

Minutes

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Audit Committee

Date: Wednesday 16 May 2012

Location: Piccadilly Gate
Manchester

Kemble Street
London

Start time: 09.30 hrs

Present

Committee Members

Bill Samuel	BS	Chairman
David Burton	DB	
Barbara Saunders OBE	BSa	

Executive in attendance

Anthony Smith	AS	Chief Executive & Accounting Officer
Nigel Holden	NH	Resources Director
Jon Carter	JC	Head of Business Services
Matt Ayson	MA	Business Services Executive
Shahid Mohammed	SM	

External guests

Nick Bateson	NB	Director National Audit Office
Darren Hall	DH	Internal Audit Manager DfT Audit and Risk Assurance

Apologies

David Sidebottom	DS	Passenger Team Director
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1 Chairmans opening remarks

The Chairman welcomed everyone to the meeting and noted no apologies.

2 Format and content of the annual report and accounts 2011-12

The committee **discussed** the format and contents of the draft annual report and accounts and had the following observations:

<u>Page</u>	<u>Observations</u>	<u>Action</u>
4	BSa queried the status of the three year funding arrangement for the Bus Passenger Survey. AS confirmed it was in the current year workplan and he was as reasonably confident about the outcome as he could be.	n/a
12/13	TOC complaint statistics – a little fleshing out required to provide some context, especially in relation to the burden of East Coast complaints, and the work we do with the train operators to reduce the volume of appeal complaints we receive.	JC
15	The reference to the cut in budget should be embellished to include context around staffing loss and changed role	JC
16	Footnote required to explain 'taxpayers equity'	NH
18	Check appointment dates DB, CK and DL	JC
22	Comma required to clarify remuneration committee membership	JC
31	Amend audit committee membership and meetings	JC
44/45	Adjust table headings	NH
45	Correct data in 2011/12 columns	NH
50	The committee satisfied itself that costs in relation to early termination of the moto at One Drummond Gate should be known around the time we vacate the premises, and that surplus asset sales to staff will be managed to ensure proper processes are followed and a satisfactory audit trail maintained.	n/a

3 Annual internal audit opinion

DH introduced his draft annual internal opinion on the overall adequacy and effectiveness of Passenger Focus's framework of governance, risk management and control. His team had undertaken a number of audit assignments during the year (and summarised in the report) and he was pleased that these provided the basis for serious discussion by the audit committee and actions agreed with the management team. He was also pleased to provide a substantial overall assurance rating and confirmation that no significant weaknesses were identified within the scope of the issues that should be reported within the governance statement. BS thanked DH for a good report but noted that zero out of five customer satisfaction surveys returned was not good enough. It was thought that two had in fact been returned; DH agreed to check and reflect this in the final version. The committee was pleased with the overall trajectory of internal audit priority findings and **noted** the report.

4 Audit Completion Report

NB introduced the draft audit completion report and was pleased to confirm the accounts would be unqualified with no significant findings needing to be reported to those charged with governance. He expected that the Comptroller and Auditor General would be in a position to sign off the annual report and accounts by the end of the following week.

He drew the committee's attention to three non-significant audit findings:

- Historic balances on the fixed asset register
- Payment of staff overtime contrary to the provisions of the staff handbook
- Advice provided in respect of contingent liabilities in connection with the vacation of the London offices

The committee **noted** the report.

5 Unadjusted misstatements

NB confirmed, and the committee **accepted**, that there were no significant unadjusted misstatements requiring correction.

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6 Governance statement

The committee **endorsed** the governance statement provided within the annual report and accounts.

7 Adoption of the annual report and accounts

Based on its consideration of the evidence set out above, and subject to the final correction of the typographical and contextual errors identified, the committee **resolved** to propose the adoption of the annual report and accounts for 2011-12 to the Board of Passenger Focus meeting in Manchester on 16 May 2012.

8 Any other business

The Chairman proposed, and the committee **endorsed**, a vote of thanks to all Passenger Focus, NAO and DfT colleagues who had contributed to the development and finalisation of the annual report and accounts for 2011-12.

The meeting concluded at 1010 hrs.

Signed as an accurate record of the meeting

Bill Samuel, Chairman

Date