

Date: 4 December 2024

**Item: Report of the Meeting of the Audit and Assurance
Committee to be held on 27 November 2024**

This paper will be considered in public

1 Summary

- 1.1 This paper provides a summary of the items to be considered by the Audit and Assurance Committee at its meeting on 27 November 2024 (after the papers for this meeting of the Board have been published).

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 to be held on 27 November 2024 were published on 19 November 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 to be considered by the Committee are:
- (a) Draft Auditor's Annual Report - Year Ended 31 March 2024;
 - (b) Audit Results Report - Year Ended 31 March 2024;
 - (c) EY Independence Letter - Non-Audit Services for the Period 1 April to 31 October 2024;
 - (d) External Audit Plan TfL, TTL and Subsidiaries – Year Ending 31 March 2025;
 - (e) Risk and Assurance Quarter 2 Report 2024/25;
 - (f) Independent Investment Programme Advisory Group (IIPAG) Quarterly Report;
 - (g) Places for London Assurance Update;
 - (h) Finalisation of TfL's Annual Report and Statement of Accounts for Year Ending 31 March 2024;
 - (i) Legal Compliance Report (1 April 2024 – 30 September 2024);
 - (j) Annual Tax Compliance Update;
 - (k) Financial Control Environment Trend Indicators; and

(l) Register of Gifts and Hospitality for Members and Senior Staff.

- 3.3 A summary of the items to be considered and decisions to be taken is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 10 March 2025.

4 Issues to be Discussed

Draft Auditors' Annual Report - Year Ended 31 March 2024

- 4.1 The Committee is asked to note the draft Annual Audit Report prepared by Ernst & Young LLP (EY), which summarises its conclusions on the Annual Statement of Accounts and value for money arrangements for the year ended 31 March 2024. A final version will be presented to the Committee after the audit is concluded.
- 4.2 The final audit fees for 2023/24 remain outstanding and EY has identified a number of fee variations and overruns. These are currently under discussion with management.

Audit Results Report – Year Ended 31 March 2024

- 4.3 The Committee is asked to note EY's report, which informs the Committee of the status of the overall conclusion of the audit and summarises the findings of EY's work for the year ended 31 March 2024. Audit work is largely complete, but several close out procedures remain outstanding before the audit opinion can be issued.

EY Independence Letter - Non-Audit Services for the Period 1 April to 31 October 2024

- 4.4 The Committee is asked to note the paper and agree with EY's conclusion that the provision of the future services referred to in their appended letter to the paper would not create a threat to EY's independence as auditor of TfL.
- 4.5 The letter informs the Committee on any independence matters including existing non-audit services performed and the fees charged by EY for the period ending 31 October 2024.

External Audit Plan TfL, TTL and Subsidiaries – Year Ending 31 March 2025

- 4.6 The Committee is asked to note the report on EY's plan for the audit of the financial statements of TfL, Transport Trading Limited and its subsidiaries for the year ending 31 March 2025.
- 4.7 The proposed timetable for the 2024/25 financial year has been extended to September 2025 to reflect the increased complexity of the TfL audit in recent years. The public inspection period will commence in June 2025.

Risk and Assurance Quarter 2 Report 2024/25

- 4.8 The Committee is asked to note the quarterly update on work completed by the Risk and Assurance Directorate during Quarter 2 of 2024/25 (23 June to 14 September 2024) and other information about the Directorate's activities.

Independent Investment Programme Advisory Group Quarterly Report

- 4.9 The Committee is asked to note IIPAG's Quarterly Report for November 2024 and the management response.
- 4.10 From the assurance reviews undertaken during Quarter 2 2024/25, IIPAG made 18 recommendations, one of which was a critical issue. All of the recommendations have been agreed with the respective project teams. The three overdue recommendations at the end of Quarter 2 are not critical.

Places for London Assurance Update

- 4.11 The Committee is asked to note the update on progress with assurance activity across Places for London during Quarter 2 2024/25.
- 4.12 There were 14 Project Assurance and IIPAG recommendations open at the end of Quarter 2. There were no overdue recommendations nor any overdue audit actions.
- 4.13 Work will commence to develop Places for London's Risk Appetite and Tolerance approach, in line with TfL's.

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

- 4.14 The Board considered the draft Statement of Accounts at the meeting on 24 July 2024 and approval authority was delegated to the Committee.
- 4.15 The Committee is asked to approve the 2023/24 Statement of Accounts and note that the statutory Chief Finance Officer has authority to make any adjustments arising from the work prior to EY signing their opinion or from any comments made by the Board of any Subsidiary company. The Chair of the Committee will sign and date the Statement of Accounts in due course.

Legal Compliance Report (1 April 2024 – 30 September 2024)

- 4.16 The Committee is asked to note the legal and compliance information provided by each TfL Directorate for the Legal Compliance Report for the period 1 April to 30 September 2024, as well as updates on ongoing matters carried over from the previous reports where applicable.
- 4.17 There are no material breaches of law which would affect TfL's continued operations and reported matters continue to be broadly in line with previous reports.

Annual Tax Compliance Update

- 4.18 The Committee is asked to note the key policies and documents that form TfL's Tax Governance Framework and the steps being taken to ensure TfL is compliant with all relevant tax legislation, as well as an update on any key tax matters considered during the year.

Financial Control Environment Trend Indicators

- 4.19 The Committee is asked to note the Quarter 2 2024/25 Financial Control Indicators, which inform the Committee as to the control environment across TfL's Finance, Business Services and Procurement and Commercial teams.

Register of Gifts and Hospitality for Members and Senior Staff

- 4.20 The Committee is asked to note details of the gifts and hospitality declared by Board Members and senior staff from 1 August and 31 October 2024.
- 4.21 There were no declarations made by Members during the three-month period. A total of 144 declarations of offers have been made by senior staff during the period, 67 of which were declined and 77 accepted.
- 4.22 The number of offers received during the period was higher than in the same period in 2023 but reflects figures prior to the coronavirus pandemic.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the meeting of the Audit and Assurance Committee on 27 November 2024

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