

Transport for London

Minutes of the Audit and Assurance Committee

**Committee Rooms 1 and 2, Ground Floor, Palestra,
197 Blackfriars Road, London, SE1 8NJ
10.00am, Thursday 14 March 2019**

Members

Anne McMeel	Chair
Dr Lynn Sloman	Vice Chair
Kay Carberry CBE	Member
Dr Mee Ling Ng	Member
Dr Nelson Ogunshakin OBE	Member (by phone for part)

Executive Committee

Howard Carter	General Counsel
Simon Kilonback	Chief Finance Officer
Andrew Pollins	Transformation Director (Minute Reference 11/03/19)

Staff

Simon Adams	Head of Commercial, Crossrail (Minute Reference 08/03/19)
Sarah Bradley	Statutory Chief Finance Officer and Group Financial Controller
Siwan Hayward	Director of Compliance, Policing and On-Street Services, Surface Transport (Minute Reference)
Lorraine Humphrey	Head of Project Assurance
Justin Kennedy	Project Manager, Business Change, Finance (Minute Reference 09/03/19)
Nico Lategan	Head of Enterprise Risk
Richard Mullings	Head of Fraud
Dili Origbo	Head of Internal Audit
Clive Walker	Director of Risk and Assurance
Sue Riley	Secretariat

Also In Attendance

Karl Havers	Partner, Ernst & Young (EY)
Alison Munro	Chair of Independent Investment Programme Advisory Group

01/03/19 Apologies for Absence and Chair's Announcements

There were no apologies for absence.

The Chair welcomed Alison Munro, Chair of the Independent Investment Programme Advisory Group to her first meeting of the Committee. She also welcomed Lorraine Humphrey and Richard Mullings to their new roles.

Safety was paramount to TfL and accordingly, at the start of all meetings attended by Board Members, they would be asked to raise any safety issues relating to items on the

agenda or in general. Members confirmed there were no safety matters they wished to raise other than those to be discussed in relation to items on the agenda.

02/03/19 Declarations of Interest

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date and there were no interests that related specifically to items on the agenda.

03/03/19 Minutes of the Meeting Held on 29 November 2018

The minutes of the meeting held 29 November 2018 were approved as a correct record and signed by the Chair.

04/03/19 Matters Arising and Actions List

The Committee noted the Actions List.

05/03/19 Independent Investment Programme Advisory Group Quarterly Update

The Chair of IIPAG presented the quarterly update. IIPAG Members had met with the Board in February 2019 and it had been agreed that a more strategic approach should be taken with detailed scrutiny of higher risk projects.

The Committee welcomed the integrated, risk based approach and progress in closing out all previous recommendations. Future IIPAG reports would include a focus on improved baseline data and resourcing of projects. IIPAG was using external expertise for information technology specialist reviews.

Members welcomed the suggestion that clearer tracking of spend over the lifetime of a project be developed.

The Committee noted the Independent Investment Programme Advisory Group Quarterly Update and the management response.

06/03/19 Risk and Assurance Quarter 3 Report 2018/19

Clive Walker introduced the Quarter 3 report of work in progress, planned and completed.

A number of minor amendments were suggested to the Enterprise Risk Management Procedure. **[Action: Nico Lategan]**

The Committee agreed that the outstanding actions in relation to controls over disclosure of personal information to external agencies be regarded as closed.

Changes to the audit plan included the cancellation of two audit reports planned for Crossrail due to changing priorities.

The Chair reported that she had been appointed as Chair of the Crossrail Audit and Assurance Committee and that all future Crossrail Audit and Assurance reports would also be submitted to the TfL Audit and Assurance Committee, for information.

Close collaboration between TfL internal audit and Crossrail audit procedures was being encouraged to provide further assurance to TfL, while not impacting on resource demands.

Vacancies within the internal audit team were being filled but the co-sourcing arrangement had not delivered as anticipated and the contract would not be renewed at the end of the month. Lessons learnt would be applied to future arrangements.

Guidance was being developed by the Head of Enterprise Risk for staff leading on strategic risk deep dive discussions with Members, and it was agreed that the inclusion of any internal audit reports or other assurance work should be included in any deep dives.

[Action: Nico Lategan]

Members were updated on the on-going investigation into the issuing of fraudulent Oyster cards with arrests made. The control environment around Oyster card concessions was being robustly reviewed. The Oyster card refund process was also being reviewed.

Staff were also reviewing the data reported as part of the control environment trend indicators.

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

07/03/19 Integrated Assurance Plan 2019/20

Dili Origbo presented the Integrated Assurance Plan for 2019/20.

The Committee approved the 2019/20 Integrated Assurance Plan, subject to an update being reported to the next meeting on IIPAG's work plan, and the Internal Audit plan for Crossrail.

08/03/19 Crossrail KPMG Review Update

Simon Adams presented the overview on the KPMG governance and commercial cost reviews into Crossrail.

The Close Out report would be considered at the next TfL Board meeting, and also submitted to the Committee. Proposals on the role of Crossrail and TfL's Remuneration Committee would also be considered at the Board.

[Action: Simon Adams]

The Committee noted the paper.

09/03/19 Crossrail Transition Update

Justin Kennedy provided the update on Crossrail transition arrangements.

Members requested future reporting on governance and operations, to provide assurance that the Elizabeth Line would be ready to become fully part of TfL's operational business and to enable a timely discussion on the transition of governance arrangements.

[Action: Howard Smith]

The Committee noted the report.

10/03/19 Register of Gifts and Hospitality for Members and Senior Staff

Howard Carter introduced the paper setting details of the gifts and hospitality declared by the Board and senior staff.

The Committee noted the report.

11/03/19 Transformation Update

Andrew Pollins presented the standing item on the Transformation Programme.

Members highlighted the importance of retaining talent for the future.

The Committee noted the paper.

12/03/19 Personal Data Disclosure to Police and other Statutory Law Enforcement Agencies (2018)

Siwan Hayward presented the annual update on the operation of TfL's policy on the disclosure of personal data to the police and other Statutory Law Enforcement Agencies.

TfL was reviewing guidance on information displayed in taxi and private hire vehicles for customers, informing them of whom they could contact if they had any concerns or complaints and an update would be circulated to Members. **[Action: Helen Chapman]**

The Committee noted the paper.

13/03/19 TfL Protective Security Update

Siwan Hayward introduced the paper updating on TfL's protective security programme and the development of a new strategic risk.

Staff were aiming to develop a stronger security culture across the organisation, and the Committee would receive regular progress reports. Security features were also being included as part of street design as well as numerous desk top exercises.

A briefing would be arranged for all Board Members on security and safety and how Board Members could contribute. **[Action: Siwan Hayward/Secretariat]**

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

14/03/19 Member Suggestions for Future Agenda Discussions

Howard Carter presented the forward programme. Due to the quantity of business at the next meeting the Transformation Update would be deferred. **[Action: Secretariat]**

The Committee noted the paper.

15/03/19 Any Other Business the Chair Considers Urgent

There was no urgent business.

16/03/19 Date of Next Meeting

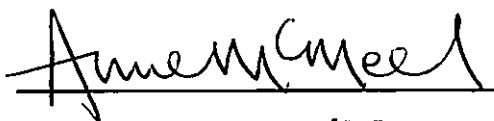
The next scheduled meeting was due to be held on Monday 10 June 2019 at 10.00am.

17/03/18 Exclusion of Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraphs 3 & 5 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following item of business: Risk and Assurance Quarter 2 Report 2018/19; and TfL Protective Security Update.

The meeting closed at 12.50pm.

Chair:



Date:

10 June 2019