

TRANSPORT FOR LONDON

BOARD

**SUBJECT: REPORT FROM THE MEETING OF THE AUDIT COMMITTEE –
15 DECEMBER 2010**

DATE: 2 FEBRUARY 2011

1 PURPOSE AND DECISION REQUIRED

- 1.1 To report to the Board on the meeting of the Audit Committee held on 15 December 2010.

2 BACKGROUND

- 2.1 The Committee considered papers on the following:

- (a) External Audit Plan TfL, TTL and Subsidiaries – Year Ending 31 March 2011;
- (b) Annual Audit Fee 2010/11;
- (c) KPMG Report on Non-Audit Fees for Six Months Ended 30 September 2010;
- (d) Management Actions Report;
- (e) Final Internal Audit Reports – Quarter 2 2010/11;
- (f) Changes in Accounting Standards Including the Quarterly Progress Update on the International Financial Reporting Standards (IFRS) Project; and
- (g) Management of the Conflicts of Interest of the Independent Investment Programme Advisory Group.

3 ISSUES DISCUSSED

External Audit Plan TfL, TTL and Subsidiaries – Year Ending 31 March 2011

- 3.1 The Committee noted KPMG's Plan for the audit of the financial statements of TfL, Transport Trading Limited 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.

Annual Audit Fee 2010/11

- 3.2 The Committee noted the paper setting out the Annual Audit fee proposed by KPMG for the audit of the Corporation and Group financial statements for the year ending 31 March 2011. KPMG would continue to look for further efficiencies in 2011.

KPMG Report on Non-Audit Fees for Six Months Ended 30 September 2010

- 3.3 The Committee received a report on fees billed by KPMG for non-audit services, for the six months ended 30 September 2010.

Management Actions Report

- 3.4 The Committee noted 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.

Final Internal Audit Reports – Quarter 2 2010/11

- 3.5 The Committee considered the final audit reports issued in the second quarter of 2010/11. All the reports were now closed.

Changes in Accounting Standards Including the Quarterly Progress Update on the International Financial Reporting Standards (IFRS) Project

- 3.6 The Committee noted 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 IFRS project and changes in accounting standards.

Management of the Conflicts of Interest of the Independent Investment Programme Advisory Group

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

4 RECOMMENDATION

- 4.1 The Board is asked to NOTE the report.

5 CONTACT

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