

Transport for London

Minutes of the Audit Committee

Boardroom, 14th Floor, Windsor House, London
10.00am, Wednesday 15 December 2010

Members

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|-----------------|------------|
| Judith Hunt | Chair |
| Keith Williams | Vice Chair |
| Charles Belcher | Member |
| Bob Oddy | Member |

Present

| | |
|-------------------|---|
| Steve Allen | Managing Director, Finance |
| Sarah Bradley | Head of Group Financial Accounting (for part) |
| Howard Carter | General Counsel |
| Stephen Critchley | Chief Finance Officer |
| Ellen Howard | Director of Corporate Governance |
| Clive Walker | Interim Director of Internal Audit |

In Attendance

| | |
|-----------------|-------------------------------------|
| Robert Brent | Audit Partner, KPMG |
| Wayne Southwood | Audit Partner, KPMG |
| Ross Tudor | Director, Public Sector Audit, KPMG |
| Sue Riley | Secretariat Officer |

40/12/10 Apologies for Absence and Declarations of Interest

Apologies for absence had been received from Patrick O’Keeffe and Steve Wright.

Bob Oddy declared an interest as General Secretary of the Licensed Taxi Drivers’ Association regarding any matters concerning taxis.

41/12/10 Minutes of the Meeting Held on 28 September 2010

The minutes of the meeting held on 28 September 2010 were approved as a correct record and signed by the Chair.

42/12/10 Matters Arising and Actions List

The Committee noted the Actions List.

43/12/10 **External Audit Plan TfL, TTL and Subsidiaries – Year Ending 31 March 2011**

Wayne Southwood and Robert Brent introduced the paper setting out KPMG's Plan for the audit of the financial statements of TfL, Transport Trading Limited (TTL) and its subsidiaries for the year ending 31 March 2011.

The Value for Money fee had yet to be agreed but would be reported to a future meeting.

The Committee noted the Plan.

44/12/10 **Annual Audit Fee 2010/11**

Wayne Southwood introduced the paper informing the Committee of the Annual Audit fee proposed by KPMG for the audit of the Corporation and Group financial statements for the year ending 31 March 2011.

The level of fees agreed with management had been based on robust discussions, and efficiencies identified by KPMG, while taking into account the increased complexity arising from the additional companies of Crossrail and Tube Lines, and the introduction of the International Financial Reporting Standards. KPMG would continue to seek further efficiencies in 2011.

The Committee noted the paper.

45/12/10 **KPMG Report on Non-Audit Fees for Six Months Ended 30 September 2010**

Ross Tudor introduced the report on fees billed by KPMG for non-audit services for the six months ended 30 September 2010.

The Committee noted the report.

46/12/10 **Management Actions Report**

Clive Walker introduced the report on recommendations to management which had not yet been actioned. There were no actions to report that were more than 60 days overdue.

The Committee noted the report.

47/12/10 **Final Internal Audit Reports – Quarter 2 2010/11**

Clive Walker introduced the report setting out the final audit reports issued in the second quarter of 2010/11.

All the reports were now closed.

The Committee noted the report.

48/12/10 Changes in Accounting Standards Including the Quarterly Progress Update on the IFRS Project

Stephen Critchley introduced the paper providing an update on the critical accounting policies to be applied for the year ended 31 March 2011 and a quarterly progress update on the International Financial Reporting Standards project and changes in accounting standards.

The Committee noted the paper.

49/12/10 Management of the Conflicts of Interest of the Independent Investment Programme Advisory Group

Ellen Howard introduced the paper seeking the Committee's approval of the governance arrangements in place in relation to the management of potential conflicts of interest of the members of the Independent Investment Programme Advisory Group (IIPAG).

The Committee approved the arrangements in relation to the management of the potential conflicts of interests of the members of the Independent Investment Programme Advisory Group.

50/12/10 Any Other Business

There being no other business the meeting closed at 10.30am.

The next scheduled meeting would be held on 2 March 2011 at 10.00am.

Chair: _____

Date: _____