

TRANSPORT FOR LONDON

BOARD

**SUBJECT: REPORT FROM THE AUDIT COMMITTEE MEETING HELD ON
23 JANUARY 2008**

MEETING DATE: 6 FEBRUARY 2008

1 PURPOSE

- 1.1 To report to the Board on the open session of the Audit Committee held on 23 January 2008.

2 DECISION REQUIRED

- 2.1 The Board is asked to NOTE the report.

3 BACKGROUND

- 3.1 The main matters considered at the Committee were a report on the Use of Resources from KPMG, a paper on proposed amendments to Standing Orders, annual reports on Budgetary Control and Independent Reporting lines and routine reports on risk management training, final audit reports and management actions.

4 ISSUES DISCUSSED

Use of Resources and Annual Audit and Inspection Letter

- 4.1 The Committee received the Use of Resources report from KPMG. This is the second year TfL has been subject to the full assessment and the Committee were pleased to note that the top rating of 4 had been maintained with a number of improvements at the detailed level. This is understood to be one of the best scores in the country and very few London Boroughs have been rated this highly. It was agreed that an action plan will be prepared for those detailed points still rated at 3 so proper consideration could be given to the resource required to aim to attain a 4 rating across the board.
- 4.2 KPMG presented a paper setting out specific areas where reliance had been placed on Internal Audit work and the external audit plan had been adjusted as a result.

Revision of Standing Orders

- 4.3 The paper set out proposed amendments to the Standing Orders which are aimed at clarification of delegated authorities. The Committee recommended that the proposals be presented to the Board in the context of TfL's internal approval and control systems.

Budgetary Control

- 4.4 The Committee received a paper explaining the budgetary control procedures that operate within TfL. This paper is an annual agenda item covering one of the Committee's specific roles as set out in the terms of reference.

Independent Reporting Lines

- 4.5 The Committee received the annual report on the use of independent reporting lines and noted the slight increase in calls over the previous year and the satisfactory handling of all reports received.

Risk Management Training

- 4.6 The Committee noted the rollout of risk management training to cost centre managers and the proposed launch of e-training that would be available to all staff.

Final Audit Reports and Management Actions

- 4.7 The final audit reports were noted and it was also noted that there were no management actions outstanding for more than 60 days.
- 4.8 The next meeting of the Audit Committee will take place on 12 March 2008 at 10am.

5 RECOMMENDATION

- 5.1 The Board is recommended to NOTE the content of this report.