

Transport for London

Minutes of the Audit and Assurance Committee

Teams Virtual Meeting 10.00am, Wednesday 15 March 2023

Members

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

Executive Committee

Howard Carter	General Counsel
Rachel McLean	Chief Finance Officer

Staff

Patrick Doig	Group Finance Director and statutory Chief Finance Officer
Jill Elliott	Head of Internal Audit
Siwan Hayward OBE	Director of Security, Policing and Enforcement (Minute Reference 12/03/23)
Lorraine Humphrey	Director of Risk and Assurance
Nico Lategan	Head of Enterprise Risk
Richard Mullings	Head of Counter-Fraud and Corruption
James Norris	Head of Project Assurance
Mike Shirbon	Head of Quality, Safety and Security Assurance
Chris Tann	Head of Financial Accounting and Tax
Sue Riley	Secretariat Officer

Also In Attendance

Janet Dawson	Partner, Ernst & Young
Alison Munro	Chair, Independent Investment Programme Advisory Group
Chloe Wilkinson	Senior Manager, Ernst & Young

01/03/23 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting which, due to industrial action, was being held online only via Teams. There were no apologies for absence. As the Committee was unable to meet in person, the meeting was not quorate and so any decisions required would be taken by Chair's Action, following the discussion of the item with Members. The meeting was being broadcast live on TfL's YouTube channel to ensure the public and press could observe the proceedings and decision-making.

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

The Chair thanked those Members who had attended the cyber security briefing prior to the start of the meeting.

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 the appropriate member of the Executive Committee after the meeting. There were no specific issues raised at the meeting.

02/03/23 Declarations of Interest

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date and there were no interests to declare that related specifically to items on the agenda.

03/03/23 Minutes of the Meeting of the Committee held on 30 November 2022

The Chair, in consultation with the Committee, approved the minutes of the meeting of the Committee held on 30 November 2022 as a correct record and would sign them at a future date.

04/03/23 Matters Arising and Actions List

Howard Carter introduced the paper, which set out progress against actions agreed at previous meetings of the Committee.

The Committee noted the updated Actions List.

05/03/23 Ernst & Young Auditor's Annual Report Year Ended 31 March 2022 and Value for Money Arrangements

Janet Dawson presented the report on work undertaken in accordance with the National Audit Office Code of Audit Practice including value for money arrangements.

Chloe Wilkinson from EY, who was in attendance, would replace Caroline Mulley as part of the succession planning.

The Committee noted the report.

06/03/23 Risk and Assurance Quarter 3 Report 2022/23

Lorraine Humphrey introduced the report, and the related exempt supplementary information on Part 2 of the agenda, setting out work completed by the Risk and Assurance Directorate during Quarter 3 of 2022/23 (18 September to 10 December 2022), including work in progress and planned activities. Jill Elliott, Nico Lategan, Richard Mullings, James Norris and Mike Shirbon were also in attendance.

Staff continued to focus on reducing overdue management actions, particularly any actions that were over 100 days overdue.

The Enterprise Risk Schedule was being updated against the Committee and Panel timetable and Level 1 Risk workshops being held across the business.

Two of the Poorly Controlled Audits had already been discussed at the Safety, Sustainability and Human Resources Panel, as they related to environmental risk assessment. Other areas of common weaknesses related to the quality of Business Case documentation.

A three-to-five-year counter-fraud strategy was currently being drafted.

The Directorate continued to increase capacity, resourcing and resilience through recruitment, training and internal promotions, including the launch of an apprenticeship scheme.

It was agreed that future reports would include a breakdown of fraud referrals received through the TfL website, including referrals dealt with by the Counter-fraud and Corruption team or disseminated elsewhere. **[Action: Richard Mullings]**

The Committee noted the report and the exempt supplementary information on Part 2 of the agenda and the Chair, in consultation with the available Members, approved the updated Audit Plan.

07/03/23 Independent Investment Programme Advisory Group Quarterly Report

Lorraine Humphrey introduced the Independent Investment Programme Advisory Group's (IIPAG) quarterly report, and the related exempt supplementary information on Part 2 of the agenda. Alison Munro set out the key areas of the report in detail.

The Committee noted the good progress on climate adaption measures and the Commercial and Procurement Improvement Programme.

IIPAG agreed to consider reviewing projects across the capital programme comparing their original budget, schedule and business plan benefits against final position.

[Action: Alison Munro/Stuart Harvey/Michael Cooper]

The Chair, in consultation with the Committee, approved the change to the IIPAG's Terms of Reference to amend the required frequency of the TfL Benchmarking Review by IIPAG from yearly to three-yearly.

08/03/23 TTL Properties Limited Assurance Update

Lorraine Humphrey presented the report on progress with assurance activity across TTL Properties Limited (TTLP) during Quarter 3 of 2022/23 (18 September to 10 December 2022), and the related exempt supplementary information on Part 2 of the agenda.

A review of governance within TTLP was about to start, which would include an assessment of governance in TTLP and oversight by TfL's Executive Committee. TTLP was now reporting periodically to meetings of TfL's Executive Committee and the Group Finance Director was attending meetings of TTLP's leadership team to ensure greater visibility.

The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda.

09/03/23 Elizabeth Line Programme Assurance Quarter 3 Report 2022/23

James Norris presented the overview of programme assurance activity in relation to the Elizabeth line during Quarter 3 of 2022/23 (18 September to 10 December 2022).

While the Elizabeth Line Programme continued to transition to TfL's business as usual, control of costs would remain ringfenced under Crossrail, in compliance with the joint sponsor agreement, until completion.

The Committee noted the paper.

10/03/23 Critical Accounting Policies

Patrick Doig and Chris Tann presented the update on TfL's critical accounting policies as applied in TfL's Statement of Accounts for the year ending 31 March 2023.

A further update on climate-related financial disclosure requirements would be provided at a future meeting. **[Action: Patrick Doig/Chris Tann]**

The Committee noted the paper.

11/03/23 Finance Control Environment Trend Indicators

Patrick Doig presented the quarterly update on Financial Control Environment Trend Indicators.

All single source contracts had been robustly reviewed and there would be a significant reduction of such contracts in the future.

The successful roll out of the SAP Ariba Guided Buying system meant procurement data could be better analysed and monitored.

The Committee noted the paper.

12/03/23 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.

13/03/23 Personal Data Disclosure to Police and Other Statutory Law Enforcement Agencies (2022)

Siwan Hayward OBE presented 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.

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

The Committee welcomed the detail of the report.

The Committee noted the paper.

14/03/23 Members' Suggestions for Future Discussion Items

Howard Carter introduced the current forward plan for the Committee.

The outcomes of a further discussion with the Executive Committee on risk matrix would be submitted to a future meeting.

[Action: Lorraine Humphrey/Nico Lategan/Secretariat]

The Committee noted the forward plan.

15/03/23 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

16/03/23 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Monday 5 June 2023 at 10.00am.

17/03/23 Exclusion of Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraphs 3 and 7 of Schedule 12A to the Local Government Act 1972 (as amended), when it considered the exempt information in relation to the items on: Risk and Assurance Quarter 3 Report 2022/23; Independent Investment Programme Advisory Group Quarterly Report; and TTL Properties Limited Assurance Update.

The meeting closed at 12.05pm

Chair: _____

Date: _____