

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, Monday 9 March 2015**

Members

Keith Williams	Chair
Steve Wright	Vice Chair
Richard Barnes	Member
Charles Belcher	Member
Baroness Grey-Thompson DBE	Member (for part)

Present

Steve Allen	Managing Director, Finance
Sarah Bradley	Head of Group Financial Accounting
Andrea Clarke	Director of Legal
Andrew Pollins	Interim Chief Finance Officer
Clive Walker	Director of Internal Audit
Brian Davey	Head of Financial Services (for 10/03/15)
Nigel Furlong	Head of Resilience Planning (for 11/03/15)
David Ho	Corporate Performance Specialist (for 12/03/15)
Richard Jones	Head of Command and Control (for 11/03/15)
Sue Riley	Secretariat Officer

In Attendance

Malcolm Footer	Senior Manager, KPMG
Rebecca Pett	Senior Manager, KPMG

01/03/15 Apologies for Absence and Chair's Announcements

Apologies for absence were received from Brian Cooke and Howard Carter.

02/03/15 Declarations of Interests

Charles Belcher declared an interest as a member of Atos Origin Advisory Council on Transport. Baroness Grey-Thompson declared an interest as a member of the London Legacy Development Corporation. Steve Wright declared an interest as Chair of the Licensed Private Hire Car Association regarding any matters concerning private hire vehicles.

**03/03/15 Minutes of the Meeting of the Audit and Assurance Committee held on
17 December 2014**

The minutes of the meeting held on 17 December 2014 were approved as a correct record and signed by the Chair.

04/03/15 Matters Arising and Actions List

It was noted that Steve Townsend was the owner of the action on cyber security and not Steve Burton (161/12/14-149/10/14).

It was agreed that the Chair would pursue wider publication of the 'cash for crash' fraud cases (166/12/14).

The Committee requested that the item on UKAS accreditation (140/10/14) be referred to the Rail and Underground Panel as a future agenda item and remain on the Actions List until completed. **[Action: Secretariat]**

It was agreed that the action in relation to Dial-a-Ride (113/06/14) be removed from the Actions List. **[Action: Secretariat]**

The Committee noted the Actions List.

05/03/15 Management Actions Report

Clive Walker presented the paper on recommendations to management which had not been actioned and were more than 60 days overdue. There were no actions more than 60 days overdue.

The Committee noted the report.

06/03/15 Internal Audit Quarter 3 Report 2014/15

Clive Walker introduced the report on audit work completed in Quarter 3 of 2014/15, work in progress and work planned for Quarter 4.

Clive Walker confirmed that a further report would include recommendations arising from the review of Taxi and Private Hire compliance, which had identified resourcing issues.

It was agreed that confirmation would be provided on completion of the follow up actions in relation to non-safety critical training in London Underground. **[Action: Clive Walker]**

The Committee noted the paper.

07/03/15 Crossrail Audit Committee

Clive Walker presented the paper on matters discussed by the Crossrail Audit Committee on 15 December 2014.

Members requested that their congratulations be passed on to those officers responsible for assisting in the production of the BBC2 documentary currently being aired.

[Action: Vernon Everitt]

Andrea Clarke reported that the recent inquest into the death of an employee working on the Crossrail project had concluded that the death was accidental. This would also be reported to the Safety, Accessibility and Sustainability Panel.

The Committee noted the paper.

08/03/15 Integrated Assurance Plan 2015/16

Clive Walker presented the 2015/16 Integrated Assurance Plan, which had been structured around the TfL strategic risks and based on wide consultation across TfL, including operational Boards and the Leadership Team.

It was agreed that Finance would carry out an assessment during 2015/16 of the effective use of peer reviews to perform integrated assurance reviews of projects.

[Action: Andrew Pollins]

The Committee approved the Plan.

09/03/15 Review of TfL's Independent Reporting Lines for Year Ended 31 December 2014

Andrea Clarke presented the paper updating the Committee on concerns raised to the independent reporting systems SafeLine and Confidential Incident Reporting and Analysis System, during 2014.

The total number of reports overall had decreased compared to 2013. Promotional activity aimed at raising awareness of the reporting systems was planned for later this month.

It was agreed that future reports would, where possible, include information regarding similar concerns and complaints raised through other means and provide benchmarking data compared to other similar size organisations.

[Action: Howard Carter]

The Committee noted the paper.

10/03/15 National Fraud Initiative 2014 Update

Brian Davey introduced the paper on the National Fraud Initiative for 2014.

2012 was the first year data on Blue Badge licence exemptions had been included in the report. There were no substantial trends identified in either Payroll or Pensions as an area. In relation to Amberhill Matches, these were made up of 75 queries on Taxi and Private Hire vehicles; 22 on Blue Badge exemptions; 11 on Payroll; and four on Pensions. Such matches might be due to fraudulent activity or identity theft. Any matches which were repeated from the previous cycle were highlighted within the system.

It was agreed that data on Blue Badge licence matches would be provided on a borough by borough basis. **[Action: Brian Davey]**

Internal Audit would review, as part of its 2015/16 audit plan, whether non London based Taxi and Private Hire drivers were improperly avoiding paying the congestion charge. **[Action: Clive Walker]**

The Committee noted the paper.

11/03/15 Strategic Risk Management Update - Quarter 3

Andrew Pollins presented the paper updating the Committee on the status of TfL's Non Project Strategic Risks and proposed mitigations at the end of Quarter 3 and the supplementary paper on Part 2 of the agenda.

Nigel Furlong and Richard Jones were in attendance to answer questions in relation to resilience issues and catastrophic events. Incident management was addressed both at a corporate and operational business level within TfL. Regular discussions and meetings were held with key partners across London and nationally with the Department for Transport, including all emergency services, other transport providers and the boroughs. TfL also had a business continuity management function which was aligned to ISO 22301.

Staff attended training courses for major events and incident management, practising these skills through participation in pre-planned major events. The close links between the emergency services and TfL control centres aided multi-agency working and good communications. Management would consider making attendance at Risk Management training compulsory for certain staff. **[Action: Andrew Pollins]**

Richard Barnes requested that he be invited to attend a meeting of the Resilience Steering Group as an observer. **[Action: Nigel Furlong]**

Officers agreed to review the People risk category and RAG status, with more detailed updates included in future Strategic Risk reports. **[Action: Andrew Pollins]**

The Committee noted the paper.

12/03/15 Controls Over Procurement Authorities

Andrew Pollins presented the Internal Audit Report on Procurement Authorities and Associated Controls, incorporating agreed management actions to implement improved awareness and control over Procurement Authorities, and the supplementary paper on Part 2 of the agenda. David Ho was also present for this item.

A number of new controls had been put in place to ensure that procurement breaches of aggregated spend were less likely to occur. There had also been a lack of clarity in terms of roles and responsibilities due to the complexity of projects which cut across different parts of the organisation. This had been addressed, along with the introduction of improved communications and training. Internal Audit would be reviewing all actions as

part of their standard assurance and monitoring role.

The Committee noted the Internal Audit Report and agreed the proposed action plan to implement improved awareness and control over Procurement Authorities.

13/03/15 Policy on Disclosure of Personal Data to the Police and Statutory Law Enforcement Agencies

Andrea Clarke introduced the paper seeking approval for a revised Policy on the Disclosure of Personal Data to the Police and Statutory Law Enforcement Agencies.

The Committee approved the Policy.

14/03/15 Any Other Business the Chair Considers Urgent

There was no urgent business.

15/03/15 Date of Next Meeting

The date of the next meeting would be held on Tuesday 16 June 2015 at 10.00am.

16/03/15 Exclusion of Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the exempt information in relation to the items on: Strategic Risk Management Update – Quarter 3 and Controls Over Procurement Authorities. These papers contained information relating to the financial or business affairs of TfL.

The meeting closed at 12.05pm.

Chair: _____

Date: _____

