

## MINUTES

**AUDIT COMMITTEE**

DATE	Tuesday, 9 December 2025	TIME	10.00 am
VENUE	Microsoft Teams - Virtual		

Minutes of the proceedings of the meeting of Audit Committee held Microsoft Teams - Virtual on Tuesday, 9 December 2025

**Present:**

Marta Phillips OBE, Independent Member (Chair)

Kay Boycott, Independent Member

Martin Spencer, Independent Member

**In Attendance:**

Nastasha Naidoo, Senior Audit Manager, Ernst and Young

Karen Mason, Group Internal Audit Lead

Spencer Sutcliff, Deputy Commissioner and Operational Director for Prevention, Protection & Policy

Catharine Gregory, Assistant Director Finance

Thomas Goodall, Assistant Commissioner Risk, Assurance, Strategy and Portfolio

Senita Rani Robinson, Professional Head of Data and Improvement

Virginia Burke, Independent Chair

Jonathan Hurford-Potter, Pension Manager

Andrew Cross, Head of Head of HR Operations and Systems

Dr Adrian Bevan, Assistant Director, Health, Safety and Wellbeing

Julian Martin, Chief Information Officer

Jackie Knowler, Chief Information Security Officer

Nadia Bob-Thomas, Head of Belonging, Inclusion and Wellbeing

Leona Eley, Senior Governance Manager

Anna Flatley, Governance Manager

**1. Apologies**

Apologies were received from Seyi Obakin.

Apologies were also received from Mostaque Ahmed and Andrew Beesley as standing advisors.

**2. Declarations of Interest**

There were no declarations of interest.

**3. Minutes of the Previous Meeting**

The minutes of the meeting held on 30 September 2025 were agreed as a correct record.

Further to discussion it was agreed to close action AC57.

AC57 undertook to explore opportunities to work more closely with the higher education sector as well as the UK Research and Innovation with regard to concerns raised regarding lack of academic places for Fire Engineering.

#### **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. It was noted that the GLA Budget and Performance Committee on 1 December considered the budget as expected. The Provisional Local Government Funding Settlement (including Fire Funding) was now awaited and was expected on the week beginning 15 December. LFC was hopeful that the Mayor would meet the present gap and that there would be a three year settlement. The agreed budget, from LFC's point of view, would then be reported to the Commissioner's Board on 14 January.
- New HQ. It was noted that the proposal for 8 Albert Embankment had been approved by the Deputy Mayor and a planning application was submitted in October 2025. The current HQ needed to be vacated by Spring 2027 and an interim building had been secured as the new HQ would not be ready by then. It was noted that the business case for the new HQ had been complex. Further to discussion it was noted that the business case had been developed in line with the Treasury Green Book and there had been a great deal of scrutiny by the Mayor and GLA.
- HQ Payroll. The new iTrent system, which was replacing the 35 year old CYBORG system, had been slightly delayed due to data issues and further reports were going through the governance process to rectify these, which would include some additional expense. The old system would be out of support in December 2026 so the risk of going out of support had been increased on the corporate risk register and measures had been put in place to ensure this was prioritised. The Committee registered its concern and stated it was not the time for optimism and that contingency plans needed to be in place now to mitigate against the risk and robust and independent assurance of the process being implemented. The Assistant Director, Finance acknowledged this and reported that senior leadership were taking responsibility for this and had created a small team of experts, including independent members, to oversee the delivery of the new system. Steps were in place to ensure contingency plans would be in place early in the New Year. In addition Internal Assurance had been asked to look at the new plans.
- Move away from programme approach. A service improvement framework had been developed which could be shared with the Audit Committee if required. Some programmes had been closed early due to efficiency cuts and steps were in place to ensure that all commitments and actions were captured within the framework and this work should be complete in the New Year. The Committee noted there were a huge amount of actions and asked whether this process was being used as an opportunity to rationalise outstanding actions and eliminate overlaps. Officers assured the Committee that this was the case, including analysing how the Risk and Assurance Board would be used to best effect in this endeavour.

- Operational Response. Two recent major incidents were noted, firstly in North Yorkshire, where mutual assistance was provided, and secondly the warehouse fire in Southall.
- Staff Survey. This was now closed and the response rate was 72%. First impressions were optimistic but the results would be analysed and the results reported back to the Committee.
- Black Friday event. On Tuesday, 25 November, the Brigade took over Piccadilly Lights, the iconic digital advertising screen in Piccadilly Circus, to air a 10-minute video promoting the #ChargeSafe campaign, free of charge.
- Cyber Security. There was a completion rate of 70% for cyber security training.

The Committee then noted the verbal update, and thanked officers for the update.

## 5. **KPI Reports - Quarters 1 and 2**

The Chair noted that the Committee would focus on areas where they could provide added value.

The Professional Head of Performance Improvement and Business Intelligence outlined the process of the performance cycle and how and where the data is challenged. She then summarised the highlights of the Quarter 2 report as detailed in paragraph 4 of the report, which the Committee then discussed.

The Chair noted the strategic continuous improvement and queried how the KPIs were challenged. It was reported that targets against KPIs were reviewed once a year at which point they were challenged. It was noted that currently a review of the whole suite of KPIs was underway.

The Committee discussed in particular the automatic fire alarms in light of the move in 2024 to limit attendance in certain circumstances and suggested that how the time saved was used should be monitored.

The Committee noted that the number of triages via the Online Home Fire Safety Checker remained off target and whilst it was noted that this was expected to improve, commented that this was an area which was in the LFC's control and should be focused on.

The Committee noted that there had been an improvement in staff composition with regard to women and ethnic minority groups but added that this should be pushed further, noting that this would be discussed further later on this agenda.

The Committee noted that the demographic information was useful but asked whether there was a KPI on this in relation to leavers and whether this data was known. The Professional Head of Performance Improvement and Business Intelligence responded that People Services monitored leavers closely and therefore this data was known and monitored.

The Committee noted that there had been some positive signs in staff sickness levels although this remained outside target.

The Committee then discussed the number of fire deaths, which was marginally above the annual target. It noted that this was reported as an absolute figure and the Committee queried whether in addition this be reported as a rate based on population (e.g. per 100,000) to aide as a benchmark against other Fire and Rescue Services. Officers responded that this was in fact being considered as part of the mid-term review of the Community Risk Management Plan. There was also work being undertaken to look at benchmarking of KPIs.

The Audit Committee then noted the report.

## **6. Financial Position Quarters 1 and 2**

The Assistant Director, Finance introduced the report by summarising the highlights in the Quarter 2 report. It was noted that there was a predicted overspend of £2m which was largely driven by pay inflation above that assumed at the time of the budget. The additional cost was predicted to be £4.5m and with an assumed additional GLA funding of £3m there would be a net pressure of £1.5m. In relation to staff budgets it was noted that there was an underspend forecast for operational staff and an overspend for control staff. It was proposed to meet the gap from reserves, noting that the £5m held for restructure earlier in the year would not all be required.

The Committee noted that of the £28m budget savings planned for 2025/26 two areas (equalling £1m) were delayed. Overall the budget savings work had been positive and successful.

The Committee then discussed the report and specifically raised concerns regarding the use of reserves and suggested that this should be on the financial risk register. The Assistant Director, Finance responded that historically a lot of reserve had been built up which had now been used but assured the Committee that a cautious approach was being taken. The intention was to return the general reserve to the 3.5% target but the use of reserves to restructure was considered appropriate use to achieve greater sustainable efficiencies in the longer term. She added that she would discuss with the Director of Corporate Services whether this should be added to the risk register and report back to the Committee.

The Committee stressed that the budget needed to be sustainable if all the savings were not materialised. In addition the Committee discussed the need to improve processes for cost improvements and officers assured the Committee that this was being developed with the Assistant Director Finance leading on this project.

The Audit Committee then noted the report.

## **7. Budget Submission 2026/27**

The Assistant Director, Finance introduced the report by noting the difficult economic context, funding uncertainties and the increased risk environment. She then highlighted the key points as set out in the report and in particular focused on the sizeable savings of £28m as detailed in the report and pressures. She noted that, further to earlier savings identified and additional funding from the GLA a budget gap of £12.2m. The budget report included proposals as to how to achieve a balanced budget for submission to the Mayor. It was noted that the Provisional Local Government Funding Settlement anticipated the following week would be key.

The Audit Committee then discussed the report and noted the vast amount of work to be undertaken in a very difficult macro-economic environment. The Committee stated that the

LFC needed to be more explicit about the risks and the lines that may need to be crossed to reach a balanced budget, not least around cyber security. Further to discussion the Committee asked that an additional page be included in the final budget to explicitly state the risks that the budget holds and the fact that resources to fund any mitigations against such risks are not included in the budget. The Assistant Director, Finance acknowledged the concern and noted that a review of ICT and cyber security was underway and the outcome of this would be reported back to the Committee.

The Audit Committee noted the report and reiterated that it recommended that words be added to the budget report to state explicitly the risks as mentioned above.

## **8. Internal Audit Charter Update**

The Group Internal Audit Lead introduced the report by noting that the Charter was reported to the September meeting of the Committee and this was an update to include the governance function following revisions to the Charter initiated by the Global Internal Audit Standards. She noted that the External Quality Assessments scheduled for February 2026 as set out in paragraph 2.18 had been deferred to September 2026 and these would be reported to Risk and Assurance Board, Commissioner's Board and Audit Committee.

The Committee then discussed the reports and specifically asked about the gap analysis. Further to discussion the Committee asked that an update be provided on the outcome of the gap analysis to assess whether there is compliance to Domain 3 of the Global Internal Audit Standards. The Group Internal Audit Lead undertook to have this by the next meeting.

The Audit Committee then noted the report.

## **9. Pension Remedy - Deep Dive**

The Independent Chair of the Local Pension Board introduced herself, noting that she and the Chair of the Audit Committee had met previously.

The Pension Manager then presented the deep dive PowerPoint presentation on Pension Remedy as attached in the agenda pack at pages 299-318, following which Members of the Committee raised many specific questions which officers responded to.

The Committee noted the huge amount of work that had been undertaken and welcomed the individual assistance being provided by the Pension Manager to those affected, particularly those more complex cases. Communications were very important to ensure individuals were as informed as possible and it was noted that there was further communications scheduled for the New Year.

The Independent Chair of the Local Pension Board commented that the Pension Regulator had introduced a Code of Practice which she had added to the LPB Agenda and would review.

The Committee then commented on the cost and was assured that liability rested with the Government, although it was acknowledged that there were additional staffing costs incurred which were not recoverable.

The Audit Committee then noted the presentation.

## **10. Monitoring of Health and Safety Performance 2023/24**

The Assistant Director, Health and Safety introduced the report by outlining the key points and noting that the format had been amended to make summary management action more visible. He also highlighted the new Health and Safety Working Group which was chaired by the Deputy Commissioner, which was focusing on improving management work.

The Committee welcomed the new format of the report which was easier to understand. Further to discussion the Chair asked when the training for staff on Person in Charge of premises responsibilities would be implemented. The Assistant Director undertook to check and report back.

The Committee then discussed the recurring issues as listed from the audits as set out in paragraph 2.53 onwards in the report. Specifically the Committee queried Station Commanders cancelling audits and the culture which allowed this to happen to such an extent. The Assistant Director acknowledged there were cultural elements in the area of individual responsibility.

Further to questions, it was noted that there was an increase in injuries on the incident ground but it was less significant when looked at by rate rather than absolute numbers. Nevertheless this was being addressed, including with a quicker system of raising awareness of health and safety concerns. In addition, improved assurance activity on the ground was being undertaken to improve health and safety culture. Further, it was confirmed that there were channels available for individuals to raise any health and safety concerns.

The Audit Committee noted the report.

## **11. Annual Cyber Security Report**

The Chief Information Security Officer introduced the report and highlighted that there had been some progress in improving cyber resilience and management of cyber risks, including the introduction of robust security monitoring systems. She added that LFC is progressing towards meeting the objectives of the Cyber Assessment Framework (CAF) for the Fire & Rescue sector, as well as other challenges and constraints faced. These additional steps will greatly increase the capability to respond to cyber incidents and additional resources for this had been approved.

The Committee then discussed the report and the details contained in the part 2 report. The Committee noted and welcomed the hard work and progress made but commented that it had significant concerns about meeting the objectives, including with regard the lack of resources available in the budgetary situation. Officers acknowledged the criticism and agreed that this was a priority and part of the security controls needed to provide assurance in this area.

The Committee specifically discussed the rollback of Bring Your Own Devices and challenged the lack of pace in dealing with this. Officers noted that this was in part due to conflicting business priorities, but acknowledged that this was a risk. The Chair noted her concern and added she would raise the Committee's concern at the Commissioner's Board in the New Year.

The Internal Audit Lead commented that cyber security had been a high priority risk for a number of years but there had been an improvement recently. She added that in the Quarter 4 Action Plan there would be a proposal to include an audit on cyber security.

The Audit Committee then noted the report.

## **12. London Fire Brigade, Gender, Ethnicity and Disability Pay Gap Report 2024**

The Head of Belonging, Inclusion and Wellbeing introduced the report and gave a PowerPoint presentation which the Committee then discussed.

It was agreed that the slides, which contained considerable detail, would be distributed to the Members after the meeting.

The Committee noted that there were some areas where there had been improvements and others where the position had worsened. It welcomed the high disclosure rate, although it noted this was lower for staff with disabilities.

The Committee noted it would be useful to see the pattern by grades. It also commented on the need to address preparing colleagues for promotion, noting that culture still posed a challenge in this area.

The Committee welcomed the fact that there was a specialist working group which had been formed which was tasked with developing greater understanding and undertaking more detailed analysis. The Committee noted that the working group should be given a clear steer as to which areas to focus on.

The Audit Committee then noted the report and the presentation.

## **13. Workplan**

The Audit Committee agreed that the Annual Report, due to be presented to the next meeting of the Committee, include some information on the future of the Audit Committee and its membership.

The Committee further asked that the short risk assessment as discussed under item 7 be included in the budget report. It was noted that this was due to be reported to the May meeting of the Committee, after the budget had been approved and the Chair undertook, in consultation with officers, to consider the timing of this.

## **14. Any Other Business**

There was no other business.

## **15. Dates of Future Meetings**

The next meeting of the Audit Committee is scheduled to take place on 25 February 2026 in person.

