

**Board**



**Date: 29 March 2023**

**Item: Report of the Meeting of the Audit and Assurance Committee held on 15 March 2023**

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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 March 2023. As the meeting was held via Microsoft Teams, due to industrial action on the London Underground, items requiring a decision were taken by Chair's Action at the conclusion of the discussion of that item.

## **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 March 2023 were published on 7 March 2023. 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) Ernst & Young Auditor's Annual Report Year Ended 31 March 2022 and Value for Money Arrangements;
- (b) Risk and Assurance Quarter 3 Report 2022/23;
- (c) Independent Investment Programme Advisory Group Quarterly Report;
- (d) TTL Properties Limited Assurance Update;
- (e) Elizabeth Line Programme Assurance Quarter 3 Report 2022/23;
- (f) Critical Accounting Policies;
- (g) Finance Control Environment Trend Indicators;
- (h) Register of Gifts and Hospitality for Members and Senior Staff; and
- (i) Personal Data Disclosure to Police and Other Statutory Law Enforcement Agencies (2022).

- 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 5 June 2023.

## **4 Issues Discussed**

### **Ernst & Young Auditor's Annual Report Year Ended 31 March 2022 and Value for Money Arrangements**

- 4.1 The Committee noted the work undertaken by Ernst & Young (EY) in accordance with the National Audit Office Code of Audit Practice, including value for money arrangements, which were published as part of the Auditor's Annual Report for the year ended 31 March 2022.

### **Risk and Assurance Quarter 3 Report 2022/23**

- 4.2 The Committee noted the report of work completed by the Risk and Assurance Directorate during Quarter 3 of 2022/23 (18 September to 10 December 2022) (Q3), work in progress and other activities of the Directorate.
- 4.3 The Head of Counter-fraud and Corruption is now a member of the UK Rail Fraud forum, which was instrumental in knowledge sharing and best practice. Close working also continued with the Greater London Authority Risk and Assurance Collaboration Professional Community, chaired by TfL's Director of Risk and Assurance.
- 4.4 Focus continued on reducing overdue management actions, particularly over 100 days. Recruitment, training and retention measures continued to build on capacity and resource within the Directorate.
- 4.5 There had been an increase in customer feedback form returns.
- 4.6 It was agreed that future reports would include details of the categories of fraud reported via the external website.
- 4.7 Work was in progress on discussing the Enterprise Risk schedule at Executive Committee level and with Board Members.
- 4.8 The Chair, in consultation with available Members, approved the updated Audit Plan.

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

- 4.9 The Committee noted the Independent Investment Programme Advisory Group (IIPAG) Quarterly report for March 2023 and work undertaken since the last meeting.
- 4.10 Progress on TfL's climate adaption measures continued to mature.

- 4.11 Further discussions would take place on internal benchmarking of the capital programme.
- 4.12 The Chair, in consultation with the available Members, approved the change to the IIPAG Terms of Reference to amend the frequency of the TfL Benchmarking Review by IIPAG from yearly to three-yearly.

#### **TTL Properties Limited Assurance Update**

- 4.13 The Committee noted the progress with assurance activity across TTL Properties Limited during Q3. An assurance update would also be considered at the 23 March 2023 meeting of the Land and Property Committee.

#### **Elizabeth Line Programme Assurance Quarter 3 Report 2022/23**

- 4.14 The Committee noted the overview of programme assurance activity in relation to the Elizabeth line during Q3.
- 4.15 While the Elizabeth line Programme continued to transition to TfL's business-as-usual, control of costs would continue to be ringfenced under Crossrail, in compliance with the joint sponsor agreement, until completion.

#### **Critical Accounting Policies**

- 4.16 The Committee noted the update on TfL's critical accounting policies to be applied in TfL's Statement of Accounts for the year ending 31 March 2023.
- 4.17 A further update on Climate-Related Financial Disclosure requirements would be provided at a future meeting.

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

- 4.18 The Committee noted the update on the Financial Control Environment Trend Indicators.
- 4.19 The successful roll out of the SAP Ariba Guided Buying system meant procurement data could be better analysed and monitored.

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

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

#### **Personal Data Disclosure to Police and Other Statutory Law Enforcement Agencies (2022)**

- 4.21 The Committee noted the annual update on the disclosure of personal data to the police and other statutory law enforcement agencies for the prevention and detection of crime in London.

4.22 TfL's policy of providing data to the police in time critical cases involving serious crimes would be kept under review to ensure it retained the appropriate balance.

**List of appendices to this report:**

None

**List of Background Papers:**

Papers submitted to the Audit and Assurance Committee on 15 March 2023

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