

TRANSPORT FOR LONDON

BOARD

**SUBJECT: REPORT FROM THE MEETING OF THE AUDIT COMMITTEE –
28 SEPTEMBER 2011**

DATE: 2 NOVEMBER 2011

1 PURPOSE AND DECISION REQUIRED

- 1.1 To report to the Board on the meeting of the Audit Committee held on 28 September 2011.

2 BACKGROUND

- 2.1 The main matters considered by the Committee were:

- (a) Annual Audit Letter 2011;
- (b) External Audit Plan TfL, TTL and Subsidiaries – Year Ending 31 March 2012;
- (c) Management Actions Report;
- (d) Final Internal Audit Reports – Quarter 1 2011/12;
- (e) Review of Internal Audit Charter; and
- (f) Audit Commission Update – Outsourcing the Work of Audit Practice.

3 ISSUES DISCUSSED

Annual Audit Letter 2011

- 3.1 The Committee noted the draft Annual Audit Letter, prepared by KPMG, summarising the conclusions by KPMG on the Annual Statement of Accounts and Value for Money. The Letter would be published on the Audit Commission website in due course.

- 3.2 KPMG had issued an unqualified opinion on the TfL Financial Statements and noted that the overall quality of working papers continues to be of a high standard, acknowledging TfL's significant planning to ensure all areas of the International Financial Reporting Standards were managed in a timely fashion.

External Audit Plan TfL, TTL and Subsidiaries – Year Ending 31 March 2012

- 3.3 The Committee received KPMG's plan for the audit of the financial statements of Transport for London, Transport Trading Limited and its subsidiaries for the year ending 31 March 2012.

Management Actions Report

- 3.4 The Committee considered a report on recommendations to management that had not been actioned and were more than 60 days overdue. There were no outstanding actions to report.

Final Internal Audit Reports – Quarter 1 2011/12

- 3.5 The Committee noted the final audit reports issued in the first quarter of 2011/12. Appropriate actions were being taken to address the outstanding issues in respect of the one audit not closed.

Review of Internal Audit Charter

- 3.6 The Committee approved the amendments proposed to the Internal Audit Charter.

Audit Commission Update – Outsourcing the Work of Audit Practice

- 3.7 The Committee noted the paper setting out the latest position on local audit, following the Department for Communities and Local Government consultation on the Future of Local Public audit which took place earlier this year.

4 RECOMMENDATION

- 4.1 The Board is asked to NOTE the report.

5 CONTACT

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