



Report No: C/ARAC/16-19

Agenda Item: 9

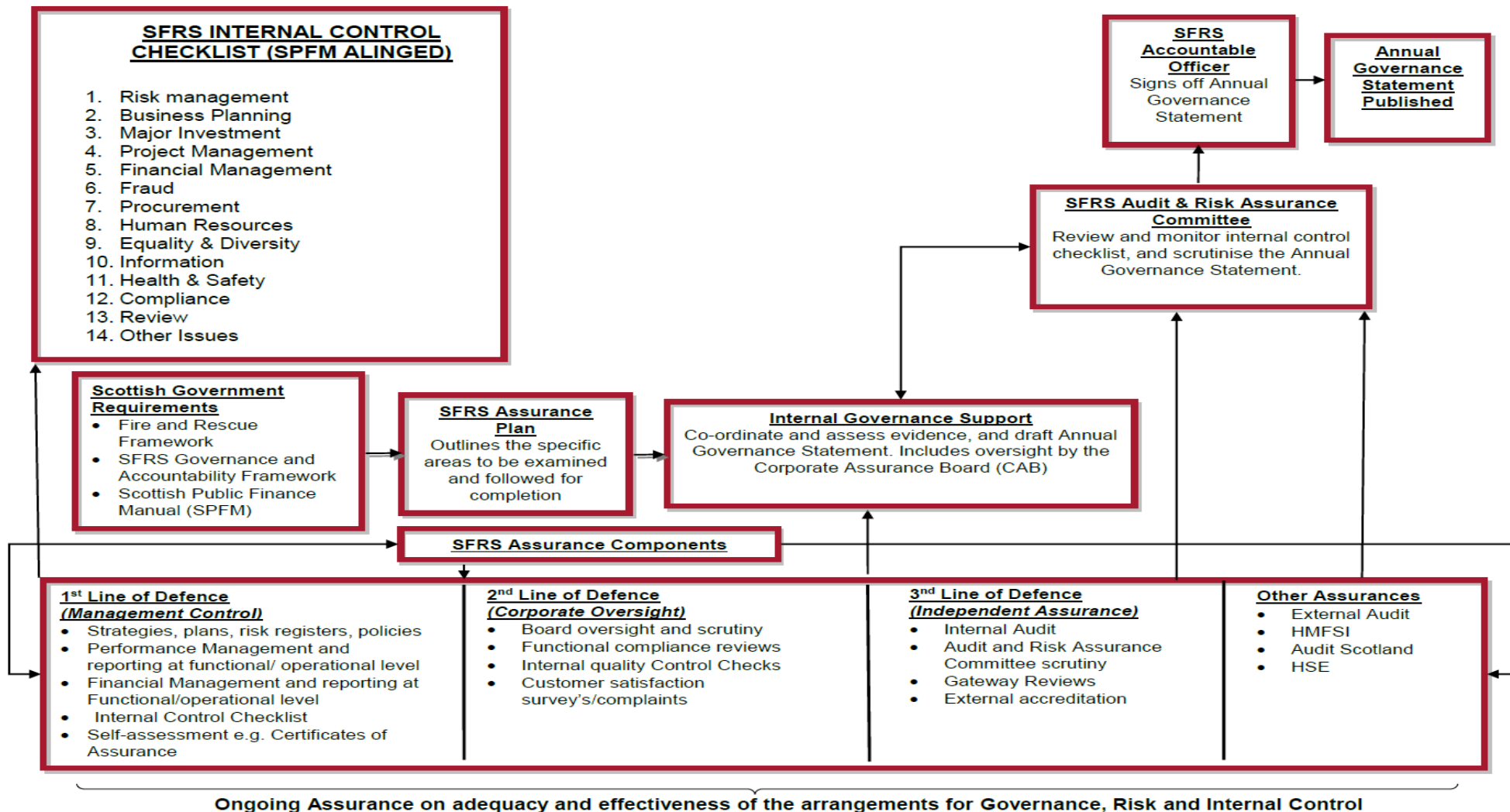
Report To:	AUDIT AND RISK ASSURANCE COMMITTEE		
Meeting Date:	27 MARCH 2019		
Report Title:	ARRANGEMENTS FOR PREPARING THE 2018-19 ANNUAL GOVERNMENT STATEMENT (AGS)		
Report Classification:	For Noting	Board/Committee Meetings ONLY	
		For Reports to be held in Private	
		Reason	
1	Purpose		
1.1	The purpose of this report is to outline the preparatory arrangements and reporting methods that have been developed for providing sufficient levels of assurance in support of the 2018-19 AGS.		
2	Background		
2.1	The Scottish Public Finance Manual (SPFM) requires the Accountable Officer to produce an AGS for inclusion within the accountability section of the Annual Report and Accounts. In summary the AGS outlines the effectiveness of the arrangements that are in place for internal control, risk management and corporate governance, during the period under review.		
3	Main Report and Discussion		
3.1	At its meeting on 27 March 2019, Audit and Risk Assurance Committee (ARAC) will consider the Scottish Fire and Rescue Service's (SFRS) approach for preparing the AGS for the year ended March 2019. This approach includes the SFRS's Assurance Framework Appendix A , SFRS Assurance Plan Appendix B and the Timeline for Preparing Certificates of Assurance Appendix C . Together this will enable the Service to ensure SPFM compliance in a coordinated, well managed and structured way across the SFRS.		
3.2	The content, layout and style of the AGS will be prepared to take into account the: <ul style="list-style-type: none"> • Essential features outlined in the SPFM • Recent updates (February 2019) to the Internal Control Checklist with updated guidance supplied to support those completing • Strategic risks • Best practice of other public bodies • Changes to the structure of the Annual Report and Accounts • Greater focus on highlighting where assurances can be provided, achievements and outcomes during the period under review. • Board and Committee effectiveness • Future with a more forward look 		

3.3	A report by Internal Audit was provided for 2016/17. The report identified further improvements to strengthen the AGS process all of which are now fully incorporated into the SFRS Assurance Plan Appendix B in support of the preparation and completion of the AGS.
3.4	Administering the SFRS Assurance Framework and preparing the 2018/19 AGS within the prescribed timescales will require good engagement across the organisation and the Board Support Team and Risk and Audit Manager will have responsibility for administering the Framework. This will include preparing the 2018/19 AGS for inclusion in the end of year Annual Report and Accounts.
3.5	Duplication has been reduced wherever possible and the overall framework has been strengthened through the preparation of formal guidance and development of training programme hosted on our Learning Content and Management System (LCMS). Improvement Action Plans (IPA's) have been introduced with additional scrutiny and monitoring through the Corporate Assurance Board (CAB) and ARAC by exception reporting.
3.6	The SFRS policy for preparing the AGS for the Accountable Officer has been reviewed with no significant updates. This continues to give further guidance and clarity to DACO's/Heads of Function and Directors when completing their Certificates of Assurance and Internal Control Checklists for the AGS.
3.7	External Audit's annual programme of work for auditing the SFRS requires the AGS to be completed for audit by the end of June each year. To ensure this deadline is met for the 2018/19 AGS, the SFRS Timeline for Preparing Certificates of Assurance Appendix C has been developed using a risk based approach in consultation with the SFRS Risk and Audit Manager.
3.8	The Assurance Framework is owned by the Accountable Officer who will sign off the 2018/19 AGS as a statement of the adequacy and effectiveness of the SFRS's governance, risk and internal control arrangements. Directorates will assist in the preparation of the AGS by confirming the evidence against the areas highlighted in the SFRS Internal Control Checklist are in place.
3.9	It will continue to be the responsibility of the DACO's/Heads of Functions to ensure the evidence in support of their Certificates of Assurance is readily available should this be required for any further Internal or External Audit purposes or further scrutiny by the CAB and/or ARAC. 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.
3.10	The ARAC will have complete oversight of the SFRS Assurance Framework and will scrutinise the 2018/19 AGS at its public meeting planned for 13 June 2019.
4	Recommendation
4.1	<p>The Committee are requested to note:</p> <ul style="list-style-type: none"> • The legislative background and SFRS approach towards the AGS preparations • The SFRS Assurance Framework Appendix A • The SFRS Assurance Plan Appendix B, outlining a plan of assurance activity to be carried out over the coming months to support the preparation of the AGS followed by the continued monitoring of • The Timeline for Preparing the Certificates of Assurance as set out within Appendix C

5	Key Strategic Implications
5.1 5.1.1	Financial There are no key strategic financial implications arising from the recommendations set out in this paper.
5.2 5.2.1	Legal The AGS is a requirement of the SPFM and is a key feature of the Annual Report and Accounts, both of which are published to meet statutory and parliamentary compliance. The SFRS Assurance Framework will therefore enable the Service to manage the evidence required to prepare the 2018/19 AGS in a structured and coordinated manner.
5.3 5.3.1	Performance Improvement actions identified through our Internal Audit with recommendations have been fully incorporated in preparation for the 2018/19 AGS. Further scrutiny in relation to the Internal Control Checklists and Improvement Actions Plans will be conducted by CAB and ARAC. The Annual Operating Plan or business as usual arrangements remain in place to ensure that these are monitored and reviewed thereby ensuring continuous improvement.
5.4 5.4.1	Environmental & Sustainability There are no key strategic environmental and sustainability implications arising from the recommendations set out in this paper.
5.5 5.5.1	Workforce As this is a significant piece of work, which has to be completed within relatively short timescales, resourcing will be reviewed by the Board Support Team and Risk Manager on a regular basis. DACO's/Head of Function who are responsible for providing evidence to support the 2018/19 AGS have been identified and will be given support and guidance by the Internal Governance Support Team (consisting of the SFRS Board Support Team and Risk and Audit Manager).
5.6 5.6.1	Health & Safety There are no key strategic health and safety implications arising from the recommendations set out in this paper.
5.7 5.7.1	Timing The support arrangements have been scheduled to ensure that expected timescales will be realised following the 'Timeline for Preparing Certificates of Assurance' Appendix C .
5.8 5.8.1	Equalities There are no key strategic equalities implications arising from the recommendations set out in this paper.
5.9 5.9.1	Information Governance There are no key strategic information governance implications arising from the recommendations set out in this paper.
5.10 5.10.1	Risk In relation to the legal implications outlined at 5.2, the implementation of these arrangements for preparing the AGS is intended to assist the ARAC to perform its scrutiny role and deliver its statutory duties effectively.

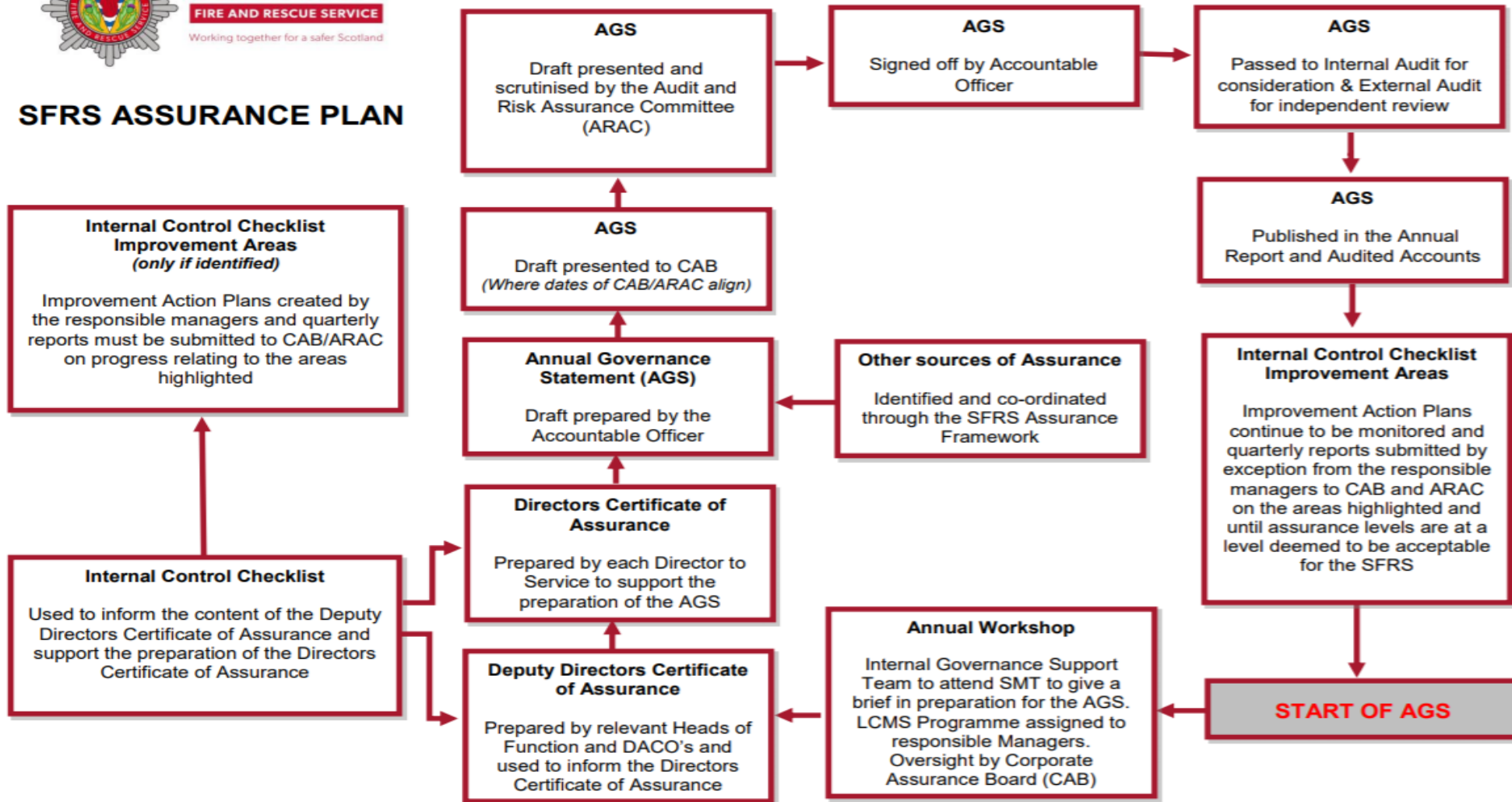
5.11	Communications & Engagement		
5.11.1	The arrangements for preparing the 2018/19 AGS was presented to the Strategic Leadership Team on 25 March 2019 and is now being presented to the ARAC on 27 March 2019. As the majority of the evidence gathering in support of the AGS is coordinated by DACO's/Heads of Function (Deputy Directors), the process for producing this year's AGS including key changes will also be presented to the Senior Management Team on 27 March 2019. Follow-up support sessions will be available on request from the Internal Governance Support Team (SFRS Board Support Team and Risk and Audit Manager).		
5.12	Training		
5.12.1	There are no key training implications arising from the recommendations set out in this paper.		
6	Core Brief		
6.1	Not Applicable		
7	Appendices/Further Reading		
7.1	Appendix A - SFRS Assurance Framework		
7.2	Appendix B - SFRS Assurance Plan		
7.3	Appendix C - Timeline for Preparing Certificates of Assurance		
Prepared by:	Alasdair Cameron, Group Manager, Board Support Team		
Sponsored by:	Martin Blunden, Chief Officer (Accountable Officer)		
Presented by:	Martin Blunden, Chief Officer (Accountable Officer)		
Links to Strategy			
<p>This links to SFRS Strategic Plan 2016-19 through our priorities of Governance and Social Responsibility, incorporating the following associated key strategic objectives:</p> <ul style="list-style-type: none"> • We will continue to ensure that our decision making processes are transparent and evidence led. • We will develop a performance framework that enables the effective management of risk and supports effective scrutiny, challenge and improvement. • We will embed effective communication and engagement in all that we do. 			
Governance Route for Report		Meeting Date	Comment
<i>Strategic Leadership Team Performance</i>		<i>25 March 2019</i>	<i>For Noting</i>
<i>Strategic Management Team</i>		<i>27 March 2019</i>	<i>For Noting</i>
<i>Audit and Risk Assurance Committee</i>		<i>27 March 2019</i>	<i>For Noting</i>

SCOTTISH FIRE AND RESCUE SERVICE ASSURANCE FRAMEWORK





SFRS ASSURANCE PLAN





Timeline for Preparing Certificates of Assurance

