

Transport for London

Minutes of the Audit Committee

Room 5E, 5th Floor, Windsor House, London
10.00am, Tuesday 29 September 2009

Members

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| Judith Hunt | Chair, Board Member |
| Daniel Moylan | TfL Deputy Chairman |
| Patrick O’Keeffe | Board Member |
| Keith Williams | Board Member |
| Steve Wright | Board Member |

Present

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| Sarah Bradley | Head of Group Financial Accounting (for part) |
| John Burton | Head of Corporate Governance and Risk Management (for part) |
| Howard Carter | General Counsel |
| Stephen Critchley | Chief Finance Officer |
| Mary Hardy | Director of Internal Audit |
| Ellen Howard | Director of Corporate Governance |

In Attendance

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| June Awty | Engagement Partner, KPMG |
| Greg McIntosh | Director, KPMG |
| Ken Davis | Comprehensive Area Assessment London Co-ordinator, Audit Commission (for part) |
| Sue Riley | Secretariat Officer |

34/09/09 Apologies for Absence and Declarations of Interest

Apologies for absence had been received from Charles Belcher and Steve Allen.

Daniel Moylan declared an interest in his capacity as Deputy Leader of the Royal Borough of Kensington and Chelsea, as Chairman of Urban Design London and as a Director of the London Transport Museum, and Steve Wright declared an interest in matters relating to private hire vehicles.

35/09/09 Minutes of the Meeting Held on 10 June 2009

The minutes of the meeting held on 10 June 2009 were approved as a correct record and signed by the Chair.

improved. It was agreed that TfL would express its concern in writing to the Audit Commission at the unsatisfactory nature of the assessment process.

[ACTION: Stephen Critchley]

Members also requested that they be provided with a briefing note as to the timetable and process for agreement on the final findings before publication.

[ACTION: Stephen Critchley]

The Committee noted the report.

41/09/09 Internal Audit Statement of Strategic Direction

Mary Hardy introduced the report which sought approval for the proposed Internal Audit Statement of Strategic Direction and provided the Committee an update on the progress made with the Balanced Scorecard.

The Chair suggested that the Director of Internal Audit might want to consult more widely with stakeholders when updating the Statement next year.

The Committee approved the proposed Internal Audit Statement of Strategic Direction.

42/09/09 Management Actions Report

Mary Hardy introduced the report setting out those recommendations to management which had not been actioned and were more than 60 days overdue.

It was reported that the outstanding action by Crossrail shown in the report had since been completed.

The Committee noted the contents of the report.

43/09/09 Final Internal Audit Reports – Quarter 1 2009/10

Mary Hardy introduced the report informing the Committee of the final audit reports issued in the first quarter of 2009/10. Three of the four final reports were now closed.

The Chair welcomed the significant improvement in the reduction of the number of final reports not closed reported to the Committee.

The Committee noted the content of this report.

44/09/09 Quarter 1 Productivity and Resources Report

Mary Hardy introduced the report informing the Committee of the outputs of, and the use of resources by, the Internal Audit team in Quarter 1 2009/10.

The Committee noted the content of the report.

45/09/09 Annual Review of Audit Policies

Mary Hardy introduced the report requesting that the Committee review the Internal Audit Charter and the policies on Anti-Fraud and Corruption and External Audit Services, and approve the proposed changes.

The Committee approved the amendments proposed to the policies and recommended that the Board approves the Anti-Fraud and Corruption Policy.

46/09/09 DLA Piper Report on the London Development Agency

Howard Carter introduced the report informing the Committee of the key findings from the DLA Piper report on the London Development Agency published in March 2009 and the issues that may be applicable to TfL and its operations. There was no evidence that the significant control weaknesses identified at the LDA are, or have been, paralleled in TfL.

The Committee noted the report.

47/09/09 Annual Report of the Local Government Ombudsman

Howard Carter introduced the report informing the Audit Committee of the Annual Report of the Local Government Ombudsman. The report included TfL's response and an update on the status of specific actions in Surface Transport arising from the Ombudsman's findings, previously reported to the Committee.

The Committee noted the contents of the report.

48/09/09 Protecting the Public Purse

Mary Hardy introduced this report bringing a recent Audit Commission publication 'Protecting the Public Purse' to the Audit Committee's attention. A self assessment checklist would be presented to the next meeting.

The Committee noted the report.

49/09/09 Any Other Business

Howard Carter informed the Members that a report on Investment Programme Governance would be considered by the Finance and Policy Committee and TfL Board at their next meetings. Due to the timing of the next Audit Committee meeting, the report would be circulated so that Members of the Committee had an opportunity to consider it and make comments before the paper was considered by the TfL Board.

There being no other business the meeting closed at 11.15am

The next scheduled meeting would be held on Wednesday 16 December 2009 at 10.00am.

Chair: _____

Date: _____