

Decision title

Internal Audit – Review of 2017–18

Recommendation by

Head of Internal Audit

Decision Number

LFC-0069-D

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Summary

LFC-0069 provides the London Fire Commissioner with the Head of Internal Audit's annual opinion on the effectiveness of the London Fire Brigade's internal control framework and details of progress on work undertaken during the year 2017/18.

Decision

The London Fire Commissioner receives the report.

Dany Cotton QFSM
London Fire Commissioner



Date **17-10-18**

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Report title

Internal Audit – Review of 2017/18

Report to
London Fire Commissioner

Date
10 October 2018

Report by
Head of Internal Audit

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LFC-0069

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Summary

This report provides the London Fire Commissioner with the Head of Internal Audit's annual opinion on the effectiveness of the London Fire Brigade's internal control framework and details of progress on work undertaken during the year 2017/18.

Recommendation

That the report be received.

Background

1. This report contains the Head of Internal Audit's annual opinion on the effectiveness of the London Fire Brigade's (LFB) internal control environment. It also summarises the activities and performance of Internal Audit during the financial year 2017/18. The Mayor's Office for Policing and Crime (MOPAC) provides the LFB internal audit service under a shared service arrangement that has been in place since November 2012.
2. The Head of Internal Audit is required to give an opinion at least annually, and this is based on an assessment of the systems of governance, including risk management and the adequacy of the internal control framework. The evaluation of the adequacy of control is noted from risk and assurance audits, advisory work and the results of any investigations.
3. The LFB governance framework was clearly defined during the year, and was in line with best practice to meet statutory requirements. The risk management framework in use within the LFB is also based upon recognised best practice and has a clearly defined risk appetite. Audits conducted during the year show that overall the internal control framework can be assessed as adequate. The Head of Internal Audit's overall opinion for 2017/18 is that the LFB has an adequate internal control environment and controls to mitigate risks are generally operating effectively.
4. The Policing and Crime Act 2017 resulted in the abolition of the London Fire and Emergency Planning Authority and the creation of the London Fire Commissioner with effect from the 1

April 2018, which resulted in revised governance arrangements from that date, but has not impacted upon Internal Audit's opinion for 2017/18.

5. The Internal audit Annual Report for 2017/18 is attached as Appendix 1.

Finance comments

6. The Chief Finance Officer has reviewed this report and has no comments.

Workforce comments

7. No consultations were undertaken in relation to this report.

Legal comments

8. The General Counsel has reviewed this report and has no comments.

Sustainability implications

9. This report has no sustainability implications.

Equalities implications

10. This report has no equalities implications.

List of appendices to this report

- a) Appendix 1 – Annual Report 2017/18
- b) Appendix 2 – Assurance Criteria

M O P A C

MAYOR OF LONDON

OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE

Internal Audit Service to the London Fire Brigade

Annual Report

2017/18

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Governance Framework

Introduction

1. This report contains the Head of Internal Audit's annual opinion on the effectiveness of the London Fire Brigade's (LFB) risk and internal control environment. It also summarises the activities and performance of Internal Audit during the financial year 2017/18. The Mayor's Office for Policing and Crime (MOPAC) provides the LFB internal audit service under a shared service arrangement that has been in place since November 2012.
2. The Head of Internal Audit is required to give an opinion, at least annually, on the effectiveness of the risk and control environment. This is based on an assessment of the systems of governance; including risk management and the adequacy of the internal control framework. The evaluation of the adequacy of control is obtained primarily from risk and assurance reviews. Advisory and compliance work together with the results of any investigations also help inform that opinion. This continues to be a time of significant change for the LFB with an ongoing need to increase efficiency and achieve better value for money whilst maintaining an effective fire service. Internal Audit has, therefore, reported on opportunities for improving efficiency and value for money in all aspects of its work during the year.
3. The Policing and Crime Act 2017 abolished the London Fire and Emergency Planning Authority (LFEPA) and amended the Greater London Authority Act 1999, to create the London Fire Commissioner (LFC) on 1 April 2018 and a Deputy Mayor for Fire and Resilience was also appointed. Although the impact of these changes on the governance structures was being considered during 2017/18, with transitional arrangements under development, these changes did not affect internal audit's opinion for 2017/18.
4. The internal audit programme evaluates and concludes on the effectiveness of the control mechanisms that are in place to mitigate risks that could impact upon the achievement of the Brigade's strategic aims and objectives.

Annual Assurance

5. The LFEPA governance framework was clearly defined and in line with best practice to meet statutory requirements. The risk management framework in use was also based upon recognised best practice and had a clearly defined risk appetite. Internal Audit first time reviews conducted during the year show that overall the internal control framework can be assessed as adequate, which is a fairly typical rating indicating that systems and controls have been set up to achieve objectives and generally operate as intended. To maintain this level of control, whilst meeting the challenges of delivering operational services against a backdrop of ongoing financial pressures, is indicative of the positive way in which the Brigade has responded to, and continues to promptly address, the issues we highlight.

Governance Framework

6. This will help to provide the Brigade with a sound platform for achieving a fully effective control framework. This level of control is commensurate with systems that have been designed to maximise efficiency and effectiveness with evidenced and consistent monitoring of activities providing first and second line assurance on the management of risk and the achievement of objectives. However, the benefits of achieving a fully effective control framework should always be balanced against the costs involved. It should also take account of current and future risk exposure and be commensurate with the stated risk appetite. An assessment of this nature will help to inform the Brigade's approach going forward, and is an essential component of effective risk management.
7. When concluding upon the effectiveness of the control framework, Internal Audit also takes into account the work of other assurance providers, the outcome of investigations and advisory work and the results of our follow up programme.

The Head of Internal Audit's overall opinion for 2017/18 is that:

The LFB has an **adequate** internal control environment and controls to mitigate risks are generally operating effectively. The need to rationalise existing policy and procedures has been a recurring theme throughout the year although ongoing improvement in this area is helping to strengthen the control environment.

LFEPA Governance, Performance and Audit Committee (GPAC)

8. The GPAC was comprised of LFEPA members had a clearly defined Terms of Reference which was reviewed each year in line with best practice. The Committee helped management to discharge its responsibility for maintaining sound systems of internal control, risk management and governance. It also provided independent oversight and challenge and was a key mechanism for demonstrating transparency and openness within the Brigade.
9. The Committee met regularly during 2017/18 and received assurance reports from management and other key assurance providers including Internal and External Audit and the Risk Management function. These reports, including the Annual Governance Statement (AGS) and the External Auditors' Annual Report, provided assurance to LFEPA and key stakeholders about the integrity of the financial information contained within the annual accounts and the mechanisms in place for managing the key risks facing the organisation. The information reviewed by the Committee set out how LFEPA ensured value for money, complied with the regulatory framework, protected its people and assets and demonstrated appropriate business ethics.

Governance Framework

Internal and External Audit Arrangements

10. The need for an internal audit service is laid down in the Accounts and Audit Regulations 2015. Regulation 5 requires the Brigade to undertake effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Audit Standards (PSIAS). This includes a review of the effectiveness of the internal audit function at least once every five years by a qualified external assessment team and is supplemented by an ongoing internal quality assurance process. This forms part of the system of internal control referred to in Regulation 3 below.
11. Regulation 3 of the Accounts and Audit Regulations 2015 requires that the relevant body is responsible for ensuring that it has a sound system of internal control, which facilitates the effective exercise of that body's functions and which includes the arrangements for the management of risk. Under Regulation 6, there is a requirement to review, at least once a year, the effectiveness of its internal control systems for inclusion in the AGS. The work of Internal Audit informs that process and has a key role to play in assisting the Director of Corporate Services to fulfil the statutory roles required by this legislation.
12. MOPAC's Directorate of Audit, Risk and Assurance (DARA) provided an internal audit service to LFEPA during 2017/18 under a shared service arrangement effective since 1 November 2012, and prior to that on an interim basis commencing in September 2011.
13. The Local Audit and Accountability Act 2014 changed the way External Audit Services are delivered in the public sector. An independent company 'Public Sector Audit Appointments Limited' (PSAA) created by the Local Government Association are now responsible for the appointment of external auditors to principal local government and police bodies in England. Under these arrangements the PSAA have overseen the transitional arrangements which commenced during 2016/17 and continued into 2017/18 with the same private firm providing External Audit services to LFEPA.
14. Following a tender exercise by PSAA and subsequent consultation with key stakeholders during 2017, arrangements were finalised with the appointment of named audit firms to each individual authority or its successor body. Appointments were made for the duration of five years to commence in 2018/19, with the private firm providing audit services to LFEPA during the transitional period appointed as auditors for the newly created LFC.

Corporate Governance Framework

15. LFEPA had clearly defined corporate governance, strategic planning and performance management frameworks which were regularly reviewed to ensure they were in line with best practice and meet statutory requirements. The AGS for 2017/18 also sets out how LFEPA followed the principles of good governance as described in the CIPFA/SOLACE 'Delivering Good Governance in Local

Governance Framework

Governance Framework'. A new London Safety Plan, which provides the strategic direction for the Brigade, was published covering the four year period 2017 to 2021.

16. New governance arrangements are being developed and implemented to support the creation of the new LFC and Deputy Mayor for Fire and Resilience. Dealing with the risks and challenges associated with transitioning to the new arrangements are a key feature of the AGS and is a significant control issue for action. Our plan for 2018/19 also reflects this key area of risk with reviews of governance, decision making and the assurance framework planned to help the LFC achieve a smooth transition to the new arrangements.

Performance Management Framework

17. During 2017/18, the performance management framework was monitored through Directorate Management Boards, the Commissioner's Corporate Management Board, the Corporate Management Team, the Top Management Group performance meetings, the Governance, Performance and Audit Committee, the Resources Committee and the Strategy Committee. The framework has been recognised and referenced by previous external audits conducted by assessors including the Audit Commission.
18. The Authority received regular performance reports on its LSP commitments, performance against performance indicators, and key projects through its Governance, Performance and Audit Committee, Resources Committee and Strategy Committee. Comprehensive performance reports covering corporate performance indicators, corporate risks, key projects, as well as departmental performance were considered regularly by the Commissioner's Corporate Management Board.

Risk Management Framework

19. LFEPA had an embedded risk management framework with a clearly defined risk appetite. The framework or other aspects of risk management are reviewed annually by MOPAC DARA to provide an independent opinion on the adequacy of the risk management framework itself and on the arrangements in place to identify, treat and monitor risks. The corporate risk register includes the strategic risks identified by the Corporate Management Board, the management of which is pivotal to the achievement of the Brigade's strategic aims and objectives and is supported by departmental risk registers. There was a well-established reporting process whereby risk, continuity and governance reports were completed and reviewed by the Corporate Management Board before submission to GPAC for consideration and comment. Information contained in these reports is also included in the AGS. The team who oversee risk management have been working during the year to refresh the existing risk management framework, with roll-out anticipated in 2018/19.

Governance Framework

20. Risk management is one of a number of disciplines used to guide strategy, implement Mayoral objectives and make the best use of resources while acting properly and transparently. It is interwoven with corporate governance, business planning and performance management. Internal Audit work alongside staff to provide independent assurance on the effectiveness of the control mechanisms that are in place to mitigate identified risks. Our final audit reports are copied to the Head of Strategy and Risk and any risk issues identified are considered and included within the risk management process. This has improved synergy between the two functions and facilitates an integrated approach to risk management.

Audit and Other Assurance Providers

21. Current best practice recommends the use of a 'Three Lines of Defence' model to help clarify roles and responsibilities for assurance provision. Internal Audit, along with External Audit, are responsible for providing independent assurance as a key part of the third line and are part of the Brigade's internal assurance framework. Each assurance provider has a distinct role within the process and Internal Audit liaises regularly with the second line groups, to discuss their respective plans, approach and scope of work. Collaboration between the respective assurance providers is essential to ensure that:

- All work is properly co-ordinated
- Any assurance gaps are identified
- Work is not duplicated
- Assurance provision is mapped to key risks

22. This process also provides a mechanism to ensure that resources are used efficiently and effectively and are directed to areas of highest risk and strategic importance to LFEPA. Internal Audit will continue to help raise awareness of this approach.

Material Systems Work – Key Financial Controls

23. The key financial systems that are material to the audit opinion on the financial statements are reviewed using a risk-based and cyclical approach, and for 2017/18 included payroll, accounts receivable, accounts payable, cash and bank, general ledger and pensions. Internal Audit has concluded that the control framework for these systems is adequate with controls generally operating effectively. We meet regularly with External Auditors to discuss our respective work plans and review outcomes. Whilst both sets of auditors have separate responsibilities in respect of key financial systems work, we both take assurance, where appropriate, from each other's work when forming our respective opinions.

Governance Framework

Counter Fraud Work and National Fraud Initiative

24. The Counter Fraud and Corruption Policy and Response Plan are contained within policy documents. They could be found on LFEPA's website and were also distributed to contractors together with a copy of the Whistleblowing Policy.
25. The Audit Commission's powers to conduct National Fraud Initiative (NFI) work transferred to the Cabinet Office on 1 April 2015 although data matching arrangements continued as before. The pension, creditor and payroll datasets were submitted for the NFI 2016/17 exercise, with the matches received in quarter 4. Work to process the matches continued during 2017/18.
26. There were 1,122 matches over 18 reports (an increase of one from the original exercise). From these, 254 matches were recommended for review and/ or investigation. All 254 matches have been cleared; 253 with no evidence of fraud identified and one where fraud was identified which was referred to Lincolnshire Police. The individual has pleaded guilty, and a compensation order will be in place following the next hearing.
27. The MOPAC Counter Fraud team were also involved with investigation and the provision of advice and guidance in response to the following:
 - Advised on the receipt of phishing emails from fraudsters attempting to defraud the Brigade. Emails purporting to be from the Commissioner were sent to senior Finance staff requesting payments. Emails were also sent to ICT in an attempt to entice the recipient to open an attachment linked to the email, and as a result IT security proactively blocked accounts.
 - Provided fraud awareness support through delivery of a fraud awareness session to staff.
 - Investigated a whistleblowing complaint around potential financial irregularities and conflicts of interest in relation to the CrossFire schools intervention programme. No fraud was identified, but management have agreed recommendations around improvements to strategic decision making and oversight for the programme.
 - Investigated a whistleblowing complaint into allegations of a now working pensioner, who was retired early on grounds of ill health. The review found there were no concerns as the pensioner was entitled to do this work under the pension scheme conditions and had declared the employment.
 - Supported the General Counsel by contributing towards the investigation of further whistleblowing complaint around a member of staff establishing a business utilising their Brigade contacts.
28. Our review of Counter Fraud Arrangements sought to strengthen and clarify reporting arrangements. The output from this work has been analysed and will

Governance Framework

help to inform the development of our fraud awareness programme which will help promote awareness of both fraud indicators and fraud risks in general. We will utilise an online tool which allows attendees to participate using their mobile phones or tablets to vote in response to set questions.

29. In accordance with the government's Transparency Code 2015, LFEPA must publish information annually on its counter fraud work. This includes the total number of employees undertaking investigations and prosecutions of fraud, and the total number of fraud cases investigated. The information required to be published was set out on LFEPA's website: <http://www.london-fire.gov.uk/FraudWhistleblowing.asp>. This information has now transferred to the LFB website: <https://www.london-fire.gov.uk/about-us/transparency/information-we-publish/?term=fraud&type=-1#results>
30. The 2017/18 outturn was: LFB has not used power under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers. The Internal Auditors allocated 45 days to counter fraud activity for 2017/18, at a cost of £16,200 which represents approximately 0.25 of one full time equivalent person. Their Counter Fraud team consisted of professionally accredited counter fraud specialists and ex-police officers who are qualified by experience. The allocated days were split between the provision of counter fraud awareness as well as the review and investigation of fraud referrals as shown above.

Internal Control Framework

Annual Assurance

31. We have issued 34 audit reports this year consisting of 17 risk and assurance reports (14 general and three station based/ thematic), 12 follow ups (10 general and two station/ thematic), four advisory reports and one interim management letter.

32. Overall, Internal Audit work this year has concluded that the LFEPA internal control framework was adequate. The control framework assessment for the 17 full reviews conducted was 65% adequate and 35% limited. There are more limited reviews this year (up from two last year) and the percentage has increased significantly (up from 9% the previous year). However, a change in our approach, which has seen seven low risk station reviews replaced by fewer more in depth thematic reviews, has had a disproportionate affect on the percentages. This has been taken into account when determining the impact on the overall control environment which has remained adequate. Follow up reviews also help to inform our overall opinion and although they are not given updated assurance ratings, our independent assessment confirmed that the respective control environments had improved, contributing to the overall rating. From next year we will show the updated position for each individual review to increase clarity. Further detail is provided as follows:

Overall Assurance Rating	2017/18	
Substantial	0	0%
Adequate	11	65%
Limited	6	35%
No	0	0%
Total	17	100%

33. **Appendix 2** contains the definition of assurance levels. The six limited assurance reviews were:

- Control and Mobilising Sytsem and Station End Equipment
- Development and Maintenance of Operational Professionalism (DaMOP)
- Adult Safeguarding
- Environmental Controls and Merton Control Centre
- Vision Mobilising System – Realisation of the Operational Benefits
- Station Security

34. When we conclude on a limited assurance rating it is usually a result of the control framework requiring improvement with key controls either missing or not working as intended. In the cases shown above, key aspects of the framework, and in particular the policies and procedures, were in need of review to ensure they provided an appropriate foundation for the delivery of activity. The need to rationalise and improve policy and procedures remained a recurring theme across the Brigade during the year, although we recognise that management

Internal Control Framework

respond positively to the issues identified and take prompt action to strengthen the control environment.

Risk and Assurance Reviews (Excluding Station Based)

35.A breakdown of the 14 risk and assurance reviews (nine adequate assurance rating and five limited), four advisory reviews and 10 follow ups reported to GPAC or the Commissioner's Board for 2017/18 is shown below, and includes the meeting dates to which the final reports were submitted. We liaise, on an ongoing basis, with the departments concerned to establish the status of the agreed actions arising from these reviews. The outcome is included in our progress updates reported to GPAC or now the Commissioner's Board quarterly.

Audit Title	Date of Audit Report	Type or Assurance Rating	GPAC or Commissioners Board Date
Flexible Working	May 2017	Follow Up	September 2017
Environmental Management Systems	May 2017	Follow Up	September 2017
Internal Communication Tools	May 2017	Follow Up	September 2017
IR35 Compliance Framework	September 2017	Adequate	November 2017
ICT Project Governance	October 2017	Adequate	November 2017
CAMS and Station End Equipment	October 2017	Limited	November 2017
Counter Fraud Governance Arrangements	October 2017	Follow Up	March 2018
Mobile Data Terminals	November 2017	Advisory	March 2018
Expenses Relating to Overtime at Brigade Control	January 2018	Advisory	March 2018
Statutory Compliance Framework	January 2018	Follow Up	March 2018
Fire Safety Youth Engagement Programmes	January 2018	Follow Up	March 2018
Development and Maintenance of Operational Professionalism (DaMOP)	February 2018	Limited	March 2018
Environmental Management Systems (Data Quality)	February 2018	Adequate	March 2018
Environmental Management Systems	February 2018	Advisory	March 2018
Third Party Data Assurance	February 2018	Adequate	March 2018
Inclusion Strategy	March 2018	Adequate	July 2018
Key Financial Systems	April 2018	Adequate	July 2018
Adult Safeguarding	April 2018	Limited	July 2018
Environmental Controls at Merton Control Centre	April 2018	Limited	July 2018

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Audit Title	Date of Audit Report	Type or Assurance Rating	GPAC or Commissioners Board Date
ICT Service Desk	April 2018	Follow Up	July 2018
Budgetary Control	April 2018	Follow Up	July 2018
Protective Security	April 2018	Follow Up	July 2018
Vision Mobilising System – Realisation of the Operational Benefits	May 2018	Limited	July 2018
Risk Management	May 2018	Adequate	July 2018
Capital Budgeting	May 2018	Follow Up	July 2018
Operational Policy – External Relations	July 2018	Advisory	September 2018
Cyber Security Controls	July 2018	Adequate	September 2018
Disciplinary Framework	July 2018	Adequate	September 2018

Fire Station Compliance and Thematic Reviews

36. A breakdown of the three Fire Station compliance and thematic reviews reported to GPAC and the Commissioner's Board in relation to 2017/18 is shown below, indicating the assurance scores they received (two adequate and one limited) and the meeting dates to which they were presented. We have also issued two follow up reports outlining the implementation of previously agreed actions. We liaise, on an ongoing basis, with the departments concerned to establish the status of the agreed actions arising from these reviews. The outcome is included in our progress reports that are reported quarterly.

Audit	Date of Audit Report	Type or Assurance Rating Score	GPAC or Commissioner's Board Date
Thematic Review of Pool Cars	January 2018	Follow Up	March 2018
Thematic Review of Skills Gap	February 2018	Follow Up	March 2018
Thematic Review of Health and Safety	May 2018	Adequate	July 2018
Station Security	May 2018	Limited	July 2018
Thematic Review of Completion of Babcock Training	May 2018	Adequate	July 2018

Systems Development and Control Advice

37. Internal audit provide advice and assistance to departments as part of our annual plan. This can be in response to a specific request for assistance or as part of an ongoing arrangement with the department concerned. This year has seen a

Internal Control Framework

continued change of focus with more emphasis on advisory work to assist LFEPA during this time of significant change. Key areas of advice provided during the year included:

- Mobile Data Terminals – Collation of the events leading up to the theft of mobile data terminals as reported to the Resources Committee in November 2017.
- Expenses Framework for Control Staff – Guidance on the effectiveness of the existing framework.
- Environmental Management System - Providing guidance on compliance with their ISO 14001:2015 certification requirements.
- Operational Policy (External Relations) – Overview of the work undertaken around internal policy development and blue light collaboration, leading to a wider ranging review in 2018/19.

Acceptance and Implementation of Recommendations

38. GPAC and the Commissioner's Board were provided with a detailed quarterly update on the status of all reported recommendations and/or agreed actions that are outstanding. The figures shown below demonstrate how the control framework continues to improve following the implementation of agreed actions. This approach also provides more transparency and independent scrutiny which are key components of an effective governance framework.

39. From the 17 full non-advisory audits finalised during the year 2017/18, there were a total of 67 agreed actions reported to the Committee/ Board. From this total of 67, 49 were not due for implementation at the date of reporting. Of those 14 actions were reported to GPAC between July 2017 and March 2018, and a further 35 were reported to the Commissioner's Board in July and September 2018, and have not yet been pursued for status updates. The remainder of the agreed actions have been implemented or the risk accepted due to the low materiality of the risk in question. A breakdown of this information is reported in the quarterly progress reports.

40. We continue to liaise with the departments concerned to determine the current status of the remaining outstanding recommendations and an update will be reported to the Commissioner's Board in our quarter 1 update for 2018/19.

Internal Audit Performance

Strategic Approach

41. We continued to use a risk based approach to our annual planning cycle linked, where possible, to the Brigade's corporate and departmental risks. As part of this process we discussed and agreed with CMB members and Heads of Service the areas upon which they required objective assurance. We used this approach during our assignment planning and delivery, making sure that our work focussed primarily upon reviewing key risks and areas that were identified as material to achieving business objectives. In addition, we continued providing assurance on the management of ICT risks in collaboration with an outsourced provider. This approach is designed to meet the statutory requirement for an annual opinion on the adequacy and effectiveness of the internal control environment, whilst recognising this is a time of significant change with a demand for improving efficiency and achieving better value for money.
42. Completion of the 2017/18 annual plan has enabled the Head of Internal Audit to provide an opinion on the effectiveness of the control environment, which in turn informs the AGS published with the Annual Accounts. The 2016/17 plan contained a reduction of 275 audit days (from 1,134 to 859), and our review of this during 2017/18 provided confirmation that this did not adversely affect delivery of the audit plan or our ability to provide an annual audit opinion on the adequacy and effectiveness of the risk and control environment. As a result the reduction was made permanent for 2017/18. We have worked in consultation with management, striking the appropriate balance between providing assurance, challenge and advice. We also look to report on opportunities for improving efficiency and value for money in all aspects of our work.
43. Looking forward to next year, our Annual Plan for 2018/19 was presented to GPAC in March 2018 (FEP2836) and outlined our proposal to make a further reduction in audit days to 773. This takes account of the further efficiencies in services delivery that we have achieved whilst at the same time maintaining an adequate level of audit coverage. This proposal was agreed by Members, and the resulting plan, which contains a mixture of assurance and advisory work will continue to focus on the areas of strategic importance to the Brigade.

Planning and Delivery

44. Internal Audit have completed 100% of the 2017/18 annual audit plan to final report stage. The high percentage of work completed reflects that reports are now being drafted and agreed more quickly with management.
45. Two reviews were deferred at the request of management; Management of Standby Travel Arrangement and Attendance Management.

Internal Audit Performance

Working in Partnership

External Review Agencies

46. Internal Audit has effective working relationships with the External Auditors and we work in liaison with them to optimise the use of resources and avoid duplication.

Audit Forums

47. The MOPAC Director of Audit, Risk and Assurance is a panel member of the CIPFA Better Governance Forum. We also contribute to the London Audit Group and sub-groups set up to exchange best practice on auditing procurement, major contracts and ICT. Our involvement ensures we keep at the forefront of professional developments and provide a responsive audit service.

Counter Fraud Groups

48. MOPAC DARA work with other public sector bodies to combat fraud and to develop an effective counter fraud response. We are represented on the steering group of the London Public Sector Counter Fraud Partnership, which brings together over 120 local authority, central government and NHS bodies to promote counter fraud activity and share good practice. We will use our knowledge and experience in this area to assist our work in the Brigade where appropriate in the coming year.

Shared Internal Audit Services

49. DARA has taken the lead in providing shared internal audit services to the GLA group. Along with delivering the internal audit function for the MPS, MOPAC and GLA from October 2011; we have continued to manage the audit service for the London Fire Brigade under the shared service arrangement that was finalised in November 2012. In April 2015, we also entered into a Shared Service Arrangement providing Internal Audit Services to the London Legacy Development Corporation (LLDC). This has resulted in monetary savings as well as synergy across the GLA group, and provides the opportunity to optimise the use of all available professional and specialist audit skills. We continue to work in partnership with the private sector drawing from a GLA wide framework agreement to meet our specialist ICT audit resource requirements.

Professional Standards

50. All MOPAC DARA work is conducted in line with professional standards and recognised best practice. The Public Sector Internal Audit Standards (PSIAS) provide the benchmark for the delivery of our service, including the requirement for all of the audit team to be professionally qualified.

Internal Audit Performance

Equalities and Diversity

51. Auditors and investigators receive appropriate training in equality and diversity issues and their performance within the Brigade is monitored as part of our internal quality assurance process. Our work is designed to provide as wide a range of coverage of the Brigade as is possible and practicable.

Assurance Criteria

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively; however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.