

# Transport for London

## Minutes of the Audit and Assurance Committee

Conference Rooms 1 and 2, Ground Floor, Palestra,  
197 Blackfriars Road, London, SE1 8NJ  
10.00am, Wednesday 16 March 2022

### Members

Mark Phillips	Chair
Anurag Gupta	Vice-Chair
Kay Carberry CBE	Member
Dr Mee Ling Ng OBE	Member

### Executive Committee

Howard Carter	General Counsel
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### Other Staff

Joan Buszewska	Head of Project and Programme Assurance, Crossrail
Patrick Doig	Group Finance Director and statutory Chief Finance Officer
Jill Elliott	Head of Internal Audit
Siwan Hayward OBE	Director of Compliance, Policing, Operations and Security (Minute Reference 11/03/22)
Philip Hewson	Head of Governance and Assurance (Minute Reference 12/03/22)
Lorraine Humphrey	Director of Risk and Assurance
Rachel McLean	Chief Finance Officer, Crossrail and Finance Director, London Underground
Richard Mullings	Head of Counter-Fraud and Corruption
James Norris	Interim Head of Project Assurance
Rachel Shaw	Head of Financial Accounting and Tax
Mike Shirbon	Head of Integrated Assurance
Sue Riley	Secretariat

### Also In Attendance

Janet Dawson	Partner, Ernst & Young
Alison Munro	Independent Investment Programme Advisory Group
Philip Young	Partner, Ernst & Young

## 01/03/22 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting, in particular Anurag Gupta as a new Member and as Vice Chair. The discussions in public were being webcast to TfL's YouTube channel to ensure that public and press could observe the proceedings and decision making without the need to attend.

An apology for absence had been received from Cllr Julian Bell.

The Chair stated that this was his first meeting as a Member and Chair of the Committee and he was grateful for the advice and support received, in particular from the previous

Chair, Anne McMeel and the former Vice-Chair, Dr Lynn Sloman MBE, as well as key staff. He looked forward to continuing the important work of the Committee.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with TfL staff after the meeting. No matters were raised.

Following the meeting Members were scheduled to meet with the Chief Finance Officer for the annual informal meeting.

## **02/03/22 Declarations of Interest**

Members confirmed that their declarations of interests, as published on [tfl.gov.uk](https://tfl.gov.uk), were up to date and there were no additional interests that related specifically to items on the agenda.

## **03/03/22 Minutes of the Meeting of the Committee held on 1 December 2021**

The minutes of 15 September 2021, which were approved at the last meeting, were incorrectly headed as a Teams only meeting, and would be amended accordingly.

**The Committee approved the minutes of the meeting held on 1 December 2021 and authorised the Chair to sign them.**

## **04/03/22 Matters Arising and Actions List**

Howard Carter introduced the paper, which set out progress against actions agreed at previous meetings of the Committee. A date for the half day discussion on TfL's Enterprise Risks had now been scheduled.

**The Committee noted the Actions List.**

## **05/03/22 Integrated Assurance Plan 2022/23**

Lorraine Humphrey and Jill Elliot introduced the Integrated Assurance Plan for 2022/23.

The move away from the traditional annual plan to a rolling 18-month programme would allow for more flexibility, responding quickly to changes across the organisation. The Plan was based around key areas of risk, core activities and business led activities. This would also reduce the number of deferred and cancelled audits. Due the dynamic nature of the Plan it would continue to be updated.

The Committee welcomed the new approach and reporting format.

Members were assured that staffing levels, resourcing and expertise within the Risk and Assurance Directorate were adequate to deliver the Plan.

Work was progressing on the implementation of the new requirements as part of the Task Force on Climate Related Financial Disclosures.

**The Committee approved the Plan.**

### **06/03/22 Risk and Assurance Quarter 3 Report 2021/22**

Lorraine Humphrey introduced the report setting out work completed by the Risk and Assurance Directorate during Quarter 3 of 2021/22, work in progress and planned activities. Jill Elliott, Richard Mullings, James Norris and Mike Shirbon were also present.

Moving forward there would be a greater focus on management actions and a review of the approach to ensure a more robust process. An improvement in customer feedback of the internal audit process was also being looked at and all responses were analysed.

Members of the public were now able to submit information regarding suspected fraud or corruption via the TfL website, and this had led to an increase in reports received. The Committee sought assurance that this wasn't resource intensive for staff but was considered manageable using established methods of triaging referrals.

The Committee congratulated the Counter-fraud and Corruption team for their work in identifying a number of key cases which had led to improvements in a range of control measures. All identified fraud and corruption cases were investigated fully to ensure lessons were learnt and mitigation measures applied.

Related procurement contracts under investigation were reviewed by Legal to ensure that they were appropriate and value for money.

**The Committee noted the report and the supplemental information on Part 2 of the agenda.**

### **07/03/22 Enterprise Risk Update – Governance Controls and Suitability (ER13)**

Howard Carter introduced the paper providing an overview of the Level 0 Enterprise Risk 13 – Governance and controls suitability.

An annual briefing on major security incidents, for all Board Members, was being scheduled.

**The Committee noted the paper and the supplemental information on Part 2 of the agenda.**

## **08/03/22 Independent Investment Advisory Group Quarterly Report**

Alison Munro presented the Independent Investment Programme Advisory Group (IIPAG) quarterly report.

There were no overdue critical management actions. Some of IIPAG's work programme had been deferred pending clarity around TfL's long-term funding position and the linked Investment Programme but key reviews and cross-cutting work continued.

**The Committee noted the report and the management response.**

## **09/03/22 Elizabeth Line Programme Assurance Quarter 3 Report 2021/22**

Joan Buszewska introduced the overview of programme assurance activity in relation to the Elizabeth line during Quarter 3 of 2021/22. Rachel McLean was also present for this item.

The Integrated Assurance Schedule would be submitted to the next meeting.

**The Committee noted the paper.**

## **10/03/22 Critical Accounting Policies**

Patrick Doig and Rachel Shaw presented the update on the Group's critical accounting policies.

The EY presentation on the Task Force on Climate Related Financial Disclosures would be shared with new Committee Members. **[Action: Secretariat]**

**The Committee noted the paper.**

## **11/03/22 Personal Data Disclosure to Police and Other Statutory Law Enforcement Agencies (2021)**

Siwan Hayward OBE presented the annual update on the disclosure of personal data to the police and other statutory law enforcement agencies in 2021 for the prevention of crime and detection in London.

There had been a marked decrease in pickpocketing due to the lack of crowds as a result of the coronavirus pandemic. The number of reports of sexual offences on the transport network had increased but this was likely due to the zero-tolerance approach taken by TfL and the related publicity campaigns.

The Committee noted that further improvements in the provision of data to supporting finding missing persons was underway.

Information provided by TfL was often critical in the successful prosecution of dangerous criminals, but the outcomes were rarely shared with the enforcement team. A leading

police investigator had recently sent a letter of thanks acknowledging the critical work of TfL staff in resolving the tragic murder case of Marie Rawlings.

The Committee requested that statutory agencies be encouraged to provide updates to the policing and security team in a more systematic way.

[Action: Siwan Hayward OBE]

**The Committee noted the paper.**

## **12/03/22 Finance Control Environment Trend Indicators**

Patrick Doig introduced the quarterly report on Financial Control Environment Trend Indicators. Philip Hewson was also present for this item.

Improvements in the processing of financial payments and a reduction in Direct Awards (previously Non-Competitive Transactions) continued. The aim was to avoid the issuing of Direct Awards through changes in contracts and licences at the start of the procurement process.

The Chair requested that targets for automated processing payments and value for money metrics be included in future reports.

[Action: Patrick Doig]

Members were advised that all Direct Award contracts were scrutinised for value for money and linked sub-contracts were still subject to competitive processes.

The Committee asked that EY review contracts and payments as part of their auditing process.

[Action: Patrick Doig/EY]

**The Committee noted the paper.**

## **13/03/22 Register of Gifts and Hospitality for Members and Senior Staff**

Howard Carter presented the quarterly update on the register of gifts and hospitality for Board Members and senior staff.

**The Committee noted the paper.**

## **14/03/22 Members' Suggestions for Future Discussion Items**

Howard Carter presented the current forward plan for the Committee.

**The Committee noted the paper.**

## **15/03/22 Any Other Business the Chair Considers Urgent**

There was no urgent business.

## **16/03/22 Date of Next Meeting**

The next scheduled meeting was due to be held on Monday 6 June 2022 at 10.00am.

## **17/03/22 Exclusion of Press and Public**

**The Committee agreed to exclude the press and public from the meeting, in accordance with paragraphs 3, 5 and 7 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business: Risk and Assurance Quarter 3 Report 2021/22; and Enterprise Risk Update – Governance Controls and Suitability (ER13).**

The meeting closed at 12.09pm.

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

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