

Auditor's Report to Transport for London on its Best Value Performance Plan for the Financial Year 2003/04

Certificate

We certify that we have audited Transport for London's (TfL) best value performance plan in accordance with Section 7 of the Local Government Act 1999 and the Audit Commission's Code of Audit Practice. We also had regard to supplementary guidance issued by the Audit Commission.

Respective Responsibilities of the Council and the Auditor

Under the Local Government Act 1999 (the Act) TfL is required to prepare and publish a best value performance plan summarising the assessments of its performance and position in relation to its statutory duty to make arrangements to secure continuous improvement to the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

TfL is responsible for the preparation of the plan and for the information and assessments set out within it. TfL is also responsible for establishing appropriate performance management and internal control systems from which the information and assessments in its plan are derived. The form and content of the best value performance plan are prescribed in section 6 of the Act and the statutory guidance issued by the Government.

As TfL's auditors, we are required to certify under section 7 of the Act to carry out an audit of the best value performance plan, to certify that we have done so, and:

- To report whether we believe that the plan has been prepared and published in accordance with the statutory requirements set out in section 6 of the Act and the statutory guidance and, where appropriate, recommending how the plan should be amended so as to accord with the statutory requirements;
- To recommend:
 - where appropriate, procedures to be followed in relation to the plan;
 - whether the Audit Commission should carry out a best value inspection of TfL under section 10 of the Local Government Act 1999;

- whether the Secretary of State should give a direction under section 15 of the Local Government Act 1999.

Opinion

Basis of this opinion

For the purposes of forming our opinion whether the plan was prepared and published in accordance with the legislation and with regard to statutory guidance. We conducted our audit in accordance with the Audit Commission's Code of Audit Practice. In carrying out our audit work we also had regard to supplementary guidance issued by the Audit Commission.

We planned and performed our work so as to obtain all the information and explanations which we have considered necessary in order to provide an opinion on whether the plan has been prepared and published in accordance with statutory requirements.

In giving our opinion we are not required to form a view on the completeness and accuracy of the information or the realism and achievability of the assessments published by TfL. Our work therefore comprised a review and assessment of the plan and, where appropriate, examination on a test basis of relevant evidence, sufficient to satisfy ourselves that the plan includes those matters prescribed in legislation and statutory guidance and that the arrangements for publishing the plan complied with the requirements of the legislation and statutory guidance.

Included in the plan are TfL's estimates for the year ending 31 March 2003. Actual results for the year are likely to be different from the figures reported, because events and circumstances frequently do not occur as expected, and differences may be material. To the extent that figures included in the plan are estimates, our audit work comprised an assessment as to whether the estimates made by TfL had been properly compiled in all significant respects on the basis of the assumptions stated by TfL, as at the date at which the plan was prepared.

Where we have qualified our audit opinion on the plan we are required to recommend how the plan should be amended so as to comply in all significant respects with the legislation and statutory guidance.

Unqualified opinion

In our opinion, TfL has prepared and published its best value performance plan in all significant respects in accordance with section 6 of the Local Government Act 1999 and the statutory guidance issued by the Government.

Recommendations on procedures followed in relation to the plan

Where appropriate, we are required to recommend procedures to be followed by TfL in relation to the plan.

Basis of the recommendations

For the purposes of making our recommendations, we conducted our audit in accordance with the Audit Commission's Code of Audit Practice. In carrying out our work we also had regard to supplementary guidance issued by the Audit Commission.

We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to enable us to determine whether or not to make recommendations in this report on the matters that came to our attention during the audit. However, our work cannot be relied upon to identify every weakness or opportunity for improvement. In particular, it has not necessarily covered the same areas as a best value inspection.

For this purpose, our audit included a review and assessment, and where appropriate, examination on a test basis of evidence relevant to the adequacy of the systems set in place by TfL for collecting and recording specified performance information.

Recommendations

We have no recommendations to make.

Recommendations on referral to the Audit Commission/ Secretary of State

We are required each year to recommend whether, on the basis of our audit work, the Audit Commission should carry out a best value inspection of the Council or whether the Secretary of State should give a direction.

On the basis of our work:

- We do not recommend that the Audit Commission should carry out a best value inspection of TfL under Section 10 of the Local Government Act 1999;
- We do not recommend that the Secretary of State should give a direction under section 15 of the Local Government Act 1999.

Signature **Date** x November 2003

**KPMG LLP,
Chartered Accountants,
London.**