

# Memorandum of Understanding

For cooperation between Audit Scotland, on behalf of the Auditor General for Scotland, and HM Fire Service Inspectorate in Scotland (HMFSI)



October 2024

---

## Introduction

1. The Fire (Scotland) Act 2005 places a duty on the Auditor General for Scotland (AGS) and Inspectors of the Scottish Fire and Rescue Service (SFRS) to cooperate and coordinate activity with each other to improve how we carry out our respective functions.
2. This memorandum of understanding sets out how we will fulfil this duty. It describes our respective powers and responsibilities and a framework for collaborative working. This framework is designed to:
  - optimise the skills and experience involved in audit and inspection
  - avoid duplication of effort
  - minimise the burden of scrutiny on the SFRS.

## Statutory roles of the Auditor General for Scotland and Audit Scotland

3. The AGS is an independent crown appointment, made on the recommendation of the Scottish Parliament. The AGS is responsible for securing the audit of the Scottish Government and most other public bodies, including the SFRS. In liaison with the Accounts Commission, which has responsibility for local government audit, the AGS also audits joint working arrangements between central and local government bodies, including community planning.
4. The AGS appoints the external auditors of the SFRS. All appointed auditors must comply with Audit Scotland's Code of Audit Practice, which includes guidance on the principles of public audit, the statutory and other duties of auditors, and audit requirements relating to financial statements, corporate governance and reporting the audit. The audited annual financial statements for the SFRS, including the independent auditor's report, will be sent to the relevant minister and laid before the Scottish Parliament.
5. The AGS has specific powers to examine the economy, efficiency and effectiveness with which resources are being used by public bodies, including the SFRS. This includes the power to examine the arrangements made by the SFRS to secure Best Value.

**6.** Audit Scotland provides services to the AGS and the Accounts Commission. It provides independent assurance to the people of Scotland that public money is spent properly and provides value for money. It supports improvement in public services by holding to account those responsible for spending public funds. The values of independence and integrity, valuing people, quality, cooperation and effective communication underpin all its work. Audit Scotland will be responsible for adopting the framework for collaborative working outlined in this memorandum.

**7.** Audit Scotland may undertake planned audits on the SFRS or on specific aspects of its work, as requested by the AGS. The results of these audits will be reported in public and presented to the Scottish Parliament.

### **Statutory role of HM Fire Service Inspectorate<sup>1</sup>**

**8.** HM Fire Service Inspectorate in Scotland (HMFSI) provides independent, risk-based and proportionate professional inspection of the SFRS.

**9.** HMFSI is led by HM Chief Inspector of the Scottish Fire and Rescue Service. The Chief Inspector is appointed by an Order in Council and operates independently of Scottish Ministers and the SFRS.

**10.** HMFSI supports the Service in delivering its functions:

- to promote improvement in the Service
- to give assurance to the Scottish public and Scottish Ministers that the Service is working in an efficient and effective way

**11.** In carrying out its function, the Inspectorate has regard to the principles of public focus, independence, proportionality, transparency and accountability. Its values are integrity, objectivity and fairness.

**12.** The Inspectorate acts in partnership with Scottish Ministers and the SFRS. Its inspection function, in relation to Best Value and economy, efficiency and effectiveness, complements the work of the AGS and Audit Scotland.

**13.** The partnership between the Inspectorate, Scottish Ministers and the SFRS is supported by the Fire and Rescue Framework and Performance Framework which, together, help to define how Ministers expect the Service to operate and how, in part, its effectiveness and efficiency are to be measured.

**14.** The Chief Inspector also has a duty to make independent determinations in respect of non-domestic fire safety disputes.

### **Complementary roles of audit and inspection**

**15.** The AGS and HMFSI have distinct statutory responsibilities for the audit and inspection of the SFRS and the services it provides. However, there are some areas where their duties have the potential to overlap ([Exhibit 1, page 3](#)).

<sup>1</sup> The statutory basis for the Inspectorate is derived from sections 43A to 43G of the Fire (Scotland) Act 2005.

The AGS, Audit Scotland and HMFSI are bound by various other statutory requirements, some of which are imposed on all public bodies.<sup>2</sup> This Memorandum is intended to operate within this wider legislative context.

## Exhibit 1

### Coverage of audit and inspection of fire and rescue services

Accounting for public money  
 Costs and value for money  
 Governance and accountability  
 Securing Best Value and continuous improvement  
 Community planning/Community safety  
 Operational health and safety  
 Legislative fire safety enforcement  
 Compliance with professional standards  
 Competence of professional staff

**Audit**



**Inspection**

Source: Developed by Audit Scotland and HMFSI

## A framework for collaborative working

**16.** The AGS and HMFSI are committed to ensuring that our audit and inspection work provides assurance that the SFRS is operating efficiently and effectively and delivering Best Value; and that our recommendations lead to demonstrable improvements in service delivery. We will also work to ensure our audits and inspections are risk-based and proportionate, delivered efficiently and effectively, and do not place an unreasonable burden on the SFRS.

**17.** In fulfilling our duty to cooperate, we are committed to:

- joint discussions on planning our audit and inspection work
- sharing relevant information and respecting confidentiality of shared information
- maintaining effective communication and liaison
- working together where appropriate
- sharing knowledge, skills, expertise and experience.

<sup>2</sup> These statutory obligations include, for example, requirements around freedom of information, data protection, records management, climate change and complaints handling.

**18.** Joint discussions on planning. HMFSI must develop an inspection plan which outlines its priorities for inspections and how these will be undertaken. HMFSI will consult with Audit Scotland on its draft inspection plan. Appointed auditors also agree an annual audit plan with SFRS and will share their final audit plans with HMFSI. Plans for other specific areas of work which may be undertaken by Audit Scotland (for example specific performance audits or Best Value audits) will be shared and discussed with HMFSI.

**19.** Sharing relevant information. Audit Scotland and HMFSI will operate an open and transparent approach to sharing information. The types of information which will be routinely shared include:

- strategic developments in the fire and rescue service
- performance and financial information
- fieldwork planning
- draft versions of project briefs
- project initiation documents
- audit reports and inspection reports.

**20.** We will respect the confidential nature of the information we share between us. This will include, for example, draft reports, commercially sensitive information and confidential documents. Any information passed between our organisations will not be disclosed to a third party without prior discussion.

**21.** Maintaining effective communication and liaison. Audit Scotland and HMFSI staff will meet regularly to ensure effective communication between the two organisations. Senior level meetings will be held at least twice a year to discuss strategic issues and progress of agreed work programmes. Auditors and inspectors will meet at an operational level when there is joint working on specific topics. It is also envisaged there will be ongoing information communication at all levels. Where appropriate, Audit Scotland will invite HMFSI to participate in project advisory groups.

**22.** Working together where appropriate. The AGS and HMFSI have different statutory responsibilities and different reporting arrangements. We therefore do not anticipate many joint reports. We are, however, committed to making best use of our collective skills and expertise in our audit or inspection work. We will provide mutual advice and support as required.

**23.** Sharing knowledge, skills, expertise and experience. We believe there is much to be gained by both organisations in sharing our respective knowledge, skills and expertise. We will investigate different approaches for doing this, for example, through shared training on audit or inspection methodology and, where appropriate, work shadowing. Future audit work may use findings from HMFSI inspections, and similarly, future inspections may refer to published audit judgements. It is important therefore that both organisations have confidence in the quality of the audit and inspection work being undertaken, the evidence used and the published judgements. Sharing knowledge and expertise will contribute towards building mutual confidence in the quality of our audit and inspection work.

## Resolving disagreements

**24.** Both Audit Scotland and HMFSI are committed to working together in an environment of mutual trust and respect and promoting a culture of openness. This approach should minimise the risk of disagreements. Should disagreements arise, they should be resolved amicably between the people concerned, and failing that through discussions between relevant senior managers.

## Reviewing the Memorandum of Understanding

**25.** We will formally review this Memorandum every three years to ensure both organisations are working within the agreed framework, and consider whether the framework needs to be revised to meet changing circumstances.

Signed:



**Auditor General for Scotland**

Signed:



**Chief Inspector HM Fire Service Inspectorate in Scotland**



**Audit Scotland**  
102 West Port  
Edinburgh  
EH3 9DN  
T: 0131 625 1500



**HM Fire Service Inspectorate**  
St Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG  
T: 0131 244 3275