

Items in blue to be presented by external auditor

Items in italics amended since the last meeting

Terms of Reference	7 December 2012	6 March 2013	26 June 2013	1 October 2013
<p>To review the arrangements put in place by Officers to ensure that the TfL Group prepares its Annual Statement of Accounts and other published financial reports in accordance with all relevant legislation and accounting standards.</p>	<p>Review of Accounting Policies</p>			
<p>The Committee will review the Annual Statement of Accounts and the Annual Report 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><i>External Auditor's Report to Those Charged with Governance for year ended 31 March 2013.</i></p> <p>Report on significant financial judgements.</p>	
<p>At least annually, Members of the Committee will meet with the Director of Internal Audit and, separately, with the Chief Finance Officer without any other Officer being present.</p>	<p>Private meeting with the Director of Internal Audit</p>	<p>Private meeting with the Chief Finance Officer</p>		

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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.	Internal Audit Q2 2012/13 report.	Internal Audit Q3 2012/13 report. Crossrail Audit Committee Report.	Internal Audit Q4 2012/13 report. Internal Audit Annual Report 2012/13. Crossrail Audit Committee Report.	Internal Audit Q1 2013/14 report. Crossrail Audit Committee Report.
Internal control is not restricted to financial control but includes, inter alia, the arrangements that management has put in place for:				
(a) the systematic identification of business risks and mitigating controls and procedures for ensuring these are properly implemented and effective;	Risk Management Update.	Risk Management Update.	Risk Management Update.	Risk Management Update.
(b) legal compliance;	Legal Compliance for period ended 30 September 2012.		Legal Compliance for period ended 31 March 2013.	
(c) budgetary control;		Budgetary Control (annual report).		
(d) oversight and assurance of the Investment Programme; and				

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(e) ensuring a systematic approach to minimise the risk of fraud.	Half Yearly Fraud Report for six months to 30 September 2012.		Half Yearly Fraud Report for six months to 31 March 2013.	
To ensure that an adequate and effective system of internal audit and assurance is maintained. <i>(See also agenda items under 'relationship with internal audit'.)</i>	Internal Audit Q2 report 2012/13.	Internal Audit Q3 report 2012/13.	Internal Audit Q4 report 2012/13.	Internal Audit Q1 report 2013/14.
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.				
To review the appropriateness of the response to reports under 'whistleblowing' procedures.		Report on Independent Reporting Lines.		

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To review plans for Best Value (or equivalent) reviews.			External Auditor's Report to Those Charged with Governance for year ended 31 March 2013.	Combined TfL and TTL external audit plan for year ended 31 March 2014.
To review the carrying out of audits and reviews of health, safety and environmental management systems and resilience policies, arrangements and procedures, as necessary, and to review progress with the implementation of recommendations arising from such audits.	Internal Audit Q2 report 2012/13.	Internal Audit Q3 report 2012/13.	Internal Audit Q4 report 2012/13.	Internal Audit Q1 report 2013/14.
To review the integrated assurance framework.				
To approve the integrated assurance plan.		Integrated Assurance Plan 2013/14.		
To have oversight of strategic risk.	Risk Management Update.	Risk Management Update.	Risk Management Update.	Risk Management Update.
The Committee will be kept apprised of any proposed external audit inspections; receive copies of any external audit inspection reports; and receive internal reports on the implementation of procedures and controls to address issues raised therein.				Annual Audit Letter 2012/13. Combined TfL and TTL external audit plan for year ended 31 March 2014.

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Relationship with Internal Audit				
The Committee will review the audit plans and scope of Internal Audit and available resources.		Integrated Assurance Plan 2013/14.		
The Committee will 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.
Relationship with External Audit				
The Committee will 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.			Presentation on independence and objectivity.	Combined TfL and TTL external audit plan for year ended 31 March 2014.
Following the completion of each statutory audit the Committee will review the effectiveness of the External Auditor's performance and their independence and objectivity.				External Audit 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.	

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The Committee will develop and implement policy on the engagement of the external auditors to supply non-audit services.	<i>Report on Non-Audit Fees for six months ended 30 September 2012.</i>		<i>Report on Non-Audit Fees for the year ended 31 March 2013.</i>	