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SCOTTISH

FIRE AND RESCUE SERVICE

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CORPORATE GOVERNANCE

POLICY FOR PREPARING THE ANNUAL GOVERNANCE STATEMENT FOR THE ACCOUNTABLE OFFICER

Original Author/Role	GC Alasdair Cameron
Date of Risk Assessment (if applicable)	N/A
Date of Equality Impact Assessment	March 2021 – EIA Corporate Governance Arrangements
Date of Impact Assessment (commenced)	N/A
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Quality Control (name)	Richard Whetton, Head of Governance, Strategy and Performance
Authorised (name and date)	Chief Officer Martin Blunden (Accountable Officer) – March 2022
Date for Next Review	February 2025

VERSION HISTORY

Version	Change	Who	When
1.0	First version issued	GM Alasdair Cameron	17/05/2018
2.0	Reviewed and updated	GM Alasdair Cameron	04/04/2019
3.0	Reviewed and updated	GC Hilary Sangster	01/07/2020
4.0	Reviewed and updated	GC Des Donnelly / Marion Lang, Corporate Business and Admin Manager	18/03/2022
5.0	Link to staff required to complete returns added at paragraph 4.2 ; Associated documents updated: AGS Assurance Framework – to reflect changes as a result of the Good Governance Framework; Improvement Action Plan – moved from Word to Excel format; Staff Required to Prepare Certificates of Assurance – updated to reflect current roles	Marion Lang, Corporate Business Manager	26/01/2023
6.0	GGB amended to CB throughout; 5.1 Amended to Corporate Business Manager providing support; 5.2 Amended to reflect LCMS detail and links; 7. Amended from Corporate Admin to Corporate Business Support	Marion Lang, Corporate Business Manager	02/02/2024

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1. INTRODUCTION

- 1.1 Under the [Police and Fire Reform \(Scotland\) Act 2012](#), the Scottish Fire and Rescue Service (SFRS) is required to prepare financial statements for each financial period and on the basis determined by the Scottish Ministers. This policy provides the relevant SFRS Directorate Management Teams detail of the process and requirements for preparing their Certificates of Assurance to support the Chief Officer's Annual Governance Statement (AGS), as set out in the [Public Finance and Accountability \(Scotland\) Act 2000](#) (PFA Act).

2. PURPOSE

- 2.1 The Chief Officer, as the Accountable Officer, has overall responsibility for maintaining sound systems of internal control, risk management and corporate governance that supports the achievement of the organisations policies, aims and objectives, as set out in the PFA Act.
- 2.2 To demonstrate that these arrangements are adequate and effective, the Accountable Officer is required, as set out within the [Scottish Public Finance Manual \(SPFM\)](#), to produce an AGS for inclusion in the organisation's annual report and accounts. The AGS incorporates an evaluation of how well the organisation's internal control, risk management and corporate governance arrangements have operated in practice, based upon robust internal assessment processes.

3. SCOPE

- 3.1 This policy primarily applies to Directors and Heads of Function (also classified as Deputy Directors for the purposes of SPFM), as linked in [Section 7](#), who are required to assist in the preparation of the AGS by providing Certificates of Assurance to the Chief Officer. These provide assurances to the Chief Officer

of the adequacy and effectiveness of the internal control systems operating within each Directorate of the SFRS. Taken together, the Certificates of Assurance form a key part of the Service's [Assurance Framework](#) and [Assurance Plan](#), therefore being critical pieces of evidence in support of the AGS.

4. RESPONSIBILITIES

- 4.1 The SPFM sets out guidance on the use of Certificates of Assurance as key pieces of evidence to support the signing of the AGS provided by the Chief Officer. Certificates of Assurance must be completed with due diligence and, as such, the process outlined and illustrated in the [SFRS Assurance Plan](#) will be followed to complete the certificates and meet the requirements of the SPFM.
- 4.2 [Relevant Heads of Function](#) must complete the [Internal Control Checklist](#). To assist with completion of the checklist, explanatory notes and guidance are detailed within the final column, titled 'Guidance Note'. For all responses, details of controls / evidence are mandatory. On the covering page of the Internal Control Checklist, the overall levels of assurance must be completed using the rating guidance against the evidence held for each of the sections detailed, where Improvement Actions have been identified this must also be noted. To embed the fraud risk assessment process, SFRS has integrated fraud risk assessment within the Annual Assurance Framework, requiring senior officers to complete a [Fraud Risk Assessment](#) as part of the Internal Control Checklist. The checklist will be used to support the completion of the [Deputy Directors' Certificate of Assurance](#). This should provide Directors with an overview of the steps they have taken to maintain effective internal control arrangements and mitigate any risks associated with the delivery of their priorities and objectives. Where Improvement Areas or fraud risks are identified, relevant actions must be produced to address these and be outlined within the Deputy Directors' Certificate of Assurance.

- 4.3 Where Improvement Actions have been identified, the responsible manager must create an [Improvement Action Plan](#), highlighting any link to the Strategic Risk Register, Internal / External Audit recommendations or other relevant documents, where applicable. All improvement areas, together with any revised levels that give greater assurance and change the overall level within that section, can then be reported to the Corporate Board (CB) on a quarterly basis, as required. CB will thereafter notify the Audit and Risk Assurance Committee (ARAC) on the progress made against this Improvement Action Plan(s). Throughout this time, there may also be a direct request for the responsible managers to attend the ARAC to answer any questions the Committee may wish to ask on progress being made against the Improvement Actions.
- 4.4 Where fraud risks have been identified, the responsible manager must create a [Fraud Risk Assessment](#), highlighting the risk rating and proposed actions to mitigate the risk. All fraud risks identified will then be reported to the CB on a quarterly basis, as required. CB will thereafter notify the ARAC on the progress made against the Fraud Risk Assessment actions. Throughout this time, there may also be a direct request for the responsible managers to attend the ARAC to answer any questions the Committee may wish to ask on progress being made against the fraud risk actions.
- 4.5 Heads of Function will forward completed [Deputy Directors' Certificates of Assurance](#) and [Internal Control Checklists](#) to their respective Directors. They will also ensure copies are saved to the Chief Officer Business Support SharePoint site within the AGS folder. It is the responsibility of the Heads of Function to ensure the evidence in support of their Certificates of Assurance and Director Certificates of Assurance is readily available and their own knowledge and understanding of the internal control arrangements which are in place within their area of responsibility to provide further assurances to the Accountable Officer. Assurances will be provided to the Accountable Officer in

the form of a [Directors' Certificate of Assurance](#). Directors will complete their Certificates of Assurance within the Chief Officer Business Support Team SharePoint site for inclusion within the AGS.

- 4.6 The Accountable Officer will submit a draft AGS to the CB and ARAC for consideration. The CB and ARAC may then request access to the evidence used to prepare the AGS, including the completed Certificates of Assurance should they wish to scrutinise evidence in more detail prior to submission to the Board for Approval.
- 4.7 Internal Audit may conduct a review and report on the AGS as part of our internal processes, notifying responsible managers if there is a requirement for them to attend the ARAC to give updates on progress being made. Where evidence of controls exists within the [Internal Control Checklist](#), this may also be requested.
- 4.8 External Audit will review and report on the AGS as part of their requirement for giving independent opinion on the accounts, performance and governance of the Service. The findings of the review of the AGS will be reported to the ARAC. During the review, External Audit will have access to the assurance evidence used to prepare the AGS, including the Certificates of Assurance and associated Internal Control Checklists. Where evidence of controls exists within the Internal Control Checklist, this may also be requested.
- 4.9 The signed AGS will form a key part of the Annual Report and Audited Accounts of the SFRS and will be presented to the Board. The Annual Report and Audited Accounts will also be submitted in draft to the Scottish Government for comment before being published on the SFRS Website.
- 4.10 The [Timeline](#) sets out the key milestones for preparing the Certificates of Assurance in support of the AGS.

5. ADDITIONAL SUPPORT

5.1 To provide additional support and guidance to responsible managers, the Corporate Business Manager will engage with Heads of Function around March, in the lead up to the AGS.

5.2 In further support of this, an overview of requirements for the AGS and preparation for certificates of assurance is available on [LCMS](#).

6. COMPLIANCE

6.1 The timeline to ensure completion of the AGS must be strictly followed to ensure the Service meets its SPFM requirements. This also ensures the AGS can be presented to the relevant Committee and Board prior to being signed off by the [Accountable Officer](#) and before being passed to Internal and External Audit.

7. ASSOCIATED DOCUMENTS / REFERENCES

[Accountable Officer Certificate of Assurance Template](#)

[Deputy Directors' Certificate of Assurance Template](#)

[Directors' Certificate of Assurance Template](#)

[Equality Impact Assessment – Corporate Governance Arrangements](#)

[Fraud Risk Assessment Checklist](#)

[Improvement Action Plan](#)

[Internal Control Checklist](#)

[SFRS Assurance Framework](#)

[SFRS Assurance Plan](#)

[Staff Required to Prepare Certificates of Assurance](#)

[Timeline for Preparing Certificates of Assurance](#)

[LCMS – Login \(learnprouk.com\)](https://learnprouk.com)

[Police and Fire Reform \(Scotland\) Act 2012](#)

[Public Finance and Accountability \(Scotland\) Act 2000](#)

[Scottish Public Finance Manual \(SPFM\)](#)

If you require any assistance with this policy, please do not hesitate to contact the Corporate Business Support Team – SFRS.CorporateAdmin@firescotland.gov.uk.