



LONDON FIRE BRIGADE

MINUTES

AUDIT COMMITTEE

DATE	Wednesday, 25 February 2026	TIME	2.45 pm
VENUE	G-03 - Ground Floor, 169 Union Street, London SE1 0LL		

Minutes of the proceedings of the meeting of Audit Committee held G-03 - Ground Floor, 169 Union Street, London SE1 0LL on Wednesday, 25 February 2026

Present:

Marta Phillips OBE, Independent Member (Chair)
Kay Boycott, Independent Member
Seyi Obakin OBE, Independent Member
Martin Spencer, Independent Member

In Attendance:

Spencer Sutcliff, Deputy Commissioner
Catharine Gregory, Assistant Director, Finance
Tom Goodall, Assistant Commissioner, Risk Assurance Strategy & Portfolio
Ben Lazarus, Senior Partner, EY
Vamba Konneh, Capital & Treasury Manager
Karen Mason, Group Internal Lead, Internal Audit
Aleksandra Bukowska-Fijolek, Internal Audit
Andy Beesley, Head of Governance

1. Apologies

An apology for absence was received from Mostaque Ahmed, Director for Corporate Services. Catharine Gregory, Assistant Director for Finance substituted.

2. Declarations of Interest

There were no declarations of interest

3. Minutes of the Previous Meeting

The minutes of the previous meeting held on 9 December 2025 were agreed as a correct record. The Chair commented that the Audit Committee had recently visited Islington Fire Station to observe and discuss the work to achieve Net Zero carbon emissions. She was grateful to colleagues for supporting this visit.

4. LFC Executive Summary of Current Events

The Assistant Director, Finance followed by the Deputy Commissioner gave a verbal update which the Committee then discussed. Issues raised and discussed included the following.

Budget 26/27 – at the previous meeting a budget gap of £12.2m was reported. That gap has narrowed considerably owing to additional funding received from the Mayor of London. Additionally, training provision of £3.3m had been deferred to bridge the remaining gap but would be utilised in future years with minimal operational impact.

iTrent – the rollout of the new HR and Payroll system had been deferred as testing had highlighted glitches which had to be fixed before go-live. Those glitches had now been resolved and iTrent had gone live with all indications that the February pay-run had been successful.

Cyber security – As part of the ongoing ICT review there were a number of updates to LFB's cyber security position

- A decision had been made and communicated to staff in mid-January that the policy on bring your own devices (BYOD) for work use had been rescinded and would be effective from mid-February.
- The Brigade's new security information and event management tool (SIEM) was in the process of being implemented. An action was agreed for the implementation date to be shared with the Committee outside of the meeting.
- An additional cyber security post was being recruited to.
- Risk appetite and effective controls around decision making were under review
- LFB was in the process of procuring a new cloud-based back-up provision. An implementation date was yet to be confirmed but would be communicated to the Committee outside of the meeting.
- Further push on mandatory cyber security training which completion rates above 90%. The Chair noted the significant improvement in staff completing this training, but stressed that LFB had to push on to achieve a 100% completion rate.
- HMICFRS thematic review on cyber security. LFB was not part of the review however key findings and recommendations would be shared.

HMICFRS Phase 4 inspection - due to commence in October 2026 with preparations already underway.

Onerisk – a key milestone was imminent with LFB due to sign the contract with the service provider on 27 February.

LFB Annual Plan and Service Strategies – The Commissioner had committed to adopting an annual plan for 2026/27 and refreshing LFB's 6 service strategies, likely to be determined in mid-April. It was agreed that the annual plan would be submitted for consideration at the May Audit Committee meeting.

The Committee then noted the verbal update, and thanked officers for the update. In particular, the Committee noted that the implementation of the policy change for attaching personal devices to the LFB's systems.

5. Draft Audit Results Report (external audit) 2024/25

The Assistant Director, Finance and Ben Lazarus, External Audit Senior Partner at Ernst & Young, presented Ernst & Young LLP's draft Audit Results Report for the London Fire

Commissioner's (LFC's) Statement of Accounts for 2024/25, which included the Annual Governance Statement.

It was noted that the draft Statement of Accounts were presented to the Commissioner's Board on 9 July 2025 and published and passed for external audit.

It was explained that the audit of the Statement of Accounts was complete with verbal updates being provided as the decision report passed through the internal governance process.

It was reported that LFB had received a qualified, but no longer disclaimed, audit opinion, which represented significant progress compared to previous years. It was explained that the qualification related solely to the split of reserves in the balance sheet due to the historic missing audit year.

The Senior Partner at EY believed a technical route existed to resolve this issue, though wider alignment was required with regulators and other audit firms.

LFB had also received an unqualified Value for Money (VfM) conclusion.

The Committee congratulated officers and EY on the substantial improvement in the delivery of the 2024/25 annual audit. It discussed resourcing, audit readiness, and the importance of project-managing the audit cycle with a view to improving the process for future years.

The Committee noted the report.

6. Combined Treasury Management Outturn Report 24-25 & Treasury Management Mid-Year Report 25-26

The Capital and Treasury Manager presented the combined Treasury Management Outturn report 2024/25 and mid-year performance report 2025/26.

This report was submitted under the LFC's Financial Regulation 20(a) which required the Director for Corporate Services to act in accordance with the Commissioner's Policy Statement on Treasury Management Activities and Treasury Management Practices and CIPFA's "Standard of Professional Practice on Treasury Management".

Consequently, the Director for Corporate Services submitted an Annual Report to those charged with governance on Treasury Management activities for the year ending 31 March 2025; and also provides a report on performance in-year at the end of the second quarter of the 2025/26 financial year.

It was explained that the LFC's Treasury Management activities for 2024/25 and 2025/26 were carried out by the Greater London Authority (GLA) under a shared service agreement and delivered by GLA Group Treasury.

The report provided a summary and analysis of the performance on the LFC's treasury management activities, and outlined the economic background against which treasury management activities were undertaken during the year.

The Capital and Treasury Manager highlighted the following:

- No new long-term borrowing had been undertaken in 2024–25 or 2025–26.
- Short-term borrowing had been used for cash-flow management but had since been fully repaid. The Chair asserted her view that reliance on short term borrowing should not be unnecessary if it was caused by the LFB's inability to draw down funds for the Department on a timely basis. The Assistant Director, Finance committed to working with London Treasury to review LFB's short term borrowing strategy and to lobby MHCLG and other government departments on grant funding timelines and the impact on LFB's short term borrowing position. The Committee will be updated at its next meeting.
- Investment balances had marginally increased.

In summary, treasury operations remained prudent and compliant.

The Committee noted the report.

7. Quarterly Risk and Assurance Updates - Quarter 2 and Quarter 3

Assistant Commissioner, Risk Assurance Strategy & Portfolio provided an update on LFB's corporate risk and enterprise assurance frameworks. The report provided an overview of key information, improvements and potential future issues based on the intelligence arising from LFB's risk and assurance knowledge. It was intended to provide stakeholders with confidence that the LFB had a process in which it could identify priority areas and known gaps, a plan in place to enhance the provision of risk management and assurance where necessary, and that the frameworks contribute to the delivery of the LFB's strategic objectives.

In respect of the overall risk position, there had been a further decrease in the overall numbers of corporate risks (from 129 to 122), the second quarter in a row with a downward trend. The reduction was due to combination of closing some risks which were at their target score and a consolidation of risks under the Risk, Assurance, Strategy and Portfolio Department. The closure of risks at target was a sign of growing maturity when it came to risk management. There had also been significant movement in the risk management system with approximately 25 per cent of risks changing status. This was a healthier position following a relatively static period over the Q2 summer period.

It was reported that two red risks had been downgraded following the Risk and Assurance Board (RAB) meeting in October 2025, those were P2 training assurance risk and the OP7 alternative fuels risk. It was noted however that developments in the delivery of the replacement HR and payroll system, iTrent had led to a mid-term temporary escalation during Q3 of both the P5-8 parent iTrent risk and the specific FN9 payroll related risk by the Director for People Services and Director for Corporate Services in line with the Brigade's temporary escalation process. A proposal was also developed to rescope and rescore the CS3 transformation affordability risk which was downgraded to amber at RAB in January 2026. Therefore, the overall number of red risks currently stood at five.

In terms of horizon scanning, global tensions drew much of the focus regarding the risk environment. Hybrid war was being referenced frequently and posed a significant threat because it blended conventional military force with irregular tactics, cyberattacks, disinformation, economic coercion, and covert political manoeuvring to undermine a state without triggering a traditional armed response. For a Fire and Rescue Service, this could mean co-ordinated arson or infrastructure attacks, alongside the exploitation of disinformation to reduce trust in emergency services. Whilst LFB had its own red ORC18

Geopolitical risk, conversations were taking place to explore whether the impacts of hybrid war should also be included on the corporate risk register and LFB's preparedness for it as a viable threat.

Regarding assurance activity, the Enterprise Assurance policy had recently been approved. The policy formalised the approach set out in the Assurance Management Strategy 2022 which defined LFB's 'four-lines' model for delivering assurance across the organisation.

Working with the Performance Improvement team, a progress hub had been developed and was soft launched in December 2025. The hub provides Heads of Service with real-time access to new and overdue audits, assurance, and GTI/HMI-related recommendations, to track and update progress effectively. A full launch supported by training and communications was due in Q4.

In respect of thematic reviews, several spotlight reviews had concluded, including a reasonable assurance rating on the Jade François Matthew Esprit follow-up.

Long-outstanding audit recommendations continued to be escalated with relevant directors with the number having reduced considerably over the past few months.

The Committee discussed:

- The geopolitical risk and whether LFB's preparations, including recall to duty, could allow reclassification despite the inherent uncontrollability of global events.
- The need to align ICT-related risks more coherently and prioritise the efficient and effective allocation of resources more generally through improved governance.
- How LFB could be supported in its review of its risk appetite position, a matter which the Chair agreed to facilitate outside of the meeting.
- Establishing clearer ownership and accountability for risk across directorates.

The Committee noted the report.

8. Internal Audit - Quarterly Progress Reports

The Group Audit Lead, Internal Audit introduced the report which detailed the work undertaken by Internal Audit during Q2 and Q3. The report also set out the Head of Internal Audit's opinion on the adequacy of LFB's internal control framework.

The Group Audit Lead provided a summary of key findings during assurance and follow up reviews undertaken:

- Gifts and Hospitality received a limited assurance rating. It was explained that policies had not been consistently followed, data accuracy had proven to be poor and publication deadlines had been missed. The Chair requested that the declaration of interest form be reviewed in order that it be simplified for completion and consideration be given to reviewing the policy which appeared to be out of date.
- Environmental Management received an adequate assurance rating however weaknesses in leadership oversight and monitoring had been identified.
- Training Design & Implementation (follow up) received an adequate assurance rating. The follow-up identified that improvements made however some further actions remained.

- Employment Validation Checks (follow up), it was reported that two high-priority recommendations had been implemented following significant issues with a falsified CV and reference.
- Fraud Investigations – Two cases were investigated:
 - an agency worker holding multiple overlapping roles (no fraud found but controls weak);
 - a job applicant submitting forged documentation, triggering wider disciplinary action in another organisation.
 The Assistant Director, Finance outlined extensive improvement actions, including tightening recruitment controls, use of the CIPFA fraud-prevention database, and enhanced staff training on recruitment.

The Committee noted the report.

9. Internal Audit - Draft Annual Plan for 2026/27

The Group Internal Lead, Internal Audit presented the draft annual audit plan for 2026/27.

It was explained that the LFC's Financial Regulations at paragraph 13(m) required the Director for Corporate Services in conjunction with the Commissioner, to agree the draft audit plan with the Head of Internal Audit prior to approval by the LFC.

The Committee reviewed the draft plan which constituted a total of 530 days. Members of the Committee remarked that 530 days remained high for an organisation of LFB's size despite it being higher in previous years. Members highlighted the need to ensure audit coverage aligns with LFB's risk profile and need to avoid unnecessary duplication with LFB's Business Assurance function.

The Committee welcomed the director-level planning workshop which would focus and strengthen prioritisation of planned audit activity.

The Committee noted the report.

10. Global Internal Audit Standards - Gap Analysis

The Group Internal Lead, Internal Audit presented the report which was requested at a previous meeting of the Audit Committee whereby Internal Audit had commenced a gap analysis against Domain III on 'Governing the Internal Audit Function allocates responsibilities to the board and senior management' to support their External Quality Assessment scheduled for April 2026.

The Group Internal Lead explained that some standards could not be applied fully due to the outsourced nature of internal audit however it remained consistent with CIPFA guidance. An external assessment was scheduled for April, with results expected over the summer. The outcome will be shared with the Committee when it is available.

The Committee noted the report.

11. London Fire Commissioner Audit Committee Annual Report 2025

The Head of Governance presented the report which provided a summary of the work of the LFC's Audit Committee for the year 2025. The Audit Committee was constituted in November 2020 to provide more robust scrutiny and assurance of LFB's financial, risk and governance and other internal control arrangements. Its Terms of Reference stated that it should produce an annual report which would be published on the LFC website. This was its fifth annual report.

Whilst the report focused on the work of the Audit Committee for the last year, it noted the significant challenges that the LFB had faced and continued to face in addressing significant financial challenges, cyber security threats, increasing demands and adapting to a period of consolidation and continuous improvement following a sustained period of transformation. Whilst progress had been made the Audit Committee continued to work with colleagues in LFB to support the changes and developments it needed to put in place in delivering its action plans.

The Committee approved the report subject to an amendment highlighting the ongoing work of the Committee in respect of cyber-security concerns.

12. Workplan

The Committee noted the workplan.

13. Any Other Business

There was none.

14. Dates of Future Meetings

The next meeting of the Audit Committee was scheduled to take place on 5 May 2025 and would take place on MS Teams.

Anna Flatley, Governance Manager
Clerk to Audit Committee