



Audit Committee Annual Report

2025 Annual Report of the London Fire
Commissioner's Audit Committee

February 2026





Marta Phillips OBE, Chair of the London Fire Commissioner's Audit Committee

Foreword by Marta Phillips CBE, Chair of the Audit Committee

I am delighted to introduce the annual report of the Audit Committee, summarising the contribution the Committee made during 2025. The Committee continues to focus on the audit, assurance and risk management processes within the brigade, whilst maintaining oversight of financial and other regulatory requirements.

There was continued focus on the significant and emerging risks facing the brigade in what has been a challenging year. This will continue to be a priority for the Committee going forward as the Brigade further develops its maturity to risk management. The members of the Committee bring a balanced, independent and objective approach to the business of the Committee and I am grateful for the contributions they have made in providing a robust challenge of the brigade's arrangements for risk, audit and governance. I am also grateful to colleagues in the LFB for their open and transparent approach to the work of the Audit Committee.

The Committee regularly reviews its workplan, taking a flexible and agile approach to its business. The workplan has varied throughout the course of year to accommodate emerging issues and concerns, whilst continuing to receive periodic assurance reports necessary to provide routine oversight of the brigade's audit and governance arrangements.

This report focuses on the work of the Audit Committee for the last year, but the Audit Committee recognises the significant challenges facing the London Fire Brigade and will continue to work with the colleagues in the Brigade to support the changes and developments it needs to deliver in difficult circumstances.

Introduction

This report provides a summary of the work of the London Fire Commissioner's (LFC) 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. This is the Committee's fourth annual report.

The London Fire Commissioner (LFC) established the Audit Committee in November 2020 to provide more robust scrutiny and assurance of the London Fire Brigade's financial, risk and governance and other internal control arrangements.

The Chartered Institute for Public Finance and Accountancy (CIPFA) defines the purpose of an Audit Committee as follows:

1. Audit Committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.
2. The purpose of an Audit Committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting and annual governance processes.

(Audit Committees – Practical Guidance for Local Authorities and Police (2018) Composition of the Audit Committee

The Audit Committee is comprised of four independent Members: - Ms Marta Phillips OBE (Chair); Ms Kay Boycott; Mr Seyi Obakin OBE; and Mr Martin Spencer.

All four Members were re-appointed in November 2023 for a further and final three-year period. Ms Phillips was reappointed as Chair. It is planned that in November 2026 the process of transition to refresh the Audit Committee will start, in accordance with best practice. Acknowledging the time it take for new Audit Committee members to become familiar with the LFB's operations, the current plan is that two new members will be appointed in in November 2026 and two more in 2027, as the current members rotate off of the Committee.

The four members have a range of backgrounds and experience which together provide the requisite skills to carry out and develop the functions of the Audit Committee.

Roles and responsibilities of the Audit Committee

The Audit Committee's role is to enhance public trust and confidence in the governance of the London Fire Brigade and, where appropriate, to make recommendations to the London Fire Commissioner on the comprehensiveness, reliability and integrity of and compliance with the internal and external controls including finance, audit, risk management, and corporate governance. Its remit therefore covers the following broad areas:

RISK MANAGEMENT

Discuss with the LFC its policies, attitude to and appetite for risk and tolerance levels to ensure these are appropriately defined and communicated so that management understands these parameters and expectations.

Understand the risk management framework and the assignment of responsibilities.

Critically challenge and review the risk management framework and strategies to evaluate how well the arrangements are actively working in the organisation and provide assurance to the LFC on effectiveness.

Critically challenge and review the suitability, adequacy and effectiveness of control processes and the resources in responding to risks within the organisation's governance, operations and compliance.

Be satisfied that the LFC's assurance statements, including the annual Governance Statement, properly reflect the risk environment and review progress on the Annual Governance Statement action plan.

Review all risks on the corporate risk register at least annually.

Review the LFC's business continuity arrangements.

FINANCIAL MANAGEMENT

Review the Statement of Accounts;

Review the appropriateness of accounting policies;

Review the Capital Strategy;

Review the Treasury Management Strategy Statement;

Review arrangements for securing value for money, in particular the annual budget process; and

Provide independent review of the LFC budget submission to the Mayor, incorporating the Capital Strategy, Reserves strategy and Medium-Term Financial Plan.

INTERNAL AUDIT

Review arrangements for the provision of internal audit services.

Review the annual internal audit plan (and ensure that it is aligned to the key risks of the LFC) and its delivery through the receipt of regular progress reports.

Consider the Head of Audit's Annual report and opinion on the adequacy and effectiveness of the internal control framework ensuring appropriate action is taken to address areas of improvement. This includes monitoring the delivery of audit recommendations.

Monitor delivery of internal audit recommendations;

EXTERNAL AUDIT

Review arrangements for the provision of external audit services;

Review the annual external audit plan, and its delivery;

Review the external audit fees;

Review the annual audit results letter.

GOVERNANCE

Review and report on the LFC's Governance arrangements and internal control framework including progress against any improvement plans, decision making, business planning, Scheme of Delegation etc and to review their effectiveness.

Review the suitability of the Whistleblowing Policy, and the ethics and values Codes.

COUNTER FRAUD AND CORRUPTION

Review the counter fraud, bribery and corruption strategies and resources and their suitability and effectiveness.

CYBER SECURITY

Provide assurance to the LFC that the organisation is properly managing its cyber risk include appropriate risk migration strategies.

Review the LFC's cyber resilience at least annually, as part of the financial year end assurance.

Operation of the Audit Committee

The Audit Committee met on five occasions in 2025 (3 March, 28 May, 9 July, 30 September, and 9 December) with meeting dates structured around the receipt of annual assurance reports, external and internal audit reporting cycles, and the statutory requirements for the production of the Statement of Accounts and Annual Governance Statement.

The Committee met in-person for its March meeting and the other four were held virtually. Members attendance is noted in table below.

Attendance

Member	3 March 2025	28 May 2025	9 July 2025	30 September 2025	9 December 2025
Ms Marta Phillips OBE (Chair)	Present	Present	Present	Present	Present
Ms Kay Boycott	Present	Present	Present	Present	Present
Mr Seyi Obakin OBE	Present	Present	Present	Present	Apologies Received
Mr Martin Spencer	Present	Apologies Received	Present	Present	Present

The Committee has decided to have a mixture of in-person and virtual meetings in 2026 and has decided to hold five meetings again as in 2025 to allow time for in depth discussions on corporate risks. The Committee also decided to receive Internal Audit reports when they are ready to enable it to provide more time in meetings for discussion.

The Committee is supported by a number of senior officers who attend regularly and bring expertise in relation to finance, risk and corporate governance.

Committee Business

The Committee's main focus during its fifth year has been on the following areas in its work programme .

- **Finance.** The Committee has considered the quarterly LFC financial position reports; Outturn reports; Budget reports including the Capital Strategy; and Treasury Management reports.
- **Internal Audit.** The Internal Auditor is a standing advisor to the Committee and the Committee have considered progress reports on a bi-annual basis and the Internal Audit Annual Plan, Review of the year and the Internal Audit Charter.

- **External Audit.** The External Auditor, Ernst and Young, attended the May, July and September meetings of the Audit Committee and the Senior Audit Manager, Ernst and Young attended the March, May and December meetings. At the May meeting the Statement of Accounts were considered and updates were provided to each meeting on External Audits work.
- **Performance.** Quarterly LFB Performance Reports have been considered at the Committee on a bi-annual basis.
- **Assurance.** The Committee has considered the Statement of Assurance and the Risk and Assurance Update Reports.
- **Risk.** The Committee considered the development of the Risk Appetite at its March meeting and Assessment of Risk in May. Strategic risks are discussed at each meeting and this has included specific focus on the budget and efficiencies, culture, building safety, cyber and the Grenfell Tower Inquiry.

The Committee has further received at each meeting an update on and discussed current key issues, and where relevant noted that issues raised would be considered in more detail as part of its assurance and scrutiny remit.

In addition it has received reports on:-

- Annual Monitoring of Health and Safety;
- Requests for Information (Freedom of Information and Data Protection);
- Gender, Ethnicity and Disability Pay Gap Report; and
- Local Pension Board Annual Report.

Attendance by the London Fire Commissioner

The new London Fire Commissioner attended the Audit Committee in September 2025 and the Committee took the opportunity to discuss in detail current risks and challenges and his vision for the LFB. The Committee again registered its concern about the risk of stretch to people in the organisation within the current financial constraints. The Committee congratulated the new London Fire Commissioner on his appointment, thanked him for attending the meeting and extended an invitation for him to attend its meeting in a year's time.

Other activities by the Audit Committee

The Chair of the Committee regularly attends the Commissioner's Board to present the minutes from the Committee, highlight any key points and to answer any questions from Members of the Board.

The Committee has commented on various reports as part of its role in providing assurance and has made suggestions regarding good practice which the LFC has taken on board.

The Audit Committee has recognised the progress made throughout the year in relation to transformation, assurance, performance monitoring, risk and cultural change.

The Committee continues to express concern as to whether the LFC has the capacity to respond to all demands upon it considering the pace and volume of change, and the need for prioritisation. The Committee is also concerned that given the current downward pressure on the public purse, there is a risk that LFB may not have the resources it needs to discharge its responsibilities to the people of London.

The Audit Committee recognises its role in providing assurance that the LFC meets the CIPFA Principle A – behaving with integrity, with commitment to ethical values, and respect for the law – as committed to in the Annual Governance Statement. The Committee develops its workplan based on experiences gained in previous years and where it can add value and provide assurance to the LFC. However, the Committee amends its workplan and programme of meetings to synchronise more fully with key activities and this scheduling is kept under review.

Look Ahead

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Visits and other attendances

Fire Stations

Members of the Committee are scheduled to visit on 11 February 2026 Islington Fire Station as a carbon net zero fire station.

Chair

The Chair has met several officers over the course of the year with regard Audit Committee business. This has included a discussion with the new Commissioner, the Deputy Commissioner, the Director for Corporate Services and attendance at the Risk and Assurance Board. In addition the Chair met Virginia Burke, the new Independent Member of the Local Pension Board in November and Ben Lazarus, the External Audit Partner in February.