

## Board



**Date:** 20 October 2021

**Item:** Report of the Meeting of the Audit and Assurance Committee held on 15 September 2021

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

## **1 Summary**

- 1.1 This paper provides a summary of the items considered by the Audit and Assurance Committee at its meeting on 15 September 2021.

## **2 Recommendation**

- 2.1 **The Board is asked to note the report.**

## **3 Committee Agenda and Summary**

- 3.1 The papers for the meeting of the Committee held on 15 September 2021 were published on 7 September 2021. The papers are available on the [TfL website](#) with a link to the video recording of the meeting on [TfL's YouTube channel](#).
- 3.2 The main matters considered by the Committee on 15 September 2021 were:
- (a) Annual Audit Letter;
  - (b) Risk and Assurance Quarter 1 Report 2021/22;
  - (c) Elizabeth Line Programme Assurance Quarter 1 Report 2021/22;
  - (d) Independent Investment Programme Advisory Group Quarterly Report;
  - (e) TfL Statement of Accounts Year Ended 31 March 2021 – Changes Made Prior to Finalisation;
  - (f) Effectiveness Review of the External Auditors;
  - (g) Appointment of External Auditors;
  - (h) Freedom of Information Update;
  - (i) Finance Control Environment Trend Indicators and Transformation Update;

- (j) Register of Gifts and Hospitality for Members and Senior Staff; and
- (k) Enterprise Risk Update – Major Security Incident (ER4).

3.3 A summary of the items considered and decisions taken is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 1 December 2021.

## **4 Issues Discussed – 15 September 2021**

### **Annual Audit Letter**

- 4.1 The Committee noted the annual Audit Letter prepared by EY, summarising its conclusion on the Annual Statement of Accounts and Value for Money.
- 4.2 The Chair noted that without a long-term funding solution for TfL, EY was only able to give a qualified Value for Money assessment.

### **Risk and Assurance Quarter 1 Report 2021/22**

- 4.3 The Committee noted the update on work for Quarter 1 2021/22.

### **Elizabeth Line Programme Assurance Quarter 1 Report 2021/22**

- 4.6 The Committee noted the update on the programme of assurance activity in relation to the Elizabeth line during Quarter 1 2021/22, which included a summary of the integrated assurance process to Elizabeth line readiness and Crossrail transition.

### **Independent Investment Programme Advisory Group (IIPAG) Quarterly Report**

- 4.7 The Committee noted the quarterly IIPAG report and the management response.
- 4.8 It was agreed that consideration would be given to TfL's Value for Money in relation to the update to the UK Treasury Green Book and qualitative measures.
- 4.9 There were no new unagreed or critical IIPAG recommendations or outstanding management actions.

### **TfL Statement of Accounts Year Ended 31 March 2021 - Changes Made Prior to Finalisation**

- 4.10 The Committee noted the update on any material changes to the Statement of Accounts, following their presentation to the Committee on 7 June 2021.

### **Effectiveness Review of the External Auditors**

- 4.11 The Committee noted the annual update on the effectiveness review of the External Auditors, which included feedback from Committee Members.

- 4.12 Members noted the good relationships with staff, the robust and transparent relationship with Committee Members and welcomed the return of face to face activity, where appropriate.
- 4.13 Overall, Members and staff were satisfied with EY's performance during 2020/21, despite the challenges of remote working.

#### **Appointment of External Auditors**

- 4.14 The Committee approved the proposal to opt in to the national scheme for the appointment of auditors for a period of five years, commencing with the audit of the 2023/24 financial year.

#### **Freedom of Information Update**

- 4.15 The Committee noted the annual update on performance on processing Freedom of Information and Environmental Information Regulation requests.
- 4.16 The Committee noted the continued good performance in meeting statutory deadlines and thanked staff for their good work.

#### **Finance Control Environment Trend Indicators and Transformation Update**

- 4.17 The Committee noted the update on savings from the implementation of end-to-end processes across TfL's Finance and Business Services teams as a result of transformation of both services.
- 4.18 The Committee would be kept updated on progress.

#### **Register for Gifts and Hospitality for Members and Senior Staff**

- 4.19 The Committee noted the quarterly update on the register of gifts and hospitality for Members and senior staff.

#### **Enterprise Risk Update - Major Security Incident (ER4)**

- 4.20 The Committee noted the update on Enterprise Risk 4.

#### **List of appendices to this report:**

None

#### **List of Background Papers:**

Papers submitted to the Audit and Assurance Committee on 15 September 2021

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