

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, Thursday 14 March 2024**

Members

Mark Phillips (Chair)
Anurag Gupta (Vice Chair) (via Teams to Minute 09/03/24)
Kay Carberry CBE
Dr Mee Ling Ng OBE

Executive Committee

Andrea Clarke	Interim 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 Policing, Security and Enforcement (for Minute 09/03/24)
Lorraine Humphrey	Director of Risk and Assurance
Patrice Locker	Interim 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
Christopher 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

01/03/24 Apologies for Absence and Chair's Announcements

An apology for absence had been received from Cllr Ross Garrod. Anurag Gupta, who attended the meeting via Teams and was able to participate in the discussion but did not count towards the quorum, had advised that he would need to leave before the scheduled end of the meeting. The meeting was quorate.

The Chair welcomed everyone to the meeting. The meeting was broadcast live to TfL's YouTube channel, except for the discussion of the information on Part 2 of the agenda, which was exempt from publication, to ensure the public and press could observe the proceedings and decision making.

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.

Following the meeting there would be an informal briefing on whistleblowing arrangements. Members were also scheduled to meet with the Chief Finance Officer for the annual informal meeting.

02/03/24 Declarations of Interests

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date.

Since the last meeting, there had been one update to Members declarations: Anurag Gupta has been appointed to the Steering Committee of the UK India Infrastructure Financing Bridge (UKIIB) – a joint initiative of the City of London Corporation and the Government of India's NITI Aayog.

There were no interests to declare that related specifically to items on the agenda.

03/03/24 Minutes of the Meeting of the Committee held on 29 November 2023

The minutes of the meeting of the Committee held on 29 November 2023 were approved as a correct record, and the Chair was authorised to sign them.

04/03/24 Matters Arising and Actions List

Andrea Clarke introduced the item, which set out progress against actions agreed at previous meetings of the Committee.

An oral update was provided on the following action by Alison Munro:

49/09/23 (2) – Independent Investment Programme Advisory Group (IIPAG) Quarterly Report: Cost Benchmarking – Alison Munro on behalf of IIPAG and Michael Cooper, Director of Project Management Office, had developed a proposal to pilot Barking Riverside extension rather than the Bank Station Capacity Upgrade project, due to the availability of good quality data, and would report back at a future meeting.

The Committee noted the updated actions list.

05/03/24 Risk and Assurance Quarter 3 Report 2023/24

Lorraine Humphrey and Jill Elliott introduced the report, which set out the work completed by the Risk and Assurance Directorate during Quarter 3 of 2023/24 (17 December to 9 December 2023), including work in progress and planned activities. Patrice Locker, Richard Mullings, James Norris and Mike Shirbon were also in attendance.

The Counter-fraud and Corruption team continued to receive a high number of referrals, which were reviewed and disseminated within the 10 day target.

As set out in the Audit Plan (Appendix 1 to the paper), a considerable amount of work was scheduled to be carried out across the 10 Enterprise Risks and the bulk of work was now risk driven rather than business led.

As in previous years, this Committee and the Remuneration Committee would oversee the output from the TfL Scorecards 2023/24 audit.

The Project Assurance team would be focusing on assumptions management, which had been identified as a weakness in a number of projects and programmes, particularly revalidating and tracking them over time.

The number of overdue management actions continued to be reduced.

Focus on improving the rates of return on customer feedback forms was ongoing but was an industry wide issue.

In line with requirements of the Institute of Internal Auditors, an external Quality Assurance Assessment was being planned for autumn 2024.

Weaknesses in records management across the organisation continued to be a theme. A programme of tactical improvements to strengthen the TfL Management System was a key project of the Our TfL Programme.

It was agreed that staff would provide further assurance that the ensure that the bus network, as part of Enterprise Risk 1, would include adequate safety controls and mitigations from concession partners. **[Action: Claire Mann]**

An update would be provided on TfL's customer response action plan as a result of significant operational disruptions due to extreme weather, power outages and other similar issues. **[Action: Claire Mann]**

It was confirmed that the planned review of payroll by Internal Audit would not duplicate work done by Ernst & Young in this area, which was more systems based.

All Board Members would be invited to an informal briefing on TfL's risk management in autumn 2024, which would also be linked to new Board Members' induction. **[Action: Secretariat]**

Since the paper was finalised, two further Mayoral Directions to TfL have been published. On 29 February 2024, MD3247 directed TfL to introduce a trial of all-day off-peak fares on Fridays on all TfL rail services and pay-as-you-go fares on National Rail services in London, from Friday 8 March 2024 to Friday 31 May 2024 inclusive. Funding of £24m had been allocated to support the trial. On 4 March 2024, MD3254 amended the existing London Vehicle Scrappage Scheme Delegation and Direction to confirm that TfL is able to use the Scheme to fund the donation and removal of non-compliant vehicles from use in Greater London to Ukraine.

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

06/03/24 Independent Investment Programme Advisory Group Quarterly Report

Lorraine Humphrey introduced the Independent Investment Programme Advisory Group's quarterly report. Alison Munro set out the key areas of the report in detail, including re-occurring themes.

The Committee noted the Independent Investment Programme Advisory Group's Quarterly Report and the management response.

07/03/24 Places for London Assurance Update

Lorraine Humphrey presented the item, which provided an update on progress with assurance activity across Places for London during Quarter 3 of 2023/24 (17 September to 9 December 2023).

Good progress continued to be made in all areas, helped by the recent appointments of a permanent Chief Finance Officer and Governance lead. Internal Audit continued to deliver its audit programme in this area and work had moved to a continuous assurance basis rather than targeted reviews. The Director of Risk and Assurance and the Independent Investment Programme Advisory Group Places for London sub-group met regularly with the Director and Chief Executive, Places for London.

It was agreed that a dashboard of Places for London risks would be included in future reports. **[Action: Patrice Locker]**

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

08/03/24 Critical Accounting Policies

Patrick Doig and Christopher Tann presented the update on TfL's critical accounting policies to be applied in TfL's Statement of Accounts for the year ending 31 March 2024.

TfL would engage tax and accounting specialists as appropriate.

The Committee noted the paper.

09/03/24 Personal Data Disclosure to Police and Other Statutory Law Enforcement Agencies (2023)

Siwan Hayward OBE presented the 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 published this information as part of its commitment to transparency.

TfL's contribution to supporting the wider safety of Londoners as well as the transport network had been recognised by the Board. The disclosure of personal data held by TfL

and its operators and had been critical in the prosecution of Wayne Couzens and the pursuit of Abdul Ezedi.

The Compliance, Policing and Operations Security Directorate continued to process an increasing number of complex requests, particularly in relation to missing persons, and played an important role in safeguarding.

Future reports would include a breakdown of data requests from other statutory enforcement agencies, such as the Home Office and UK Border Control.

The continued decline in taxi and private hire requests was attributed to the introduction of the online licence checker.

The annual report helped identify trends, areas for improvement and forward planning, which was also shared with the relevant agencies. The increase in information and data collection from advancements in technology provided new opportunities for law enforcement, but TfL remained mindful of customer data and prevention of the aggregation of personal and sensitive data in disclosure.

It was agreed that future reports would reference the link between policy areas and disclosure. The overarching policy would be reviewed, and the report would highlight how the policy was used to consider data requests. **[Action: Siwan Hayward OBE]**

The Committee acknowledged the excellent quality of work and service provided by the Compliance, Policing and Operations Security Directorate.

The Committee noted the paper.

10/03/24 Enterprise Risk Update – Governance and Controls Suitability (ER10)

Andrea Clarke presented an overview of Enterprise Risk 10 and how it is managed.

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

11/03/24 Financial Control Environment Trend Indicators

Patrick Doig presented the quarterly Financial Control Environment Trend Indicators dashboard.

Improvements continued to be made in meeting procurement and commercial and processing payments targets.

The Committee noted the paper and the Financial Control Environment Trend Indicators dashboard.

12/03/24 Register of Gifts and Hospitality for Members and Senior Staff

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

The Committee noted the paper.

13/03/24 Members' Suggestions for Future Discussion Items

Andrea Clarke introduced the item. No additional suggestions were raised for future discussion items on the forward plan or for informal briefings, other than those already noted during the meeting.

The Committee noted the forward plan.

14/03/24 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

15/03/24 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Wednesday 5 June 2024 at 10.00am.

16/03/24 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 2023/24; Places for London Assurance Update; and Enterprise Risk Update – Governance and Controls Suitability (ER10).

The meeting closed at noon.

Chair: _____

Date: _____