

Audit & Risk Assurance Committee

Date: Tuesday 8 July 2014

Location: Fleetbank House, London, Piccadilly Gate, Manchester and by conference call

Start time: 14.00 hrs

Present

Committee Members

Marian Lauder MBE

ML

Chairman

Isabel Liu

IL

Paul Rowen

PR

Executive in attendance

Anthony Smith

AS

Chief Executive & Accounting Officer

Nigel Holden

NH

Resources Director

Jon Carter

JC

Head of Business Services

Hazel Philips

HP

Head of Communications

Shahid Mohammed

SM

Finance Manager

Martin Clarke

MC

Business Services Executive

Guests

Helen Jackson

HJ

Audit Principal

National Audit Office

Andrew Paterson

AP

Head of Internal Audit, XDIAS

1 Chairmans opening remarks

The Chairman welcomed everyone to the meeting. There were no apologies for absence.

2 Format and contents of the annual report and accounts for 2013-14

AS introduced the annual report and accounts. ML noted the report was well drafted and read well. IL and PR agreed, and congratulated HP for producing and coordinating such useful content. JC confirmed there were no other proposed amendments from board members who had seen an advance copy.

3 Annual internal audit opinion of the Head of Internal Audit

AP confirmed that the final opinion was **reasonable** based on an overall basket of audit assignments. The core controls audit had recently completed and was graded substantial. The business continuity audit had contributed to the lower than hoped for overall opinion, but was consistent with other similar bodies based on similarly scoped audit work. He was encouraged by the work in progress since last year. ML reported on her discussions with AP in respect of the overall opinion and understood why it had concluded as it had. PR and IL thought that 'reasonable' was a little harsh but understood the methodology behind the conclusion. The annual opinion was **noted**. ML thanked AP for his support and guidance over the course of the year.

4 Audit Completion Report

HJ introduced the new ACR format now used across central government and reported that there were no issues of concern. One significant risk (transfer of payroll data) had been identified but the audit had concluded that the underlying issues had been resolved. One accounting error (value £27,000) had been satisfactorily corrected. There were no recommendations and no management letter issues to raise. A Letter of Representation had been provided for AS to sign and return with the report and accounts.

NH was pleased with the way the audit had proceeded and which SH had managed. IL and PR had no further comments to make. ML thanked NH and SH for a highly successful accounting year and HJ and her NAO colleagues for their support and guidance during 2013-14. The committee **noted** the audit completion report.

5 Significant unadjusted misstatements

There were no significant unadjusted misstatements which the committee considered needed correcting.

6 Governance Statement

The committee **endorsed** the governance statement within the annual report.

7 Adoption of the annual report and accounts

The Committee **agreed** the format and contents of the annual report and accounts for 2013-14 and **RESOLVED** to propose to the Board of Passenger Focus (by out of meeting email) that the annual report and accounts be **endorsed** and **adopted**.

Minutes

8 Any other business

There being no other business the meeting closed at 1425 hrs.

Signed as an accurate record of the meeting

Marian Lauder MBE FCMI, Chairman

Date