



NOT PROTECTIVELY MARKED

PUBLIC BOARD MEETING

**29 May 2024
Item 10**

THIS PAPER IS FOR APPROVAL

INTERNAL AUDIT PLAN 2024/25

Lead Director Author	Julie Carter, Director of Finance, Logistics and Strategy
Action required	Board members are asked to approve the attached Internal Audit plan for the year 2024/25
Key points	<p>The internal audit plan for the year 2024/25 has been developed through the following process</p> <ul style="list-style-type: none">- Internal audit review of areas not yet reviewed, audit risk universe and areas identified as part of the 3 year plan- 1-1 meetings with Chairs of Governance groups, Chief Executive, Chair and Executive team <p>The plan has been reviewed and approved by the Audit and Risk Committee.</p>
Timing	The plan identifies indicative timings that may change as the year progresses but the delivery of the plan will be completed by March 2025.
Associated Corporate Risk Identification	Links to all Corporate Risks
Link to Corporate Ambitions	Links to all Corporate ambitions



SCOTTISH AMBULANCE SERVICE BOARD

INTERNAL AUDIT PLAN 2024-25

JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS AND STRATEGY

SECTION 1: PURPOSE

Board members are asked to approve the attached Internal Audit Plan for 2024/25.

SECTION 2: RECOMMENDATIONS

The Internal Audit Plan for 2024/25 has been reviewed and approved by the Executive Team and the Audit and Risk Committee and is attached for approval by the Scottish Ambulance Service Board.

SECTION 4: BACKGROUND

The SAS Board is collectively accountable for maintaining a sound system of internal controls and is responsible for putting in place arrangements for gaining assurance about the effectiveness of the overall system.

The internal audit service (through the Head of Internal Audit) is required to provide an annual opinion based on the work undertaken through the internal audit plan for the year, to contribute to the assurances available to the Accountable Officer and the Board which forms the basis of the annual governance statement.

This risk based programme of work is defined within the Internal Audit Plan for the year as attached for the financial year 2024/25.

SECTION 5: DISCUSSION

The internal audit plan for the year 2024/25 is attached for approval by the SAS Board. This was completed with input from the Audit and Risk Committee, the Executive Team and the chairs of the Governance Committees. This also included reference to, with more detail included in the plan:

- The strategic analysis linked to our 2030 strategy
- The audit risk assessment
- A summary of the high level scope although these will be further defined prior to the commencement of the respective audits.

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Date: 2024-05-29	Version 1.0	Review Date: -

Members are asked to also note there is a proposed scheduled of audits throughout the year although it is likely they may change in terms of timing, although the full delivery of the plan will be completed by March 2025. Progress against the plan is reported at each Audit and Risk Committee meeting.

This internal audit plan is also reviewed against the wider 2023-2027 plan and updated to reflect the current risks and priorities of the Service.

As agreed at the Audit and Risk Committee, the following actions will also be put in place from 2024/25, linked to the Board Assurance Framework:

- The internal audit plan for the year ahead will be shared with the Board and the Governance groups with particular cross reference to where the actions and outputs are likely to be actioned and monitored.
- All management actions in each completed internal audit will be allocated for assurance of delivery and monitoring to the relevant assurance committees. This provides further support to the audit follow up process.

APPENDICES:

Appendix A – Draft Internal Audit Plan 24/25

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Date: 2024-05-29	Version 1.0	Review Date: -

Internal audit plan

Scottish Ambulance Service

KPMG Governance, Risk & Compliance Services (GRCS)

April 2024

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Key Performance Indicators

Distribution list

For action:

Julie Carter, Director of Finance

For information:

Audit and Risk Committee

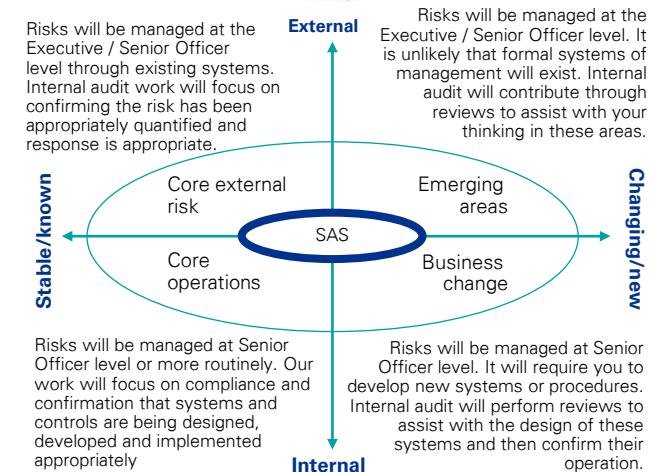
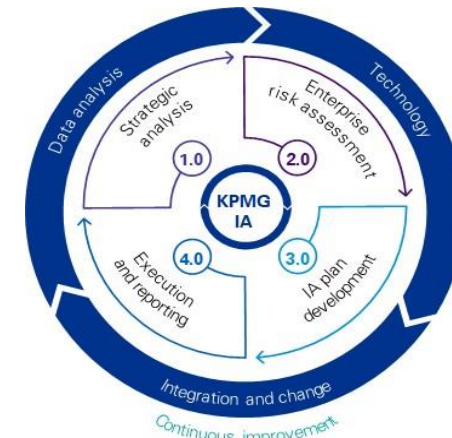
How we prepare the Internal Audit plan 2024/25

01

Our Internal Audit plan is devised by understanding the strategy and objectives of the Scottish Ambulance Service, its risk profile (whether strategic, operational, or change risks), considering the other forms of management and independent assurance and, therefore, agreeing what internal audit work is required. We have summarised this process opposite and provided details below:

- 1. Strategic analysis** In developing our risk assessment and plan for 2024/25 we review your vision and mission, as set out below, as well as your strategy
- 2. Enterprise risk assessment** Drawing on your risk register, our knowledge of the systems you operate, the audit work performed in prior years, and our wider knowledge of the health sector we use the approach shown opposite to categorise your auditable systems.
- 3. IA plan development** We have combined our assessment of the overall risks you face with a more traditional internal audit assessment of inherent risk, control risk and materiality to identify the sequence in which we will perform our work. To ensure that we track the type of work we are performing we have identified whether the work is based on a cyclical review of your systems to provide the Head of Internal Audit Opinion, or in response to a one off risk within the Scottish Ambulance Service.
- 4. Execution and Reporting:** At the conclusion of our planning process we also provide an initial summary of the scope of each review we are proposing and the timing of our work. These details are finalised in advance of the detailed fieldwork being completed as part of the Terms of Reference process we complete with audit sponsors (we have an Executive Sponsor for each review) and auditees (those who will be involved in more detail with our fieldwork). At the conclusion of our planning process we also provide an initial summary of the scope of each review we are proposing and the timing of our work. These details are finalised in advance of the detailed fieldwork being completed as part of the Terms of Reference process we complete with audit sponsors (we have an Executive Sponsor for each review) and auditees (those who will be involved in more detail with our fieldwork).

We produce risk rated reports for each internal audit to highlight the findings and seek management agreement on the factual content, and obtain comments on all of our proposed management actions. These reports, and individual findings, are rag rated to help you focus your resources on control/risk issues identified in priority order. We also produce regular progress reports for members of the Audit Committee, summarising the results of our work, status of the plan, and provide comment on how lessons learnt from our internal audits are shared across the organisation.



Summary of the internal audit plan 2024-25

01

We set out below the proposed schedule for delivering the Internal Audit Plan 2024-25. This schedule has been aligned with the planned dates of the Audit and Risk Committee to ensure a smooth and balanced cycle of reporting throughout the year.

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2024.01	Core Financial Control - Estates Repairs [Finance]												
2024.02	GRS Time Cards - Benefits Realisation [Data Quality]												
2024.03	Clinical Medicine Management [Strategic]												
2024.04	Clinical Hub [Risk]												
2024.05	Public Protection [Governance]												
2024.06	Infection Prevention Control [Compliance]												
2024.07	Follow-up reporting	Ongoing											
Audit and Risk Committee Dates				❖				❖			❖		❖

Indicative scopes - internal audit plan 2024-25

02

We set out below the proposed schedule for delivering the Internal Audit Plan 2024-25. This schedule has been aligned with the planned dates of the Audit and Risk Committee to ensure a smooth and balanced cycle of reporting throughout the year.

#	Name	Rationale for inclusion and scope	Sponsor(s)
2024.01	Core financial control - Estates repairs [Finance]	<p>Each year we perform an internal audit over an area of core financial control which supports our Chief Internal Auditor opinion as part of our Annual Internal Audit report. This can include areas such as Accounts Receivable, General Ledger, Payroll or Capital for example. Our core financial control audit in 2023-24 related to the logistics and stock management controls including the processes for ordering and receipt of goods/services.</p> <p>The Scottish Ambulance Service has an extensive estate which covers the national headquarters, ambulance control centres, education provision and over 130 ambulance stations across Scotland. There is a backlog of repairs needed in certain facilities and there is a prioritisation process in place for proactively dealing with those areas most in need of repair where funding is available. In 2023-24, a new estates system has been implemented which integrates in to the finance system and this has provided a more streamlined process for approvals. There is also a process in place for managing reactive and emergency repairs which is a significant cost to the Service each year and this will be the focus of our core financial control audit for 2024-25.</p>	<p>Director of Finance, Logistics and Strategy</p> <p>Q1 April - June 2024</p>
2024.02	GRS Time Cards - Benefits Realisation [IT]	<p>In early 2024, there will be a new module released on the Global Rostering System (GRS) which will improve the controls around how staff record time on the system, particularly in relation to managing areas such as unplanned overtime and rest breaks. In 2022-23, we completed two internal audits over the GRS given the critical importance of it (2022.03 GRS Resource Planning - Efficiency & Effectiveness, and 2022.04 GRS Resource Planning - System Resilience). The Scottish Ambulance Service is due to transition, pending the final outcome of the scoping review to the new national e-rostering system in 2024-25. It would be beneficial to undertake an internal audit following the implementation of the GRS Time Cards module to ensure that the benefits that had been defined have been suitably realised and continued into any new potential national system.</p>	<p>Director of Finance, Logistics and Strategy</p> <p>Q4 January to March 2025</p>

Indicative scopes - internal audit plan 2024-25

#	Name	Rationale for inclusion and scope	Sponsor
2024.03	Clinical medicine management [Strategic]	<p>As part of our core financial control internal audit for 2023-24 we reviewed the processes and controls in relation to logistics and stock management, specifically focusing on the three logistics hubs in Glasgow, Stirling and Inverness. We did not however specifically review the controls in relation to the management and distribution of medicines, and the selection and use of various suppliers.</p> <p>The procurement of various medicines is a significant cost to SAS, and costs are constantly increasing in this area and as such it is important that the process and controls for selecting, managing and distributing medicine are robust.</p>	<p>Medical Director</p> <p>Q1 April to June 2024</p>
2024.04	Clinical Hub [Risk]	<p>The development of the Integrated Clinical Hub remains one of the most critical strategic investments and priorities for SAS as it strives to reduce the pressures on the wider system by ensuring patients can receive help from the most appropriate service to best meet their needs.</p> <p>Scottish Government has provided an investment package to support SAS in implementing the Integrated Clinical Hub within the Ambulance Control Centre and the business case was approved by the SAS Board in March 2023. A Programme Board was established and the business case has been subsequently implemented and has been operation throughout 2023/24. Within section 4.2 of the business case there are five areas that were set out as 'Benefits' to the implementation of the Clinical Hub (Improved patient safety and experience/Improved Staff Experience/Contribution to wider system pressures/Reduced environmental impact/ and Financial and Efficiency Impact).</p> <p>Our internal audit will focus on the processes and controls in place to ensure that these benefits as set out in the business case are being monitored, reported and ultimately realised.</p>	<p>Medical Director</p> <p>Q3 October to December 2024</p>

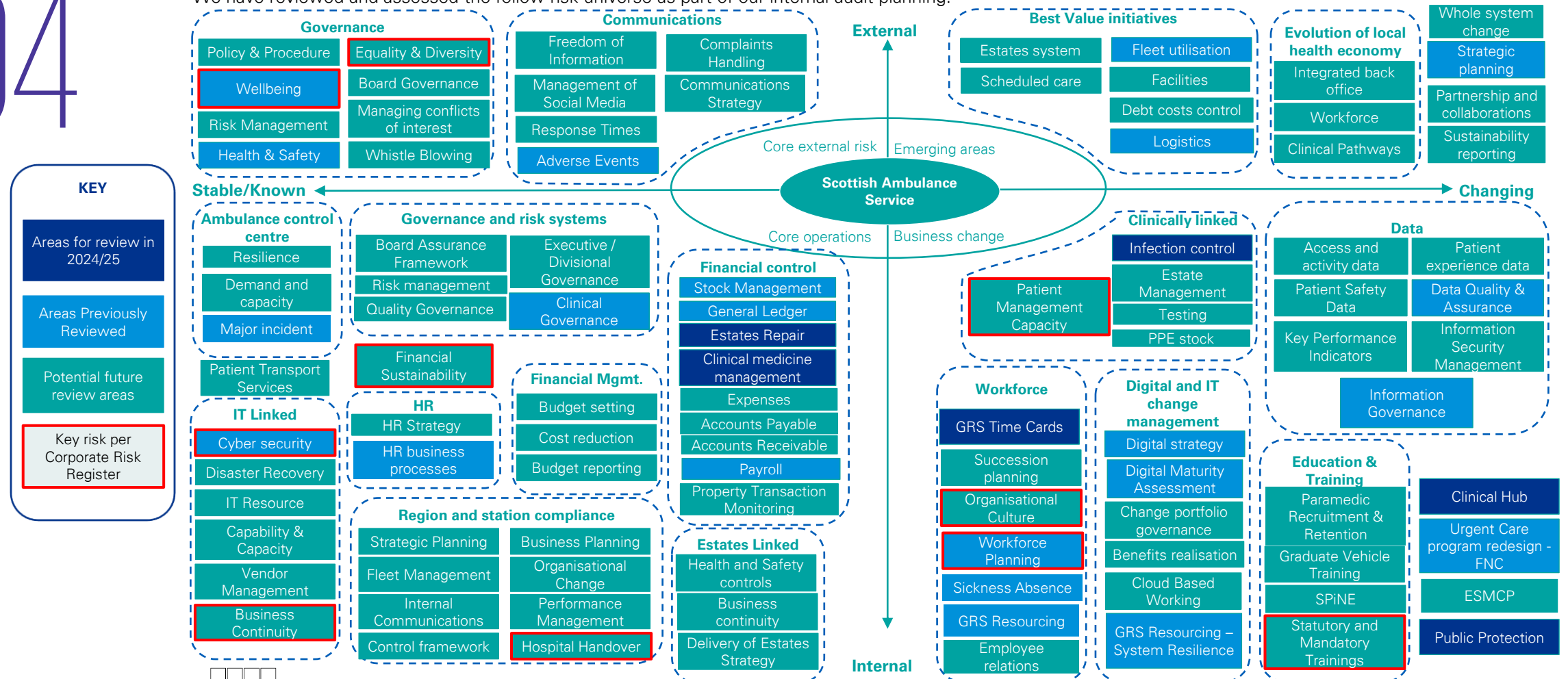
Indicative scopes - internal audit plan 2024-25

#	Name	Rationale for inclusion and scope	Sponsor
2024.05	Public Protection [Governance]	<p>Public protection is the prevention of harm to children (including unborn babies), and adults. In Scotland, the rights and responsibilities in the United Nations Convention on the Rights of the Child ('UNCRC') should underpin the provision of all services. In addition, public authorities have a legal duty under the Human Rights Act 1998 to act compatibly with the rights enshrined in the European Convention on Human Rights ('ECHR').</p> <p>Within SAS, the relatively newly formed Public Protection team was formally established approximately three years ago and are still developing their processes to ensure that the Service is compliant with the standards as set out in the NHS public protection accountability and assurance framework. Currently the Public Protection team is undertaking a self-assessment of their performance against the standards and our internal audit will provide further assurance that the Service has the processes and controls in place to ensure compliance with the standards.</p>	<p>Director of Care Quality and Professional Development</p> <p>Q2 July to September 2024</p>
2024.06	Infection Prevention Control [Compliance]	<p>Following COVID-19, many organisations involved in the provision of care have tightened their approach to managing infection control, health care infection incidents and their controls relating to transmission based precautions. The National Infection Prevention and Control Manual is a practice guide for health and social care practitioners across Scotland and aims to help reduce the risk of Healthcare Associated Infections and to optimise infection prevention measures and control practices across the country.</p> <p>Across the Scottish Ambulance Service, there are still inconsistencies in the approach to managing infection prevention and in discussions with management it has been agreed that we will undertake an internal audit over the lessons that have been learned following the pandemic.</p>	<p>Director of Care Quality and Professional Development</p> <p>Q2 July to September 2024</p>
2024.07	Follow-up reporting	<p>As part of the annual internal audit plan, we periodically monitor the implementation of internal audit recommendations. We will validate the evidence provided to ensure that the internal audit findings have been completed satisfactorily and the risks have been appropriately mitigated.</p>	<p>Director of Finance, Logistics and Strategy</p> <p>Ongoing</p>

Strategic internal audit plan 2023-27

04

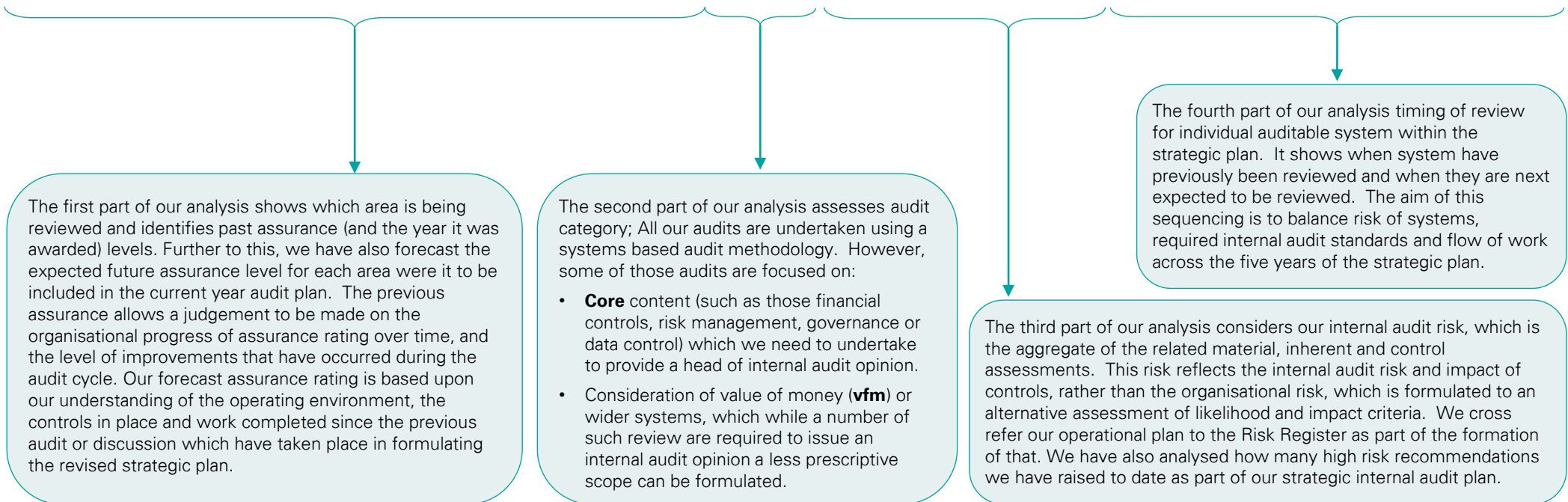
We have reviewed and assessed the follow risk universe as part of our internal audit planning:



Strategic internal audit plan 2023-27

Following our identification of the auditable systems and consideration of how these link to your strategy we have then developed our strategic plan to consider the audit risk and therefore the work to be completed within the remaining years of the strategy. We have set this out below:

Areas	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2022/23	2023/2024	2024/2025	2025/2026	2026/2027
Auditable Area		Systems	1	Medium		✓			



Strategic internal audit plan 2023-27

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2022/23	2023/24	2024/25	2025/26	2026/27
Core External Risk										
Governance – Policy and Procedure			CORE	-	LOW					
Governance – Wellbeing			CORE	-	HIGH		✓			
Governance – Risk Management			CORE	-	MEDIUM					
Governance – Health and Safety			CORE	-	HIGH		✓			
Governance – Equality and Diversity			CORE	-	HIGH					✓
Governance – Board Governance			CORE	-	LOW					
Governance – Managing Conflicts of Interest			CORE	-	MEDIUM					
Governance – Whistle Blowing			CORE	-	MEDIUM					
Communications – Freedom of Information			CORE	-	MEDIUM					
Communications – Management of Social Media			CORE	-	MEDIUM					
Communications – Communications Strategy			CORE	-	MEDIUM					
Communications – Complaints Handling			CORE	-	MEDIUM					
Communications – Response Times			CORE	-	MEDIUM					
Communications – Adverse Event			CORE	1	MEDIUM		✓			
Emerging Areas										
Best value initiatives – Estates system			VFM	-	MEDIUM					
Best value initiatives – Scheduled Care			VFM	-	MEDIUM					
Best value initiatives – Fleet utilisation			VFM	-	MEDIUM					
Best value initiatives – Facilities			VFM	-	MEDIUM					
Best value initiatives – Debt cost control			VFM	-	MEDIUM					

Strategic internal audit plan 2023-27

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2022/23	2023/24	2024/25	2025/26	2026/27
Emerging Areas (Continued)										
Best value initiatives – Logistics			VFM	-	MEDIUM		✓			
Evolution of local health economy – Integrated back office			VFM	-	MEDIUM					
Evolution of local health economy – Workforce			VFM	-	MEDIUM					
Evolution of local health economy – Clinical Pathways			VFM	-	MEDIUM					
Whole system change			VFM	-	MEDIUM					
Strategic planning			VFM	-	MEDIUM					
Partnership and collaborations			VFM	-	MEDIUM					
Sustainability reporting			VFM	-	MEDIUM					
Business Changes										
Clinically linked – Infection control			VFM	-	MEDIUM			✓		
Clinically linked – Estate Management			VFM	-	MEDIUM					
Clinically linked – Patient Management Capacity			VFM	-	HIGH					✓
Clinically linked – Testing			VFM	-	MEDIUM					
Clinically linked – PPE stock			VFM	-	LOW					
Data – Access and activity data			CORE	-	MEDIUM					
Data – Patient experience data			CORE	-	MEDIUM					
Data – Patient Safety Data			CORE	-	MEDIUM					
Data – Data Quality & Assurance			CORE	-	MEDIUM	✓				
Data – Key Performance Indicators			CORE	-	MEDIUM					
Data – Information Security Management			CORE	-	MEDIUM					

Strategic internal audit plan 2023-27

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2022/23	2023/24	2024/25	2025/26	2026/27
Business Changes										
Data – Information Governance			CORE	-	MEDIUM		✓			
Education & Training – Paramedic Recruitment & Retention			VFM	-	MEDIUM					
Education & Training – Graduate Vehicle Training			VFM	-	MEDIUM					
Education & Training – SPiNE			VFM	-	MEDIUM					
Education & Training – Statutory and Mandatory Trainings			VFM		HIGH					✓
Digital and IT change management – Digital strategy			VFM	-	MEDIUM					
Digital and IT change management – Change portfolio governance			VFM	-	MEDIUM					
Digital and IT change management – Benefits realisation			VFM	-	MEDIUM					
Digital and IT change management – Cloud Based Working			VFM	-	MEDIUM					
Digital and IT change management – GRS System Resilience			VFM	-	MEDIUM	✓				
Digital Maturity Assessment			VFM		MEDIUM		✓			
Workforce – Organisational Culture			CORE	-	HIGH					✓
Workforce – Succession planning			CORE	-	MEDIUM					
Workforce – Planning			CORE	-	HIGH					✓
Workforce – Sickness Absence			CORE	-	MEDIUM					
Workforce – GRS Resourcing			CORE	-	MEDIUM	✓				
Workforce - GRS Time Cards			CORE		MEDIUM			✓		
Workforce - Employee relations			CORE	-	MEDIUM					
ESMCP			VFM	-	MEDIUM					
Urgent Care Program Redesign - Flow Navigation Centres			VFM	-	MEDIUM		✓			

Strategic internal audit plan 2023-27

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2022/23	2023/24	2024/25	2025/26	2026/27
Business Changes (Continued)										
Public Protection			CORE	-	MEDIUM			✓		
Clinical Hub			CORE	-	MEDIUM			✓		
Core Operations										
Ambulance control centre – Resilience			VFM	-	MEDIUM					
Ambulance control centre – Demand and capacity			VFM	-	MEDIUM					
Ambulance control centre – Major incident			VFM	-	MEDIUM					
Governance and risk systems – Board Assurance Framework			CORE	-	MEDIUM					
Governance and risk systems – Risk management			CORE	-	MEDIUM					
Governance and risk systems – Executive / Divisional Governance			CORE	-	MEDIUM					
Governance and risk systems – Quality Governance			CORE	-	MEDIUM					
Clinical Governance			CORE	-	MEDIUM					
HR - HR Strategy			CORE	-	MEDIUM					
HR – HR business processes			CORE	-	MEDIUM					
Financial Controls - Core financial controls			CORE	-	MEDIUM	✓	✓	✓	✓	✓
Financial Controls - Stock Management			CORE	-	MEDIUM		✓			
Financial Controls – Payroll			CORE	-	MEDIUM					
Financial Controls – Expenses			CORE	-	LOW					
Financial Controls – Accounts Payable			CORE	-	MEDIUM					
Financial Controls – Accounts Receivable			CORE	-	MEDIUM					
Financial Controls – General Ledger Controls			CORE	-	MEDIUM	✓				
Financial Controls – Property Transaction Monitoring			CORE	-	LOW					

Strategic internal audit plan 2023-27

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2022/23	2023/24	2024/25	2025/26	2026/27
Core Operations (Continued)										
Financial Controls – Estates Repair			VFM		MEDIUM			✓		
Financial Controls - Clinical medicine management			VFM		MEDIUM			✓		
Estates Linked – Health and Safety controls			VFM	-	MEDIUM					
Estates Linked – Business continuity			VFM	-	MEDIUM					
Estates Linked – Delivery of Estates Strategy			VFM	-	MEDIUM					
IT Linked – Cyber security			CORE	-	HIGH				✓	
IT Linked – Disaster Recovery			CORE	-	HIGH					✓
IT Linked – IT Resource			CORE	-	MEDIUM					
IT Linked – Capability & Capacity			CORE	-	MEDIUM					
IT Linked – Vendor Management			CORE	-	MEDIUM					
IT Linked – Business Continuity	N/A		CORE	-	HIGH	✓				
Patient Transport Services			VFM	-	MEDIUM					
Region and station compliance – Strategic Planning			CORE	-	MEDIUM					
Region and station compliance – Fleet Management			CORE	-	LOW					
Region and station compliance – Internal Communications			CORE	-	MEDIUM					
Region and station compliance – Business Planning			CORE	-	MEDIUM					
Region and station compliance – Organisational Change			CORE	-	MEDIUM					
Region and station compliance – Performance Management			CORE	-	MEDIUM					
Region and station compliance – Control framework			CORE	-	MEDIUM					
Region and station compliance – Hospital Handover			CORE		HIGH					✓



Strategic internal audit plan 2023-27

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2022/23	2023/24	2024/25	2025/26	2026/27
Core Operations (Continued)										
Financial Management – Budget setting			VFM	-	MEDIUM					
Financial Management – Cost reduction			VFM	-	MEDIUM					
Financial Management – Budget reporting			VFM	-	MEDIUM					
Financial Sustainability			VFM	-	HIGH				✓	

Total cost of internal audit reviews (84 days)	£59,808
Actions follow up (12 days)	£8,544
Planning and contract management (10 days)	£7,120
Total cost of internal audit	£75,472

Strategic internal audit plan 2023-27

We have linked the internal audits to your 12 corporate risks identified in your most recent risk assessment carried out in October 2023:

Strategic risk description	Your risk rating [CL - Current Level TL - Tolerance]	Planned internal audit report and explanation of timing of coverage	Internal Audit planned response				
			2022/23	2023/24	2024/25	2025/26	2026/27
<p>4635 - Capacity to manage patient care involving CBRN</p> <p>There is a risk that we do not have the capacity to manage the immediate patient care consequences of a major or mass casualty incidents involving CBRN because of an insufficient number of staff trained to operate in the warm zone environments and equipment to support deployment. This may result in the Service being unable to meet the required response as per the National (Security) Risk Assessment, national planning assumptions, adverse patient outcomes and an impact to the health and wellbeing of our staff.</p>	<p>●</p> <p>CL - Very High TL - High</p>	<p>2022.03 - GRS Resource Planning - Efficiency and Effectiveness</p> <p>2022.04 - GRS Resource Planning - System Resilience</p> <p>2023.03 - Adverse events process</p>	●	●			
<p>4636 - Health and wellbeing of staff affected</p> <p>There is a risk that the health and wellbeing of our staff is affected because of the immediate and longer-term impact of the Covid-19 pandemic. This in combination with the pressures of working in an emergency service possibly Resulting in an increase in absence levels, lower morale, increased fatigue, lower resilience and reduced service capacity at all levels. .</p>	<p>●</p> <p>CL - High TL - Medium</p>	<p>2023.05 - Health and wellbeing strategy</p> <p>2022.03 - GRS Resource Planning - Efficiency and Effectiveness</p> <p>2024.06 - Infection Prevention Control</p>	●	●	●		
<p>4638 - Wider system changes and pressures</p> <p>There is a risk to patient safety because of Delays in handing over patients at hospital beyond the 15-minute patient safety standard resulting in: i) harm to patients who are unable to access Emergency Departments or other Hospital care in a timescale required by the acuity of their condition; ii) harm occurring to patients in communities who have not yet received an Ambulance response because all available resources are stacking at local Hospitals; iii) Poor patient experience; and iv) poor staff experience as staff are unable to be rested within rest break windows or experience long shift overruns affecting both ongoing Ambulance availability and work-life balance's being delayed for long periods with no access to facilities such as toilets and refreshments.</p>	<p>●</p> <p>CL - Very High TL - High</p>	<p>2023.06 - Flow Navigation Centres</p> <p>2024.04 - Clinical Hub</p> <p>2026 - Hospital Handover</p>		●	●		●

Strategic internal audit plan 2023-27

Strategic risk description	Your risk rating [CL - Current Level TL - Tolerance]	Planned internal audit report and explanation of timing of coverage	Internal Audit planned response				
			2022/23	2023/24	2024/25	2025/26	2026/27
<p>5062 - Failure to achieve financial target</p> <p>There is a risk that we do not achieve our financial targets in 2022-23 because of non-delivery of efficiency savings, increasing cost pressures and no funding to support the increased costs of COVID within the Service and the phase 3 demand and capacity programme Resulting in an inability to ensure Financial Sustainability and Improve Value.</p>	<p>●</p> <p>CL - High TL - Medium</p>	<p>Annual core financial controls</p> <p>2022.01 General Ledger Controls</p> <p>2023.01 Stock Management and Logistics</p> <p>2024.01 - Estates repairs</p> <p>2024.03 - Clinical medicine management</p> <p>2025 - Financial Sustainability</p>	●	●	●	●	●
<p>5274 - Capacity to manage patient care during MTA</p> <p>There is a risk that we do not have the capacity to manage the immediate patient care consequences of major or mass casualty incidents involving marauding terrorist attacks because of an insufficient number of staff trained to operate in the warm zone environments and equipment to support deployment. This may result in the Service being unable to meet the required response as per the National (Security) Risk Assessment/Scottish Risk Assessment national planning assumptions, adverse patient outcomes and an impact to the health and wellbeing of our staff.</p>	<p>●</p> <p>CL - Very High TL - High</p>	<p>2022.03 - GRS Resource Planning - Efficiency and Effectiveness</p> <p>2022.04 - GRS Resource Planning - System Resilience</p> <p>2023.03 - Adverse events process</p> <p>2024.02 - GRS Time Cards - Benefits Realisation</p> <p>2024.05 - Public Protection</p> <p>2025 - Patient Management Capacity</p>	●	●	●	●	

Strategic internal audit plan 2023-27

Strategic risk description	Your risk rating [CL - Current Level TL - Tolerance]	Planned internal audit report and explanation of timing of coverage	Internal Audit planned response				
			2022/23	2023/24	2024/25	2025/26	2026/27
<p>5275 - Capacity to manage patient care consequences during a MIMC</p> <p>There is a risk that we do not have the capacity to manage the immediate patient care consequences of major incident with mass casualties because of an insufficient number of staff trained to support the ambulance response to these incidents and insufficient equipment to support deployment. This may result in the Service being unable to meet the required response as per the National (Security) Risk Assessment/Scottish Risk Assessment national planning assumptions, adverse patient outcomes and an impact to the health and wellbeing of our staff.</p>	<p>●</p> <p>CL - Very High TL - High</p>	<p>2022.03 - GRS Resource Planning - Efficiency and Effectiveness</p> <p>2022.04 - GRS Resource Planning - System Resilience</p> <p>2023.03 - Adverse events process</p> <p>2024.02 - GRS Time Cards - Benefits Realisation</p> <p>2024.05 - Public Protection</p> <p>2025 - Patient Management Capacity</p>	●	●	●	●	
<p>5519 - Statutory and Mandatory Training</p> <p>There is a risk of harm to staff because there is limited statutory and mandatory training in place across the Service resulting in an impact to patient care, staff confidence in the Service and legal action.</p>	<p>●</p> <p>CL - Very High TL - Medium</p>	<p>2025 - Statutory and Mandatory Trainings</p>					●
<p>5602 - Service's defence against a Cyber Attack</p> <p>There is a risk that the Service's digital and/or communications estate suffers a cyber-attack because of ineffective security controls resulting in an impact on CIA (Confidentiality, Integrity and Availability) of ICT Systems and information.</p>	<p>●</p> <p>CL -High TL - Medium</p>	<p>2022.02 - BCP and CIRP Lessons Learned</p> <p>2023.04 Information governance</p> <p>2023.02 Digital Maturity Assessment</p> <p>2025 - Cyber security</p>	●				●
<p>5653 - Organisational Culture</p> <p>There is a risk that SAS staff feel unable to speak-up about issues they experience Because of an unhealthy culture Resulting in a negative impact on staff welfare, patient care, sickness absence and retention levels.</p>	<p>●</p> <p>CL - High TL - Medium</p>	<p>2023.05 - Health and wellbeing strategy</p> <p>2026 - Organisational Culture</p>		●			●
















Strategic internal audit plan 2023-27

Strategic risk description	Your risk rating [CL - Current Level TL - Tolerance]	Planned internal audit report and explanation of timing of coverage	Internal Audit planned response				
			2022/23	2023/24	2024/25	2025/26	2026/27
<p>5603 - Maintaining required service levels – Business Continuity</p> <p>There is a risk that SAS will not be able to maintain required service levels because of disruption to SAS ICT solutions (e.g., due to a cyber-attack or power outage) resulting in an impact on patient and staff safety, public / political confidence, and the need to strengthen business continuity / disaster recovery arrangements for ACC evacuation.</p>	<p>●</p> <p>CL -High TL – Medium</p>	<p>2022.04 - GRS Resource Planning - System Resilience</p> <p>2022.02 - BCP and CIRP Lessons Learned</p> <p>2024.02 - GRS Time Cards - Benefits Realisation</p> <p>2026 – Disaster Recovery</p>	●		●		●
<p>5651 - Workforce planning and demographics</p> <p>There is a risk that we are unable to attract, retain and employ sufficient numbers of Paramedics Because of attrition for the University courses and unpredicted loss of staff to primary care who have qualified as Advanced Practitioners due to salary discrepancies Resulting in lack of Skill Mix ratios required for safe staffing legislation and an impact on service delivery and patient safety.</p>	<p>●</p> <p>CL -High TL – Medium</p>	<p>2022.03 - GRS Resource Planning - Efficiency and Effectiveness</p> <p>2022.04 - GRS Resource Planning - System Resilience</p> <p>2022.05 - Workforce data integrity [Data quality]</p> <p>2024.02 - GRS Time Cards - Benefits Realisation</p> <p>2025 – Workforce – Planning</p>	●		●	●	
<p>5652 - Equality and Diversity</p> <p>There is a risk that we are unable to attract and employ staff from diverse backgrounds because we have been unable to attract employees from a range of communities including BAME communities for a variety of reasons resulting in:</p> <ul style="list-style-type: none"> - A less diverse workforce which does not represent the diversity of communities across Scotland; and - Limited access to those communities in order to provide high quality care. 	<p>●</p> <p>CL - High TL – Medium</p>	<p>2026 - Equality and Diversity</p>					●

Appendix 1

Key performance Indicators

We will use the following KPIs to monitor delivery of the internal audit service and report the outcome against those as part of year end report

KPI	Frequency	Target
People		
 Scheduled update meetings with Head of Strategy, Governance and Performance	Monthly/bi monthly	100%
 Scheduled update meetings with the Chair of the Audit and Risk Committee	Every three months	100%
 Percentage of staff with relevant CA/IIA qualifications – Core team	Quarterly	>50%
 KPMG quarterly update training completed by audit team members	Quarterly	100%
 Attendance at AC meetings (and pre meet if required)	As required	100%
Delivery		
 Terms of reference issued within 10 working days of audit start (unless urgent request for a new internal audit)	Continuous	100%
 Draft audit reports issued within 10 working days of end of fieldwork completion	Continuous	100%
 Management responses to draft reports within 5 working days of receiving draft report	Continuous	100%
 Final reports issued within 5 working days of receiving management responses (final sign off)	Continuous	100%
 Delivery of audits to agreed timeframes and budget (unless client site access issues)	Continuous	100%
Commercials		
 Budget approved prior to commencing audit	Continuous	100%
 Unbudgeted costs not incurred without formal approval by Director of Finance	Continuous	100%
Quality of our service		
 Average Customer Satisfaction Survey	Continuous	Upper quartile
 Compliance with relevant mandatory and professional standards including PSIAS	Continuous	100%
 Monthly/bi-monthly KPI/SLA/budget tracker report produced and sent/discussed at contract management meeting	Monthly/bi monthly	100%



Internal Audit Charter

Scottish Ambulance Service

KPMG Governance, Risk & Compliance Services

April 2024

Internal Audit Charter

01

Purpose of this document

A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.

From 1 April 2017 a common set of Public Sector Internal Audit Standards (PSIAS) were adopted across the public sector. These standards require all internal audit service providers to develop an internal audit charter. This is a formal document that defines the activities, purpose, authority and responsibilities of internal audit. It also ensures the internal audit service we provide to you meets the requirements of both Internal Auditing Standards and KPMG's own Internal Audit Manual.

Approval of this internal audit charter is the responsibility of the Audit and Risk Committee on behalf of the Board.

Public Sector Internal Audit Standards

The PSIAS are based on the four mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF):

Definition of Internal Auditing

Internal audit can be defined as *'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'*.

As a public sector organisation, you are required to have an internal audit service in place which conforms to the standards set out in PSIAS.

Compliance with the Code of Ethics

Internal auditors in UK public sector organisations are required to comply with the Code of Ethics set out in PSIAS. This promotes an ethical, professional culture and requires internal auditors to have regard to the Committee on Standards of Public Life's Seven Principles of Public Life. All KPMG staff are required to ensure their compliance with this code, which is consistent with the code of ethics set out by the code of ethics set out by internal auditors' own professional bodies' and KPMG's own standards in respect of ethics, independence and integrity.

International Standards for the Professional Practice of Internal Auditing

In common with the IIA International Professional Practices Framework, on which they are based, PSIAS comprise Attribute and Performance Standards. The Attribute Standards address the characteristics of organisations and parties performing internal audit activities. The Performance Standards describe the nature of internal audit activities and provide quality criteria against which the performance of these services can be evaluated. The PSIAS apply to all internal audit service providers, whether in-house, shared Services or outsourced.

Core Principles for the Professional Practice of Internal Auditing

In common with the IIA International Professional Practices Framework, on which they are based, PSIAS comprise Core Principles. For an internal audit function to be considered effective, all principles should be operating effectively.

Internal Audit Charter

This Internal Audit Charter is the framework within which the Internal Audit function operates and formalises the arrangements approved by the Audit and Risk Committee for the internal audit service provided by KPMG.



Internal Audit Charter

Roles and responsibilities

The objectives of Internal Audit are to assist all levels of your management and the Finance, Audit and Risk Committee in the effective discharge of their responsibilities relating to risk management and internal control by providing you with appraisals, management actions, and other relevant information concerning your activities. We also aim to promote effective internal control at a reasonable cost and to facilitate the risk management process throughout your organisation and help embed this process. We set out below, both your responsibilities, and those of the Head of Internal audit.

Role and responsibilities of the Head of Internal audit:

The key role of internal audit is to assist the Board in discharging its governance responsibilities. Your Head of Internal Audit will ensure:

- the independence and objectivity of the internal audit service, as well as the individual independence and objectivity of members of the audit team;
- the development of an annual audit plan and three year audit strategy. In conjunction with you we will establish an audit strategy to determine the priorities for internal audit work which are consistent with your goals. From this a risk-based annual internal audit plan will be determined. This will outline the assignments to be carried out in any one year, their respective priorities and the estimated total resources needed. The annual internal audit plan will be flexible and kept up to date with the organisation and its changing risks and priorities. Any changes to the plan will be reported to the Audit and Risk Committee for approval;
- internal audits are planned and conducted in a manner designed to fulfil the objectives as approved by the Audit and Risk Committee and that high standards and a consistent approach are adopted by internal audit staff. The process for the delivery of individual assignments is set out later in this document;

- all members of the audit team have the skills, experience and competencies needed to deliver an effective internal audit service. This includes the need to ensure the continuing professional development of all members of the team;
- the implementation of KPMG's quality assurance programme, compliance with internal and external assessments, and delivery of arrangements to ensure the continued improvement of the internal audit service;
- compliance with all relevant standards for the professional practice of internal auditing;
- the reporting of key findings and management actions arising following internal audits to the managers responsible for the area being audited, to the Director of Finance and to the Audit and Risk Committee;
- regular and appropriate liaison with external audit to ensure optimal coverage;
- assistance in the design of new controls and the understanding of internal control principles by management and other staff, affording regular consideration to the adequacy of internal control processes;
- the delivery of an annual internal audit opinion and report that can be used by you to inform your governance statement. The annual report will incorporate:
 - the Head of Internal Audit opinion;
 - a summary of the work that supports the opinion; and
 - a statement on conformance with the PSIAS and any relevant results of the quality assurance programme.



Internal Audit Charter

Your roles and responsibilities

You are responsible for maintaining effective internal audit activity on an ongoing basis. This includes:

- Monitoring and reviewing the effectiveness of the internal audit function;
- Reviewing and assessing the internal audit strategy and annual internal audit plan and its progress;
- Ensuring the internal audit function is adequately resourced, has appropriate reporting lines, and enjoys appropriate standing within the organisation; and
- Consideration of management's response to management actions and progress in their implementation.

Independence and objectivity

The independence of internal audit is assured by KPMG's Head of Internal Audit, James Lucas, reporting to the Chief Executive Officer as necessary with further reporting lines to the Director of Finance.

KPMG's Head of Internal Audit also has direct access to the Chair of the Audit and Risk Committee, to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Where independence is impaired in fact or appearance KPMG's Head of Internal Audit will report the details to the Chair of the Audit and Risk Committee and the Director of Finance. The nature of the disclosure will depend upon the impairment.

However, it is important that our independence in reporting to management and the Audit and Risk Committee does not appear to be compromised but equally that you should not be deprived of expertise where it is needed and can be leveraged from KPMG.

Fraud and irregularities

It is a management responsibility to maintain systems and to ensure that resources are properly applied in an appropriate manner on approved activities. This includes responsibility for the prevention and detection of fraud and other illegal acts.

Internal audit staff shall have regard to the possibility of such malpractice and should seek to identify serious defects in internal control which might permit the occurrence of such events.

KPMG's Head of Internal Audit should be advised of any discovery or suspicions of malpractice by management or the Audit and Risk Committee. Likewise KPMG's Head of Internal Audit is responsible for notifying management, the appointed Local Counter Fraud Specialist or the Audit and Risk Committee in the event of internal audit staff discovering evidence or suspicion of malpractice. You shall determine any action to be taken.

Liaison with other auditors

The internal audit function extends to activities which should be of interest and benefit to the external auditors; in particular through the review and evaluation of financial systems and investigations relating to key business risks.

Internal audit plans and assignment reports will be issued to your external auditor via the circulation of the Audit and Risk Committee papers, as your external auditors on a regular basis to actively plan and avoid:

- Clashes in visits;



Internal Audit Charter

- Duplication of effort; and
- Unnecessary disruption to business and supporting areas.

Periodic meetings can be held between internal audit staff and the external auditors to discuss liaison matters and ensure an appropriate dialogue to identify, and take action on, areas where liaison can achieve time savings or improved performance. External audit should be explicitly requested to review the annual plan and comment thereon formally to the Audit and Risk Committee. Internal audit working papers may be made available to external audit for review at mutually convenient times.

Operating principles – The assignment process

We will utilise a risk-based approach to the individual reviews in line with the KPMG internal audit methodology. This involves:

- identifying the risks that may impact on the systems achieving their objectives;
- identifying and evaluating the systems of internal control designed by management;
- compliance testing of the operation of controls; and
- suggesting appropriate management actions and advising management on how systems of internal control may be streamlined or strengthened.

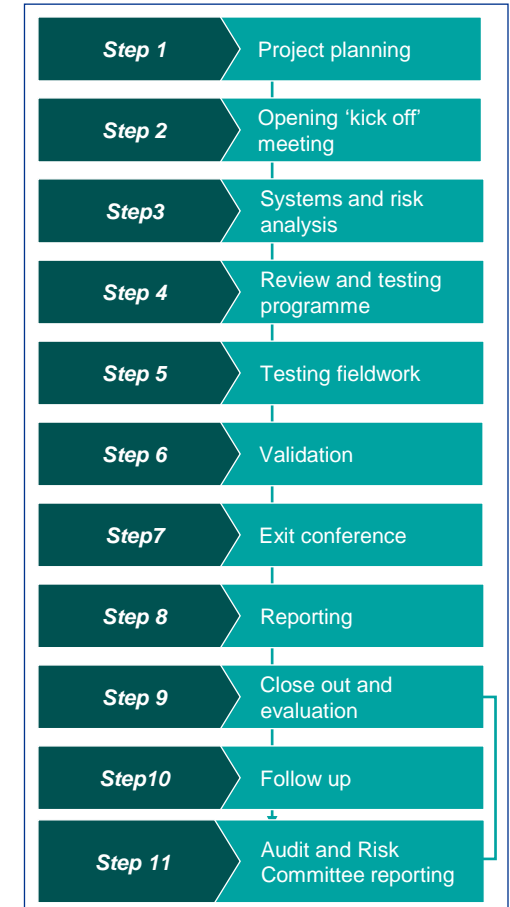
The different delivery stages of the audit process are shown opposite: our approach to individual reviews recognises that different approaches will be required in different circumstances, for example in some cases as systems are being developed or revised it may be beneficial for us to defer detailed testing until a later date, but instead focus on understanding and contributing to the development of the design of the control framework.

Reporting

On completion of our individual reviews, we will produce a report for management that will outline the objectives and scope of our work, risks considered during our review, an assessment of the effectiveness of internal controls and considerations for performance improvements. Each report will include an implementation plan.

We undertake follow up work in subsequent periods to track the implementation of agreed management actions. A Progress Report will be presented to each Audit and Risk Committee providing a summary of internal audit activities and progress on the implementation of agreed management actions.

Following our internal audit work for the year we will produce an annual internal audit report. This will summarise the work completed and will provide an overall opinion in respect of risk, control and governance arrangements.



Internal Audit Charter

We have used the following as the basis of the levels of assurance that we provide you with for our core reports around financial systems, risk, governance and data quality. We do provide classifications for our reviews in value for money areas.

Assurance Level	Classification
Significant assurance	Means the system is well designed and only minor low priority management actions have been identified related to its operation. Might be indicated by priority three only, or no management actions (i.e. any weaknesses identified relate only to issues of good practice which could improve the efficiency and effectiveness of the system or process).
Significant assurance with minor improvement opportunities	Means the systems is generally well designed however minor improvements could be made and some exceptions in its operation have been identified. Might be indicated by one or more priority two management actions. (i.e. there are weaknesses requiring improvement but these are not vital to the achievement of strategic aims and objectives - however, if not addressed the weaknesses could increase the likelihood of strategic risks occurring).
Partial assurance with improvements required	Means both the design of the system and its effective operation need to be addressed by management. Might be indicated by one or more priority one, or a high number of priority two management actions that taken cumulatively suggest a weak control environment. (i.e. the weakness or weaknesses identified have a significant impact preventing achievement of strategic aims and/or objectives; or result in an unacceptable exposure to reputation or other strategic risks).

Assurance Level Classification

No assurance	Means the system has not been designed effectively and is not operating effectively. Audit work has been limited by ineffective system design and significant attention is needed to address the controls. Might be indicated by one or more priority one management actions and fundamental design or operational weaknesses in the area under review. (i.e. the weakness or weaknesses identified have a fundamental and immediate impact preventing achievement of strategic aims and/or objectives; or result in an unacceptable exposure to reputation or other strategic risks).
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Priority	Description
Red – priority 1	A significant weakness in the system or process which is putting you at serious risk of not achieving its strategic aims and objectives. In particular: significant adverse impact on reputation; non-compliance with key statutory requirements; or substantially raising the likelihood that any of your strategic risks will occur. Any management actions in this category would require immediate attention.
Amber – priority 2	A potentially significant or medium level weakness in the system or process which could put you at risk of not achieving its strategic aims and objectives. In particular, having the potential for adverse impact on your reputation or for raising the likelihood of your strategic risks occurring.
Green – priority 3	Management actions which could improve the efficiency and / or effectiveness of the system or process but which are not vital to achieving your strategic aims and objectives. These are generally issues of good practice that the auditors consider would achieve better outcomes.

Internal Audit Charter

Internal auditors in public sector organisations must conform to the Code of Ethics. These are based on four principles: Integrity; Objectivity Confidentiality; and Competency. Internal auditors must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life.

Integrity Principle

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement. Internal auditors:

- 1.1 Shall perform their work with honesty, diligence and responsibility;
- 1.2 Shall observe the law and make disclosures expected by the law and the profession;
- 1.3 Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation; and
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organisation.

Objectivity Principle

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements. Internal auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation;

- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgement; and
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

Confidentiality Principle

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so. Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties; and
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

Competency Principle

Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services. Internal auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills and experience;
- 4.2 Shall perform internal auditing services in accordance with the International Standards for the Professional Practice of Internal Auditing; and
- 4.3 Shall continually improve their proficiency and effectiveness and quality of their services.



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This report is provided pursuant to the terms of our engagement letter dated 24 January 2023. Nothing in this report constitutes a valuation or legal advice. We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in our engagement letter. This report is for the sole benefit of the Scottish Ambulance Service. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Scottish Ambulance Service, even though we may have been aware that others might read this report. This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Scottish Ambulance Service for any purpose or in any context. Any party other than the Scottish Ambulance Service that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through the Scottish Ambulance Service Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Scottish Ambulance Service. Any disclosure of this report beyond what is permitted under our engagement letter may prejudice substantially our commercial interests. A request for our consent to any such wider disclosure may result in our agreement to these disclosure restrictions being lifted in part. If the Scottish Ambulance Service receives a request for disclosure of the product of our work or this report under the Freedom of Information Act 2000 or the Freedom of Information (Scotland) Act 2002, having regard to these actionable disclosure restrictions the Scottish Ambulance Service should let us know and should not make a disclosure in response to any such request without first consulting KPMG LLP and taking into account any representations that KPMG LLP might make.

This report has been prepared solely for the Scottish Ambulance Service in accordance with the terms and conditions set out in our engagement letter dated 11 April 2019. We do not accept or assume any liability or duty of care for any other purpose or to any other party. This report should not be disclosed to any third party, quoted or referred to without our prior written consent.

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