

Internal Audit – Draft Annual Plan for 2026/27

Report to:

Risk and Assurance Board
Commissioner's Board
Audit Committee
London Fire Commissioner

Date:

21 January 2026
12 February 2026
25 February 2026

Report by:

David Esling – Head of Internal Audit

Report classification:

For decision

For publication**Values met**

Service
Integrity
Teamwork
Equity
Courage
Learning

I agree the recommended decision below.



Jonathan Smith
London Fire Commissioner

Date **This decision was remotely signed on 24 February 2026**

PART ONE

Executive Summary

The London Fire Commissioner's (LFC's) Financial Regulations at paragraph 13(m) requires 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 relevant committee.

DECISION OPTIONS

Recommended decision

The London Fire Commissioner:

1. Approves the Internal Audit Draft Annual Plan 2026/27.

1 Introduction and background

- 1.1** The requirement for the London Fire Brigade (LFB) to have an internal audit function is specified within the Accounts and Audit Regulations 2015 (Regulation 5). Internal auditing is defined by the Global Institute of Internal Audit (IIA) 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."
- 1.2** The Relevant Internal Audit Standard Setters, which includes the Chartered Institute of Public Finance and Accountancy (CIPFA) in respect of local government across the UK, have adopted the Global Internal Audit Standards (GIAS). The GIAS encompass the mandatory elements of the IIA International Professional Practices Framework and apply to all internal audit service providers.
- 1.3** The IIA promote a Three Lines Model to help organisations identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management. Internal Audit sit within the third line, providing independent assurance alongside External Audit and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services, and other relevant organisations.
- 1.4** Each provider of third line assurance comes at their work through a different lens, and the subtleties of these needs to be considered when determining whether second line or which type of third line assurance should be sought. The development of an assurance map would help support understanding of what assurance is in place, and where there may be gaps or duplication.

2 Objectives and expected outcomes

- 2.1 The annual plan provides the approach that will be taken to develop the quarterly audit plans which contain the specific audits and their scope. The quarterly plans are approved at the Risk and Assurance Board prior to the commencement of activity.
- 2.2 Development of quarterly plans helps to ensure that internal audit's work is focused on the LFB's strategic objectives and significant areas of risk.

3 Annual plan delivery and costs

- 3.1 In 2025/26 the number of days allocated to internal audit work was reduced from 728 to 530. This has not impacted Internal Audit's ability to provide assurance during the year and the days will remain at 530 for 2026/27. The number of days, and how they are allocated will be subject to ongoing review to ensure that they remain appropriate.
- 3.2 The split of audit days will be:

Activity	Days
Full reviews (risk and assurance and advisory)	340
Follow up reviews (first time only)	60
Counter fraud activity	30
Audit planning, reporting, and client liaison	70
Contingency	30
Total	530

- 3.3 The daily rate for the internal audit service has increased from £492 to £540 per day. This equates to a total cost for 2026/27 of £286,200, which is a £25,440 increase from last year. The reasons for the increase can be attributed to the increased costs, including fixed costs. These include IT provision which has moved from the Greater London Authority to Transport for London, and the office relocation to Palestra as Union Street will no longer be available.

4 Quarterly planning and audit coverage

- 4.1 A risk-based audit approach will be taken to development of the quarterly audit plans. This will be achieved through review of the corporate risk register and discussion with the Head of Risk. These meetings will also be attended by the Business Assurance team who provide insight from their second line assurance work.
- 4.2 Quarterly meetings are then held with each Director to discuss potential reviews for inclusion in the upcoming quarter's plan. The discussions will include items for consideration put forward by the Director on behalf of their Heads of Service or recommended by Internal Audit following liaison with the risk management and business assurance teams.
- 4.3 Through this framework potential reviews for quarter one 2026/27 include:
- **Wellbeing** – Review of the Emergency Services Trauma Intervention Programme which was

new in September 2025.

- **Communications Strategy** – Delivery of the strategy which is due to launch in April 2026.
- **Disciplinary Performance at Fire Stations** – Assurance around the level one and stage one elements performed at the fire station rather than through the Professional Standards Unit.
- **Modern Firefighting Strategy** – Delivery of the strategy which is yet to go through governance.

Actual reviews for inclusion in the draft quarter one plan, and the scope of them, have not yet been agreed. The final plan will be subject to approval at the Risk and Assurance Board in April 2026.

4.4 There are two distinct types of work that Internal Audit can provide, and the most appropriate approach will be agreed with the stakeholders. These are:

4.5 Risk and Assurance Reviews: The starting point is to establish the objectives of the area under review. The auditor will then identify the risks that may prevent those objectives being achieved and assess the control framework. This is achieved by determining whether a control is in place, and if in place whether it effectively mitigates the risk. Outcomes are based on assessment of whether the controls are well designed, and their application. The scope of these reviews is determined by the Internal Audit, in consultation with the client lead.

4.6 Advisory Reviews: The scope of these reviews can vary significantly in nature as it is determined by the client lead. The objectives of advisory work can include the provision of advice in revising or developing a governance framework (policies, procedures) and systems of operation (processes, systems). Internal Audit are also able to support the implementation of new IT systems where the focus is to provide professional opinion on the controls, or control weaknesses, within the design of the new system.

4.7 First time follow ups of all work are undertaken in accordance with the GIAS. Where further actions are raised as a result of this work, implementation is monitored by the Business Assurance team.

5 Values Comments

5.1 The LFC notes the Fire Standards Board requirements around adopting and embedding the Core Code of Ethics at an individual and corporate level. Following extensive engagement, the LFC has introduced Brigade values which build on and do not detract from the Code of Ethics.

5.2 DARA's annual internal audit plan, and the quarterly plans will cover all aspects of the Brigade's values which are:

- Service: we put the public first
- Integrity: we act with honesty
- Teamwork: we work together and include everyone

- Equity: we treat everyone fairly according to their needs
- Courage: we step up to the challenge
- Learning: we listen so that we can improve

6 Equality Comments

- 6.1** The LFC and the Deputy Mayor for Planning, Regeneration and the Fire Service are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 6.2** It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 6.3** The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 6.4** The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 6.5** Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 6.6** The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take

account of disabled persons' disabilities.

6.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- tackle prejudice
- promote understanding.

6.8 This report has no equality implications.

7 Financial comments

7.1 This report sets out the draft 2026/27 annual audit plan for the LFC. The plan proposes a total coverage of 530 days at a total revenue cost of £286,200, which is an increase of 10 per cent or £25,440 from the budget for 2025/26. The proposed expenditure will be contained within the approved 2026/27 budget for this service with the Finance department.

7.2 Under the Accounts and Audit Regulations 2015, a local authority must ensure it has a sound system of control which:

- Facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- Ensures that the financial and operational management of the LFC is effective; and
- Includes effective arrangements for the management of risk.

7.3 In carrying out their duties Internal Audit plays a key role against regulation 5 in helping management discharge their responsibilities by evaluating the effectiveness of internal control, risk management and governance processes.

7.4 The Internal Audit arrangements are carried out under a shared service arrangement with MOPAC, and the audit reviews are agreed as part of the annual audit plan and managed within the approved budget.

8 Legal Comments

8.1 The report seeks approval of the Internal Audit Annual Plan 2026/27.

8.2 Section 5 of the Audit and Accounts Regulations 2015 sets out the London Fire Commissioner's obligations (as a 'relevant authority') to undertake an effective internal audit to evaluate the effectiveness of its risk management, control, and governance processes, taking into account public sector internal auditing standards or guidance.

8.3 Under an agreement dated 26 November 2012 the Mayor's Office for Policing and Crime discharges functions in respect of internal audit on behalf of the Commissioner.

8.4 The Financial Regulations under part 6 of the Scheme of Governance sets out the functions to be performed by the internal audit team. In particular, paragraph 13(m) of the Financial Regulations requires the Commissioner agrees the draft audit plan prior to the approval by the Audit Committee.

List of appendices

Appendix	Title	Open or confidential*
	None	

Part two confidentiality

Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part Two form, together with the legal rationale for non-publication.

Is there a Part Two form: NO