



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

Report to:	THE BOARD OF THE SCOTTISH FIRE AND RESCUE SERVICE
Report Number:	B/ARAC/02-15
Date:	26 MARCH 2015
Report By:	NEIL PIRIE, CHAIR, AUDIT & RISK ASSURANCE COMMITTEE

Subject:	COMMITTEE UPDATE
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1. SUMMARY

- 1.1. To report to the Board on the meeting of the Audit and Risk Assurance Committee held on 4th March 2015.

2. RECOMMENDATION

- 2.1 That the Board note the report.

3. BACKGROUND

- 1.1. The main matters considered by the Committee were:
 - a) HMFSI Update
 - b) Internal Audit
 - c) External Audit
 - d) Corporate Risk Register
 - e) Reviewing the Committee's effectiveness

4. ISSUES DISCUSSED

4.1 HMFSI

HMFSI report on Performance Management Systems in the SFRS should be laid before Parliament in May. Findings are positive overall. The inspection relating to Planning and Defining Service Resources is ongoing, and a May publication is also planned.

The first local area inspection in Aberdeen was successfully completed. The next takes place in East Renfrewshire followed by the Wester Isles.

Future inspections will look at flooding preparedness (March) and unwanted fire signals (May).

ACO Scott informed the Committee about the establishment of the Performance Improvement Forum to ensure robust action and follow up in response to HMFSI reports. This will be a valuable source of assurance to the ARAC.

HMFSI reports and the SFRS responses to them will be published on the SFRS website.

4.2 **Internal Audit**

Latest audit reports covering Procurement Card Management and Service Transformation have been issued. The former provide 'limited' and the latter 'substantial' assurance. Although the procurement card controls had significant weaknesses, these largely relate to failings in legacy procedures. A new SFRS policy has recently been introduced and addresses the main concerns.

The Committee approved the deferral of the planned audit of travel and subsistence into 2015/16.

A significant improvement in the implementation of audit recommendations was noted.

The committee approved the proposed internal audit plan for 2015/16.

4.3 **External Audit**

Grant Thornton presented the audit plan for 2014/2015. The plan timetable points to completion and presentation of the Annual Report in October. Key areas for audit include expenditure, payroll and pensions.

4.4 **Risk Register**

An update was provided highlighting no changes to risk ratings. The register has been updated to reflect completion of various 'additional management actions'.

A new corporate risk relating to the Firelink project has been identified and is now included in the register.

4.5. The committee will be considering new arrangements to review its effectiveness. Last year used the questionnaire contained within the SG Audit Committee Handbook. This year the ARAC plans to use the Public Sector Improvement Framework as the basis for review. This may have relevance for other committees.

4.6. The committee noted the proposed arrangements for the preparation of the 2014/15 Annual Governance Statement, which is a key part of the annual report and accounts. Key to this is the organisations assurance framework which has been scrutinised by the Committee.

5. LIST OF APPENDICES TO THIS REPORT

5.1 None.

6. LIST OF BACKGROUND PAPERS

6.1 Papers for the meeting of the Committee on 4 March 2015.

**NEIL PIRIE
CHAIR, AUDIT & RISK ASSURANCE COMMITTEE
MARCH 2015**