

TRANSPORT FOR LONDON

BOARD

**SUBJECT: REPORT FROM THE MEETING OF THE AUDIT COMMITTEE -
4 MARCH 2010**

DATE: 24 MARCH 2010

1 PURPOSE AND DECISION REQUIRED

- 1.1 To report to the Board on the meeting of the Audit Committee held on 4 March 2010.

2 BACKGROUND

- 2.1 The main matters considered were the Final Internal Audit Reports – Quarter 3 2009/10, Quarter 3 Productivity and Resources Report, Management Actions Report, Quarterly Progress Update: the International Financial Reporting Standards Project, Budgetary Control, Members' Interests, Independent Reporting Lines and TfL Anti-Fraud and Corruption Policy – Applicability to Supply Chain.

3 ISSUES DISCUSSED

Final Internal Audit Reports – Quarter 3 2009/10

- 3.1 The Committee considered a report on the final audit reports issued in the third quarter of 2009/10.

Quarter 3 Productivity and Resources Report

- 3.2 The Committee noted the report informing the Committee of the outputs of, and the use of resources by, the Internal Audit team in Quarter 3 2009/10.

Management Actions Report

- 3.3 The Committee considered a report informing Members of those recommendations to management which had not been actioned and were more than 60 days overdue. There were no outstanding actions to report.

Quarterly Progress Update: The International Financial Reporting Standards Project

- 3.4 The Committee received the first quarterly progress update on the International Financial Reporting Standards (IFRS) project. TfL had received written confirmation from the Department for Transport that an increase in liabilities with the inclusion of current PFI contracts on the balance sheet would not be required to be absorbed within TfL's borrowing limits.

Budgetary Control

- 3.5 The Committee noted the annual report on the budgetary control arrangements within TfL.
- 3.6 The Committee requested that next year's Budgetary Control report include reference to the Continuous Savings Exercise and its impact on the budget setting process.
- 3.7 The Committee also requested that, subject to consultation with the Commissioner, the Chairs of the Audit Committee and Finance and Policy Committee, and the Deputy Chairman, be sent a copy of the period financial report and 'Barometer' produced for the Commissioner, outlining the trends on the key operational and performance indicators and the overall financial position against budget.

Members' Interests

- 3.8 The Committee discussed a report requested at its previous meeting, on the rules which apply to the declaration of interests by Members.
- 3.9 It was agreed that a guidance note would be provided for consideration at the next meeting.

Independent Reporting Lines

- 3.10 The Committee noted a report which provided the Committee with an update on reports to the staff reporting line in 2009.

TfL Anti-Fraud and Corruption Policy – Applicability to Supply Chain

- 3.11 The Committee received a report which provided an explanation on how the TfL Anti-Fraud and Corruption Policy applied to TfL's supply chain.

Any Other Business

- 3.12 At the end of the meeting the Chair thanked Clive Walker, on behalf of the Committee, for his work as Interim Director of Internal Audit. Members then held their private annual meeting with the Chief Finance Officer.

4 RECOMMENDATION

- 4.1 The Board is asked to NOTE the report.

5 CONTACT

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