

**Date:** 13 July 2017

**Item:** Crossrail Audit Committee

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## **This paper will be considered in public**

### **1 Summary**

1.1 The purpose of this paper is to report to the Committee on matters discussed at the Crossrail Audit Committee meetings held on 13 March 2017 and 16 June 2017.

### **2 Recommendation**

**2.1 The Committee is asked to note the paper.**

### **3 Background**

- 3.1 The Crossrail Audit Committee held routine meetings on 13 March 2017 and 16 June 2017. The meetings were attended by the TfL Director of Internal Audit and Senior Audit Manager, Crossrail and the TfL Head of Group Tax (representing the Group Financial Controller). The external auditors also attended. In addition, the June meeting was attended by the Chair of the TfL Audit and Assurance Committee (see para 3.11 below). There were no matters of concern arising from the meetings that need to be brought to the attention of this Committee. The following summarises the issues discussed.
- 3.2 At both meetings, the Committee received the regular audit and assurance update report, setting out progress with delivery of the Crossrail Internal Audit Plan and the work of other assurance providers. The reports also updated the Committee on the activities of the Crossrail Integrated Assurance Group and the Fraud Risk Assurance Group.
- 3.3 At its March meeting, the Committee also reviewed and approved the Crossrail Integrated Audit Plan setting out the work planned for 2017/18. This work is all included in TfL's Integrated Assurance Plan for 2017/18, which was approved by the Audit and Assurance Committee at its meeting on 14 March 2017.
- 3.4 The June meeting received the Internal Audit Annual Report for 2016/17 providing a summary of work done over the year, and the Director of Internal Audit's 'clean' audit opinion on Crossrail's overall control environment.
- 3.5 The June meeting of the Committee also reviewed the Annual Report and Financial Statements and the report thereon by the external auditors, EY. There were no significant matters arising from the external audit.
- 3.6 At both meetings the Committee received the regular Risk Management Report covering changes to the status of key strategic risks and the performance of the risk management process.

- 3.7 At the March meeting the Committee received the six-monthly update on calls made to Crossrail's staff whistle-blowing line.
- 3.8 The Committee also received at the March meeting a paper reporting the cessation of the Performance Assurance programme that had been in place for four years to continuously assess and drive improvement of the performance of Crossrail's tier one contractors. The paper set out the key benefits and lessons learned from the process, including improved collaboration and knowledge sharing; enabling of targeted improvement action planning; stimulating innovation; and incentivisation of contractors. It had been decided, in light of the stage of completion of the Crossrail project, that the core benefits of performance assurance had been generated and that this was an appropriate time to discontinue the process.
- 3.9 The next meeting was scheduled to be held on 30 October 2017.
- 3.10 In May an informal meeting was held between members of the Crossrail Audit Committee and members of the TfL Audit and Assurance Committee to discuss matters of mutual interest.
- 3.11 Following that meeting, it was agreed that the Chair of the TfL Audit and Assurance Committee will be invited to attend future meetings of the Crossrail Audit Committee, starting from the meeting on 16 June. The aim of this is to ensure that the handover, in due course, of the Crossrail Audit Committee's business to the Audit and Assurance Committee is as smooth and seamless as possible.

**List of appendices to this report:**

None

**List of Background Papers:**

None

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