



**SCOTTISH**  
**FIRE AND RESCUE SERVICE**

Working together for a safer Scotland

**PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE**

**THURSDAY 14 OCTOBER 2021 @ 1330 HRS**

**BY CONFERENCE FACILITIES**

**PRESENT:**

Brian Baverstock, Chair (BB)  
Paul Stollard (PS)  
Mhairi Wylie (MW)

L Bloomer, Deputy Chair (LBI)  
Tim Wright (TW)

**IN ATTENDANCE:**

Ross Haggart (RH)  
John Thomson (JTh)  
David Johnston (DJ)  
Gary Devlin (GD)  
Matthew Swann (MS)  
Gillian Callaghan (GC)  
Pat Kenny (PK)  
Caroline Jamieson (CJ)  
Scott Semple (SS)  
Robert Scott (RS)  
Kirsty Darwent (KD)  
Richard Whetton (RW)  
Heather Greig (HG)  
Debbie Haddow (DH)

Deputy Chief Officer  
Acting Director of Finance and Procurement  
Risk and Audit Manager  
Internal Audit (Azets)  
Internal Audit (Azets)  
Internal Audit (Azets)  
External Audit (Deloitte)  
External Audit (Deloitte)  
Head of POD  
HMFSI  
Chair of SFRS Board  
Head of Governance, Strategy and Performance  
Board Support Executive Officer  
Board Support/Minutes

**OBSERVERS:**

Karen Horrocks, Assistant Verification and Risk Officer  
Lorna Smith, Scottish Government

**1 CHAIR'S WELCOME**

- 1.1 The Chair opened the meeting and welcomed those participating via conference facilities.
- 1.2 The Committee were reminded to raise their hands, in accordance with the remote meeting protocol, should they wish to ask a question.
- 1.3 This meeting would be recorded and published on the public website.

**2 APOLOGIES**

- 2.1 Martin Blunden, Chief Officer  
Mark McAteer, Director of Strategic Planning, Performance and Communications

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

3.1 The Committee discussed and agreed that Item 18 (External Audit – Annual report to Members and Auditor General for Scotland) and Item 19 (SFRS Draft Annual Report and Accounts 2019/20), would be heard in private session due to confidential financial information not already in the public domain and matters considered of a confidential nature in line with Standing Orders (Item 9E and 9G respectively).

3.2 No further items were identified.

**4 DECLARATION OF INTERESTS**

4.1 None.

**5 MINUTES OF PREVIOUS PUBLIC MEETING:**

**5.1 Thursday 8 July 2021**

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

**5.2 Thursday 26 August 2021 (Special)**

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

**5.3 Matters Arising**

5.3.1 There were no matters arising.

5.4 **The minutes of the meeting held on 8 July 2021 and 26 August 2021 were approved as a true record of the meetings.**

**6 ACTION LOG**

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

**Item 14.2 Quarterly Update of Gifts, Hospitality and Interests Register (08/07/2021):**

The Committee were still keen to understand the effectiveness of the new Fraud Policy, however, they noted that the process for gathering feedback had been initiated. DJ outlined his proposal for gathering further feedback and engagement with Directorates. It was agreed that this action would be closed.

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 2021/22**

7.1.1 GD presented a report to the Committee which summarised the progress on the delivery of the 2021/22 Internal Audit Plan and the following key points were highlighted:

- Completion of Remote Working Audit
- Completion of fieldwork for Fire Safety Enforcement Audit
- Planning underway for the Learning and Development Audit
- Status of Key Performance Indicators (green)

7.1.2 In regard to KPI 4 (customer feedback), the Committee were reminded that this was gathered through an iterative process. DJ noted that the relationship with Azets was positive and there was a good level of engagement throughout the Service. Should any areas of improvement be identified, these would be discussed and actioned. GD confirmed there was positive and strong engagement with a focus on continuous improvement for both Azets and the Service.

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### 7.1.3 Final Report – SFRS Remote Working

7.1.4 MS advised the Committee of the outcome of the audit which found the SFRS's arrangements for remote working reflected good practice and identified 5 areas of improvement.

7.1.5 SS acknowledged the positive report and noted that the Service were still in the learning process and developing the concept. SS informed the Committee that a series of staff agile working workshops had been held and some of the feedback aligned with the audit findings. SS noted that the Agile Working Group had been convened to develop and implement the Agile Working Framework.

7.1.6 JT to confirm with ICT colleagues to provide clarification on the status of the multi factor authentication project.

**ACTION: JT**

7.1.7 The Committee commented on the increased risk to data security/personal safety and the potential risk to staff feeling isolated or disconnected from the Service. SS noted that both personal safety and cyber security were important and at the forefront of guidance for staff which was similar to the Lone Working guidance. SS reminded the Committee that Agile Working was only one option available to staff and that this may not work for the individual or wider team. There would still be an expectation and need for individuals to maintain connections to reduce the risk of them becoming or feeling isolated.

7.1.8 In regard to the staff survey undertaken by Azets, the Committee commented on the small sample size and MS advised that this was due to issues with accessing the data to contact individuals direct.

7.1.9 In regard to training, SS noted that a range of training including mandatory elements was currently being developed. He noted the differing opinions/attitudes of and the challenges faced by managers, however, the Service were asking managers to be open and willing to trial and test agile working options.

7.1.10 RH reminded the Committee that due to the ongoing restrictions, the Service were still unable to fully understand the true implementation of agile working.

7.1.11 The Committee commented that this was an extremely positive report and highlights the significant progress the Service had made in responding to the challenges of enforced remote working.

7.1.12 **The Committee scrutinised the progress report and the final report.**

### 7.2 **Progress Update – Internal Audit Recommendations**

7.2.1 MS presented a report to the Committee outlining the status of the recommendations raised by Internal Audit noting the inclusion of a comments section from Azets on previous outstanding recommendations. The following key areas were highlighted:

- New arrangements agreed regarding reviewing older actions to check the relevance of the action.
- Both the Fraud and Risk Policies were being presented at today's meeting and it was anticipated that this would remove several outstanding actions in the coming months.

7.2.2 The Committee noted and welcomed the new arrangements for reviewing older recommendations with a view to streamlining the report.

7.2.3 In regard to Recommendation 4 (Water Planning), DJ advised the Committee that further assurance was required to evidence how the work was progressing. RH noted that the overarching risk on water planning had been deescalated due to the positive action taken

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with Scottish Water. The Committee would welcome an update at the next meeting (January 2022).

**ACTION: DJ**

- 7.2.4 The Committee commented on the numerous revised timescales and noted the potential reasons ie over ambitious, impact of Covid, reliance on 3<sup>rd</sup> parties, etc. The Committee have asked for some focus to be given around recommendations where there are multiple date changes and to report back at the next meeting.

**ACTION: Azets**

- 7.2.5 **The Committee welcomed the update and the progress being made.**

## 8 INDEPENDENT AUDIT/INSPECTION ACTION PLAN UPDATE

- 8.1 RW presented a report to the Committee outlining the arrangements for managing audits/inspections reports and associated action plans and provided an update on the progress relating to the Audit Scotland report. The following key points were highlighted:
- Audit and Inspection overview dashboard which provides high level details of all action plans.
  - Audit Scotland Report (May 2018) Action Plan; Further 2 actions completed, revised timescale for last remaining action (Retained Duty System Terms and Conditions). Overall 98% completion.

8.2

Typographical error within the title of Appendix B, was identified and amended.

8.3

**The Committee scrutinised the report.**

## 9 AUDIT DIMENSIONS AND BEST VALUE FOR THE YEAR ENDED 31 MARCH 2021

- 9.1 The Committee were reminded that the draft version of the report had been presented and discussed at their special meeting on 26 August 2021. An updated report was now presented to the Committee for completeness and scrutiny of any substantive changes (since 26 August 2021).

- 9.2 PK confirmed that the report has been amended in line with the discussion on 26 August and upon receipt of correspondence from the Committee Chair. He outlined the following main changes:

- Introduction section: Revised to provide clarity that the audit was risk based and proportionate as per the wider scope guidelines set by Audit Scotland. Therefore, the audit was likely to identify areas of improvements and should not be read as a comment on the overall performance of the Service.
- Training Strategy recommendation: Key issue was regularly reporting targets set to allow effectiveness and implementation of the training strategy to be assessed.
- Outstanding Internal Audit recommendations: Revised narrative to clarify the position.

- 9.3 In regard to the management response, JT confirmed that the Committee's comments had been reflected in the action plan and that timescales had been revised to be more realistic. Following discussions at the pre-agenda meeting (4 October), JT advised the Committee that further adjustments would be made to provide greater clarity and noted that some timescales had still to be updated. JT to provide details of these revisions to the next meeting.

**ACTION: JT**

- 9.4 **The Committee scrutinised the report and confirmed that they were content with the revisions made.**

## 10 DRAFT ANTI-FRAUD AND CORRUPTION POLICY

- 10.1 DJ presented a report to the Committee which contained the draft Anti-Fraud and Corruption Policy for scrutiny and highlighted the following key issues:

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- Policy defines the Fraud Framework and aligns with other relevant policies to minimise the risk of fraud and corruption and enhancing the Service's overall systems of control.
- To raise awareness and understanding, initial fraud training had been delivered to some staff and a fraud LCMS training package has been developed and a roll out programme was being considered. This would also include direct engagement with Directorates to raise awareness.
- Future reporting would be through the Good Governance Board and ARAC.

10.2 DJ clarified that during the initial investigation phase to identify potential fraud, consideration would be given to the sensitivities of the allegations before briefing the Chief Officer, etc. He confirmed that should fraud be identified then the Chief Officer, etc would be informed.

10.3 RW briefed the Committee on the role and remit of the Good Governance Board and agreed to circulate the Terms of Reference for information.

**ACTION: RW**

10.4 The Committee commented on the term "*gross negligence*" and queried whether this could be restrictive. DJ advised the Committee that advice had been sought from Legal Services regarding this term and would confirm the wording used and notify the Chair outwith the meeting.

**ACTION: DJ**

10.5 DJ reminded the Committee that the purpose of the Anti-Fraud Policy was to raise awareness, outline processes, highlight potential danger signs/identifiers and its links to other policies.

10.6 JT assured the Committee that any suspected fraudulent activities would be reported to the Chair of the Board and ARAC as soon as possible, and would then form part of the regular update report submitted to the Committee.

10.7 **The Committee scrutinised and, subject to minor amendments, recommended the Anti-Fraud and Corruption Policy to the Board for approval.**

## 11 DRAFT RISK MANAGEMENT POLICY

11.1 DJ presented a report to the Committee which contained the draft Risk Management Policy for scrutiny and highlighted the following key issues:

- Policy promotes awareness of risk, provides assurance of adequate controls in place, and alignment to the Service's management of risk processes.
- Maturing of the risk framework to further strengthen system of controls and alignment to risk maturity.
- Policy updated to reflect the current practices such as provision of assurance, ability for scrutiny at all levels, increased awareness and engagement.
- Need for period of stability to embed the framework (as outlined in the Internal Audit 's report on Risk Management).
- Future Strategy Day session on Risk Appetite (January 2022).
- Portfolio Office were developing new documentation and this would be aligned to the new risk management practices and framework.
- Revised reporting template had been well received, provides greater transparency and scrutiny at all management levels. This has generated an increase in requests for further information and work was ongoing to develop an additional level to look at functional and project risks within the reporting tool.

11.2 The Committee noted the risk appetite session at a future strategy day and indicated that during this session a discussion on how the risk description and scoring reflected on the risk appetite at different points.

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11.3 The Committee commented on the need for the Portfolio Office's reporting of risks to be aligned with the risk management framework. DJ assured the Committee that he was engaging with the Head of Portfolio Office, who was aware and keen to ensure alignment. The Committee acknowledged that the reporting of project risks was well established and requested that a specific update on the alignment process be included in the risk reporting at the next meeting (January 2022).

**ACTION: DJ**

11.4 To provide transparency, RS advised the Committee that risk and change management would be a particular focus of HMFSI going forward. BB thanked RS for this early indication and would welcome the opportunity to discuss this further outwith the meeting.

11.5 **The Committee scrutinised and recommended the Risk Management Policy to the Board for approval.**

**12 QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS REGISTER**

12.1 DJ presented the report to the Committee providing an update on the Gifts, Hospitality and Interests Register for Quarter 2 2021/22.

12.2 The Committee noted their concerns regarding the number of individuals not self-identifying and the potential lack of awareness and effectiveness of the new policy. Discussions to be held outwith the meeting to consider areas to be reported on at the next meeting (January 2022) in order to provide broader assurance around additional actions being taken where interests are reported.

**ACTION: BB/DJ**

12.3 **The Committee noted the report.**

*(The meeting broke at 1516 hrs and reconvened at 1526 hrs)*

**13 INTERNAL CONTROLS UPDATE**

**13.1 a) Overview of Strategic Risk Register and Aligned Directorate Risks**

13.1.1 DJ presented the revised Strategic Risk Register (SRR) along with the aligned Directorate Risks to the Committee and outlined the information contained within the appendices.

13.1.2 DJ provided further clarity on the information being presented within Appendix D (Directorate Closed Control Summary) and Appendix E (Directorate Closed Risk Summary).

13.1.3 Regarding changes to risk ratings, DJ confirmed there were no changes during this reporting period and stated that any changes would continue to be captured and reported within future reports.

13.1.4 The Committee commented on the opportunity to influence the reporting format/process and felt that this has been missed. DJ noted that the new format was being presented today and the Committee still had the opportunity to provide some feedback. BB and DJ to discuss the format of the report further outwith the meeting.

**ACTION: BB/DJ**

13.1.5 The Committee noted potential loss of the overarching commentary, details of changes to risk ratings, effectiveness of controls, etc from the new format of reporting. DJ advised the Committee that although the format of the report had been revised, the same information was being presented and, if appropriate, additional information could also be provided. JT informed the Committee that the new format risk report was well received by the Strategic Leadership Team and provided additional levels of granularity.

13.1.6 **The Committee scrutinised and supported the continued development the report.**

- 13.2 **b) Anti-fraud/Whistleblowing Update**  
13.2.1 JT noted that there were no issues to report.

**14 QUARTERLY UPDATE REPORT ON HMFSI BUSINESS**

14.1 RS presented the quarterly report to the Committee to provide an update on HMFSI's inspection and reporting activity during 2021/22 and the following key areas were noted:

- Local Area Inspection (LAI) for Argyll and Bute now complete and the LAI for Angus has commenced.
- Formal discussions underway regarding new proposals for annual Service Delivery Area inspections rather than individual Local Authority area inspections. Further details would be provided at the next Board Strategy Day (November 2021).
- Thematic Inspection on the Service's plans and preparedness for the UN Climate Change Conference had now been completed.
- Fieldwork for the Thematic Inspection re Firefighting in High Rise Buildings was still ongoing and the final report would be laid before Parliament in May 2022.
- Fieldwork for the Thematic Inspection re Health and Safety - An Operational Focus has been concluded and the final report would be available in Quarter 4 2021/22.
- Thematic Inspection on the Review of Operational and Protective Equipment had been deferred and would be rescheduled as necessary. Reminder that Azets previously carried out an audit on this area.

14.2 RS confirmed that potential benchmarking proposals would be included in the Strategy Day session.

14.3 The Committee noted and welcomed the collaborative approach and engagement with the Inspector. RS thanked the Service for how he and the revised approach had been accepted.

14.4 **The Committee noted the report.**

**15 REVIEW OF ACTIONS**

15.1 HG confirmed that 9 formal actions were recorded during the meeting.

**16 FORWARD PLANNING**

**16.1 a) Committee Forward Plan Review**

The Committee considered and noted the Forward Plan.

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

No items were noted.

**17 DATE OF NEXT MEETING**

17.1 The next meeting is scheduled to take place on Thursday 20 January 2022 at 1000 hrs.

17.2 There being no further matters to discuss the public meeting closed at 1605 hrs.

**PRIVATE SESSION**

**18 EXTERNAL AUDIT – ANNUAL REPORT TO MEMBERS AND AUDITOR GENERAL FOR SCOTLAND**

18.1

CJ presented the Annual Report to Members and Auditor General for Scotland report to the Committee and noted some key areas. The Committee scrutinised the report, noted the areas still to be finalised, and thanked all those involved in the production of the report.

**19 SCOTTISH FIRE AND RESCUE SERVICE DRAFT ANNUAL REPORT AND ACCOUNTS 2020/21**

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- 19.1 The Committee scrutinised the draft Annual Report and Accounts 2020/21 and, subject to the satisfactory conclusion of the outstanding issues, recommended the report for approval by the SFRS Board on 28 October 2021.
- 19.2 Thanks were extended to all those involved in the preparation of the annual report and accounts.