

Internal Audit – Draft Annual Plan for 2023/24

Report to:

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

Date:

16 March 2023
19 April 2023
12 June 2023

Report by:

Lindsey Heaphy – Head of Internal Audit

Report classification:

For decision

For publication

I agree the recommended decision below.



Andy Roe
London Fire Commissioner

Date **This decision was remotely
signed on 27 April 2023**

PART ONE

Non-confidential facts and advice to the decision-maker

Executive Summary

The London Fire Commissioner's (LFC's) Financial Regulation at paragraph 13(m) requires the draft annual audit plan to be approved by the Commissioner prior to approval by the Audit Committee. This report contains the draft Internal Audit annual plan for 2023/24 and is submitted to meet this requirement.

Recommended decision

The London Fire Commissioner approves the Internal Audit Draft Annual Plan 2023 – 2024, attached at Appendix 1.

1. Introduction and background

- 1.1 The Mayor's Office for Policing and Crime (MOPAC) is responsible for the provision of Internal Audit Services to LFC as part of a full shared service arrangement that has been in place since 2012.
- 1.2 The report sets out a risk-based approach, in line with the Public Sector Internal Audit Standards (PSIAS), using Internal Audit's and management's assessment of risk, focused on reviewing areas that are key to achieving LFC objectives and commitments as set out in the Corporate Risk Management Plan (CRMP) and the supporting Delivery Plan. The content of the internal audit plan is designed to meet the statutory requirement for an annual opinion on the effectiveness of the LFC's risk management, internal control and governance arrangements. The plan recognises this is a time of significant change for the LFC with an ongoing need to improve efficiency and productivity, whilst responding to the challenges of transforming the way the LFC serves and protects Londoners.

2. Objectives and expected outcomes

- 2.1 The attached Internal Audit Plan, comprising 728 days, looks to provide assurance and/or advice across key generic areas that were identified as recurring themes within the CRMP, either as part of the significant transformation portfolio or as business-as-usual activity.
- 2.2 The plan aims to be dynamic in nature with specific review areas identified on a quarterly basis under each generic heading. This allows us to adapt to a changing risk landscape during the year, ensuring that the service we provide is best suited to the needs of the LFB and with an increased focus on our advisory capability, whilst also enabling us to form an annual opinion on the risk and control environment.
- 2.3 The generic headings on the attached plan are aligned to, and reflect the aims of, the four pillars and eight commitments within the CRMP and the 10 Programmes within the LFB Delivery Plan. They are:
 - Governance and Risk

- Community Engagement/ Local Focus
- Service Adaptation, Design and Delivery
- People Services, Partnership and Support
- Data, IT and Performance

Under each heading on the attached plan, we have given examples some of the specific recurring themes we could review in addition to standing and/or typical BAU activity. These include climate change and net zero concerns, targeting vulnerable/high risk people, places and buildings, Fire Safety inspections/regulations, culture change, greater transparency, data driven/enabled service led delivery and having a professional and inclusive workforce.

3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Fire and Resilience 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.
- 3.2 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.
- 3.3 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.
- 3.4 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.
- 3.5 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.
- 3.6 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.
- 3.7 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.

3.8 This report has no equality implications.

4. Financial comments

- 4.1 This report sets out the draft 2023/24 annual audit plan for the LFC. The plan proposes a total coverage of 728 days at a total revenue cost of £297,200 which will be contained within the approved 2023/24 budget for this service within the Finance department.
- 4.2 Under the Accounts and Audit Regulations 2015, a local authority must ensure it has a sound system of internal 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.
- 4.3 In carrying out their duties Internal Audit plays a key role against regulation 5 in helping management to discharge their responsibilities by evaluating the effectiveness of internal control, risk management and governance processes.
- 4.4 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.

5. Legal comments

- 5.1 The report seeks approval of the Internal Audit Annual Plan 2023/24 attached at Appendix 1.
- 5.2 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.
- 5.3 Under an agreement dated 26 November 2012 the Mayor's Office for Policing and Crime discharges of functions in respect of Internal audit functions by on behalf of the Commissioner.
- 5.4 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*
1	Draft Annual Plan	Open
2	CRMP Pillars and Commitments	Open

Originating officer declaration

Reporting officer to confirm the following by using 'x' in the box:

Reporting officer Lindsey Heaphy has drafted this report and confirms the following:	
1. Assistant Director/Head of Service [Name] has reviewed the documentation and is satisfied for it to be referred to Board for consideration	N/A
2. Advice The Finance and Legal teams have commented on this proposal: Hameera Darr Legal Advisor, on behalf of General Counsel (Head of Law and Monitoring Officer). David O'Sullivan Financial Advisor, on behalf of the Chief Finance Officer.	X

APPENDIX 1

Audit Area	Days Allocated	CRMP Commitment
<u>Governance and Risk</u> This area will include standing audits such as the key financial systems (including the capital delivery plan) and could include other areas such as local governance/risk assessments, compliance/enforcement of fire safety legislation, culture/change management.	90	All
<u>Community Engagement /Focus</u> Local engagement/action Plans, service user insights, increased community awareness of services, enhanced visibility of and access to services.	90	1,2,6,8
<u>Service Design and Delivery</u> This area will include a standing audit around environmental management systems and could potentially include other areas such as incident management, devising modern firefighting tactics, enhancing equipment, prioritising vulnerable people, HR.	90	2,3,4,6,8
<u>People Services and Support</u> This could include workforce planning, organisational learning models, people strategies, training and leadership development, working in partnership with others.	90	1,5,6
<u>Data, IT and Performance</u> This area will include a review of cyber security and could potentially include areas such as online digital services, performance management framework including defining outcomes, use of data/IT to improve productivity, real time data sharing.	90	3,4,7
Sub Total for Audit Activity (Risk and Assurance Reviews and Advisory Work)	450	

Other Areas of MOPAC Delivery	Days Allocated
Follow Ups – following up on the implementation of agreed actions from previous reviews	100
Systems Development – involvement in developing systems	20
Counter Fraud Activity – investigations, proactive work and National Fraud Initiative	50
Audit Planning, Reporting and Client Liaison – annual plan, quarterly reporting, annual report, liaison meetings	70
Other Assurance Providers – liaison with external assurance providers	8
Contingency – reserve days to cover areas where more work may be required	30
Sub Total for Other Areas of MOPAC Delivery	278

Grand Total	728
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APPENDIX 2

OUR FOUR PILLARS

**ENGAGING
WITH YOU**

**PROTECTING
YOU**

**LEARNING
FROM OTHERS**

**ADDING
VALUE**

OUR EIGHT COMMITMENTS

COMMITMENT 1

We will work with you to provide localised services that meet your needs



COMMITMENT 2

We will make it easy for you to access our services



COMMITMENT 3

We will adapt our services as your needs change



COMMITMENT 4

We will design services around your needs and concerns



COMMITMENT 5

We will enable our people to be the best they can be, to serve you better



COMMITMENT 6

We will work together to provide the best possible services to meet your needs



COMMITMENT 7

We will be driven by evidence to give you the value you expect



COMMITMENT 8

We will work with other organisations to secure a safer future for everyone

