PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

THURSDAY 19 JUNE 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)
Madeline Smith (MS)	Mhairi Wylie (MW)

IN ATTENDANCE:

Stuart Stevens (SS)	Chief Officer
Sarah O'Donnell (SOD)	Deputy Chief Officer Corporate Services
Mark McAteer (MMcA)	Director of Strategic Planning, Performance and Communications
Deborah Stanfield (DS)	Interim Director of Finance and Contractual Services
David Johnston (DJ)	Risk and Audit Manager
Lynne McGeough (LMcG)	Head of Finance and Procurement
Paul Kelly (PK)	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
Curtis Montgomery (CM)	Head of Portfolio (Item 8.1 only)
Greg Aitken (GA)	Head of Digital and Technology Services (Item 20 only)
Kirsty Darwent (KD)	Chair of SFRS Board
Chris Casey (CC)	Group Commander Board Support 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 Deborah Stanfield, to her first formal meeting.

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 Neil Mapes, Board Member
Andy Watt, Deputy Chief Officer

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

3.1 The Committee discussed and agreed that Item 19 *(Fraud Awareness)* and Item 20 *(Cyber Security Action Plan*) would be heard in private session due to matters subject to legal proceedings/advise and relating to confidential matters in line with Standing Orders Item 9D and 9G, respectively.

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 8 April 2025**

5.1.1 The minutes were agreed as an accurate record of the meeting.

5.2 **Matters Arising**

5.2.1 There were no matters arising.

5.3 **The minutes of the meeting held on 8 April 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 11.2 Arrangements for Preparing the 2024-25 Annual Governance Statement (08/04/2025): Agreed to close this action.

Action 13.3 Quarterly Update of Gifts, Hospitality and Interests Policy (08/04/2025): DJ provided additional clarity on the supplier's deactivation process. Action to remain closed.

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

7 COMMITTEE AUDIT ANNUAL REPORTING 2024/25 TO THE ACCOUNTABLE OFFICER AND SFRS BOARD

7.1 The Chair presented the Annual Report 2024/25, for approval prior to the submission to the Board for information. The following key areas were highlighted:

- Levels of assurance over key activities, in particular Internal Audit and their overall opinion of reasonable assurance.
- Review of 2023/24 Annual Report and Accounts and External Auditor's report providing an unqualified opinion. The 2024/25 reports would be presented at the next meeting (October 2025).
- Positive assurances provided from the inspections undertaken by HMFSI.
- Assurance provided on risk management and effectiveness of these arrangements.
- Satisfied with the accounting policies and preparation work for the annual accounts.
- Committee were content that they had met all aspects of their terms of reference and were operating effectively.
- Overall satisfaction on the governance of risk and internal controls arrangements.
- Future financial context of the organisation and the need to ensure alignment of risk appetite and assurances.
- Recognition of the ongoing work in relation to risk appetite and assurance mapping.

7.2 The following revisions were proposed and agreed:

- Private meeting with the Internal Auditors to be added.
- Paragraph 5.4 to be rephrased to remove any potential misunderstanding or inference

on the matters raised.
- Within paragraph 7.1, typographical error to be amended.
- Final sentence within paragraph 10.1, starting "*As highlighted above …*" to be removed.

ACTION: BST

7.3 The Committee acknowledged the support provided to the SFRS Board and all Committees throughout the year.

7.4 **Subject to the agreed amendments, the Committee approved the report for submission to the next SFRS Board meeting.**

8 INTERNAL AUDIT

8.1 **SFRS Internal Audit Annual Report 2024/25**

8.1.1 Change Management Report

PK presented the Change Management Report to the Committee and highlighted the following key points:
- Review was undertaken to consider whether the Service had effective processes and capacity/capability to deliver the ambitious change programme and activities.
- Six control objectives (5 Amber and One Yellow) were identified.
- Five improvement actions (4 Amber and One Yellow) were identified.
- Summary of the areas of good practice identified.
- Summary of the areas for improvements identified

8.1.2 Due to the investment within change, the Committee noted that some of the findings were unexpected. SO'D noted that the review would help the Service focus on and provide structure for areas for improvement. SO'D further noted that the Service had already made progress since the review had taken place to close the gaps identified. SO'D commented on the complexities within this area of work, the importance of the Portfolio Office's role and deploying capabilities effectively across the Service.

8.1.3 SO'D noted that the Service had been assessed against the highest maturity matrix rating. However, the Service would need to progress through all stages, from level one, and a pathway to achievement would be developed.

81.4 CM noted the importance of an end-to-end process in place for business change and outlined the new business case process being developed and managed by the Portfolio office. CM further noted that a resource management process was being developed and outlined the purpose and benefits. Consideration was also being given to combing resourcing profiles with strategic planning and finance to understand and support the annual planning process. CM outlined the following areas of work which included development of a prioritisation and complexity model, comprehensive change life cycle and guidance, architecture and business processes/analysis, and progress with benefits identification/tracking. CM reminded the Committee that the function was only fully resourced at the start of year and were still transitioning.

8.1.5 In relation to Management Action 1.1, the Committee commented on the extended timescale assigned to this. CM advised that the timescale was appropriate and provided justification for same.

8.1.6 In relation to Management Action 2.1, the Committee noted that it would be helpful to explicitly state that the Service would looking at outcomes based KPIs. CM outlined an area of work he would undertake to review the various visions, outcomes, etc with the intention to identify an overarching set of measures.

8.1.7 In relation to Management Action 4.1, consideration should be given to include a statement on reviewing the overall resources, rather than resourcing specific projects. CM commented on the enhanced resources within the Portfolio Office and the benefits of

developing an annual planning cycle.

8.1.8 In terms of benefits realisation, the Committee sought clarity on the alignment of 5 key themes and the strategy. CM noted that the prioritisation model, which the 5 key themes form part of, would be the first stage of identifying benefits.

8.1.9 The Committee commented on the need to ensure service wide integration on aspects of change and planning processes. SO'D provided a brief overview of the planning process for 2026/27 which is due to begin next month.

8.1.10 The Committee commented on the timescale assigned to the recommendations with a 3 rating. PK advised that in a transformation and change perspective, the timescales were appropriate as the Service was on a journey to maturity.

8.1.11 It was noted that the audit report would be presented to the Strategic Planning and Change Committee along with a roadmap to close the identified gaps.

8.1.12 Annual Report
PK presented a report to the Committee which summarised the work undertaken, conclusion and key findings in respect of the 2024/25 internal audit programme. The report provides an overall opinion of Reasonable Assurance in relation to the effective and efficient management of objectives on SFRS's governance, risk and control frameworks. The report outlines Azets compliance with Internal Standards, confirms their independence status and full delivery of the 2024/25 programme.

8.1.13 For clarification purposes, it was confirmed that this report was an Internal Audit (Azets) report.

8.1.14 Within Appendix A, it was noted that the totals for the planned and actual days were inaccurate. PK to review and amend as necessary.

ACTION: Azets

8.1.15 On behalf of the Committee, the Chair extended his thanks to PK and the wider Azets team for their support and work throughout their tenure. PK offered his own thanks to the SFRS staff, management and ARAC.

8.1.16 **The Committee scrutinised the Annual Report and the Change Management Report.**

(P Kelly and Curtis M left the meeting at 1045 hrs)

8.2 **SFRS Internal Audit Progress Report and Scoping Document**

8.2.1 SM presented a report to the Committee which summarised the progress on the delivery of the 2025/26 Internal Audit Plan and the scopes for the Risk Management Review and Budgetary Management – Investment Prioritisation reviews.

8.2.2 Risk Management Scope
SM presented the Risk Management scope for consideration and noted the governance process undertaken to date. CR outlined the 2 main deliverables from the audit; these were an assurance report on the current risk management arrangements and a maturity assessment.

8.2.3 With the Summary Scope and Approach section, CR noted that the Management Oversight heading should read Oversight.

8.2.4 Within the covering report, reference to Azets being the current Internal Auditors, to be amended.

8.2.5 The Committee commented on the clear link between strategy and the identification of risks.

8.2.6 The Committee noted it would be helpful for the integration of project risks to be considered as part of the audit.

8.2.7 It was noted that engagement with Board/Committee members would be useful to understand how they view risk.

8.2.8 Budgetary Management and Investment Prioritisation Scope
In relation to the document request list, the Committee noted that the request for anything else deemed relevant was too broad. CR explained that this was a coverall statement, as there may be some areas that they were not yet be aware off.

8.2.9 The Committee noted that it would be useful for the audit to consider strategic and operating planning and budget allocation. CR advised that this would be included within the audit and would help to demonstrate prioritisation of resource, funding, etc.

8.2.10 Progress Report
In relation to key performance indicators (KPI), SM noted that this information would be added as the year progresses. KPI would relate to reporting against budget, timescales, etc were standard. The Committee welcomed the future inclusion of KPI information and noted that consideration should be given to include qualitative, value added, benchmarking, etc.

8.2.11 **The Committee scrutinised the progress report and the review scopes.**

8.3 SFRS Progress Update/Management Response

8.3.1 SM presented the report to the Committee and outlined the status of the recommendations raised by Internal Audit and the following key points were highlighted:

- Twelve actions were added, and seven actions had been closed during this reporting period.
- Thirty-two actions remain.
- All actions relating to the Change Management audit would be added to future reports.

8.3.2 LMcG confirmed that all actions relating to the Revenue Maximisation audit had been completed.

8.3.3 In relation to Post Pandemic Review Rec 1.1, MMcA advised that the business continuity plans were progressing and agreed to provide an update outwith the meeting.

ACTION: MMcA

8.3.4 In relation to recommendations reporting 100% completion, SM advised that, at the time of the report was submitted, the process for reviewing the evidence had still been underway.

8.3.5 In relation to Partnership Working Rec 1.1, the Committee commented on ability to measure the value and quality of this work across the Service and whether this action remains relevant, due to the timescales, to the current situation. MMcA advised that the Service had prioritised the Strategy Plan and would discuss the issues raised with the Improvement Services. Further discussions to be held outwith the meeting regarding working with the Improvement Services with a focus on the definition of partnership working.

ACTION: MMcA/MW

8.3.6 Brief discussion took place on the need for clarity and boundaries required when framing recommendations and the impact of extended timescales on existing recommendations. SM to review the reformat of the report for the next meeting.

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

9 AUDIT AND RISK ASSURANCE COMMITTEE QUARTERLY PERFORMANCE Q4 2024/25

9.1 MMcA presented the Committee with the fourth 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:

- Exceptional variations reported for KPI37 (Data Breaches) and KPI40 (Invoices in 30 days).
- Outline of the 8 data breaches within this quarter and the remedial actions taken.
- Deterioration reported in KPI 42 (Service desk requests within SLA), KPI58 (Heavy Fleet) and KPI 59 (Light Fleet).

9.2 MMcA briefed the Committee on how data breaches were reported and the importance of raising awareness within the Service.

9.3 **The Committee scrutinised the report.**

10 ANNUAL GOVERNANCE STATEMENT FOR ACCOUNTING PERIOD 2024/25

10.1 MMcA presented the Annual Governance Statement AGS), for inclusion in the Annual Report and Accounts of the Scottish Fire and Rescue Service (SFRS) for the year ended 31 March 2025 for scrutiny. The following key points were highlighted:

- Mandatory training and workshop for all Heads of Function involved in the process.
- Improvement actions to be monitored by the Corporate Board.
- Two risks identified relating to information governance and health and wellbeing issues.

10.2 The Committee suggested the following amendments for consideration:

- Section 6 Significant Issues, consideration to be given to expand the final sentence to note that the mitigating actions would address both the issues and risks arising from them.
- Section 3 Risk Management Framework, consideration to be given to broaden the potential risks that could not be eliminated to include financial and reputational.
- Section 3 Risk Management Framework, clarity to be provided on the governance tool listed as Human Resources.
- Section 5 Review of Effectiveness of Risk Management and Internal Control, reference to be included on the Service Delivery Committee's role in scrutiny of HMFSI inspection work.
- Key Highlight of Board Decisions during 2024-25, decision on SSRP pre-consultation to be added.

ACTION: MMcA

10.3 The Committee commended the thoroughness and high quality of the report and thanked all those involved in the process.

10.4 **Subject to the proposed amendments, the Committee scrutinised and approved the report.**

(The meeting broke at 1128 hrs back and reconvened at 1135 hrs)

11 ANNUAL DATA COMPLIANCE REPORT

11.1 MMcA presented the Committee with annual statistics on performance against the three pieces of access to information legislation the Service were governed by for scrutiny. These are the Freedom of Information (Scotland) Act 2002 (FOISA), Environmental Information (Scotland) Regulations 2004 (EIR) and the Data Protection Act 2018 (DPA). The following key points were highlighted:

- Slight reduction in requests received during 2024/25, however the Service remains within the top 5 highest requested organisations in Scotland.
- Intervention letter received from the OSIC due to sustained non-compliance of statutory requirements.
- Overview of the measures taken to improve resources and compliances level.
- Next steps include embedding lessons learnt and maintain 95% compliance target.
- Introduction of a new tool which will allow increased scrutiny and reporting options.

11.2 In relation to EIR, MMcA noted that although there were fewer requests, there tended to be a higher degree of complexity involved.

11.3 In relation to the benchmarking information, MMcA to provide information on the resources (team sizes) and scale of each of the organisation.

ACTION: MMcA

11.4 MMcA reminded the Committee that the Service were pro-active through the publication scheme and uploaded data when appropriate.

11.5 MMcA noted that there was potential for Corporate Admin teams to be trained to provide additional support, if required.

11.6 The Committee commented on the high number of requests from Service personnel. MMcA advised these were primarily subject access requests relating to the pensions remedy.

11.7 MMcA advised that requests received from other blue light services were treated as Freedom of Information requests and noted that these details could be provided within future reports

11.8 The Committee requested that consideration be given to include any significant issues and reasons for delays, themes and data breaches within future reports.

11.9 The Committee noted the improving situation and thanked all those involved.

1.10 **The Committee scrutinised the report.**

12 QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS POLICY

12.1 DJ presented the Gifts, Hospitality and Interests Policy and Quarterly Update (Q1 2025/26) to the Committee for scrutiny. The following key points were highlighted:

- Total number of entries and declarations in this reporting period.
- Launch of Workforce Pro module which allows reporting across different staffing groups.
- Additional analysis of module completion rate would allow more target and follow up engagement within 2025/26.
- Engagement to help raise awareness would continue.
- Target completion rate for all staffing groups was 100%. This module would become mandatory for Support Staff in June 2025.

12.2 **The Committee scrutinised the report.**

13 INTERNAL CONTROLS UPDATE

13.1 Risk Report Update

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

- Use of risk appetite provides an opportunity to see the alignment between Service and Directorate appetites, identification of any gaps and additional control measures

required.

- Use of risk spotlight to discuss and gain assurance and how this is captured and reported.
- Thirty-nine directorate risks identified with details provided on the split between risks reporting above or below the threshold and the changes over the reporting period.
- Overview of the framework in place to ensure the most up to date information was available and the measures being taken to ensure that that actions are completed and/or revised as necessary in a timely manner.
- Risk Management Policy updated to reflect the introduction of risk appetite and assurances within the risk register process.

13.1.2 The Committee requested an update on assurance obtained at Service Delivery Committee in relation to Risk SD001 – Procurement and Implementation of Vision 5 Disaster Recovery System.

ACTION: AW

13.1.3 The Committee noting that the review of risk appetite would be undertaken after a full year, commented on whether the risk range was sufficient. DJ offered his assurance that consideration was being given to all risk appetite categories during selection.

13.1.4 Within the risks rated 15 or above table, it was noted that the target risk score did not align with the risk appetite ranges. SO'D noted that work was ongoing with relevant teams to ensure that target risks were consistent with appetites. It was noted that a caveat stating that this was work in progress would be helpful.

13.1.5 The Committee commented on the potential for checking risks rating, through a bottom-up approach by reviewing and totalling of the underlying risks scores.

13.1.6 Brief discussion took place on the original due dates, estimated completion dates and action status should be reported to ensure clear and transparent information.

13.1.7 In relation to SDD007 (Cyber Security), it noted that this risk could be reframed to broaden the range or be split into 2/3 separate risks.

13.1.8 In relation to FSC019, the Committee queried how the Service would reflect and capture the assurances provided and scrutiny undertaken by the relevant committee. SO'D noted that this would part of the assurance mapping work currently under development. SO'D further noted that the use of risk spotlighting would provide the opportunity to effectively challenge risk owners on the risk and control measures.

13.1.9 In relation to the Risk Management Policy, the Committee queried whether the review should be deferred to allow the outcome of the risk management audit to be considered. DJ reminded the Committee that the current policy was out of date. SO'D proposed that the policy be accepted as an interim draft policy and any feedback from the Committee would be taken into consideration.

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

14 REPORT FOR INFORMATION ONLY:

14.1 Annual Update Report on HMFSI Business

14.1.1 GF presented the annual report to the Committee highlighting HMFSI's inspection and reporting activity during 2024/25. The following key points were noted:

- Completion of all 3 Service Delivery Area (SDA) inspections.
- North SDA was scheduled to be laid before parliament in June 2025. Some observations were repetition of other areas, and some were unique to the North. Inclusion of personal statement noting that certain issues were known to SFRS but

without increasing capital funding from Scottish Government, could not be addressed.

- Organisational Culture Thematic Inspection had been laid before parliament. Action plan was currently being developed. Themes had been identified through this process and would inform the next inspection.
- Operational Assurance Thematic Inspection would be laid before parliament in July 2025.
- Future inspections were Operational Training and Development, Organisational Culture Vol 2, Service Delivery – Corporate Functions and a focussed report on the Service preparedness for the Commonwealth Games.

14.1.2 In relation to the Organisational Culture Vol 1 Thematic Inspection, RS confirmed that the report had been shared with the Strategic Leadership Team (SLT) and that the action plan had still to be developed.

14.1.3 In relation to the focussed preparedness report for the Commonwealth Games, RS reminded the Committee, due to timings, no recommendations would be made and only opinions would be offered.

14.1.4 RS commented on the recent positive engagement with BDO, to discuss future audits to avoid any duplications of efforts. RS thanked BDO for their time and welcomed ongoing engagement.

14.1.5 **The Committee noted the report.**

15 REVIEW OF ACTIONS

15.1 CC confirmed and summarised the formal actions were recorded during the meeting.

16 FORWARD PLANNING

16.1 **a) Committee Forward Plan Review**

16.1.1 The Committee considered and noted the Forward Plan. The following items were identified:

16.2 • Risk spotlight relating to risk and vulnerabilities of fraud within the On Call cadre.

16.2.1

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

No items were identified.

17 DATE OF NEXT MEETING

17.1 The next public meeting is scheduled to take place on Thursday 23 October 2025 at 1000 hrs.

17.2

There being no further matters to discuss the public meeting closed at 1232 hrs.

(Public meeting broke at 1232 hrs and reconvened in Private session at 1237 hrs)

PRIVATE SESSION

18 ACTION LOG

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

18.2 **The Committee noted the updated Action**

19 FRAUD AWARENESS

19.1 DJ presented the Fraud Awareness Report to the Committee to provide an oversight of fraud related matters for scrutiny.

19.2 **The Committee scrutinised the report.**

20 CYBER SECURITY ACTION PLAN

20.1 GA presented the Committee with an overview of the recent Scottish Fire and Rescue Service (SFRS) Cyber Security Maturity Assessment and associated Cyber Security Action Plan for scrutiny.

20.2 **The Committee scrutinised the report.**

There being no further matters to discuss the private meeting closed at 1308 hrs.