



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

TUESDAY 8 APRIL 2025 @ 1000 HRS

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

PRESENT:

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

IN ATTENDANCE:

Stuart Stevens (SS)	Chief Officer
Andy Watt (AW)	Deputy Chief Officer
Sarah O'Donnell (SO'D)	Deputy Chief Officer Corporate Services
Mark McAteer (MMcA)	Director of Strategic Planning, Performance and Communications
David Johnston (DJ)	Risk and Audit Manager
Lynne McGeough (LMcG)	Head of Finance and Procurement
Gary Devlin (GD)	Internal Audit (Azets)
Claire Robertson (CR)	Internal Audit (BDO)
Sean Morrison (SM)	Internal Audit (BDO)
Michael Oliphant (MO)	External Audit (Audit Scotland)
Tommy Yule (TY)	External Audit (Audit Scotland)
Robert Scott (RS)	HMFSI
Lyndsey Gaja (LG)	Head of People (Item 15 only)
Kirsty Darwent (KD)	Chair of SFRS Board
Marion Lang (ML)	Corporate Business Manager
Heather Greig (HG)	Board Support Executive Officer
Debbie Haddow (DJH)	Board Support/Minutes

OBSERVERS:

Karen Horrocks

1 CHAIR'S WELCOME

- 1.1 The Committee Chair opened the meeting and welcomed all those attending, in particular Claire Robertson and Sean Morrison, BDO to their first formal meeting.
- 1.2 The Committee Chair also welcome Sarah O'Donnell to her first formal meeting following her appointment to Deputy Chief Officer.
- 1.3 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 There were no formal apologies.

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

- 3.1 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 Thursday 23 January 2025

- 5.1.1 Subject to a minor typographical error, the minutes were agreed as an accurate record of the meeting.

5.2 Matters Arising

- 5.2.1 There were no matters arising.

- 5.3 **The minutes of the meeting held on 23 January 2025 were approved as a true record of the meeting.**

6 ACTION LOG

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

Action 9.1.11 SFRS Internal Audit Progress Report 2023/24 - Final Report – Sickness Absence Management (27/06/2023): Approved closure of this action. Reminder of the final 2 outstanding actions which were completed. DJ to share this information with the Chair outwith the meeting.

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

7 INTERNAL AUDIT

7.1 SFRS Internal Audit Progress Report 2024/25

- 7.1.1 GD presented a report to the Committee which summarised the progress on the delivery of the 2024/25 Internal Audit Plan and the following key points were highlighted:

- Remains broadly on track with the Change Management report, currently progressing through governance, being presented at the next meeting (June 2025).
- Annual audit opinion report remains outstanding.

- 7.1.2 In relation to the Change Management report, GD noted that there were some areas of improvements identified, and this would be discussed in full at the next meeting.

7.1.3 Anti Fraud Arrangements Report

GD advised that the audit whilst focussed on the anti-fraud arrangements also looked at the culture within the organisation in relation to this area. GD noted that management had a clear focus on fraud and ensuring an anti-fraud culture within the organisation. GD highlighted some areas which were identified which could help improve anti fraud culture. These included ensuring policies and procedures were up to date, a formal fraud response plan and delivery of training and/or refresh as appropriate. GD referenced the various recommendations contained within the report.

- 7.1.4 SO'D acknowledged the joint work undertaken by Azets and the Service and noted that the report provided a good balanced position. SO'D accepted the recommendations and the opportunities this provided the Service to make improvements. SO'D noted that, due to the lessons being learnt from recent events, the Service had already made improvements.

OFFICIAL

- 7.1.5 In relation to the Control Objective 4.2, Low Engagement from Line Managers, the Committee noted that the recommendation relating to line manager roles and responsibilities and reviewing of claims was not fully captured within the management actions. SO'D outlined the authorisation process for expense claims and line manager's roles in reviewing such claims. SO'D acknowledged the Committee's comments and would incorporate this into the management training modules. The Committee requested an update, in addition to the training modules, on how assurance could be provided in relation to anti-fraud awareness and activities within the Service.

ACTION: SO'D

- 7.1.6 In relation to Control Objective 6.1, Fraud Reporting and Discussion, the Committee noted that the management action did not appear to align with the recommendation. SO'D advised the Committee that the regular reporting of the fraud risk action plan would be presented to the Corporate Board and an oversight report would be submitted to this Committee.

- 7.1.7 In relation to Control Objective 5.1, Notification of Suspected Fraud, the Committee commented on the potential for the management action to be more explicit in relation to resignation/termination and cessation of investigation. The Committee sought assurance that, if deemed appropriate, fraud investigations would not cease on resignation but would continue for greater understanding and learning purposes. For clarity, the Committee were advised that the Service would continue to work with Police Scotland on any ongoing matters to seek an appropriate outcome. It was agreed that an additional management action should be raised to capture the Service's commitment to investigate fully for learning purposes.

ACTION: SO'D

- 7.1.8 In relation to Control Objective 3.1, Anti Fraud Culture and Awareness Raising, the Committee suggested that the Service should explore the potential to source fraud expertise from other public sector organisations.

- 7.1.9 In relation to Control Objective 3.2, Fraud Awareness Training, SO'D commented on the limitation of the current technology and reporting functions, SO'D noted that a new module was being developed and would be mandatory for all staff.

- 7.1.10 DJ provided the Committee with an overview of the Verification Interactive Claim Analysis Tool and the limitation of the system. It was noted that the findings from the audit would be taken into consideration when developing the new system.

- 7.1.11 The Committee referenced the low number of responses to the staff survey on anti-fraud and other policies which suggested a low level of understanding within the Service. The Committee noted their concerns that the management actions were not addressing the serious nature of the issue and queried whether the LCMS training module was effective. AW reminded the Committee that the LCMS training module was only one element and there was a need for more education and awareness across the Service. Consideration to be given as to how assurance could be provided on whether the level of awareness across the Service was satisfactory.

- 7.1.12 Brief discussion took place on the Service's capacity and capability to respond to potential fraud incidents. SO'D to raise with the Director of Finance and Contractual Services to consider the capacity within the team and seek assistance from other organisations, if appropriate.

- 7.1.13 **The Committee scrutinised the progress report and the Final Report.**

7.2 SFRS Progress Update/Management Response

- 7.2.1 This report was presented to the Committee and outlined the status of the

OFFICIAL

recommendations raised by Internal Audit and the following key points were highlighted:

- Seven actions were added, and 8 actions had been closed during this reporting period.
- Twenty eight actions remain.

7.2.2 The Committee noted and welcomed the inclusion of additional information and explanation for any delays.

7.2.3 In regards to Revenue and Funding Maximisation, LMcG advised the Committee that the central repository for grants/funding was still being developed, and it was anticipated that this would be completed by the next meeting.

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

(G Devlin left the meeting at 1045 hrs)

7.3 Draft Internal Audit Plan 2025/26

7.3.1 SM presented the Committee with the draft 2025/26 Internal audit Plan for scrutiny and highlighted the following key areas:

- Overview of proposed audit topics for 2025/26 and high-level scopes.
- Outline of engagement and process undertaken in preparing the audit programme.
- Overview of the proposed 4-year audit programme which would be subject to annual review.
- Subject to further proposed amendments, the Audit Plan would be submitted to the SFRS Board for approval (24 April 2025).

7.3.2 The Committee asked for consideration to be given to the following:

- Estates and Facilities Management audit to consider linkage with the capital investment strategy as well as the proposed Budgetary Management and Investment Prioritisation audit.
- Freedom of Information audit to be extended to include subject access requests.
- PPE audit to include consideration of the implementation of the contaminants standard operating procedures and value for money.
- Reference to the HMICFRS be amended to HMFSI.

ACTION: SM

7.3.3 Relating to the Follow Up Audit, a brief discussion took place on the term “expected timescales” which were assigned to recommendations. It was noted that the Service had made improvements in the management and timescales set against actions. The Committee recognised the improvement and noted that further discipline was required within the framing of responses.

7.3.4 RS advised the Committee that he had met with BDO and both parties were keen to avoid any duplication of effort and causing undue pressure on any one individual or function. RS noted that he would continue to work with BDO and would remain flexible in their approach.

7.3.5 The Committee commented on the audits proposed for 2025/26 and the prioritisation of these. It was noted that some areas had previously been audited whereas other areas were yet to be audited. SM noted that prioritisation was based on the risks to the Service and agreed to review and adjust the proposed plan as necessary.

7.3.6 In regard to the Freedom of Information audit, the Committee queried the timing of this audit and the capacity within the team. MMcA advised that discussions had taken place, and it was felt that the timing of the audit was appropriate and would be helpful.

7.3.7 The Committee queried whether there was a requirement for a specific focus on contaminants. It was noted that this was contained within the HMFSI 3-year plan which could provide a sector competence in this area.

- 7.3.8 Brief discussion took place regarding training functions outwith the TSA Directorate and whether these functions could be audited. It was noted that a future HMFSI thematic inspection would cover operational training and development but would not cover corporate support staff. The Committee commented on the value of undertaking a review of corporate support staff training and where this assurance could be sought. Consideration to be given to collate the wider assurance mapping from all inspections/audit work being conducted.

ACTION: SO'D/AW

- 7.3.9 The Committee commented on the timing of the HR General Controls audit and whether consideration could be given to bring this forward and include staff recruitment approaches, processes, etc.

ACTION: BDO

- 7.3.10 The Committee noted their interest in the development of the scope of the Talent Development audit and how it could link with the equality agenda, retention of staff and culture.

- 7.3.11 In regard to KPI's, SM advised that these would be agreed and would feature in future reports.

- 7.3.12 In the appendix, all references to the Board to be changed to ARAC with the exception of the first instance and this should be noted as the Board via the ARAC.

- 7.3.13 **The Committee scrutinised the report.**

7.4 Internal Audit – Corporate Governance Scope

- 7.4.1 SM presented the Committee with the Corporate Governance review scope, as contained within the Internal Audit Plan 2025/26 for scrutiny.

- 7.4.2 The Committee queried the timing of this audit. SS noted that this audit would provide BDO with an opportunity to understand the organisation and would provide SO'D with guidance in terms of corporate services activities and needs.

- 7.4.3 The Committee asked for consideration to be given to:
- Review of the infrastructure of Executive Boards/Groups and whether they efficiently support formal governance.
 - Committee Chairs being included within the contact's section.

ACTION: BDO

- 7.4.4 **The Committee scrutinised the report.**

(Meeting broke at 1130 hrs and reconvened at 1140 hrs)

8 SCOTTISH FIRE AND RESCUE SERVICE – ANNUAL AUDIT PLAN 2024/25

- 8.1 TY presented the Committee with the Annual Audit Plan to provide an overview of the planned scope and timing of the 2024/25 audit of the Scottish Fire and Rescue Service (SFRS). The report outlines the audit work planned to meet the requirements set out in auditing standards and the Code of Audit Practice, including supplementary guidance. The following key points were highlighted:

- Overall materiality levels were set at £8.6 million, (2% of expenditure).
- Performance materiality levels were set at £6.4 million.
- Outline of the 3 significant risks of material misstatement of financial statements.
- Outline of wider scope and best value approach and the intention to follow up on previous recommendations. In particular, requirement for external cyber security accreditation and the medium term financial plan.

- Outline of the audit timetable which was dependent on receipt of the unaudited accounts.
- Confirmation that the statutory date for laying the annual report and accounts was 31 December 2025. This was incorrectly recorded as 31 October 2025 within the report (paragraph 26).
- Amendment to be made to add in the Exhibit reference (paragraph 28).

8.2 The Committee welcomed the clear and succinct overview of the report. At present, there were no indications that the audit report would not be available for the Committee meeting on 23 October 2025.

8.3 **The Committee scrutinised the report.**

9 **HMFSI INSPECTION ACTION PLANS UPDATE**

9.1 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:

- Dashboard reported 16 of the 23 action plans had been completed.
- Three action plans had commenced the closure process.
- Two action plans contained one live action each and a further 2 action plans continued to be progressed.
- Progress against the Mental Health and Wellbeing action plan had been impacted by the prioritisation of the Wellbeing Recovery Plan.

9.2 RS advised the Committee that discussions had taken place on HMFSI's potential involvement in the drafting of action plans which could improve and streamline the process. A draft process and procedure were currently being developed and would be submitted to the Strategic Leadership Team for consideration.

9.3 The Committee commented on the difficulty in securing a new Chair of the Mental Wellbeing Learning Resource Group and requested an update to be provided to the Committee.

ACTION: SO'D

9.4 The Committee noted that the focus of the report was purely HMFSI, whereas previously it had been more all-encompassing and provided oversights of other external recommendations. It was agreed that this would be discussed further outwith the meeting.

ACTION: BB/SO'D/AW

9.5 **The Committee scrutinised the report.**

10 **AUDIT AND RISK ASSURANCE COMMITTEE PMF QUARTERLY PERFORMANCE Q3 2024/25**

10.1 MMcA presented the Committee with the second quarter performance of KPIs 35 – 42 for fiscal year 2024/25 for scrutiny. KPIs 58-61, 64 and 65 were only reported annually as part of the fourth quarter report. The following key points were highlighted:

- KPI 36 (% Subject Access within Timeframe) remains below target. This is a conscious choice, and a managed decline, in order to redirect resources to focus on the Freedom of Information (FOI) action plan.
- KPI38 (% FOI within Timeframe) remains below target. FOI action plan has been submitted to Office of the Scottish Information Commissioner (OSIC) and follow up meeting has been scheduled. Estimated overall completion targets rate set for March 2025 was 85%. Actual completion rates for January and February 2025 were 90% and 86%, respectively.

10.2 MMcA noted that the Service had developed the action plan and completed the self-evaluation exercise as requested by OSIC. MMcA would update on OSIC feedback at the next Committee meeting.

10.3 **The Committee scrutinised the report.**

11 ARRANGEMENTS FOR PREPARING THE 2024-25 ANNUAL GOVERNANCE STATEMENT

11.1 MMcA presented an update on the preparatory arrangements and reporting methods developed to provide sufficient levels of assurance in support of the 2024/25 Annual Governance Statement (AGS) for scrutiny. The following key points were highlighted:

- LCMS training package and guidance have been updated.
- Meeting held with Head of Functions to raise awareness and understanding of the importance of the checklist and level of assurance taken from this and the need for consistency.
- Exercise remains on target for completion and inclusion within the Annual Report and Accounts.

11.2 The Committee queried whether the LCMS training package was mandatory, how this was being monitored and reported on and whether this could form part of the assurance process in future years. MMcA agreed to review and provide this information.

ACTION: MMcA

11.3 The Committee were updated on the progress and improvement being made in relation to monitoring and reporting on mandatory training across the Service.

11.4 **The Committee scrutinised the report.**

12 ACCOUNTING POLICIES 2024-25

12.1 LMcG presented the Accounting Policies to be adopted in the Annual Report and Accounts 2024-25 to the Committee for scrutiny. LMcG advised that accounting policies have been reviewed and remain relevant. No material changes were required to be made to the Accounting Policies for 2024-25.

12.2 **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 (Q4 2024/25) to the Committee for scrutiny. The following key points were highlighted:

- Total number of entries and declarations in this reporting period.
- Recognition that further communication and engagement would be beneficial.
- Introduction of the mandatory Gifts and Hospitality LCMS module for all staff.
- Continue to attend and raise aware at Management meetings across the Service.

13.2 The Committee commented on the format of the report and the potential to only highlight new entries. DJ to consider and adjust future reports as necessary.

13.3 TY sought clarity on whether SC Kotlewski and WC Kotlewski had any involvement in the procurement process in relation to Kotlewski (Joinery) Limited. DJ to review and circulate information outwith the meeting to the Committee.

ACTION: DJ

13.4 **The Committee scrutinised the report.**

14 INTERNAL CONTROLS UPDATE

14.1 Risk Report Update

14.1.1 SOD presented the risk report and dashboard to the Committee for scrutiny. The following key points were highlighted:

- Revised format incorporating additional information relating to the risk appetite statement and any variations, risks with ratings below 15.
- Annual report to be submitted to the upcoming SFRS Board meeting (24 April 2025).

- 14.1.2 The Committee welcomed the revised format which would now become the standard reporting format going forward.
- 14.1.3 In relation to Risk OD001 (non-resilient fire control), the Committee sought further information on the timeline for completion of the active recruitment strategy. AW advised that these actions were captured within the OC Enhancement Plan and work was progressing well and on track for completion by the end of March.
- 14.1.4 In relation to the lower risks, the Committee noted that the inclusion of narrative for control actions over 9 months from the original due date would be helpful.
- ACTION: SO'D/DJ**
- 14.1.5 The Committee noted that several actions were past their due date and due to governance/reporting timelines, up to date narrative may not have been possible. The Committee requested that going forward consideration should be given to provide an update during the presentation of future reports.
- 14.1.6 In relation to Risk FSC019 (OC systems support), SO'D to confirm whether all relevant support contracts remained in place.
- ACTION: SO'D**
- 14.1.7 In relation to Risk FCS018 (ICT Recruitment), SO'D confirmed that market allowances had been agreed for the coming financial year.
- 14.1.8 In relation to Risk POD020 (PC Directorate capacity), the Committee commented on the categorisation used within the prioritisation exercise and how this would be implemented. SS noted that although the Service were now being more reflective of what could and could not be delivered, this required a significant shift in culture and progress was being made.
- 14.1.9 Brief discussion took place on future risk spotlighting, including consistency and areas of focus across all Committees which provides assurance on the overall risk profile.
- 14.1.10 Brief discussion took place on the colours attributed to risk appetite and agreed that the current format should remain and would be considered after 12 months.
- 14.1.11 **The Committee scrutinised the report and noted the continuing progress being made.**

(L Gaja joined the meeting at 1220 hrs)

14.2 **Anti-fraud/Whistleblowing Update**

- 14.2.1 SOD noted that there were no issues to report. It was noted that a written report would be presented at future meetings.

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

15 REVIEW OF WHISTLEBLOWING POLICY

- 15.1 LG presented the report to the Committee to provide an update on a desktop review undertaken of the SFRS Whistleblowing Policy for scrutiny. The following key points were noted:
- Reasons for desktop review being undertaken ahead of normal policy review schedule.
 - Policy outlines the Service's arrangements in respect of the Public Interest Disclosure Act and links to the Anti Fraud and Corruption Policy.
 - Focus of the desktop review including clarifying scope of protected disclosure, clearer alignment with the Anti Fraud and Corruption Policy, reporting to ARAC and clarity on the process for any issues being raised.

- 15.2 The Committee noted that all issues were to be reported to the Director of People and Director of Finance and Contractual Services. The Committee requested an additional sentence to be added to paragraph 9.10 to provide clarity on the reporting process ie direct to the Deputy Chief Officer, if any concerns arise with these individuals.

ACTION: LG

- 15.3 Brief discussion on the governance route for this report and the Committee, having scrutinised the report, were content that it be submitted to the Corporate Board for approval.

- 15.4 **The Committee scrutinised the report.**

(L Gaja left the meeting at 1230 hrs)

16 REPORT FOR INFORMATION ONLY:

16.1 Quarterly Update Report on HMFSI Business

- 16.1.1 RS presented the quarterly report to the Committee to provide an update on HMFSI's inspection and reporting activity during 2024/25. The following key areas were noted:

- North Service Delivery Area inspection had concluded, and the key areas were noted. Report to be laid before Parliament in June 2025.
- Update on thematic inspection on Organisational Culture which was anticipated to be laid before Parliament by June 2025.
- Thematic inspection on Operational Assurance had concluded. At the request of the Service, formal consultation on the report would be paused due to internal capacity. Anticipated that the report would be laid before Parliament in Autumn 2025.
- Chief Inspectors 3-Year Plan would be laid before Parliament in April 2025. The immediate focus would be Operational Training and Development, Service Delivery (Corporate Functions), Organisational Culture (2nd phase) and preparedness for the 2026 Commonwealth Games.
- Positive new arrangements for requesting and receiving consistent cleansed data from SFRS's Business Intelligence Team.
- Attended presentation on Strategic Service Review Programme and the Service Delivery Review. Invitation extended to observe a future Balanced Room event. Welcomed the opportunity to review and understand the process and consultation exercise being undertaken by the Service.
- Thanks were extended to Group Commander Lynne Gow following completion of her secondment to the Inspectorate. No secondments were planned for the coming year due to HMFSI budgetary constraints.

- 16.1.2 The Committee queried how the Inspectorate moderated the comments from individual SFRS personnel. RS noted that a balanced approach needed to be taken and further noted that several statements on similar issues, perceptions, or themes would be taken forward and actioned as appropriate.

- 16.1.3 **The Committee noted the report.**

17 REVIEW OF ACTIONS

- 17.1 It was confirmed that 13 formal actions were recorded during the meeting.

18 FORWARD PLANNING

18.1 a) Committee Forward Plan Review

- 18.1.1 The Committee considered and noted the Forward Plan.

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

- 18.2.1 The following items were identified for a future Integrated Governance Forum:

- Approach to Risk Spotlighting by Committees ie consistency and assurance.

18.2.2 No further items were identified.

19 DATE OF NEXT MEETING

19.1 The next public meeting is scheduled to take place on Thursday 19 June 2025 at 1000 hrs.

19.2 There being no further matters to discuss, the public meeting closed at 1245 hrs.

(Public meeting broke at 1245 hrs and reconvened in Private session at 1250 hrs)

PRIVATE SESSION

20 MINUTES OF PREVIOUS PRIVATE MEETING:

20.1 **Thursday 23 January 2025**

20.1.1 The minutes of the private meeting held on 23 January 2025 were approved as a true record of the meeting.

21 ACTION LOG

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

21.2 **The Committee noted the updated Action Log.**

There being no further matters to discuss, the private meeting closed at 1252 hrs.