

Items in blue to be presented by external auditor

Items in italics amended since the last meeting

Terms of Reference	15 June 2012	4 October 2012	5 December 2012	6 March 2013
<p>To review the arrangements put in place by officers to ensure that the TfL Group prepares its annual accounts and other published financial reports in accordance with all relevant legislation and accounting standards.</p>			<p>Review of Accounting Policies</p>	
<p>To review the annual report and accounts including:</p> <p>(a) any statements therein made by the Board;</p> <p>(b) monitoring the accounting policies used in their preparation; and</p> <p>(c) significant financial judgements reporting</p>	<p>Review the Annual Report and Statement of Accounts.</p> <p>Report on audit of accounts, accounting policies and use of resources (<i>external auditors highlights memorandum</i>).</p> <p>Report on significant financial judgements.</p>			

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At least annually, Members of the Committee will meet with the Chief Finance Officer without any other officer being present.				Private session with CFO
To review the effectiveness of the systems of internal control in place throughout the TfL Group on the basis of reports from management, internal audit and the external auditors.	<p>Q4 2011/12 final internal audit reports</p> <p>Internal Audit Q4 2011/12 report.</p> <p>Internal Audit Annual Report 2011/12.</p> <p>Internal Audit Annual Report Appendix.</p> <p>Crossrail Audit Committee Report</p>	<p>Q1 2012/13 final internal audit reports</p> <p>Internal Audit Q1 2012/13 report.</p> <p>Crossrail Audit Committee Report</p>	<p>Q2 2012/13 final internal audit reports</p> <p>Internal Audit Q2 2012/13 report.</p> <p>Crossrail Audit Committee Report</p>	<p>Q3 2012/13 final internal audit reports</p> <p>Internal Audit Q3 2012/13 report.</p> <p>Crossrail Audit Committee Report</p>
<p>Internal control is not restricted to financial control but includes, inter alia, the arrangements that management has put in place for:</p> <p>(a) the systematic identification of business risks and mitigating controls and procedures for ensuring these are properly</p>	Risk Management Update	Risk Management Update	Risk Management Update	Risk Management Update

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implemented and effective;				
(b) legal compliance;	Legal Compliance for period ended 31/03/12		Legal Compliance for period ended 30/09/12	
(c) budgetary control;				Budgetary Control (annual report)
(d) oversight and assurance of the Investment Programme;				
(e) ensuring a systematic approach to minimise the risk of fraud.	NFI Update Half Yearly Fraud Report	NFI Update	NFI Update Half Yearly Fraud Report	NFI Update
To ensure that an adequate and effective system of internal audit is maintained. <i>(See also agenda items under 'relationship with internal audit'.)</i>	Internal Audit Q4 report 2011/12	Internal Audit Q1 report 2012/13	Internal Audit Q2 report 2012/13	Internal Audit Q3 report 2012/13

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To maintain an oversight of corporate governance throughout the TfL Group and receive, on an annual basis, reports from General Counsel and the Director of Internal Audit on the implementation, operation of and compliance with TfL's Code of Corporate Governance.	General Counsel's Annual Report on compliance with the Code of Corporate Governance. Internal Audit opinion on Statement of Assurance on Corporate Governance.			
To recommend the adoption of the Annual Governance Statement.				
Review the appropriateness of the response to reports under 'whistleblowing' procedures.				
The Committee will: Receive internal reports on the implementation of procedures and controls to address issues raised therein.				

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Relationship with Internal Audit				
Review the audit plans and scope of Internal Audit and available resources.				Integrated Assurance Plan 2013/14
Review and discuss audit findings and monitor management responses to these findings to ensure appropriate follow up measures are taken.	Report on management actions	Report on management actions	Report on management actions	Report on management actions
At least annually, members of the Committee will meet with the Director of Internal Audit without any other officer being present.			Private meeting with the Director of Internal Audit	
Relationship with External Audit				
Meet the External Auditors before their audit commences to communicate any matters of which the Committee considers the External Auditors should be aware and to review audit plans and scope.	<i>Presentation on independence and objectivity</i>	<i>Combined TfL and TTL external audit plan for year ended 31 March 2013, including TTL audit fee</i>		

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Following the completion of each statutory audit the Committee will review the effectiveness of the External Auditor's performance and their independence and objectivity.		Effectiveness Review		
At least annually the Members of the Committee shall meet with the external auditors without any officer being present.	Private Meeting with the External Auditors			
Review TfL's non-audit services policy and monitor its application.	<i>Report on Non-Audit Fees for the Year Ended 31 March 2012</i>		<i>Report on Non-Audit Fees for six months ended 30 September 2012</i>	