the recommendations from the HMFSI Firefighting in High Rise Buildings review. Recommendations which are not incorporated at this time will be included in the finalised Standard Operating Procedure (SOP) when it is published as part of Phase 3 of the Document Conversion Project (DCP).</p> <ul style="list-style-type: none"> • Command and Control Mobilising System has moved from amber to blue with the final action having been completed within the reporting period. • Climate Change – Impact on Operational Activity: has moved from green to red with two actions having been completed within the reporting period. The remaining action remains red and is 75% complete to-date. A third revised due date from August 2024 to January 2025 has been proposed due to the significant slippage in the original timescales, due to delays out with Service control including supply chain issues for the 4x4 support vans. • Review of contingency planning arrangements in relation to potential Industrial Action: has moved from amber to green with three actions completed during the reporting period and the remaining one action anticipated to progress to completion as planned in December 2024 and completed by the next reporting period. • East Service Delivery Area: remains green with the remaining one action being currently 40% complete and work continuing to identify solutions for permanent resolutions to those stations in the East SDA that have Reinforced Autoclaved Aerated Concrete (RAAC) roofing. • Mental Health and Wellbeing Support in the Scottish Fire and Rescue Service: was presented to Strategic Leadership Team (SLT) in April 2024 and the first formal progress update will be presented to the Corporate Board on 28 October 2024. Of the 30 actions contained within the action plan, five of these have been determined to have no further action required following consideration and a further three of the actions were deemed complete during the creation of the action plan. There were a further five actions completed within the reporting period. Of the remaining actions, one has a red status due to the process of aligning to current performance governance processes; eight have an amber status and eight have a green status.
4	Recommendation
4.1	<p>The ARAC members are invited to:</p> <ul style="list-style-type: none"> • Note the progress of all action plans as presented in the HMFSI Inspection Action Plan Dashboard, attached as Appendix A.
5	Key Strategic Implications
5.1 5.1.1	<p>Risk There are no risks associated with the recommendations of this report.</p>
5.2 5.2.1	<p>Financial There are no financial implications associated with the recommendations of this report.</p>
5.3 5.3.1	<p>Environmental & Sustainability There are no environmental implications associated with the recommendations of this report.</p>
5.4 5.4.1	<p>Workforce There are no workforce implications associated with the recommendations of this report.</p>
5.5 5.5.1	<p>Health & Safety There are no health and safety implications associated with the recommendations of this report.</p>

5.6	Health & Wellbeing	
5.6.1	There are no health and wellbeing implications associated with the recommendations of this report.	
5.7	Training	
5.7.1	There are no training implications associated with the recommendations of this report.	
5.8	Timing	
5.8.1	Each HMFSI Action Plan will be reported to the Senior Management Board on a quarterly cycle until completion.	
5.9	Performance	
5.9.1	This process supports robust challenge and scrutiny of our performance against HMSFI recommended improvements.	
5.10	Communications & Engagement	
5.10.1	There is no implication associated with the recommendations of this report.	
5.11	Legal	
5.11.1	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	Information Governance	
5.12.1	A Data Protection Impact Assessment (DPIA) is not required for this report as there is no sensitive information to consider.	
5.13	Equalities	
5.13.1	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	Service Delivery	
5.14.1	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 HMFSI 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: Inspection Action Plan Overview Dashboard	

OFFICIAL

Prepared by:	Kirsty Jamieson, Planning and Performance Officer	
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
<i>Corporate Board</i>	<i>28 October 2024</i>	<i>For recommendation</i>
<i>Audit and Risk Assurance Committee</i>	<i>29 October 2024</i>	<i>For information</i>
<i>Change Committee</i>	<i>07 November 2024</i>	<i>For scrutiny (CCMS)</i>
<i>Service Delivery Committee</i>	<i>26 November 2024</i>	<i>For scrutiny (Firefighting in Highrise Buildings; East SDA; Climate Change; Industrial Action)</i>
<i>People Committee</i>	<i>05 December 2024</i>	<i>For scrutiny (Health and Safety; Mental Health and Wellbeing)</i>

HMFSI INSPECTION OVERVIEW DASHBOARD

APPENDIX A

HMFSI Thematic Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Committee Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAJ	Void	% Complete	RAG
Apr-22	Health and Safety: An Operational Focus	PC	Oct-24	Dec-24	18	Oct-24	Feb-25	Dec-24	0	3	0	14	0	0	1	0	0	95%	Red
Sep-22	Firefighting in Highrise Buildings	SDC	Jun-24	Jun-25	8	Oct-24	Feb-25	Nov-24	0	1	0	7	0	0	0	0	0	95%	Red
Apr-23	Command and Control Mobilising System (CCMS)	CC	Jul-24	-	6	Oct-24	Feb-25	Nov-24	0	0	0	6	0	0	0	0	0	100%	Blue
Sep-23	Climate Change – Impact on Operational Activity	SDC	Apr-25	Mar-25	12	Oct-24	Feb-25	Nov-24	0	1	0	11	0	0	0	0	0	95%	Red
Oct-23	East Service Delivery Area (ESDA)	SDC	Mar-25	-	9	Oct-24	Feb-25	Nov-24	0	1	0	8	0	0	0	0	0	95%	Green
Dec-23	Mental Health and Wellbeing Support in SFRS - Action Plan presented to SLT in April 2024, first progress update due in October 2024	PC	Dec-25	-	30	Oct-24	Feb-25	Dec-24	0	17	0	8	0	0	5	0	0	55%	Green
Jun-24	West Service Delivery Area (ESDA) - Action Plan to be presented to SLT in October 2024, first progress update due in February 2025	SDC	Dec-25	-	29	-	Feb-25	Nov-24											

HMFSI Focused Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Committee Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAJ	Void	% Complete	RAG
May-23	Review of contingency planning arrangements in relation to potential industrial action	SDC	Dec-24	-	7	Oct-24	Feb-25	Nov-24	0	1	0	6	0	0	0	0	0	95%	Green

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	Committee Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAJ	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 Inspection Action Plans

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Committee Update	Not Started	In Progress	Deferred	Complete	On Hold	Transferred	Cancelled	Moved to BAJ	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	SMART EU 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
2024-25	North Service Delivery Area (NSDA)	SDA
2024-25	Organisational Culture within SFRS - Volume 1	Thematic
2024-25	Operational Assurance	Thematic

HMFSI Possible Areas of Interest as outlined within the 2023-25 Inspection Plan

Expected	Title	Type
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