

Board



Date: 16 October 2024

Item: Report of the Meeting of the Audit and Assurance Committee held on 18 September 2024

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 18 September 2024.

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 18 September 2024 were published on 10 September 2024, with a Supplementary agenda published on 16 September 2024 and are available on the [TfL website](#) with a link to the video recordings of the meeting on [TfL's YouTube channel](#).

- 3.2 The main matters considered by the Committee were:

- (a) EY Audit Results Report;
- (b) Risk and Assurance Quarter 1 Report 2024/25;
- (c) Internal Audit Charter;
- (d) Independent Investment Programme Advisory Group (IIPAG) Quarterly Report;
- (e) Places for London Assurance Update;
- (f) Finalisation of TfL's Annual Report and Statement of Accounts for Year Ending 31 March 2024;
- (g) Effectiveness Review of the External Auditors;
- (h) Freedom of Information Update;
- (i) Financial Control Environment Trend Indicators; 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 27 November 2024.

4 Issues Discussed

EY Audit Results Report

- 4.1 The Committee noted the status of the Annual Audit Report (previously the Annual Audit Letter) issued by Ernst & Young LLP (EY). As the audit had not yet concluded, EY had issued a draft Audit Results Report that summarised the findings of its work for the year ended 31 March 2024.
- 4.2 There were a few areas remaining that EY needed to close out before signing off the accounts, including whether the current cyber incident had any material impact on the 2023/24 financial statements. EY would work closely with TfL to understand the impact of the cyber incident when appropriate, as the situation was still evolving.
- 4.3 Government changes in audit reporting meant that the deadline for the publication of accounts had been extended for local authorities to February 2025, which allowed for adequate time.
- 4.4 The finalisation of the accounts would be submitted to a future the Committee or the Board. Both TfL staff and EY were confident that any uncertainties would be resolved and no further extension needed.

Risk and Assurance Quarter 1 Report 2024/25

- 4.5 The Committee noted the quarterly update on work completed by the Risk and Assurance Directorate during Quarter 1 of 2024/25 (1 April to 22 June 2024) and other information about the Directorate's activities. The Committee approved the Internal Audit Plan 2024/25 Phase 2, noting that it would continue to be updated and any changes will be submitted to the Committee in particular regarding changes as a result of any additional audits required in relation to the impact of the cyber incident.
- 4.6 An evaluation of the Equality Impact Assessment process would be considered as an addition to the Audit Forward Plan.
- 4.7 Following the wider review, to be led by the Chief Finance Officer, the outcome of any specific audits on the cyber incident would be shared with the Committee and the Safety and Security Panel, including a review of the current Enterprise Risk.

Internal Audit Charter

- 4.8 The Committee approved the updated Internal Audit Charter which set out the Internal Audit function, purpose, authority and responsibility. TfL's Internal Audit Charter was last updated in 2018.

Independent Investment Programme Advisory Group Quarterly Report

4.9 The Committee noted IIPAG's Quarterly Report for September 2024 and the management response.

4.10 There were no overdue recommendations.

Places for London Assurance Update

4.11 The Committee noted the update on progress with assurance activity across Places for London during Quarter 1 of 2024/25.

4.12 There were no overdue audit actions or recommendations and progress in first line assurance continued to be made with further key appointments.

4.13 It was confirmed that considerable work had been undertaken to ensure that the electric vehicle charging station procurement included accessibility and inclusion and had been discussed at the Land and Property Committee and was aligned with TfL policy.

4.14 It was agreed that an audit of affordable housing provision would be considered.

Finalisation of TfL's Annual Report and Statement of Accounts for Year Ending 31 March 2024

4.15 The Committee noted the update on changes to TfL's Statement of Accounts for the year ending 31 March 2024.

Effectiveness Review of the External Auditors

4.16 The Committee noted the outcome of the annual review of the effectiveness of the external auditors.

4.17 The Chief Finance Officer would raise the issue of late requests for information relating to the end of year accounts with EY.

4.18 Further improvements would continue to be made to questionnaire survey sent to Committee Members.

Freedom of Information Update

4.19 The Committee noted the overview of performance in processing Freedom of Information (FOI) and Environmental Information requests (EIR) in 2023/24 (1 April 2023 to 31 March 2024) as well as 2024/25 to date (1 April to 30 August 2024).

4.20 In 2023/24 TfL replied to 4,524 requests within the statutory deadline from a total of 4,540 received, a response rate of 99.64 per cent. TfL aimed to respond to 100 per cent of all FOI and EIR requests within the statutory deadline (usually 20 days – though this can be extended against strict criteria). Figures on FOI and EIR requests with a response deadline extended beyond

20 working days would be included in future reports.

- 4.21 TfL's proactive approach to transparency meant that more and more information was being published on the website and provided through other means, such as the contact centre.
- 4.22 The Committee thanked staff for their continued hard work and high performance in this area.

Financial Control Environment Trend Indicators

- 4.23 The Committee noted the Quarter 1 of 2024/25 Financial Control Indicators, that informed the Committee of the control environment across TfL's Finance, Business Services and Procurement and Commercial teams.

Register of Gifts and Hospitality for Members and Senior Staff

- 4.24 The Committee noted details of the gifts and hospitality declared by the Board Members and senior staff from 1 May to 31 July 2024.
- 4.25 During the period there were no declarations by Members and 129 declarations were made by senior staff, of which 67 were declined and 62 were accepted.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Audit and Assurance Committee on 18 September 2024

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