

TRANSPORT FOR LONDON

BOARD

**SUBJECT: REPORT FROM THE MEETING OF THE AUDIT COMMITTEE -  
3 MARCH 2009**

**DATE: 31 MARCH 2009**

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 To report to the Board on the meeting of the Audit Committee held on 3 March 2009.

**2 BACKGROUND**

- 2.1 The main matters considered were regular reports on Strategic Risk Management, Audit Commission Update, Subsidiary Company Statutory Accounts and Management Actions. The annual reports on Budgetary Control and Independent Reporting Lines were also considered.

**3 ISSUES DISCUSSED**

**Strategic Risk Management Progress Report**

- 3.1 The purpose of this paper was to report to the Audit Committee on progress with the ongoing development of TfL's risk management process, general risk arrangements and revised Risk Management Policy. The Committee was keen to ensure the alignment of risk management processes with Crossrail and requested further information setting out how the assessment of risk mitigation and risk appetite were being implemented.

**Audit Commission Update**

- 3.2 The purpose of the paper was to inform the Committee of the Audit Commission's proposals for the implementation of Comprehensive Area Assessment in TfL, which had developed from that previously known as Initial Performance Assessment (IPA). The Audit Commission welcomed any comments from Members as to how the key lines of enquiry for the assessment should be modified to reflect TfL's unique status.
- 3.3 It was agreed that a report would be submitted to the next meeting on suggestions for issues that could be covered in the update as part of the area assessment.

**Subsidiary Company Statutory Accounts 31 March 2008**

- 3.4 The Committee received an oral update from the External Auditors confirming that all TfL Accounts had now been filed, including those for the Tramtrack Croydon Companies and Metronet REW and TMU.

## **Management Actions Report**

- 3.5 The purpose of this paper was to report to the Audit Committee on those recommendations to management which had not been actioned and were more than 60 days overdue. There were no actions more than 60 days overdue.

## **Budgetary Control**

- 3.6 The purpose of this report was to set out the budgetary control arrangements within the organisation. The Committee welcomed the report and suggested that relevant aspects be included in a future report to Finance Committee. A greater focus on cost savings and cost reduction within the organisation was being encouraged and officers were discussing how to incentivise smarter ways of working and reward efficiency savings.
- 3.7 The Committee stressed the importance of Crossrail being subject to the same cost and efficiency savings as the rest of TfL. The Chief Finance Officer noted that this would need to be discussed at the Finance Committee with engagement of the Crossrail Board Members. However, in principle, the same level of review should apply.
- 3.8 It was agreed that elements of the Budgetary Control report be included in the Operating Cost Review report submitted to the next Finance Committee meeting.

## **Independent Reporting Lines**

- 3.9 The Committee considered an update on reports to the internal and external staff reporting lines in 2008. It was anticipated that the annual cost of this service would reduce following the re-tender in 2009. Other GLA functional bodies were being encouraged to share the same service.

## **4 RECOMMENDATION**

- 4.1 The Board is asked to NOTE the report.

## **5 CONTACT**

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