

Transport for London

Minutes of the Audit Committee

Boardroom, 14th Floor, Windsor House, London
10.00am, Wednesday 7 March 2012

Members

Keith Williams	Chair
Charles Belcher	Member
Christopher Garnett	Member
Bob Oddy	Member

Present

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

In Attendance

Vishal Divadkar	Senior Manager, KPMG
Wayne Southwood	Audit Partner, KPMG
Ross Tudor	Director, Public Sector Audit, KPMG

Sue Riley	Secretariat Officer
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01/03/12 Welcome, Apologies for Absence and Declarations of Interest

Apologies for absence were received from Baroness Grey-Thompson, Patrick O'Keeffe and Steve Wright.

Christopher Garnett declared an interest as a member of the Olympic Delivery Authority and non-executive director of Aggregate Industries Limited. Bob Oddy declared an interest as Deputy General Secretary of the Licensed Taxi Drivers' Association and Adviser to Computer Cab regarding any matters concerning taxis.

02/03/12 Minutes of the Meeting Held on 28 November 2011

The minutes of the meeting held on 28 November 2011 were approved as a correct record and signed by the Chair.

03/03/12 Matters Arising and Actions List

The Committee noted the Actions List.

04/03/12 Audit Committee Work Plan 2012/13

The Committee noted the report.

05/03/12 Transport Trading Limited Group – Annual Audit Fee 2011/12

Wayne Southwood presented the paper informing the Committee of the Annual Audit Fee proposed by KPMG for the audit of the financial statements of Transport Trading Limited (TTL) and its subsidiary companies for the year ending 31 March 2012.

The fees for the TfL Group had previously been approved by the Committee.

Members welcomed the continuing efficiency savings reported by KPMG and assurance that there were sufficient resources allocated to cover all areas of work, including Crossrail.

The Committee noted the fee proposals.

06/03/12 Audit Commission Update

Stephen Critchley gave an oral update on the Audit Commission. The Audit Commission will be making an interim auditor appointment for 2012/13, before 1 April 2012. A final appointment of auditors for 2012/13 and the following four years would then be announced in July 2012.

The position from 2017/18 onwards was less clear, but it was expected that local authorities would be able to appoint their own auditors, subject to certain constraints. Primary legislation would be required to enable this to happen, and it was currently anticipated that a draft bill would be available in May 2012.

Stephen Critchley agreed to circulate an update note to Members following the meeting.
[ACTION: Stephen Critchley]

The Committee noted the update.

07/03/12 Management Actions Report

Clive Walker introduced the report informing the Committee of those recommendations to management which have not been actioned and are more than 60 days overdue.

There was only one action in this category which was being monitored by Internal Audit. If the action was not fully resolved by the date of the next meeting, senior managers would attend the Committee with an explanation.

The Committee noted the report.

08/03/12 Final Internal Audit Reports – Quarter 3 2011/12

Clive Walker introduced the report which informed the Committee of the final audit reports issued in the third quarter of 2011/12.

The Committee noted the report.

09/03/12 Integrated Assurance Plan 2012/13

Clive Walker introduced the paper which presented the 2012/13 Integrated Assurance Plan to the Committee for approval. The Plan had also been considered by the Safety, Health and Environment Assurance Committee at its meeting on 6 March 2012.

The Committee approved the Integrated Assurance Plan for 2012/13.

10/03/12 Budgetary Control

Stephen Critchley introduced the paper on the budgetary control arrangements within the organisation, presented annually to the Committee as a standing item.

The Committee noted the paper.

11/03/12 Revision to Standing Orders

Howard Carter introduced the paper informing the Committee of proposed changes to TfL's Standing Orders, which reflected recent legislative and organisational changes.

Members were advised that the dates of future meetings would be reviewed in the light of the publication of the draft Annual Statement of Accounts and new Committee membership.

The Committee recommended that the Board approve the proposed changes to the Standing Orders and delegate authority to General Counsel to implement changes with effect from 3 May 2012.

12/03/12 Data Transparency

Howard Carter introduced the paper which sets out proposals as to how TfL will meet the requirements of the Data Transparency Code and the actions proposed.

The extent of the use of the additional information already published and the further information to be published would be monitored.

The Committee noted the paper.

13/03/12 TfL's Compliance with the FRC's UK Corporate Governance Code

Howard Carter presented the paper setting out the findings of a review by Internal Audit to benchmark TfL against the relevant sections of the Financial Reporting Council's (FRC's) UK Corporate Governance Code.

This work formed part of the Board Effectiveness Review, which was agreed by the Board at its meeting of 2 February 2012. No significant issues were identified and all recommendations had been accepted.

The Committee noted the paper.

14/03/12 Independent Reporting Lines

Howard Carter introduced the paper updating the Committee on reports to the staff reporting lines in 2011.

The Committee noted the paper.

15/03/12 Competition Law – New Guidance

The Committee considered a paper on TfL's response to the Office of Fair Trading's guidance 'Company Directors and Competition Law' and the actions proposed.

There were no significant issues identified for TfL which were not currently in place.

The Committee noted the paper.

16/03/12 Conduct of Meetings

Howard Carter introduced a paper which had been approved by the Board at its meeting on 2 February 2012, informing Members of the changes required to the conduct of TfL's Board and Committee meetings from May 2012.

The Committee noted the paper.

17/03/12 Any Other Business

There being no other business, the meeting closed at 11.40am.

The next scheduled meeting would be held on 15 June 2012 at 10.00am.

Chair: _____

Date: _____