

Date: 8 October 2015

**Item: KPMG Report on Non-Audit Fees for Period between 1
April - 10 July 2015**

This paper will be considered in public

1 Summary

- 1.1 To report to the Committee on fees billed by KPMG for non-audit services in the period between 1 April 2015 and the date of signing the financial statements (10 July 2015).

2 Recommendation

- 2.1 **The Committee is asked to note this report.**

3 Background

- 3.1 Under TfL's policy on external audit services KPMG is required to report to the Audit and Assurance Committee every six months on fees billed for non-audit services. KPMG's last report, which covers the period from 1 April 2015 to 10 July 2015 (being the date at which KPMG signed the financial statements), is attached for the Committee's review.
- 3.2 The provision of commercial and accounting advice in relation to TfL advertising contracts; and the provision of strategic advice in relation to the Silvertown Tunnel were discussed with the Chair of the Audit and Assurance Committee in advance of KPMG bidding for the respective assignments. The initial quote in respect of the strategic advice on Crossrail 2 was estimated at £130,000 – below the £150,000 maximum amount allowable without prior agreement of the Chair of the Audit and Assurance Committee. Advance agreement from the Chair of the Audit and Assurance Committee was therefore not requested. Subsequent scope changes resulted in the final fee of £190,619 exceeding expectations. No other individual non-audit assignment for the Group exceeded maximum amount allowable without prior agreement of the Chair of the Audit and Assurance Committee. All potential assignments were however discussed with the Chief Finance Officer in advance, and the process set out in the Policy on Audit and Non-audit Services was followed.

List of appendices to this report:

Appendix 1: Letter from KPMG

List of Background Papers:

None

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Our ref rb/588

8 October 2015

Dear Sirs

Non-Audit Fees – Period between 1 April 2015 and 10 July 2015

In accordance with best practice we set out in the attached appendix all non-audit fees raised between 1 April 2015 and the date of signing the financial statements (10 July 2015), which have not previously been reported to the Audit and Assurance Committee.

Yours faithfully

Robert Brent
Partner, KPMG LLP

Enc. Summary of Fees

SUMMARY OF FEES – 1 APRIL 2015 TO 10 JULY 2015

Entity	Non-Audit Fees 2014/15 £	Comments
TfL Corporation	3,950	P11D Solutions
	216,638	Silvertown Tunnel strategic advice
	190,619	Crossrail II Strategic advice
TfL Corporation subtotal	411,207	
Transport Trading Limited	3,500	Crossrail VAT advice
	247,080	Commercial and accounting advice provided in relation to TfL Advertising
TfL sub total	250,580	
TOTAL	661,787	

Notes

- (1) All fees shown are net of VAT and expenses.
- (2) Where necessary appropriate approval from the Public Sector Audit Appointments team has been obtained.