



**NOT PROTECTIVELY MARKED**

<b>PUBLIC BOARD MEETING</b>		<b>28 May 2025</b>
		<b>Item 10</b>
<b>THIS PAPER IS FOR APPROVAL</b>		
<b>INTERNAL AUDIT PLAN 2025/26</b>		
<b>Lead Director Author</b>	Julie Carter, Director of Finance, Logistics and Strategy	
<b>Action required</b>	Board members are asked to approve the attached Internal Audit plan for the year 2025/26	
<b>Key points</b>	<p>The internal audit plan for the year 2025/26 has been developed through the following process</p> <ul style="list-style-type: none"><li>- Internal audit review of areas not yet reviewed, audit risk universe and areas identified as part of the 3 year plan</li><li>- 1-1 meetings with Chairs of Governance groups, Chief Executive, Chair and Executive team</li></ul> <p>The plan has been reviewed and approved by the Audit and Risk Committee.</p>	
<b>Timing</b>	The plan identifies indicative timings that may change as the year progresses but the delivery of the plan will be completed by March 2025.	
<b>Associated Corporate Risk Identification</b>	Links to all Corporate Risks	
<b>Link to Corporate Ambitions</b>	Links to all Corporate ambitions	



## **SCOTTISH AMBULANCE SERVICE BOARD**

### **INTERNAL AUDIT PLAN 2025-26**

#### **JULIE CARTER, DIRECTOR OF FINANCE, LOGISTICS AND STRATEGY**

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#### **SECTION 1: PURPOSE**

Board members are asked to approve the attached Internal Audit Plan for 2025/26.

#### **SECTION 2: RECOMMENDATIONS**

The Internal Audit Plan for 2025/26 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 2025/26.

#### **SECTION 5: DISCUSSION**

The internal audit plan for the year 2025/26 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: 2025-05-28	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 2026. 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 2025/26, 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 – Final Internal Audit Plan 25/26

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# Internal Audit Plan 2025-26

**Scottish Ambulance Service**

KPMG Internal Audit, Risk and Compliance Services

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**April 2025**

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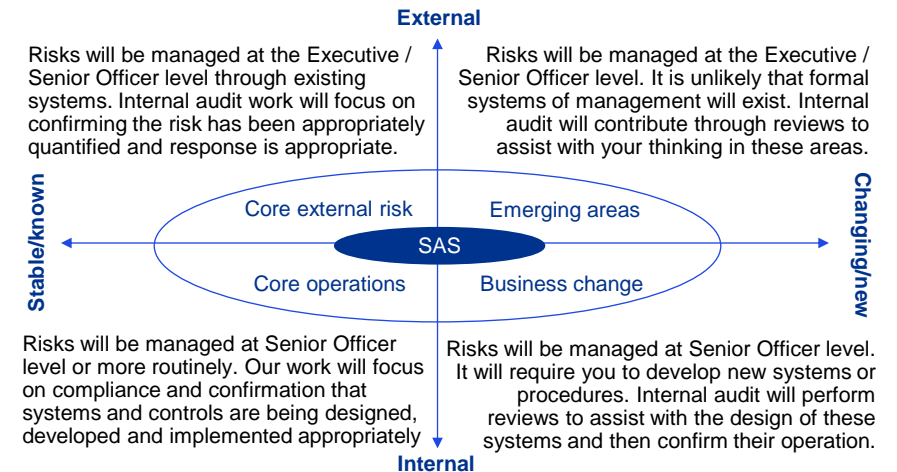
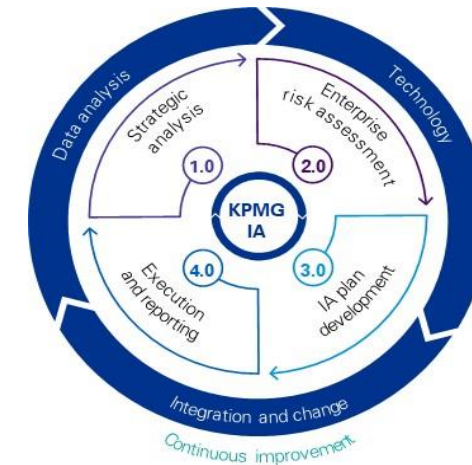
- Executive Team Members
- Audit and Risk Committee

# 01 - How we prepare the Internal Audit plan

Our Internal Audit plan is devised by understanding the strategy and objectives of Scottish Ambulance Service ("SAS") 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 2025/26 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 public healthcare 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 (HoIA), or in response to a one-off risk within SAS.
- 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).

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 risk 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 and Risk Committee (ARC), 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.



# 02 - Summary of the Internal Audit plan 2025-26

We set out below the proposed schedule for delivering the 2025/26 plan. This schedule has been aligned with the planned dates of the Audit & Risk Committee to ensure an even flow of reporting throughout the year.

	Review	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2025.01	Statutory and mandatory training												
2025.02	Core Financial Controls - Best Value programme												
2025.03	Rostering – ACC												
2025.04	Culture and staff engagement												
2025.05	Rest break compliance												
2025.06	ICT infrastructure												
2025.07	Follow-up reporting (ongoing)												
Audit & Risk Committee Dates													

# 03 - Detailed Internal Audit plan 2025-26

We set out below the rationale and indicative scope for the reviews included in the Internal Audit Plan 2025-26. We have mapped our planned internal audit coverage in 2025/26 against your key risks taken from your corporate risk register (as of October 2024).

#	Name	Rationale for inclusion and scope	Sponsor(s)
2025.01	Statutory and mandatory training	<p>Statutory training is required to ensure that the Service is meeting any legislative duties whereas, mandatory training is an organisational requirement to limit risk and maintain safe working practices. The Staff Governance Standard for NHS Scotland requires all NHS organisations to prioritise the personal health and well-being of staff and patients in the delivery of services. To ensure the provision of a continuously improving, safe and person-centred working environment, all employees should undertake statutory and mandatory training appropriate to their role on entry to the organisation (induction) and at regular intervals as required depending on the requirements.</p> <p>The SAS corporate risk register includes a risk of harm to staff because there is limited statutory and mandatory training in place across the Service resulting in a potential impact to patient care, staff confidence in the Service and legal action. We will undertake an internal which will focus on the processes and controls in place to deliver, track and report the various statutory and mandatory training modules within the Service (including refreshers).</p>	Avril Keen, Director of Workforce
2025.02	Core Financial Controls - Best Value programmes	<p>Financial delivery and sustainability is a key priority for the Service and remains one of the highest risks in the Corporate Risk Register (CRR). The delivery of efficiency savings is a key element of the financial plan and is required to demonstrate continuous improvement and reinvestment of funds to support cost and service pressures, over the next three years. The identification of savings and delivery efficiency targets is becoming increasingly difficult and therefore creative thinking, ongoing scrutiny, focus and ownership at all levels is required to ensure delivery of savings. SAS implemented the Best Value Program a number of years ago which has focused on service improvements that deliver financial efficiencies while balancing workforce, service delivery and performance.</p> <p>There are 30 efficiency saving areas in total that have been identified under seven different themes and one known area of risk is the medical gases programme which carries significant financial cost. Our internal audit will focus on the core financial controls and processes in place to ensure that SAS can identify and achieve the potential cost saving opportunities.</p>	<p>Julie Carter, Director of Finance, Logistics and Strategy</p> <p>Karen Brogan, Director of Strategy, Planning &amp; Programmes</p>



# 03 - Detailed Internal Audit plan 2025-26

#	Name	Rationale for inclusion and scope	Sponsor(s)
2025.03	Rostering – Ambulance control centre (ACC)	<p>Currently there are over 100 different rosters in place at the Ambulance Control Centre which makes managing demand and capacity a complex area. The rosters have staggered start and finish times and must account for rest and meal breaks. The rosters must also provide contingency for sickness and absence and overruns on other shifts, as well as peak operational demand situations and major incidents. Operationally it is a critical area to the Service and in addition there is a significant cost to overtime and as such it is a key auditable area.</p> <p>Our internal audit will focus on the processes and controls for roster design and assess how well they are designed and undertake testing to ensure that the controls for the implementation of rosters are ensuring that the Service is providing sufficient coverage to deliver the best possible care to patients but also protecting staff welfare.</p>	Paul Bassett, Director of National Operations
2025.04	Culture and staff engagement	<p>A strong organisational culture and effective staff engagement are crucial for the Service to achieve its strategic ambitions and create a positive working environment that attracts and retains top talent, drives innovation, and ultimately leads to improved business performance. The NHS Staff Governance Standard (SGS) is the framework supporting legislation which aims to improve how a diverse NHS workforce is treated at work. The SGS sets out certain requirements for NHS Boards and staff to meet certain requirements over staff awareness, training and development, involvement in decision making, fair and respectful treatment, diversity, safe working environment, and health and wellbeing. Across NHSScotland there is a unique environment of partnership working where trade unions and professional organisations, employers, and the Scottish Government work closely together to ensure that staff are helping to shape policy and influence how services are delivered. To ensure adherence with the SGS, SAS has established formal partnership working arrangements which are defined in a Partnership Agreement.</p> <p>Our internal audit will focus on the organisational approach and mechanisms in place to embed and monitor a positive working culture. We will use the standards within the SGS framework as a basis for assessing how the Service is continuing to improve working conditions for all staff.</p>	<p>Avril Keen, Director of Workforce</p> <p>Julie Carter, Director of Finance, Logistics and Strategy</p>

# 03 - Detailed Internal Audit plan 2025-26

#	Name	Rationale for inclusion and scope	Sponsor(s)
2025.05	Rest break compliance	<p>Staff who are required to respond to emergency calls are entitled to take appropriate rest breaks as part of their contract of employment. However, due to pressures on the system across the NHS, rest break compliance within SAS has been challenging for a period of time. To overcome these challenges a 'Rest Break Programme Board' was established to provide oversight and monitor Service wide compliance. The Programme Board reports to the Executive Management Team and the Staff Governance Committee.</p> <p>This audit will focus on the controls in place to ensure service wide compliance with the rest break policy and to track and report the instances of non-compliance. Our audit will also focus on the management actions to enhance compliance with the policy.</p>	Paul Bassett, Director of National Operations
2025.06	ICT infrastructure	<p>Many public sector organisations are reliant on outdated IT systems and infrastructure which can be vulnerable to cyber-attacks and issues or failures. The Scottish public sector is currently experiencing significant financial constraints as there is uncertainty over the continuity of funding from the Scottish Government. It is becoming increasingly important to undertake routine and regular risk assessments over IT infrastructure to reprioritise their legacy systems and develop an appropriate strategy which can guide their investment decisions (that is, to define criteria for when and how legacy systems are evaluated for investment decisions). SAS has a number of legacy systems in place and the ICT team has an ongoing challenge of balancing the need for investment and innovation with the requirement to keep business as usual support in place.</p> <p>Our audit will provide assurance over the plan in place to identify legacy systems and the controls in place for prioritisation of spending and investment.</p>	John Baker, General Manager, ICT
2025.07	Follow-up reporting (ongoing)	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>Julie Carter, Director of Finance, Logistics and Strategy</p> <p><b>Ongoing</b></p>

# 03 - Detailed Internal Audit plan 2025-26

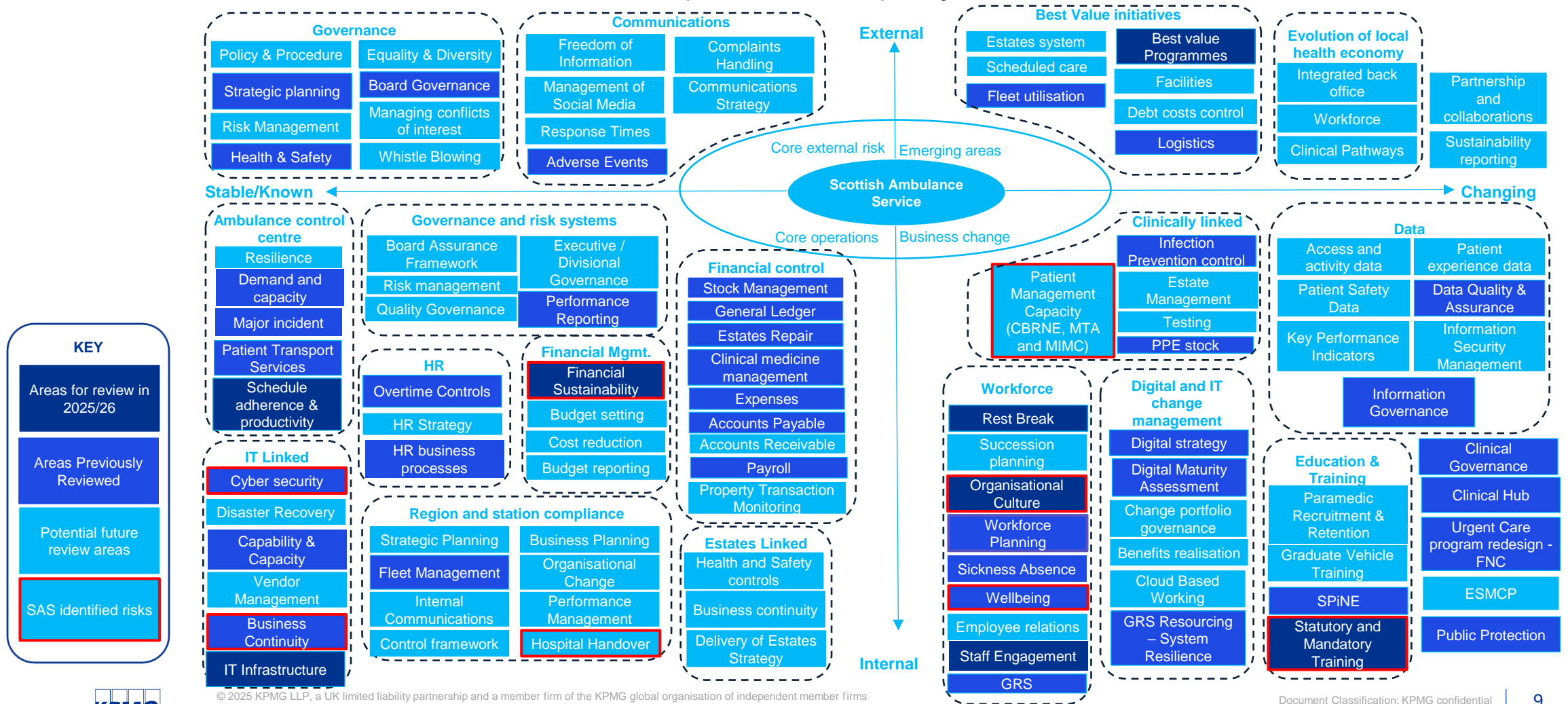
## Shortlisted Reviews for Future Years

As part of our discussions with the Executive Team (ET) members, we have put together a potential shortlist of future reviews which we have mapped out in Section 04. The proposed year, and indicative scopes are highlighted below. Note that these may change as a result of future planning activities in subsequent years.

#	Audit Year	Name	High Level Scope Summary
1	2026.01	Workforce planning and modelling.	This internal audit will assess the effectiveness of the Service workforce planning processes and identify areas for improvement with a focus on the current resource allocation model and management's assessment over the actual versus required capabilities.
2	2026.02	Cyber Security	We will carry out an internal audit using our KPMG Cyber Maturity Assessment Framework. We will review any previous assurance in this area in recent years and then agree the most relevant areas of risk to the Service.
3	2026.03	Core Financial Controls – Payroll	Our audit will focus on the key controls around the payroll process.
4	2026.04	Staff Governance Standards	Our review will focus on the mechanism and controls in place to monitor and ensure the Service compliance with the Staff Governance Standards with a focus on partnership working.
5	2027.01	Business Continuity	As a key risk, our internal audit will assess whether there are effective business continuity arrangements in place at the Service and identify whether there are any gaps or potential areas for further improvement.
6	2027.02	Core Financial Controls - Accounts Receivable and Accounts Payable	Our audit will focus on the key controls around Accounts Receivable and Accounts Payable.
7	2027.03	Patient Management Capacity	There are three risks associated with patient management capacity within the Service corporate risk register. As this is a significant piece of work, we would agree the scope of this audit during our annual planning process for the year 2027-28.
8	2027.04	Performance Management	Our internal audit will assess the controls in place for capturing and reporting data in relation to strategic performance.
9	2027.05	ICT Capacity and Capabilities	This audit will assess whether the service has sufficient ICT capacity and capabilities to support the delivery of its strategic ambitions and to protect against the cyber threats.

# 04 Strategic Internal Audit plan 2023-2028

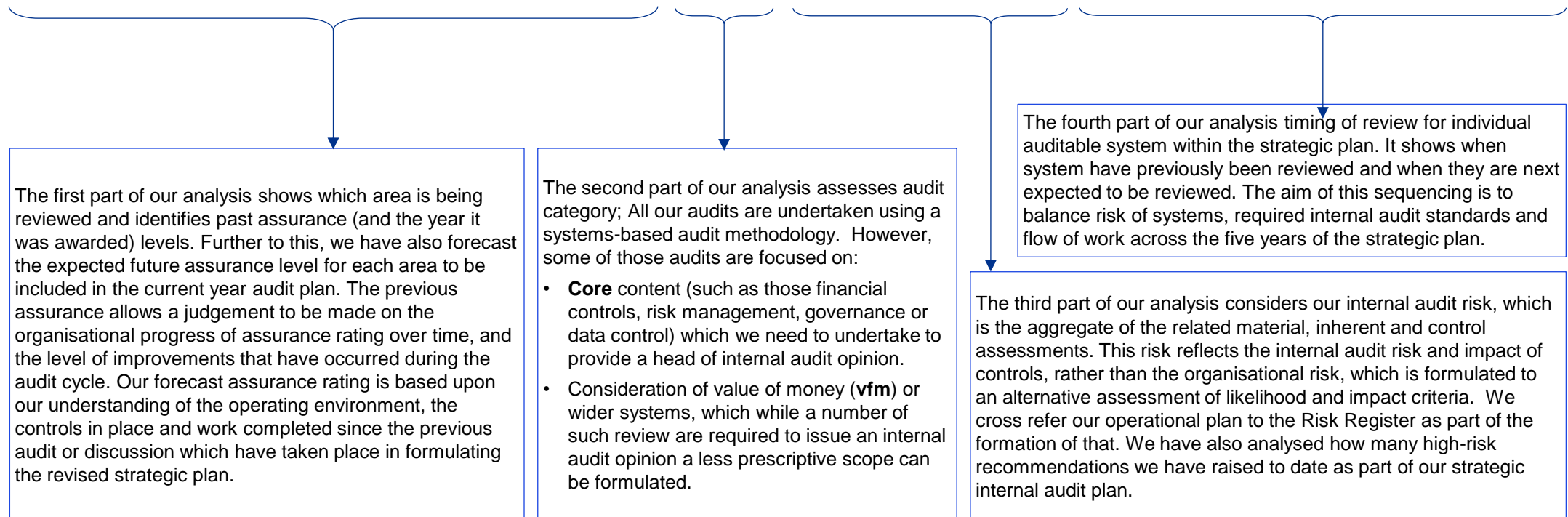
We have reviewed and assessed the follow risk universe as part of our internal audit planning:



# 04 Strategic Internal Audit plan 2023-2028

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 risks and therefore the work to be completed within the remaining years of the strategy. We have set this out below:

Areas	Previous assurance	Audit type	Past high priority recs	Aggregate risk	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Auditable Area		Core	1	Medium			✓		



# 04 Strategic Internal Audit plan 2023-2028

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Core External risks</b>										
Governance – Policy and Procedure			CORE	-	LOW					
Governance – Risk Management			CORE	-	MEDIUM					
Governance – Health and Safety			CORE	-	MEDIUM	✓				
Governance – Equality and Diversity			CORE	-	MEDIUM					
Governance – Board Governance			CORE	-	LOW					
Governance – Managing Conflicts of Interest			CORE	-	MEDIUM					
Governance – Whistle Blowing			CORE	-	MEDIUM					
Governance – Strategic planning			VFM		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	✓				
<b>Emerging Areas</b>										
Best value initiatives – Best value Programmes			VFM	-	HIGH			✓		
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					

# 04 Strategic Internal Audit plan 2023-2028

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2023/24	2024/25	2025/26	2026/27	2026/27
<b>Emerging Areas (Continued)</b>										
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					
Partnership and collaborations			VFM	-	MEDIUM					
Sustainability reporting			VFM	-	MEDIUM					
<b>Business Changes</b>										
Clinically linked – Infection Prevention control			VFM	-	MEDIUM		✓			
Clinically linked – Estate Management			VFM	-	MEDIUM					
Clinically linked – Patient Management Capacity (CBRNE, MTA and MIMC)			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					

# 04 Strategic Internal Audit plan 2023-2028

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Business Changes (Continued)</b>										
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 Training			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	-	MEDIUM				✓	
Workforce – Sickness Absence			CORE	-	MEDIUM					
Workforce – GRS			CORE	-	MEDIUM		✓			
Workforce – Wellbeing			CORE	-	HIGH	✓			✓	
Workforce - Employee relations			CORE	-	MEDIUM					
Workforce - Staff Engagement			CORE	-	MEDIUM			✓		
Workforce - Rest Break			CORE	-	MEDIUM			✓		
ESMCP			VFM	-	MEDIUM					
Urgent Care Program Redesign - Flow Navigation Centres			VFM	-	MEDIUM	✓				



# 04 Strategic Internal Audit plan 2023-2028

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Business Changes (Continued)</b>										
Public Protection			CORE	-	MEDIUM		✓			
Clinical Hub	TBC		CORE	-	MEDIUM		✓			
Clinical Governance			CORE	-	MEDIUM					
<b>Core Operations</b>										
Ambulance control centre – Resilience			VFM	-	MEDIUM					
Ambulance control centre – Demand and capacity			VFM	-	MEDIUM					
Ambulance control centre – Major incident			VFM	-	MEDIUM					
Ambulance control centre – Patient Transport Services			VFM	-	MEDIUM					
Ambulance control centre – Schedule adherence & productivity			CORE	-	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					
Governance and risk systems – Performance Reporting			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					✓

# 04 Strategic Internal Audit plan 2023-2028

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Core Operations (Continued)</b>										
Financial Controls – General Ledger Controls			CORE	-	MEDIUM					
Financial Controls – Property Transaction Monitoring			CORE	-	LOW					
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	-	MEDIUM					
IT Linked – IT Infrastructure			CORE	-	MEDIUM			✓		
IT Linked – Capability & Capacity			CORE	-	MEDIUM					✓
IT Linked – Vendor Management			CORE	-	MEDIUM					
IT Linked – Business Continuity			CORE	-	HIGH					✓
Region and station compliance – Strategic Planning			CORE	-	MEDIUM					
Region and station compliance – Fleet Management			CORE	-	MEDIUM					
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					















# 04 Strategic Internal Audit plan 2023-2028

Areas	Previous assurance	Forecast assurance	Audit type	Past high priority recs	Aggregate risk	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Core Operations (Continued)</b>										
Financial Management – Budget setting			VFM	-	MEDIUM					
Financial Management – Cost reduction			VFM	-	MEDIUM					
Financial Management – Budget reporting			VFM	-	MEDIUM					
Financial Management – Financial Sustainability			VFM	-	HIGH			✓		














	Annual Cost	Number of days
Total cost of internal audit reviews	£59,808	84
Recommendations follow up	£8,544	12
Planning and contract management	£7,120	10
<b>Total cost of internal audit</b>	<b>£75,472</b>	<b>106</b>

# 04 Strategic Internal Audit plan 2023-2028
















We have linked the internal audits to your most recent risk assessment and the strategic risks captured in your institutional risk register (as of October 2024).

Strategic risk description	Your risk rating [Residual risk] [CL - Current Level TL - Tolerance]	Planned internal audit report	Internal Audit planned response				
			2023/24	2024/25	2025/26	2026/27	2027/28
<b>4635 - Capacity to manage patient care involving CBRN</b> 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.	 CL - Very High TL - High	2023.03 - Adverse events process 2024.05 - Public Protection 2025.03 – Rostering – ACC 2026 - Workforce planning and modelling 2027 - Patient Management Capacity					
<b>4636 - Health and wellbeing of staff affected</b> There is a risk that the health and wellbeing of our staff is being negatively Affected because of system pressures with the combination of mental and physical demands of working in an emergency ambulance service resulting in an increase in absence levels, lower morale, increased fatigue, lower resilience and reduced service capacity at all levels.	 CL - High TL - Medium	2022.03 - GRS Resource Planning 2023.05 - Health and wellbeing 2024.06 - Infection Prevention Control 2025.04 - Culture and staff engagement 2025.05 - Rest break compliance 2026 - Staff Governance Standards					
<b>4638 - Hospital Handover Delays</b> 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 being delayed for long periods with no access to facilities such as toilets and refreshments; 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.	 CL - Very High TL – High	2023.06 - Flow Navigation Centres 2024.04 - Clinical Hub 2025.03 – Rostering – ACC					

# 04 Strategic Internal Audit plan 2023-2028

Strategic risk description	Your risk rating [Residual risk] [CL - Current Level TL - Tolerance]	Planned internal audit report	Internal Audit planned response				
			2023/24	2024/25	2025/26	2026/27	2027/28
<b>5062 - Failure to achieve financial target</b> There is a risk that we do not achieve our financial targets and our 3-year financial plan because non-delivery of efficiency savings and increasing costs in operational and whole system pressures resulting in an inability to ensure Financial Sustainability and Improve Value.	 <b>CL – Very High</b> <b>TL – Medium</b>	Annual core financial controls 2023.01 Stock Management and Logistics 2024.01 - Estates repairs 2024.02 - GRS Timecards - Benefits Realisation 2024.03 - Clinical medicine management 2025.02 Best Value programmes 2026 – Payroll 2027 – Accounts Receivable and Accounts Payable					
<b>5602 - Service's defence against a Cyber Attack</b> 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.	 <b>CL -High</b> <b>TL – Medium</b>	2021.02 Cyber Security 2026 - Cyber Security 2027 - ICT Capacity and Capabilities					
<b>5603 - Maintaining required service levels – Business Continuity</b> There is a risk that SAS will not be able to maintain required service levels because disruption to SAS ICT solutions (e.g., due to a cyber-attack or power outage) or an event as a result of the impact of climate change) 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.	 <b>CL -High</b> <b>TL – Medium</b>	2019.06 IT Resilience and Continuity 2020.07 IT resilience (additional review) 2022.02 - ICT - Business Continuity 2022.04 - GRS Resource Planning - System Resilience 2022.02 - BCP and CIRP Lessons Learned 2025.06 - ICT infrastructure 2027 - Business Continuity					

# 04 Strategic Internal Audit plan 2023-2028

Strategic risk description	Your risk rating [Residual risk] [CL - Current Level TL - Tolerance]	Planned internal audit report	Internal Audit planned response				
			2023/24	2024/25	2025/26	2026/27	2027/28
<b>5519 - Statutory and Mandatory Training</b> 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.	 CL - High TL - Medium	2025.01 - Statutory and Mandatory Training					
<b>5653 - Organisational Culture</b> There is a risk that some staff feel unable to speak-up about issues they experience because of a legacy culture that is, unhealthy in some areas resulting in staff not feeling valued in some areas, a negative impact on staff welfare, sickness absence & potential to impact on patient care and safety.	 CL - High TL - Medium	2023.05 - Health and wellbeing strategy 2025.04 - Culture and staff engagement					
<b>5274 - Capacity to manage patient care during MTA</b> 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.	 CL - Very High TL - High	2022.03 - GRS Resource Planning - Efficiency and Effectiveness 2023.03 - Adverse events process 2024.05 - Public Protection 2025.03 – Rostering – ACC 2026 Workforce planning and modelling 2027 - Patient Management Capacity					
<b>5275 - Capacity to manage patient care consequences during a MIMC</b> 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.	 CL - Very High TL - High	2022.03 - GRS Resource Planning - Efficiency and Effectiveness 2023.03 - Adverse events process 2024.05 - Public Protection 2025.03 – Rostering – ACC 2026 Workforce planning and modelling 2027 - Patient Management Capacity					

# 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/bimonthly	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%
	Six weekly progress tracker report produced and sent/discussed at contract management meeting	Six weekly	100%



# Internal Audit Charter 2025-26

Scottish Ambulance Service

KPMG Internal Audit, Risk and Compliance Services

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April 2025



# Internal Audit Charter

## 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.

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 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 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, Logistics and Strategy.

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, Logistics and Strategy. 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.

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 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;
- 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.

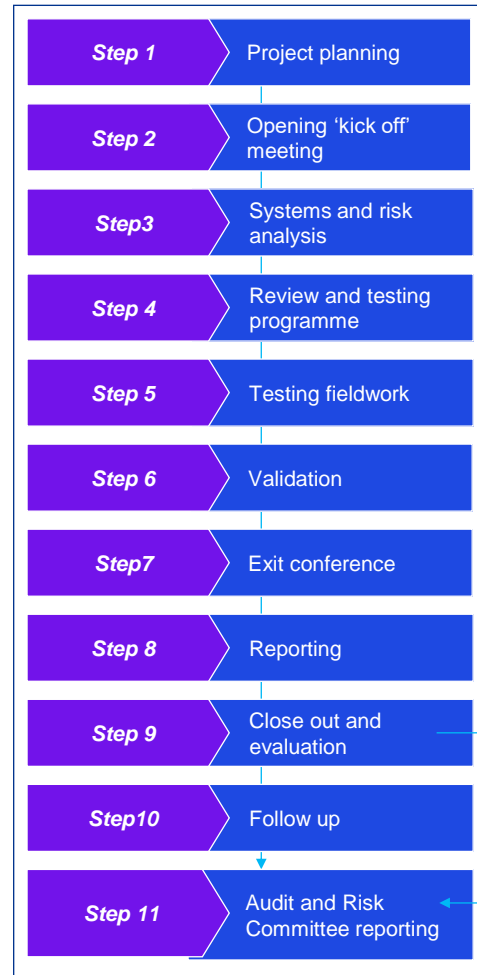
# Internal Audit Charter

## 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

## Levels of Assurance

Opposite (on the right) we show the basis of the levels of assurance that we provide you with for our reports. 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 provide classifications for our reviews in value for money areas

## Action ratings

Our actions are given the ratings shown below::

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.

## 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).
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).

# 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.

**1. 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.

**2. 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.

**3. 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.

**4. 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 . 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's 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.

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