

# Transport for London

## Minutes of the Audit Committee

**Boardroom, 14<sup>th</sup> Floor, Windsor House, London  
10.00am, Wednesday 28 September 2011**

### Members

Keith Williams	Chair
Patrick O’Keeffe	Vice Chair
Charles Belcher	Member
Christopher Garnett	Member
Baroness Grey-Thompson	Member
Bob Oddy	Member
Steve Wright	Member

### Present

Steve Allen	Managing Director, Finance
Sarah Bradley	Head of Group Financial Accounting
Howard Carter	General Counsel
Stephen Critchley	Chief Finance Officer
Clive Walker	Director of Internal Audit

### In Attendance

Robert Brent	Audit Partner, KPMG
Wayne Southwood	Audit Partner, KPMG
Ross Tudor	Director, Public Sector Audit, KPMG
Rebecca Pett	Senior Manager, KPMG
Sue Riley	Secretariat Officer

### **24/09/11     Welcome, Apologies for Absence and Declarations of Interest**

The Chair welcomed Baroness Grey-Thompson and Christopher Garnett as recently appointed Members of the Audit Committee.

Christopher Garnett declared an interest as a member of the Olympic Delivery Authority and non-executive director of Aggregate Industries Limited. Baroness Grey-Thompson declared an interest as Vice Chair of the Athletes’ Committee for the London Organising Committee of the Olympic Games (LOCOG). Bob Oddy declared an interest as General Secretary of the Licensed Taxi Drivers’ Association regarding any matters concerning taxis. Steve Wright declared an interest as Chair of the Licensed Private Hire Car Association regarding any matters concerning private hire vehicles.

### **25/09/11     Minutes of the Meeting Held on 15 June 2011**

The minutes of the meeting held on 15 June 2011 were approved as a correct record and signed by the Chair.

**26/09/11**      **Matters Arising and Actions List**

**The Committee noted the Actions List.**

**27/09/11**      **Annual Audit Letter 2011**

Wayne Southwood introduced the report informing the Committee of the draft Annual Audit Letter as prepared by KPMG. The Letter would be published on the Audit Commission website in due course.

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, including TfL's significant planning to ensure all areas of the International Financial Reporting Standards were managed in a timely fashion.

**The Committee noted the KPMG Annual Audit Letter.**

**28/09/11**      **External Audit Plan TfL, TTL and Subsidiaries – Year Ending 31 March 2012**

Wayne Southwood, Robert Brent and Ross Tudor presented 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.

It was reported that the value for money themes had yet to be confirmed by the Audit Commission, but it was anticipated that they would be similar to previous years. Members were assured that this would include a focus on fraud awareness and protection, including ticketless travel.

KPMG had discussed the programme of work with Internal Audit and had identified a number of areas where it was intended to place reliance on Internal Audit's work to avoid duplication of effort.

**The Committee noted the Plan.**

**29/09/11**      **Management Actions Report**

Clive Walker introduced the report on those recommendations to management that had not been actioned and were more than 60 days overdue. There were no actions more than 60 days overdue.

**The Committee noted the report.**

**30/09/11      Final Internal Audit Reports – Quarter 1 2011/12**

Clive Walker introduced 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.

**The Committee noted the report.**

**31/09/11      Review of Internal Audit Charter**

Clive Walker introduced the paper, informing the Committee of proposed changes to the Internal Audit Charter.

The reference, within the Charter, to the internal consultancy service provided by Internal Audit to the business would be clarified. **[ACTION: Clive Walker]**

**The Committee approved the amendments proposed to the Internal Audit Charter, including clarification of the reference to the internal consultancy service.**

**32/09/11      Audit Commission Update – Outsourcing the Work of Audit Practice**

Stephen Critchley introduced the paper informing the Committee of 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 in the year.

**The Committee noted the paper.**

**33/09/11      Any Other Business**

The Chair congratulated Clive Walker, on behalf of the Committee, for his recent appointment as Director of Internal Audit.

There being no other business, the meeting closed at 10.45am.

The next scheduled meeting would be held on 28 November 2011 at 10.00am.

Chair: \_\_\_\_\_

Date: \_\_\_\_\_