

# Transport for London

## Minutes of the Audit Committee

Boardroom, 14<sup>th</sup> Floor, Windsor House, London  
9.45am, Thursday 4 March 2010

### Members

Judith Hunt	Chair
Keith Williams	Vice Chair
Daniel Moylan	TfL Deputy Chairman, Member (for part)
Charles Belcher	Member
Patrick O’Keeffe	Member
Steve Wright	Member

### Present

Sarah Bradley	Head of Group Financial Accounting (for part)
Howard Carter	General Counsel
Stephen Critchley	Chief Finance Officer
Ellen Howard	Director of Corporate Governance
Clive Walker	Interim Director of Internal Audit

### In Attendance

June Awty	Senior Statutory Auditor, KPMG
Sue Riley	Secretariat Officer

### 01/03/10 Apologies for Absence and Declarations of Interest

No apologies for absence had been received.

Daniel Moylan declared an interest as Deputy Leader of the Royal Borough of Kensington and Chelsea, as a director of the London Transport Museum and as Chairman of Urban Design London. Steve Wright declared an interest on matters relating to private hire vehicles.

### 02/03/10 Minutes of the Meeting Held on 16 December 2009

The minutes of the meeting held on 16 December 2009 were approved as a correct record and signed by the Chair.

### 03/03/10 Matters Arising and Actions List

Stephen Critchley reported that in relation to the information on the Comprehensive Area Organisational Assessment Outcome for TfL, which had been circulated outside of the meeting (Minute reference 53/12/09), TfL had scored higher than any other authority with regards to financial reporting.

**The Committee noted the Actions List.**

**04/03/10      Final Internal Audit Reports – Quarter 3 2009/10**

Clive Walker introduced the report informing the Committee of the final audit reports issued in the third quarter of 2009/10.

**The Committee noted the report.**

**05/03/10      Quarter 3 Productivity and Resources Report**

Clive Walker introduced the report informing the Committee of the outputs of, and the use of resources by, the Internal Audit Directorate in Quarter 3 2009/10.

It was noted that the budgeted headcount figures did not include the additional staff taken on from Metronet or those recruited to carry out Crossrail audit work. These would be included in the budget for 2010/11.

**The Committee noted the report.**

**06/03/10      Management Actions Report**

Clive Walker introduced the report informing the Committee of those recommendations to management which had not been actioned and were more than 60 days overdue. There were no outstanding actions to report.

**The Committee noted the report.**

**07/03/10      Quarterly Progress Update: The International Financial Reporting Standards Project**

Stephen Critchley introduced the first quarterly progress update on the International Financial Reporting Standards (IFRS) project.

TfL had received written confirmation from the Department for Transport that the 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.

**The Committee noted the report.**

**08/03/10      Budgetary Control**

Stephen Critchley introduced the annual report on the budgetary control arrangements within TfL.

It was reported that the organisation was attempting to reduce and streamline the number of cost centres across the business to ensure greater efficiency.

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.

**[ACTION: Stephen Critchley]**

It was also agreed 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 'Barometer' produced for the Commissioner, outlining the trends on the key operational performance indicators and the overall financial position against budget.

**[ACTION: Stephen Critchley]**

**The Committee noted the report.**

#### **09/03/10      Members' Interests**

Howard Carter introduced the report, which had been requested by the Committee at its previous meeting, on the rules which apply to the declaration of interests by Members.

It was agreed that a guidance note would be produced for consideration at the next meeting.

**[ACTION: Howard Carter]**

Members did not support the option to initiate primary legislation to make changes to the declaration of interests rules, nor did they support the removal of criminal sanctions, but requested that they be kept informed of any appropriate opportunity when amendments could be made alongside other legislative processes.

**The Committee noted the report.**

#### **10/03/10      Independent Reporting Lines**

Howard Carter introduced the report which provided the Committee with an update on the reports to the staff reporting line in 2009.

The internal and external independent reporting lines were also available to TfL contractors and agency staff and had been advertised widely.

**The Committee noted the report.**

#### **11/03/10      TfL Anti Fraud and Corruption Policy – Applicability to Supply Chain**

Howard Carter introduced the report providing an explanation to the Committee of how the TfL Anti Fraud and Corruption Policy applied to TfL's supply chain.

**The Committee noted the report.**

#### **12/03/10      Any Other Business**

Members noted that they were scheduled to hold their private annual meeting with the Chief Finance Officer following the meeting.

The Chair requested that her thanks on behalf of the Committee be recorded to Clive Walker for his work as Interim Director of Internal Audit.

There being no other business the meeting closed at 10.50am.

The next scheduled meeting would be held on 15 June 2010 at 2.00pm.

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

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