

TRANSPORT FOR LONDON

BOARD

**SUBJECT: REPORT FROM THE MEETING OF THE AUDIT COMMITTEE –
15 JUNE 2011**

DATE: 29 JUNE 2011

1 PURPOSE AND DECISION REQUIRED

1.1 To report to the Board on the meeting of the Audit Committee held on 15 June 2011.

2 BACKGROUND

2.1 The main matters considered by the Committee were:

- (a) KPMG Letter on Independence and Objectivity;
- (b) KPMG Report on Non-Audit Fees for Six Months Ended 31 March 2011;
- (c) Management Actions Report;
- (d) Final Internal Audit Reports – Quarter 4 2010/11;
- (e) Internal Audit Annual Report 2010/11;
- (f) Review of Governance and the Annual Governance Statement for Year Ended 31 March 2011;
- (g) Requests for Information Made to TfL Under the Freedom of Information Act and the Environmental Information Regulations;
- (h) Department for Communities and Local Government Consultation: Future of Local Public Audit;
- (i) The Bribery Act 2010; and
- (j) Assurance for London 2012 Games.

3 ISSUES DISCUSSED

KPMG Letter on Independence and Objectivity

3.1 The Committee considered a paper on the independence and objectivity of TfL's external auditors KPMG. KPMG is required to report annually on its independence and objectivity, taking into account guidance including the Audit Commission's Code of Audit Practice and Standing Guidance for Auditors.

KPMG Report on Non-Audit Fees for Six Months Ended 31 March 2011

- 3.2 The Committee noted the report on the fees billed by KPMG for non-audit services.

Management Actions Report

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

Final Internal Audit Reports – Quarter 4 2010/11

- 3.4 The Committee noted the final audit reports issued in the fourth quarter of 2010/11. All reports had been closed with no outstanding actions.

Internal Audit Annual Report 2010/11

- 3.5 The Committee received a summary of Internal Audit activity for the year ended 31 March 2011. This incorporated an opinion on the effectiveness of TfL's internal controls as required by the CIPFA Code of Practice for Internal Audit in Local Government.

Review of Governance and the Annual Governance Statement for Year Ended 31 March 2011

- 3.6 The Committee received a report on a review of compliance with the TfL Code of Governance in 2010/11. It approved the Annual Governance Statement for signature by the Chair of the TfL Board and the Commissioner, which is included on this agenda as part of the Annual Report and Statement of Accounts for year ended 31 March 2011.

Requests for Information Made to TfL Under the Freedom of Information (FOI) Act and the Environmental Information Regulations (EIR)

- 3.7 The Committee noted the update on TfL's compliance with the FOI Act 2000 and the EIR 2004 and the outcome of the assessment by the Information Commissioner's Office of TfL's compliance with the timescales. The Committee welcomed the substantial improvement in TfL's compliance.

Department for Communities and Local Government (DCLG) Consultation: Future of Local Public Audit

- 3.8 The Committee noted the consultation that has been launched by DCLG on the Future of Local Public Audit. The Members made a number of detailed comments, which officers agreed to reflect in TfL's formal response to the consultation.

The Bribery Act 2010

- 3.9 The Committee noted a paper on TfL's response to the Bribery Act 2010.

Assurance for London 2012 Games

3.10 The Committee received a paper providing an overview of the assurance strategy implemented for the London 2012 Games across TfL.

4 RECOMMENDATION

4.1 The Board is asked to NOTE the report.

5 CONTACT

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