

Date: 4 February 2015

**Item 12: Report of the meeting of the Audit and Assurance
Committee held on 17 December 2014**

This paper will be considered in public

1 Summary

- 1.1 To report to the Board on the meeting of the Audit and Assurance Committee held on 17 December 2014.

2 Recommendation

- 2.1 **That the Board note the report.**

3 Background

- 3.1 The main matters considered by the Committee were:
- (a) Management Actions Report;
 - (b) Internal Audit Quarter 2 Report 2014/15;
 - (c) Crossrail Audit Committee;
 - (d) Strategic Risk Management Update – Quarter 2;
 - (e) Half Yearly Fraud Report 2014/15;
 - (f) Legal Compliance Report (1 April 2014 – 30 September 2014);
 - (g) Personal Data Disclosure to the Police and Other Law Enforcement Agencies;
 - (h) Contactless – Security Controls in Place to Protect Payment Card Data; and
 - (i) External Audit Appointment.

4 Issues Discussed

Management Actions Report

- 4.1 The Committee noted the report on those recommendations to management which had not been actioned and were more than 60 days overdue.

Internal Audit Quarter 2 Report 2014/15

- 4.2 The Committee noted the report on audit work completed in quarter 2 2014/15, work in progress and work planned for quarter 3.
- 4.3 The Committee requested a future report on improvements made to taxi and private hire compliance towards implementing an intelligence led, risk based approach to the tasking and deployment of compliance officers, and the early results. The Director of Internal Audit would also carry out a further audit once the changes to the compliance regime had been implemented.

Crossrail Audit Committee

- 4.4 The Committee noted the paper on matters discussed by the Crossrail Audit Committee at its meeting of 6 October 2014.

Strategic Risk Management Update – Quarter 2, 2014/15

- 4.5 The Committee considered an update on TfL's non-project strategic risks and proposed mitigations, and the supplementary paper on Part 2 of the agenda.
- 4.6 It was agreed that an informal briefing session would be held for Board Members on the feedback from the staff survey 'Viewpoint'.

Half Yearly Fraud Report 2014/15

- 4.7 The Committee noted the Half Yearly Fraud report and the supplementary paper on Part 2 of the agenda.
- 4.8 It was agreed that future reports would include all successful fraud prosecutions, confirm whether press releases had been issued, and include more detailed information on the numbers of suspects involved.

Legal Compliance Report (1 April 2014 – 30 September 2014)

- 4.9 The Committee noted the report summarising information provided by each TfL directorate for the Legal Compliance Report for the period 1 April – 30 September 2014.
- 4.10 TfL continued to have good performance in responding to requests made under the Freedom of Information Act and the Environmental Regulations within the statutory time limit. Members welcomed the continuous reduction in the number of Employment Tribunals overall and the increase in successful cases.
- 4.11 Further information would be provided on the claims for personal injury involving Surface Transport.

Personal Data Disclosure to Police and Other Law Enforcement Agencies

- 4.12 The Committee noted the paper on the operation of TfL's disclosure of personal data policy to police and other law enforcement agencies.
- 4.13 There had been a significant increase in data requests received, and these had been managed with no additional resource. TfL was actively contributing to the reduction in crime on the transport system overall through collaborative working.

- 4.14 In future reports, Members would be provided with a breakdown of type of crime/incidents for low volume data requests as well as a breakdown of crime categories for data requests relating to taxi and private hire licensees.
- 4.15 A further report would be submitted to a future meeting on TfL's revised policy for the disclosure of personal data to police and other law enforcement agencies, to support crime reduction in London.

Contactless – Security Controls in Place to Protect Payment Card Data

- 4.16 The Committee received a paper on security controls in place to protect payment card data in use in contactless travel and the supplementary paper on Part 2 of the agenda.
- 4.17 The Committee would receive a six monthly high level report on security controls.

External Audit Appointment

- 4.18 The Committee noted the update of the outcome of the process for selecting and appointing external auditors for TfL and for Transport Trading Limited (TTL) and its subsidiaries for the two years ending 31 March 2016 and 2017.
- 4.19 The Audit Commission Board met on 4 December 2014 and confirmed Appointed Auditors for all audited bodies including TfL. At the date of the Committee meeting, the Commission had not yet formally notified TfL of the new Appointed Auditor. The Commission has since announced that Ernst & Young has been appointed as TfL's External Auditors for two years from 2015/16.

List of appendices to this report:

None.

List of Background Papers:

Papers for the meeting of the Audit and Assurance Committee held on 17 December 2014

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