

**Board**



**Date:** 12 October 2022

**Item:** Report of the Meeting of the Audit and Assurance Committee held on 21 September 2022

---

**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 21 September 2022.

## **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 21 September 2022 were published on 12 September 2022. A supplementary agenda, containing the Statement of Accounts was circulated on 20 September 2022 and accepted as a late item. 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 were:

- (a) TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2022;
- (b) Annual Audit Letter;
- (c) Risk and Assurance Quarter 1 Report 2022/23;
- (d) Independent Investment Programme Advisory Group Quarterly Report;
- (e) Elizabeth Line Programme Assurance Quarter 1 Report 2022/23;
- (f) Finance Control Environment Trend Indicators;
- (g) Freedom of Information Update;
- (h) Effectiveness Review of External Auditors;
- (i) Enterprise Risk Update – Significant Security Incident (ER4); and
- (j) Register of Gifts and Hospitality for Members and Senior Staff.

- 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 30 November 2022.

## **4 Issues Discussed**

### **TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2022**

- 4.1 The Board had agreed the draft Annual Report on 27 July 2022. The Foreword had been updated to reflect the agreed funding arrangement and the recent death of HM Queen Elizabeth II. As the Board was unable to approve the Accounts without a funding settlement in place, it had delegated approval to the Audit and Assurance Committee. A funding settlement had subsequently been agreed and the external auditors, EY, were content that TfL was a going concern.
- 4.2 The Committee noted the changes to the TfL Annual Report and approved TfL's Statement of Accounts for the Year Ended 31 March 2022.
- 4.3 The signed accounts were published on 27 September 2022.

### **Annual Audit Letter**

- 4.4 The Committee noted the Annual Audit Letter. At the time of issue of the report, EY was finalising its comments and so a verbal update was provide at the meeting on its assessment of TfL as a going concern.

### **Risk and Assurance Quarter 1 Report 2022/23**

- 4.5 The Committee noted the update on work completed by the Risk and Assurance Directorate during Quarter 1 of 2022/23 (1 April to 25 June 2022).
- 4.6 There was a continued focus on reducing the number of outstanding management actions, which were on a downward trend. Actions arising from completed audits were being actively tracked with positive engagement from Chief Officers.
- 4.7 The Committee requested further details in future reports on any overdue management actions above 100 days, including Management action plans, as well as further information on any Requires Improvement audits.
- 4.8 An assessment on the potential impact of revenue leakage would be provided to the next meeting.
- 4.9 The Committee requested that the target safety risk assessment for Enterprise Risk 4 be reviewed.
- 4.10 Future reports would include a risk map charting progress of current risk levels against target risk levels and the mitigations in place.

- 4.11 Members welcomed the continued improvement trends in control environment indicators.

#### **Independent Investment Programme Advisory Group Quarterly Report**

- 4.12 The Committee noted the quarterly report, the management response and approved the Independent Investment Programme Advisory Group (IIPAG) work programme.
- 4.13 Good progress was being made in the recruitment of further members of IIPAG and the recent changes had not significantly impacted on the work programme or continuity and transfer of knowledge.

#### **Elizabeth Line Programme Assurance Quarter 1 Report 2022/23**

- 4.14 The Committee noted the overview of programme assurance activity in relation to the Elizabeth line during Quarter 1 of 2022/23.
- 4.15 The recent Infrastructure and Projects Review of the Elizabeth line had been positive and acknowledged the robust assurance processes in place.

#### **Finance Control Environment Trend Indicators**

- 4.16 The Committee note the update on Quarter 1 of 2022/23 Financial Control Environment Trend Indicators for TfL's Finance, Business Services and Procurement functions.
- 4.17 Members welcomed the progress in performance and the introduction of stretch targets.

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

- 4.18 The Committee noted the annual update on Freedom of Information requests.
- 4.19 TfL continued to out-perform other public bodies and above the requirements of the Information Commissioner's Office, despite receiving some of the highest number of requests.

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

- 4.20 The Committee noted the report on the effectiveness review of the external auditors. Issues around availability and continuity of partners had been fed back to EY.
- 4.21 The Committee recorded its thanks to EY for its hard work during this challenging period.

#### **Enterprise Risk Update – Significant Security Incident (ER4)**

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

- 4.23 There was close, integrated working between the Risk and Assurance Directorate and the Security, Governance and Culture team, including the sharing of knowledge, information and good practice through a range of internal forums.

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

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

**List of appendices to this report:**

None

**List of Background Papers:**

Papers submitted to the Audit and Assurance Committee on 21 September 2022

Contact Officer: Howard Carter, General Counsel  
Email: [HowardCarter@tfl.gov.uk](mailto:HowardCarter@tfl.gov.uk)