



Date: 5 March 2014

Item 7: Internal Audit Quarter 3 Report 2013/14

This paper will be considered in public

1 Summary

1.1 The purpose of this report is to inform the Committee of the audit work completed in the third quarter of 2013/14, the work in progress and work planned for Q4 of 2013/14.

2 Recommendation

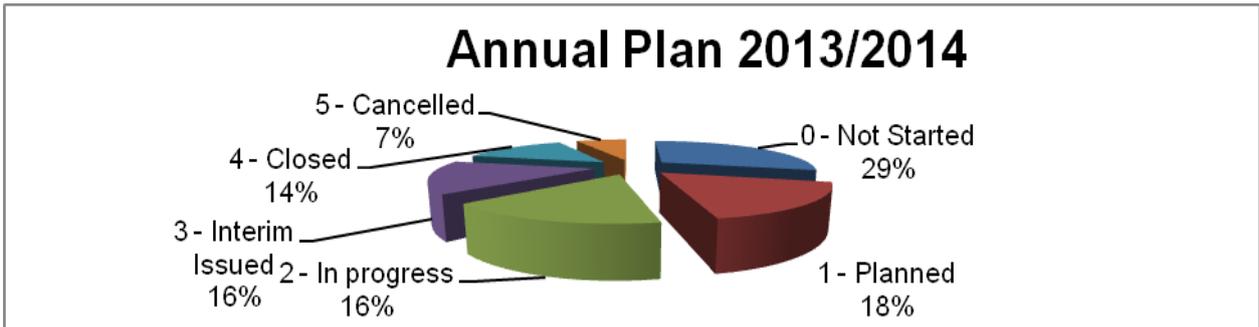
2.1 The Committee is recommended to note the report.

3 Background

3.1 The Director of Internal Audit is required to provide an annual report in support of his opinion on the internal control framework. Quarterly reports are presented to the Committee in anticipation of the annual report.

4 Work Done

4.1 The chart below shows progress at the quarter end towards delivery of the 2013/14 audit plan, including work in progress brought forward from 2012/13.



4.2 There were eight Final Audit Reports issued during the quarter. One of the Final Audit Reports, in respect of London Transport Museum Stock was not able to be closed as a number of agreed management actions had not been completed. A second follow up review will be carried out in March to confirm that the outstanding actions have been completed. A summary of the report findings is included in Appendix 3 attached.

4.3 The table below shows the number of Interim Audit Reports and other outputs, including advisory/ consultancy reports and memorandums, issued during the quarter, together with comparative figures for the third quarter of 2012/13.

- d) REW (Railway Engineering Workshop) Signalling Overhaul Management – The quality management system that has been operated by REW for a number of years lacked maturity in some areas, and one non-conformance and five business improvement actions were noted.
 - e) CDM Regulations LU Track Partnership – A lot of work had been done to address issues raised by a previous audit. However, there was still room for further improvement and four business improvement actions were raised.
 - f) Work related road risk audits – Three audits were carried out of contractors' implementation of TfL requirements to minimise the risk to cyclists from vehicles contracted by them. Whilst the majority of requirements were understood, with some checking and monitoring taking place, there was some scope for improvement.
 - g) Surface Transport, Incident Reporting and Investigation – A number of areas were noted where there was scope for improvement in the reporting and analysis of incidents.
- 4.7 Work in progress at the end of Quarter 3 is shown in Appendix 1 and work due to start in Quarter 4 is shown in Appendix 2.
- 4.8 Several audits were added to the plan during the quarter at the request of management. These include an audit of the procurement of the Crossrail Train Operating Company (CTOC) contract, which will be carried out on a real time basis.
- 4.9 A number of audits have also been cancelled or postponed to 2014/15. Typically this reflects changes to business priorities. For example, audits of the Specialist Services and Strategic Risk Management processes have been postponed in order to give the new processes time to bed-in. Planned work on Learning and Development Demand Planning has been cancelled due to business change activity in that area.

5 Other Assurance Providers

- 5.1 In reaching his overall opinion on the effectiveness of internal control in TfL, the Director of Internal Audit takes account of work carried out by other assurance providers as well as work carried out directly by Internal Audit. The following paragraphs provide a brief summary of work carried out by other assurance providers during Quarter 3.

Project assurance

- 5.2 In Quarter 3, 19 Integrated Assurance Reviews (IARs) were conducted, with IIPAG providing oversight and guidance on eight reviews, all of projects with an Estimated Final Cost of over £50m. Issues arising from the reviews are presented to the operating boards with agreed actions, owners and timescales.
- 5.3 The reviews are normally conducted using an External Expert (EE). However, in 2013/14, significant effort is being applied to deliver a number of Peer Reviews, where internal review teams carry out the role of the EE. By the end of Quarter 3, eight reviews had been carried out using Peer Review teams. There is a target to complete twelve in the financial year.

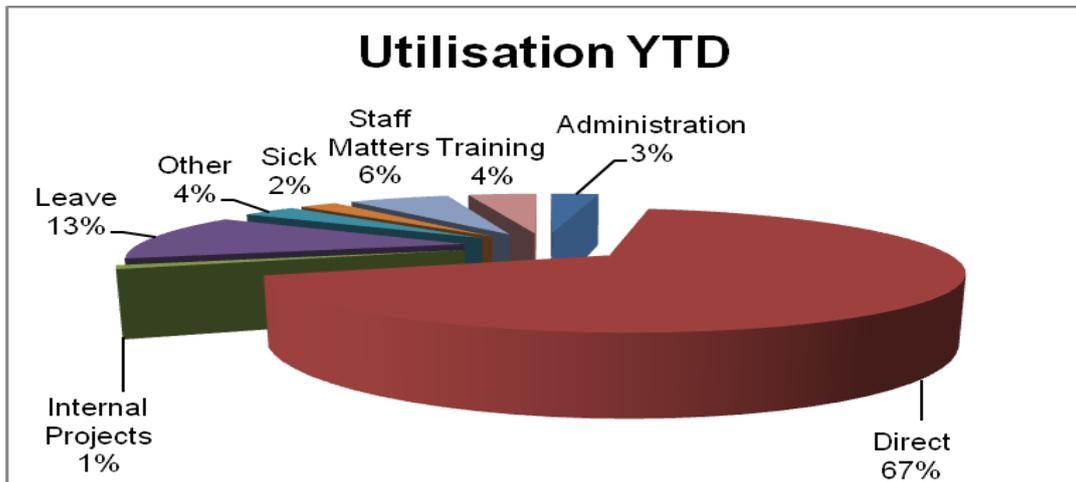
- 5.4 Some of the more significant reviews during Quarter 3 were: an Initiation IAR for the Cycling Vision Portfolio; Option IARs for the New Tube for London and Future Ticketing Phase 3; and Contract Award reviews of the London Road Use Charging Re-let and Phase 2 of the Hammersmith Flyover refurbishment.

Crossrail Assurance Providers

- 5.5 In addition to the work carried out by Internal Audit there are a number of other teams providing assurance over delivery of the Crossrail project. The Crossrail Audit Committee receives regular reports on the work of these teams, whose work during Q3 is summarised in the following paragraphs.
- 5.6 Crossrail Compliance Audits – The compliance audit function within Crossrail carries out technical audits of compliance with the Crossrail Management System, and is managed by the Senior Audit Manager – Crossrail. Audits carried out during the quarter covered: Management of Technical Standards; the Risk Management Process; Temporary Works design management; Cost of Failure of Quality; and Document Control. There were no issues of particular concern arising from these audits.
- 5.7 Contractor HSQE Audits - There is a programme of around 80 contractor audits for 2013/14 spread across a range of themes and contracts aimed at providing assurance that contractors have appropriate HSQE systems in place. These audits are also managed by the Senior Audit Manager – Crossrail. Audits carried out during the quarter covered areas such as quality management, site security, contractor employment and industrial relations arrangements; health and safety communications; sprayed concrete lining; hand-arm vibration; and control of substances hazardous to health. There were no particular trends arising from this work.
- 5.8 Contractor Commercial Reviews – This team carries out commercial assurance reviews of contractors, covering Cost; Contract Management; Risk Management; Commercial Value; Supply Chain and Procurement; and Anticipated Final Cost Management and Controls. There are no significant areas of concern arising from this work.

6 Resources

- 6.1 During the quarter two Internal Auditors and two HSE & Technical Auditors left the department. Two of these vacancies were filled early in Quarter 4, whilst recruitment processes to fill the other two are in progress.
- 6.2 The department's utilisation for the year to date is set out in the following chart:



7 Integrated Assurance / Networking

- 7.1 The Assurance Delivery Group (ADG), chaired by General Counsel, has continued to meet. Current areas of focus include the development of assurance maps for key Finance processes, and review of TfL's Control Self Assurance processes. The ADG also approved some amendments to TfL's Integrated Assurance Framework, which can be found elsewhere on this agenda.
- 7.2 We continue to meet regularly with the Head of the TfL Programme Management Office to discuss upcoming work and ensure that any potential areas of overlap are properly managed.
- 7.3 The Crossrail Integrated Assurance Group (CIAG), which comprises representatives of assurance providers from a range of Crossrail stakeholders, has continued to meet during the quarter. The CIAG is a useful forum for the sharing of assurance activity, which helps minimise the risk of duplication of effort between assurance providers.

8 Customer Feedback

- 8.1 At the end of every audit, we send out a customer feedback form to the principal auditee(s) requesting their view on the audit process and the report. The form is questionnaire-based so it can be completed easily and quickly. A copy of the questionnaire and the feedback for the quarter, together with comparative figures for the previous quarter, is included in Appendix 7.

List of appendices to this report:

- Appendix 1 – Work in Progress at the end of Quarter 3 2013/14
- Appendix 2 – Work Planned for Quarter 4 2013/14
- Appendix 3 – Final Reports Issued in Quarter 3 2013/14
- Appendix 4 – Interim Reports Issued in Quarter 3 2013/14
- Appendix 5 – Consultancy Reports and Memoranda Issued in Quarter 3 2013/14
- Appendix 6 – HSE and Technical Reports Issued in Quarter 3 2013/14
- Appendix 7 – Customer Feedback Form – Summary of Responses for Quarter 3

List of Background Papers:

Audit reports.

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Transport for London	Appendix 1
Internal Audit plan 2013/14 by directorate	
Approved by the TfL Audit and Assurance Committee 6 March 2013	Work in Progress- as of the end of Quarter 3 2013/14
Work Item	Objective
Pan TfL	
<i>Delivery of capital investment portfolio and contract management</i>	
Application and review of Pathway	To review arrangements for the communication, promotion, provision of information, application, support and continuous improvement of the Pathway methodology.
<i>Security</i>	
TfL's Information Security Incident Management Process	Review the current incident management process surrounding information security breaches, particularly with regards to breaches of the Data Protection Act (DPA) and Payment Card Industry Data Security Standards (PCI DSS).
SCADA (Supervisory Control and Data Acquisition) systems review	To continue the programme of security assessments of SCADA systems begun in 2012/13, using the Centre for Protection of National Infrastructure (CPNI) assessment tool.
<i>Financial and Governance Controls</i>	
PCI DSS Compliance	Continue to support Group Treasury in obtaining PCI DSS compliance through a programme of assessments and advisory services.

Work Item	Objective
Rail and Underground	
<i>Delivery of capital investment portfolio and contract management</i>	
Analysis of LU compensation events	To analyse compensation events to better understand the factors driving the occurrence of compensation events and how they are managed in order to determine any potential areas for improving the outcomes for LU projects using NEC3 Option C contracts.
Procurement of the new DLR Franchise	A review of the procurement process associated with renewing the DLR franchise.
Commercial management of Cleshars	To carry out a commercial review of this major supplier.
Management of Engineering Competence	To assess effectiveness of processes for ensuring the competence of those involved in engineering assurance.
Design Management & Co-ordination-Bank Project	Examine the design management and co-ordination processes to ensure that the output meets requirements.
Signals Power Projects Division - Management of Delivery and improvement works	To establish whether actions and lessons learnt resulting from a formal investigation into an incident at Plaistow have been embedded into management systems.
Plant & Equipment Bond Street/Victoria	Audit of two sites to assess where performance requires improvement and to share best practice.
Supplier Assurance - Bombardier ATC	Review of Supplier's capability to meet LU requirements effectively and safely.
<i>Disruption to quality of service</i>	
Ordering of safety / business critical stock in LU	This audit will provide assurance that new arrangements for ordering safety and business critical stock have been effectively implemented for the Central and Bakerloo Lines.
LU management of serialised spares	This audit will provide assurance that new arrangements for the management of serialised spares for Fleet, Track and Signals have been effectively implemented for the Central and Bakerloo Lines.
Centralised Maintenance Planning (Signalling)	To establish whether an organisation change which brought together planning of signalling maintenance into a centralised team is effective.
Signals Assurance Strategies and Implementation	To establish: (1) whether levels of planned signalling assurance are appropriate / optimised and; (2) whether they are being achieved.
Compliance with the Institution of Railway Signalling Engineers (IRSE) standards	To assess processes, capabilities and competencies for the delivery of IRSE Licenses.

Work Item	Objective
Station Electrical Testing (SET) programme	To assess compliance with SET testing programme and the effectiveness of processes for managing any resulting issues.
Competency Matrix	To establish whether competency continues to be managed effectively following the termination of the Power Management Contract.
Compressor Maintenance	To assess the Powerlink maintenance programme for compressed air pipes supplying critical assets such as signalling equipment and train stops against the Pressure Systems Safety Regulations 2000, LU/Powerlink Management system requirements and contractual requirements.
Winter Preparedness	To confirm that effective arrangements are in place for dealing with adverse weather conditions, in order to minimise the impact of any disruption to the railway.
Security	
Security audit of power stations and supply.	A security audit will be conducted on power supply sites for which TfL will re-assume responsibility.
Managing external stakeholder interests	
Review of asset performance data	To review LU's processes and controls over asset performance data, to gain assurance that reported results are based on accurate and valid information.
Implementation of new performance database in R&U	To provide assurance that the delivery of the Performance Data Warehouse programme is being managed in an efficient and effective manner.
Major Incident - External	
Implementation of rule/procedural changes	To assess controls when making changes to rules/procedures.
Safety Change Control following Compensation Events	To review documentation for a sample of recent compensation events which resulted in changes to scopes of work to determine if appropriate reviews of the systems of work were undertaken.
Trans Plant Safety Management	To assess Trans Plant's safety management system compliance and effectiveness.
People Strategy	
Security audit of LU Contractors	An audit of the pre-engagement employment checks for LU contractors/companies as requested by LU Network Security.
Financial and Governance Controls	
G4S Contract Payments	Review of controls over payments to the contractor.

Work Item	Objective
<i>Crossrail</i>	
Procurement of the Crossrail Train Operator Contract.	The objective of this audit is to ensure that the procurement processes employed for the Crossrail Train Operating Contract ('the CTOC') are in accordance with approved procedures and EU directives, and are open, fair and transparent.
Surface Transport	
<i>Ability to re-prioritise short term deliverables in response to external factors</i>	
Responding to growth in ST business plan	Review of arrangements for ensuring that ST has the resource capabilities and competencies to deliver the increased business plan.
<i>Security</i>	
Community Safety, Enforcement and Policing Data Retrieval and Disclosure Team Procedures Review.	To review the process and procedures to support the security of files owned and managed by the TfL Transport Data Retrieval Team (TDRT) and Metropolitan Police Service (MPS) Data Protection & Disclosure Team (DPDT) within EOS (formerly CSEP) in Palestra, following a reported loss of files.
Security Risk Management River Services	To review the security risk management processes in place in River Services.
Finance	
<i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i>	
Revenue payments reconciliation	Review of risks and associated controls over revenue reconciliation processes within the Financial Services Centre (FSC).
<i>Delivery of capital investment portfolio and contract management</i>	
IM Sourcing Strategy	Review of the processes, procedures and controls involved in establishing the current and future strategy, and developing the capabilities needed to meet current and future sourcing needs.
Procurement of the Professional Services Framework	Real time audit of the procurement process employed for the Professional Services Framework.

Work Item	Objective
Management of the Commercial Transformation Programme	To obtain assurance that the management of the changes proposed adhere to an agreed process and that the processes to achieve the changes are adequately considered so as to ensure an accurate, robust and measurable change.
<i>Disruption to quality of service</i>	
Operation and effectiveness of the governance model	The established governance model ensures that IM related decisions are made in line with TfL's business objectives and strategies and that IM related processes are overseen effectively and transparently.
End User Computing (EUC)	To review controls over the delivery of the EUC Programme.
<i>Financial and Governance Controls</i>	
Fixed Assets	Reviews of fixed asset financial controls.
Procure to Pay	To provide assurance in relation to the effectiveness of the controls that are operating over the procure to pay processes.
Data Interrogations - Purchase to Pay	Undertake a series of data interrogations of the purchase to pay data to confirm that selected key controls operating within and outside of the application are both operational and effective.
Data Interrogations - Payroll (incl. Review of Employee Master Data)	Undertake a series of data interrogations of the payroll data to confirm that selected key controls operating within and outside of the application are both operational and effective. Review of the procedures that HR have implemented to ensure that employee master data is complete and accurate, that access to it is adequately controlled and that any changes made to the data outside of SAP have been appropriately authorised and processed.
Customer Experience, Marketing and Communications	
<i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i>	
Operation of Contactless Ticketing	Review of the process and controls around the new contactless ticket operation.
<i>Delivery of capital investment portfolio and contract management</i>	
Procurement of the Ticketing and Fare Collection Services Contract	Real time audit of the procurement of a new contract (or contracts) for a suite of work packages for the provision of the Oyster ticketing system, in time for the expiry of the existing contract with Cubic.

Work Item	Objective
One HR	
<i>People Strategy</i>	
Viewpoint Staff Survey	To review the conduct of the Viewpoint staff survey and the responses and resulting action plan.
<i>Financial and Governance Controls</i>	
Staff Travel	Review of controls over issue and recovery of nominee passes issued to third parties.
Crossrail	
Management of partner invoicing	To review how invoicing by the Programme Partner, Project Delivery Partner and Framework Design Consultants is being managed by Crossrail.
Over-Site Development (OSD)	To review the effectiveness of controls over key elements of the OSD process.
Market conditions and costs	To review how Crossrail understands and assesses the scale and timing of the risk impact of external market conditions, reviews existing responses, and develops and implements mitigations.
Management of the Programme Schedule	A review of the management and monitoring of the Programme Schedule, including the use of Quantified Schedule Risk Assessment (QSRA) and Schedule Performance Index (SPI).
Management of the Programme budget	A review of the management and monitoring of the Programme budget, including the use of Quantified Risk Assessment (QRA) and Cost Performance Index (CPI).
Effectiveness of reporting	To review the effectiveness of Crossrail reporting to the Project Sponsors, including whether there is any duplicated reporting and whether the level of detail is appropriate.
Management of Construction Design Management (CDM)	A review to provide assurance that Crossrail is discharging its Health and Safety CDM duties appropriately, and managing contractors to ensure an effective documentation trail.
London Transport Museum	
LTM Financial controls	Review of the general financial controls operated within the LTM and not currently managed by the FSC.
LTM Safety and Citizenship Programme / schools activities	With emphasis on value for money, to review the process and controls around spend, stakeholder funds and benefits realisation.

Transport for London	Appendix 2
Internal Audit plan 2013/14 by directorate	
Approved by the TfL Audit and Assurance Committee 6 March 2013	Work Planned - for Quarter 4 2013/14
Work Item	Objective
Pan TfL	
Maintaining a long term strategic, balanced Plan within the constraints of available resources	
Horizon Benefits Realisation	To review the benefits realisation and efficiencies achieved on a number of Specialist Services Departments.
Delivery of capital investment portfolio and contract management	
Procurement of the Traffic Control Equipment Maintenance and Related Services 2 (TCMS2) contract Disruption to quality of service	Provide assurance that the procurement for the TCMS2 contract is managed effectively, in accordance with approved procedures, EU directives and is open, fair and transparent.
Mobile Telephony and Portable Devices	Review of controls over the issue, usage and payment for mobile telephony and portable devices (MTPDs).
Security	
Security assurance of the GP&F Integrated Access Control Project	To provide real time assurance over the GP&F integrated access control project.
Review of benchmarking effectiveness across TfL	Review of TfL's strategy and approach to obtaining and using benchmarking information to support decision-making.
Rail and Underground	
Delivery of capital investment portfolio and contract management	
Management of performance risk in contracts - R&U	To identify how Rail & Underground manages the risk of poor performance in contracts and review the effectiveness of those arrangements.
Management of Rolling Stock Project Risk	To ascertain that assurance processes have been followed and have effectively been applied in accordance with LU Standard S1538 Assurance.
Civil engineering design management and construction	Assess process compliance and effectiveness for delivery of and approving designs and ensuring they are constructed as per approved design.
Implementation of earth structure designs	Examine implementation of designs from previous audit.
Change control	Assess the compliance and effectiveness of change control processes.
DLR Maintenance Arrangements	To assess the various parties' arrangements for ensuring that assets they are responsible for are maintained to agreed plans.
Supplier audit - Teamwork UK	To provide assurance that supplier has ability to provide safety critical service.
Supplier audit - Container Traks LTD	To provide assurance that supplier has ability to provide safety critical service.
Supplier audit - Jardak Services Ltd	To provide assurance that supplier has ability to provide safety critical service.
Disruption to quality of service	
Operation of R&U Programme Boards	To review the operation of R & U Programme Boards.
Management of extra low loss conductor rail	To establish the effectiveness of the competence and maintenance arrangements following the introduction of a new system.
Management of untestable rail	To confirm compliance with Written Notice 01138 attached to S1158 – Actions for Un-testable rail – dealing with RCF (Rolling Contact Fatigue).
Cast Crossing Inspection and Maintenance	To confirm compliance with the relevant Standard with regard to inspection and follow up actions for all cast crossing on the APD maintained network.
Network Rail's Management of London Underground Signalling Assets on the Wimbledon Branch of the District Line.	To confirm that activities have been undertaken and records are in place to demonstrate compliance with the Network Rail Company Specifications.
Maintenance assurance reporting and Management of Ellipse Data	Planning, processes covering overdue / temporary approved non compliance reporting.
APD Signals Technical Compliance	APD compliance with maintenance instructions and associated supporting requirements for undertaking maintenance work.
Lightning Protection Inspections	To assess whether legal requirements for inspection of lightning protection are being complied with.
Inspection and maintenance of passive fire protection systems	To assess effectiveness of processes for ensuring communication and implementation of requirements contained in standard 3.9 1-084.
Communications Equipment Room (CER) Management	To assess the processes and controls over equipment and the environment in CERs to ensure risks to safety and reliability are managed.
L & E Maintenance Regimes	To ensure appropriate programming, completion and change control of maintenance regimes by competent people.
F45/54 statutory lift and escalator inspections	Confirm that deficiencies identified in LU from a previous audit have been addressed and also provide assurance in relation to the former Tube Lines area.
Asset Condition Report Outputs	To assess whether the outputs from asset condition reports are utilised to programme work and concerns are addressed in risk based and proportionate way.
Table B Facilities Maintenance	To assess whether Table B facilities are being maintained as required.
Bridges and Structures Inspections	Examine process around inspections of bridges and structures.
Analysis of the Annual Asset Maintenance Plan (AAMP) submission process	Review how the AAMP is used to drive maintenance activity.
Greenwich Generating Station	To assess systems for the supply of emergency power provision to the LU network.
Enhanced Track Replacement (ETR) Planning Process	To ensure new processes for ETR planning are embedded and effective.
Northern Line Upgrade Configuration Management	To ensure the key controls are in place over the NLE project, including implementation of Pathway process, procurement/tendering authority, and implementation of IIPAG recommendations.
Life Extension Refurbishment Piccadilly Line	To ensure the Life Extension Refurbishment Piccadilly Line (Bogie & Underframe) works are carried out as planned.
Project Data	To ensure that Project Data is being captured and entered into Maximo using the approved processes and systems.
Handover of Assets - Power	To assess effectiveness of processes for ensuring new assets are handed over for operational use in a safe and reliable state and can be maintained.

Work Item	Objective
Major Incident - External	
Maintenance of Fire Plans	Examine the processes for ensuring that fire plans are kept current and up to date to identify improvements.
Lift CMS Assessments	To assess whether competence assessments of station staff who undertake lift procedures are undertaken in compliance with CMS requirements.
Track Familiarisation	To assess whether changes to the way in which track familiarisation is monitored has led to intended improvements.
Management of Temporary Works (DRACCT 397)	Assess whether new standard has been implemented.
Workload Planning	Assess evidence to determine whether the right resources (time and manpower) exist to undertake tasks. This will be undertaken against the ORR Railway Maturity Model.
LU Compliance with Principal Contractor duties	To assess application of the management system to achieve legislative compliance with CDM PC Duties.
DLR Project Safety Arrangements	To establish the degree of compliance with DLR's internal requirements in respect of managing safety on DLR projects, focussing on recently changed requirements.
Control of Safety Risk - Power Asset Performance	To assess the arrangements for ensuring safe systems of work are planned and implemented through risk assessment, method of works and evidence on site. Particular areas for scope are: <ul style="list-style-type: none"> • Working at height • Manual handling • Vehicles (driver management) • Management of PPE
Baker Street/Bond Street	To ensure Design/Construction change processes are being followed correctly on site, including accurate record keeping of all processes including materials certification through to installation process and sign off.
Health & Safety Files	To ensure Health & Safety Files in relation to CDM regulations for Track Projects are being managed and details entered in Maximo.
Surface Transport	
Maintaining a long term strategic, balanced Plan within the constraints of available resources	
Revenue Protection ST	To review the effectiveness of controls over the ST revenue protection processes.
Cycle Hire Financial Processes	To provide assurance that controls are operating effectively within the new Cycle Hire financial systems, and that all monies received by TfL have been correctly accounted for.
Delivery of capital investment portfolio and contract management	
Management of the London Highways Alliance Contract (LoHAC)	Management of the LoHAC framework and a selection of call off contracts.
Procurement of new road user charging contract	Real time audit of the procurement of a new contract (or contracts) for Road User Charging, in time for the expiry of existing contracts.
Major Incident - External	
Road safety schemes	Review effectiveness of road safety schemes, including the balance between physical measures, education and enforcement (ST) and impact of schemes.
Finance	
Maintaining a long term strategic, balanced Plan within the constraints of available resources	
Secondary Revenue/Commercial Development - Advertising	Review of process, risks and controls around Advertising to include fraud risk, contract management, and assurance over delivery.
Major incident - Internal Systems	
An audit of the physical security of telephone/IT rooms (not DCs)	Audit, requested by the IM Infrastructure Team, of the security of the TeleEx and Computer Rooms across the TfL estate.
Financial and Governance Controls	
Management Accounts	Following on from MA work in 2012/13 this audit will review the adequacy and effectiveness of the period end management accounting process.
One HR	
People Strategy	
Make a Difference	Review to confirm that the controls over the Make a Difference Scheme are working effectively.
Crossrail	
Organisational capability	To review the management of resourcing in light of the organisational changes to take place when the main work switches from civil engineering to systems engineering and station fit-out.
Framework Design Consultant (FDC) design costs	A Value for Money review of FDC design costs.
Cost verification and assurance	A review of the management of cost verification and assurance on a sample of projects.
Rolling Stock and Depot (RSD) procurement	A real time review of the RSD procurement process regarding mitigation actions for associated risks.
Undertakings and Assurances	Detailed reviews of a sample of specific commitments to review how these are being managed.
Security	A review of the management and performance of contractor site security arrangements. To include the physical control of equipment and plant on site.
IT Availability and Capacity	A review of the effectiveness of controls that have been designed and implemented to ensure integrity, availability and security of the data maintained and managed by Fujitsu.
Safety Management Reporting	A review of the management reporting of health and safety management and performance.
Monitoring and Management of KPI Scorecards	A review of the management reporting of KPIs in relation to senior management bonuses.
London Transport Museum	
LTM Efficiencies	Following on from work carried out in 2012/13, to work with LTM management to review the adequacy, effectiveness and sustainability of specific elements of current LTM efficiencies programme.
LTM Ticket Selling System	Application controls audit of the ticket selling system including user access management, change management, resilience, backup and Disaster Recovery, IT security arrangements, capacity management.

Finals
ACL= Audit Closed
ANC= Audit Not Closed
WC= Well Controlled and Audit Closed
AC/ACL = Adequately Controlled and Audit Closed

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
Underground and Rail (including Tube Lines)					
Delivery of Capital Investment Portfolio and Contract Management					
IA_13_630 F	Commercial Management of the Thales Contract	15/10/2013 WC	The audit provided assurance on the effectiveness of controls in place over the application for payment process, payments and cost verification for the Northern and Jubilee Line Upgrades contract with Thales	See Interim Audit Report Summary in Appendix 4.	15/10/2013 WC
IM Governance					
IA_12_418 F	Oracle System Upgrade	21/03/2013 RI	To provide assurance on the effectiveness and efficiency of the controls related to the upgrade of the Oracle system in JNP, formerly Tube Lines Limited (TLL).	Our Interim Audit Report dated 21 March 2013 entitled Oracle System Upgrade in JNP identified one priority 1 and two priority 2 issues. The priority 1 issue was as follows: <ul style="list-style-type: none"> There was a risk of unauthorised, potentially powerful, access to the Oracle database and applications as a significant number of database and application default accounts had remained active, some of which still had their default passwords unchanged. <p>We have completed a follow up review and confirmed that management has implemented all of the agreed actions.</p> <p>This audit is now closed.</p>	25/10/2013 ACL
Surface Transport					
Core Financial Processes					
IA_12_133 F	Local Implementation Plans	05/06/2013 AC	To provide assurance on the adequacy and effectiveness of controls over the second borough LIPs process.	Our Interim Audit Report dated 5 June 2013 entitled Local Implementation Plans identified one Priority 1 issue and one Priority 3 issue resulting in two management actions. <p>We have now carried out a follow up review and can confirm that management have implemented all the agreed actions.</p> <p>Therefore this audit is now closed.</p>	19/11/2013 ACL
Finance					

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
Project Delivery and Contract Management					
IA_11_602 F	Project Document Control and Management Systems	06/01/2012 RI	Review the document management systems and processes for project management documents held by TfL, including use of collaborative software, in order to ensure that the governance, processes and controls are adequate for supporting projects to complete on time, and within budget.	<p>Our Interim Audit Report dated 6 January 2012 entitled Project Document Control and Management Systems identified six significant issues resulting in twelve management actions:</p> <ul style="list-style-type: none"> • There was no overall strategy, policy and ownership of document management in TfL. • No central contract or framework agreement was in place for the procurement of document management systems in TfL. Consequently TfL cannot be assured that it is getting value for money from its suppliers. • The purchase and ongoing costs for document management systems was not transparent due to the way in which such systems are procured. • As a result of TfL not having an enterprise wide document management system in place, business units were using a number of different, incompatible document management systems for project work, some of which are no longer supported by TfL IM. • No clear processes were in place regarding ongoing responsibility for, authorised access to, and maintenance of data held on document management systems, once project teams have disbanded at project close. • As existing document management systems no longer receive support from TfL IM, SharePoint was increasingly being promoted by TfL IM as the document management system of choice. However, it was not clear whether SharePoint is actually a suitable replacement system for TfL projects because of its limitations, such as its inability to store CAD drawings and poor email integration. <p>We have now completed a follow-up audit, which has confirmed that all the management actions have been satisfactorily addressed.</p> <p>This audit is now closed.</p>	20/09/2013 ACL
IA_12_605 F	Management of the Commercial Capability Programme	24/04/2013 RI	To provide assurance that the TfL Commercial Capability Programme (CCP) was being managed in an efficient and effective manner, and risks to the successful delivery of its objectives were under control.	<p>Our Interim Audit Report dated 24 April 2013 identified two Priority 2 and three Priority 3 issues resulting in five management actions.</p> <p>We have carried out a follow-up review and concluded that management has taken satisfactory action to implement all required actions to address the issues.</p> <p>This audit is now closed.</p>	26/11/2013 ACL
London Transport Museum					
IA_12_126 F	London Transport Museum Stock	21/02/2013 RI	To review the adequacy and effectiveness of the controls operating over LTM stock.	<p>Our Interim Audit Report dated 21 February 2013 entitled London Transport Museum Stock identified four Priority 1 and four Priority 2 issues resulting in sixteen management actions.</p> <p>We have now carried out a follow up review of the agreed management actions and can confirm that nine have been satisfactorily addressed.</p> <p>Of the remaining seven actions, all have been partially addressed, with plans put in place to ensure these will be completed in the near future. A number relate to changes</p>	25/09/2013 ANC

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
				<p>to the Purchasing Pricing and Stock Policy. The changes have now been made and the policy is being reviewed by Museum Finance before presentation to the next LTM Trading Board meeting on 25 September.</p> <p>Much work has been carried out but the postponement of the first two rolling stock counts highlights that resourcing issues continue to have an impact. Until the first count has been properly processed through Finance and the stock control schedule is being followed there remains a risk of the controls over stock not being fully effective.</p> <p>Accordingly, this audit is not closed. We will carry out a second follow-up review by 31 December 2013 to confirm that Internal Audit and KPMG actions have been fully addressed. Internal Audit will attend the next stock check to ensure processes and procedures are being followed.</p>	
Crossrail					
IA_12_517 F	Effectiveness of SAP User Access and Data Management	31/05/2013 RI	To provide assurance on the effectiveness of the controls that had been established to ensure appropriate user access and adequate management of financial and HR data maintained within SAP.	<p>Our Interim Audit Report dated 22 May 2013 entitled 'Effectiveness of SAP User Access and Data Management' identified several examples of good practice and one priority 1 issue, together with one Priority 2 and three Priority 3 issues.</p> <p>The priority 1 issue was as follows:</p> <ul style="list-style-type: none"> The process involved in assigning access to SAP users has not been formally documented and communicated, including a definition of SAP roles that would cover the business requirements of certain job positions (i.e. the system accountant, HCL Axon users and users of SAP General Ledger). As a result, a number of users appear to have excessive access or access to transactions that generate segregation of duties conflicts. <p>We have carried out a follow up review of the status of the agreed management actions and found that these have been satisfactorily addressed. This audit is therefore closed.</p>	31/10/2013 ACL
IA_12_521 F	Management of NEC3 Compensation Events	03/12/2013 AC ACL	To provide assurance regarding the effectiveness of Crossrail's management of NEC3 Compensation Events.	See Interim Audit Report Summary in Appendix 4.	03/12/2013 AC ACL

Interim
AC= Adequately Controlled
RI= Requires Improvement
PC= Poorly Controlled
WC= Well Controlled and Audit Closed
AC/ACL = Adequately Controlled and Audit Closed

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
Underground and Rail					
Maintaining a long term strategic balanced Plan within the Constraints of available Resources					
IA_13_146	Revenue Protection - Docklands Light Railway	05/11/2013 AC	To determine the effectiveness and the adequacy of the DLR revenue protection processes.	07/02/2014	<p>All the scope areas were examined during the audit. The agreement prescribes the Serco and DLR revenue protection responsibilities, which each party is aware of and discharges accordingly.</p> <p>In order to ensure that only suitable persons are recruited as PSAs and TSOs, Serco and Carlisle have a controlled recruitment process. In addition, successful TSOs are subject to checking by the Criminal Records Bureau (CRB).</p> <p>The procedures followed by Passenger Service Agents (PSAs) and Travel Safe Officers (TSOs) have been documented, and are available to them electronically and in hard copy.</p> <p>In accordance with the agreement, Serco produces an Annual Revenue Protection Plan (ARPP). This sets out the year's 'Station Blocks' - ticket inspection sessions of limited duration, of which there are four for each station in a financial year - and details of all other activities to minimise the level of ticketless travel. The year's revenue protection activities are then undertaken in accordance with the ARPP.</p> <p>Serco provides DLR with a periodic report covering key areas of revenue protection, enabling DLR to monitor its performance. In addition, there is a progress and performance review periodic meeting between Serco and DLR senior managers. The agreement requires Serco to monitor and report on the level of fare evasion each quarter, and compensate DLR if the level of ticketless travel exceeds 3 per cent of passengers. This rate is calculated using the results of the scheduled Station Blocks held that quarter.</p> <p>This is taken as being representative of the level of fare evasion for the network as a whole. We confirmed that Serco fulfils this responsibility by calculating and reporting the level of fare evasion. To date, the level has never exceeded 3 per cent.</p> <p>The audit did not identify any Priority 1 issues. Two Priority 2 issues were identified in relation to the regularity of ticket inspections on trains; and CRB checking of</p>

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
					Passenger Service Agents.
IA_13_147	Revenue Protection in London Overground	03/12/2013 AC	To determine the effectiveness and the adequacy of the London Overground revenue protection processes.	05/03/2014	<p>All the scope areas were examined during the audit. The agreement prescribes the London Overground Rail Operations Limited (LOROL) and Rail for London (RfL) revenue protection responsibilities, which each party is aware of and discharges accordingly.</p> <p>We generally found effective controls to be in place across all scope areas reviewed. We did note some shortcomings in the agreement with LOROL regarding revenue protection, but as it is unlikely that any action can be taken to address these in the short term, we did not raise this as an issue in the report.</p> <p>The audit did not identify any Priority 1 issues, but two Priority 2 issues were raised in respect of controls over write-off of unpaid penalty fares, and reporting of outstanding penalty fares.</p>
Delivery of Capital Investment Portfolio and Contract Management					
IA_13_111	Project Accounting in Rail and Underground	11/10/2013 RI	To provide assurance on the adequacy and effectiveness of controls over the R&U project accounting process for the Investment Programme.	30/04/2014	<p>From our limited sample of four projects, East London Line Phase 2 demonstrated the most effective project accounting with a rigorous and structured approach to the period end financial position.</p> <p>Good practice was also identified at Tube Lines, for example, effective control of labour allocation rates resulting in small recovery variances and a period-end accruals database.</p> <p>Four Priority 1 issues were identified during this audit. Most of the issues are a result of complex structures where no-one has overall responsibility and accountability for the end-to-end project accounting process.</p> <p>The Priority 1 issues are:</p> <ul style="list-style-type: none"> • Roles and responsibilities are complex, fragmented, and undocumented. This is in part due to the strategic decision to split the finance function into business and control activities without maintaining appropriate oversight of the complete process. • An effective framework of policies and procedures may help to mitigate the previous point, but is not in place yet, although management is aware of the need, and some progress has been made. • The decision over whether expenditure is classified as capital or revenue is undocumented, which leaves it open to misunderstanding. • The processes to ensure that the Assets Under Construction (AUC) balance is not materially overstated are immature. Whilst the AUC balance was fully audited by KPMG as part of the statutory year end, current processes could lead to a backlog of items being cleared to fixed assets.

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
IA_13_630F	Commercial Management of the Thales Contract	15/10/2013 WC	The audit provided assurance on the effectiveness of controls in place over the application for payment process, payments and cost verification for the Northern and Jubilee Line Upgrades contract with Thales	15/10/2013 WC	Effective controls were found to be in place for all of the scope areas reviewed. No issues were identified and the audit is closed.
IA_13_627	LU Materials Management Strategy(MMS)	13/11/2013 AC	To review the arrangements put in place to ensure the planned benefits from the contracts awarded as part of the Materials Management Strategy are realised.	06/05/2014	Our audit did not identify any priority 1 issues. However, we noted three priority 2 issues and one priority 3 issue. The summarised priority 2 issues are as follows: <ul style="list-style-type: none"> • The SAP savings report intended to calculate efficiency savings was not functioning correctly, leading to manual calculation of the savings • Some benefits are not yet quantified, so value and budgetary impact of realising the benefits is unknown • Whilst reported savings are predicted to meet committed efficiencies they are likely to be less than the original MMS target due to variables such as lower volumes or smaller batches being ordered.
Surface Transport					
Disruption to Quality of Services					
IA_13_418	Urban Traffic Control System	20/11/2013 RI	To provide assurance that efficient and effective arrangements are in place to ensure the security, availability and resilience of the Urban Traffic Control (UTC) System. Also to examine the arrangements put in place for change management and whether appropriate capacity management measures are in place.	30/04/2014	The UTC system is used and operated by a limited number of staff within the Traffic Directorate and by a small number of staff within the development team. Access to the UTC is controlled by a defined process, within which permissions to functionality are granted. In addition, audit logs are enabled to record user activity on the system. Formal arrangements are in place with IM to ensure that adequate backups and disaster recovery processes are in place that would enable the continuity of the UTC system in the event of system failure. Additionally, the UTC system is hosted in dual sites on different servers with the added benefit of data and system replication. Capacity and performance requirements are set out in the IM Service Requirements which establish the level of support required from IM in order to meet business operational requirements. However, we identified two priority 1 issues where there is scope to improve and strengthen the controls surrounding the UTC system, as follows: <ul style="list-style-type: none"> • Developers have access to make changes to code directly in the live environment. • The password to the system account used to reset Developer accounts is not regularly changed.

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
					We also identified one priority 2 issue.
IA_13_117	Dial-a-Ride Healthcheck	28/11/2013 AC	To provide assurance on the adequacy and effectiveness of internal controls in place within the five main regional DaR depots, focussing on a small number of key activities.	31/07/2014	<p>The following areas of good practice were noted:</p> <ul style="list-style-type: none"> • A Vehicle Maintenance Schedule is in place for DaR vehicles which ensures every vehicle is serviced every 10 weeks by rota. This process, created by the Engineering Manager, goes against the traditional mileage-based vehicle servicing rules - the benefits of which include: <ul style="list-style-type: none"> ○ Passenger safety is seen as the priority ○ Issues are identified and resolved more efficiently ○ Vehicles are better maintained, decreasing the time spent on repairing/servicing them ○ Resources can be managed more effectively • Individual vehicle files are maintained at each main depot. A log is retained at the front of each vehicle file, which at a glance provides management with a concise history of all accidents, repairs and services, and in turn allows trends to be identified and mitigated. <p>The audit identified no Priority 1 issues, but did note two Priority 2 issues regarding accident reporting and monitoring of fuel usage, and one Priority 3 issue.</p>
Financial and Governance Controls					
IA_13_132	Risk Management in Surface Transport	27/11/2013 AC	To ensure that an effective risk management process is in operation in ST for identifying, assessing, evaluating, managing and reporting risks.	28/03/2014	<p>The ST risk management framework provides suitable arrangements for risk assessment and the reporting of risk. Specialist risk management advice is available from the Head of Risk & Assurance and the Key Risk Contacts (KRCs) who are embedded in ST Directorates.</p> <p>The ST strategic risk register (SRR) is maintained by the Head of Risk & Assurance through Integrated Risk Review (IRR) meetings. Departmental and Directorates' risk registers are maintained by the KRCs through risk reviews with Directors and other Risk and Mitigation Owners.</p> <p>We noted the following examples of good practice:</p> <ul style="list-style-type: none"> • Scheduled reviews of risk via quarterly meetings facilitated by the Head of Risk & Assurance, and involving KRCs and finance representatives: <ul style="list-style-type: none"> - IRRs to discuss and quantify departmental business risks and the strategic risks for each Directorate - Project Risk Reviews to discuss and update programme and project risks, for projects over £5 million • Sharing best practice via the quarterly KRC forum led by the Head of Risk & Assurance including updates on risk management practices and enabling knowledge exchange between the KRCs • KRCs are encouraged to complete formal risk management training to enable them to provide informed advice on risk management to the business • ST Head of Risk & Assurance has made a significant contribution towards the development of the TfL Operational Risk Policy and Risk Management Work Instruction • Local risk strategies have been drafted for business risk in some ST Directorates

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
					Our audit did not identify any Priority 1 or Priority 2 issues, but did identify four Priority 3 issues.
Finance					
Disruption to Quality of Services					
IA_13_402	Organisation and Management of Firewalls	25/10/2013 PC	To provide assurance that the firewall strategies and policies, and related governance arrangements that have been implemented to manage and control TfL firewall architectures, are cost effective, efficient and fit for purpose.	28/02/2014	<p>All firewall related service requests for changes to be implemented by Fujitsu should be accompanied by an assessment performed by the IM service delivery and IM security teams to confirm their validity. Fujitsu's service technicians and solution architect then implement the firewall changes within defined business hours following the IM change management process.</p> <p>We reviewed all of the scope areas included in the scope of this audit, identifying eight priority 1 issues.</p> <p>These issues have been communicated to IM, who have become particularly concerned about the weaknesses related to adequate assignment of roles, responsibilities and accountabilities to IM staff for the in-house activities that support the delivery of the enhanced firewall services by Fujitsu.</p> <p>It has been agreed that due to the nature and complexities of the issues raised the first step will be the development of a detailed remedial management action plan, which will be developed and published to all recipients of the report in January 2014.</p>
People Strategy					
IA_13_103	Procurement and Management of Engineering and Project Management Framework (EPMF) Consultant Bodies	14/11/2013 RI	To provide assurance on the effectiveness of controls over the procurement and management of consultant bodies within TfL.	28/02/2014	<p>This audit identified three Priority 1 issues, and four Priority 2 issues. The Priority 1 issues are as follows:</p> <ul style="list-style-type: none"> • Single sourcing of consultant bodies is the norm under the EPMF with mini-competitions only being conducted for 25 per cent of consultant body procurements. Also, whilst single source justifications are produced for initial procurements they are not produced for extensions to contracts, as required by Commercial guidance; • Utilisation discounts, whereby TfL is contractually entitled to discounts on rates when consultants are engaged for long periods, were not obtained for a number of periods. • Some consultants' timesheets are not authorised weekly by TfL line managers and instead may only be reviewed once a period.
Crossrail					
IA_13_522	Tunnelling and Underground Construction Academy (TUCA)	19/11/2013 RI	To assess the effectiveness of arrangements and controls in place to manage the TUCA.	30/06/2014	<p>The benefits of setting up TUCA have been widely recognised. For example, Crossrail won the inaugural London First Award for 'investment in London's Future' for TUCA.</p> <p>Over £2m of sponsorships consisting of cash and equipment have been collected for TUCA from Crossrail contractors and other organisations. An additional £4.1m funding has been secured from the Skills Funding Agency (SFA) to support pre-employment training.</p> <p>The National Construction College (NCC) has met the KPI targets agreed in the contract for delegate numbers on courses and the BME (Black and Minority Ethnic)</p>

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
					<p>target.</p> <p>Several of the issues identified in this report have arisen because the contract with NCC provides limited guidance regarding Crossrail requirements. For example, the level and format of financial information was not specified and KPIs were not linked to TUCA objectives. This has resulted in:</p> <ul style="list-style-type: none"> • Some areas of TUCA performance not having KPIs; • Some KPIs not having challenging targets. <p>The audit identified two Priority 1 issues and two Priority 2 issues.</p> <p>The Priority 1 issues are:</p> <ul style="list-style-type: none"> • Relevant KPIs are not being agreed which link to TUCA objectives. There is inadequate reporting of TUCA performance by NCC and weaknesses in Crossrail's monitoring of KPIs; and • NCC is not developing and marketing TUCA services as required under the contract.
IA_12_521F	Management of NEC3 Compensation Events	03/12/2013 AC ACL	Provided assurance regarding the effectiveness of Crossrail's management of NEC3 Compensation Events.	03/12/2013	<p>We found the following examples of good practice:</p> <ul style="list-style-type: none"> • The Contract Administration Manual (CAM) provides staff with clear and consistent guidance for the effective management of NEC3 compensation events. It is easy to follow and readily available to relevant staff. Although the CAM does not cover all forms of NEC3, it does provide a solid basis for the effective administration of NEC3 contracts within Crossrail. • Use of eB Contract Admin (eB CA) as a single document control system which supports an audit trail for each part of the compensation event process and the effective management of contracts. Training and support are provided to staff and contractors on system use. There is also a process for staff to provide feedback and suggestions for improving how the system works, which results in changes being implemented. <p>The review identified only one Priority 3 issue.</p>

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
Rail and Underground					
IA_13_149	Tube Lines Efficiency Programme	04/11/2013	Memo	The audit focussed on the process and controls in place to provide assurance that the efficiency programme is on target and that what is being reported is accurate and measurable.	<p>The audit found that the Tube Lines controls and processes were well established to provide assurance that the efficiency programme is on target and what is being reported is accurate and measurable. The audit confirmed that for the efficiencies which have been deemed as embedded, the relevant budgets have been amended to reflect savings made through efficiencies.</p> <p>The Tube Lines efficiencies programme is in the process of being integrated into total Rail and Underground reporting. For operations and capital programmes the efficiencies are being combined into new accountable manager units with a number of details remaining under discussion.</p>
IA_13_834	Review of Safety Risk Review and Control following Compensation Events in LU Capital Programmes	28/11/2013	Memo	To review a sample of recent potential compensation events which may have resulted in changes to scopes of work to determine if suitable and sufficient reviews of safety risk were undertaken.	<p>The review looked at Track Partnership and Depot Upgrade Works. In Track Partnership the processes in place are suitable to review and assess resource levels and any increase in safety risks due to compensation events and update relevant health and safety documentation accordingly.</p> <p>In Depot Upgrades the work is more complex. There is a short notice change process which if followed is effective. However, this is not always used and the HSE Manager is not routinely made aware of changes so that appropriate reviews take place. Recommendations were made to update Pathway to ensure that HSE Managers were involved and aware of changes and to re-communicate to Project Managers the change control process.</p>
Surface Transport					
IA_12_614	Fraud Risk in Projects and Contracts – Driver Quality Monitoring Contract	25/09/2013	Memo	To assess the adequacy and effectiveness of controls in place to manage fraud risk across a sample of TfL's facilities management contracts. This is one of a series of audits of fraud risk across a range of TfL's projects and contracts.	The DQM Procurement Manager demonstrated general awareness of the TfL Anti-Fraud and Corruption policies and other policies related to fraud and ethical behaviour. However, this knowledge was not transferred to the Senior Account Manager responsible for DQM management post contract award. A number of fraud risk prevention and detection controls were not in place when the contract was procured or afterwards when monitoring contract compliance. There is a need to place greater emphasis on fraud risk throughout the contract management process, and for procurement staff to meet with clients on a regular basis to knowledge share and see what lessons can be learnt in respect of future procurement exercises and contract management.
Finance					
IA_12_616	Project Assurance Map	23/10/2013	Memo	To identify the various sources of assurance provision across TfL's Investment Programme and the nature of the assurance they provide, and document these in an assurance map	Overall, the assurance map demonstrates that assurance provision is adequate against most lines of enquiry, apart from resources, where there is scope for greater clarity over the adequacy of resource levels and skill sets to meet future challenges. We note that work is in progress by the PMO to address this. There is also a demand for increased levels of independent quality assurance, including monitoring of supplier quality.

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
					The PMO and external experts are the main assurance providers, which is viewed as appropriate, though a need was expressed for greater added value and efficiencies, and there is enthusiasm for wider use of peer reviews.
IA_13_602	Internal Audit work on Procurement of the Ticketing and Fare Collection Services Contract	24/10/2013	Memo	The objective of this audit is to ensure that the procurement process employed for the Ticketing and Fare Collection Services is managed effectively, in accordance with approved procedures, EU directives and is open, fair and transparent	We are satisfied that the risks and controls in procuring the Revenue Collection Services contract have been managed appropriately, up to and including the point at which the Pre-Qualification Questionnaires from suppliers had been evaluated and a shortlist for receiving the Invitation to Tender agreed.
IA_13_407	Run Better Programme	18/11/2013	Memo	The objective of this real time audit is to provide assurance that the transformation projects delivered under the Run Better Programme in the current financial year enable an adequate identification of solutions in line with TfL's strategic objectives and business requirements.	A formalised change management process, including a change control register, has been established to document changes to the Programme scope, deliverables and milestones, and to maintain evidence of adequate approval thereof. Since the appointment of the new Programme Manager, the Programme team has been working on addressing the inconsistencies between various Programme documents and initial document updates have been undertaken and approved by the Programme Board. We noted however that further updates are yet to be completed. The Programme has committed to address these as part of the transition to Pathway governance. The Programme Manager has confirmed that all future changes to the Programme scope, deliverables and milestones, including the decisions of the relevant governing bodies that have resulted in these changes, will be fully compliant with the newly established change management process.
Customer Experience, Marketing and Communications/London Transport Museum					
IA_13_015	Security Assurance on the Secure Handling and Transportation on Customer Experience Redundant IT Equipment	10/10/2013	Memo	To provide assurance over the disposal of several items of redundant IT equipment, which had a high probability of containing sensitive TfL customer data, i.e. credit/debit card holder data (CHD).	Assurance was obtained that the items were transported securely to the approved third party facilities, where all TfL identified assets were stored, ready for destruction, in a locked caged area with restricted access.
IA_13_104	Contact Centre Operations Temporary Agency Staff Payments	24/10/2013	Memo	Internal Audit was requested to work with management as part of the development of a new system, in order to provide assurance that there is effective control over payments to CCO temporary agency workers.	Customer Experience have worked hard to implement the new NPL payments process for CCO staff which has reduced the risk of erroneous payments by concentrating the calculation of payments within one team. However, we highlighted a number of areas where further improvements to the process could be made.
General Counsel					
IA_13_131	Implementation of the Bribery Act 2010	16/09/2013	Memo	The objective of this audit was to provide assurance over TfL's continuing compliance with the Act and to follow-up the actions from the previous review. The audit focused on the control environment in relation to the following key risk areas as included in the guidelines from the Ministry of Justice.	Overall our review found that TfL has adequate arrangements in place as required by the Act. All outstanding actions from the previous audit have either been completed or there are plans in place to ensure they will be completed in the near future.

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
Rail and Underground				
Delivery of capital investment portfolio and contract management				
13_702	Asset Risk Management	09/10/2013	To assess communication and compliance with revised LU standard on asset risk management.	<p>The overall finding is that most areas are complying with the majority of the requirements of the standard. It was evident that systems exist and are generally effective in managing asset risk as low as is reasonably practicable.</p> <p>Two asset areas in Asset Performance do not have their own local risk and hence are not responsible for the upkeep and day to day maintenance of the asset risk register. However, asset areas (Telecom & IM and Power) are relatively new and Powerlink has recently transitioned to TfL. Action has been agreed to reach compliance by September, 2014.</p> <p>The majority of Sponsors and Asset Risk Register custodians were not aware of changes in the Standard S5044. It was agreed that in the future, consultation and communication will be wider in order to sufficiently engage stakeholders.</p> <p>There were parts of the standard that would benefit from improved clarity including roles and responsibilities and it has been agreed that this will be addressed through periodic review of the standard.</p> <p>There are some discrepancies between the standard and local work instructions. It has been agreed these will be addressed through periodic review of these documents.</p>
13_704	Rolling Stock Maintenance Staff Training	02/10/2013	To determine whether maintenance and technical training arrangements for fleet maintenance staff are effective, robust and meet the requirements in the respective Vehicle Maintenance Instructions (VMI's).	<p>Training for fleet maintenance staff is generally effective, robust and meets the requirements in the VMIs. However, some detailed areas of concern were identified which need addressing.</p> <p>The current repeated failures of the Automatic Train Control (ATC) on the 09 Stock, is being dealt with by the Project Engineers, Invensys Personnel and Depot Engineers. Fault finding training on this unit (ATC) is still in progress, with nobody in the depot besides the two trainers qualified to carry out this operation.</p> <p>There were six Business Improvement Actions raised as a result of this audit.</p>
13_726a	LU Earth Structures Renewal Works Design Management and Co-ordination – London Underground	03/10/2013	To examine the effectiveness of design management and co-ordination processes in ensuring delivery of safe and reliable assets.	<p>The LU Earth Structures design team is specifying earth structures renewal works design requirements to Cementation Skanska (and its lead designer Mott MacDonald) and Clancy Docwra (and its lead designer SKM) in a well controlled manner, using framework agreements, works information and detailed site-specific Conceptual Design Statements (CDSs) that go through an optioneering process and are used to agree target prices.</p> <p>The LU Earth Structures project team is preparing, checking and approving concept designs and detailed designs for the Earth Structures Remedial Works in a well controlled manner.</p> <p>The design change process for earth structures requires review, and an agreed process will be documented and formally issued.</p> <p>Conceptual Design Statements for Earth Structures produced from now will specify the revision status of applicable LU Standards.</p>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
13_726b	LU Earth Structures Renewal Works Design Management and Co-ordination - Cementation Skanska / Mott MacDonald	04/10/2013	To examine the effectiveness of design management and co-ordination processes in ensuring delivery of safe and reliable assets.	<p>Cementation Skanska and MMD are complying with LU requirements in a well controlled manner The design change control process for earth structures will be reviewed, and an agreed process will be documented and formally issued.</p> <p>Conceptual Design Statements for Earth Structures produced from now on will specify the revision status of applicable LU Standards.</p> <p>LU is to ensure that works information packages include copies of referenced documents, and that any links provided can be accessed.</p>
13_726c	LU Earth Structures Renewal Works Design Management and Co-ordination - Clancy Docwra / Sinclair Knight Merz	04/10/2013	To examine the effectiveness of design management and co-ordination processes in ensuring delivery of safe and reliable assets	<p>Clancy Docwra and SKM are complying with LU requirements in a well controlled manner Conceptual Design Statements for Earth Structures produced from now on will specify the revision status of applicable LU Standards.</p> <p>SKM is to supply competency assessment records, broadly similar to those described in LU Works Instruction W0789-A1, to support the entries in the SKM geotechnical competency matrix.</p>
13_820	Supplier Audit - Xylem Flow Control Ltd	10/10/2013	This audit was carried out to assess the compliance and overall effectiveness of Xylem Flow Control Ltd's Quality Management System and procedures regarding design, manufacture and assembly.	<p>Xylem are ISO9001:2008 certified and have a fully comprehensive and documented management system in place. This is generally well managed with some minor issues identified during the audit.</p> <p>The introduction of new products, and changes to existing products, are controlled and monitored.</p> <p>The calibration of devices used in the manufacturing and testing processes is not effectively controlled. Xylem's audit plan does not consider specific audits for areas of risk to the business. A new schedule is being developed to include audits of these areas. In addition, actions from internal audits are not being closed on time. The audit process is being strengthened by training two additional internal auditors.</p> <p>Other areas, including customer complaints, management of subcontractors and incoming product and product assembly are being controlled effectively.</p> <p>There was one Non-Conformance and three Observations identified as a result of this audit.</p>
13_790	Train Division's Overhaul and Assembly Processes	18/11/2013	Assess whether refurbishment of Rolling Stock is being undertaken in accordance with quality processes to ensure it is fit for purpose	<p>The audit sampled Trains Division's (TD's) compliance to its systems and processes for overhauling train bogies and components, ensuring that product specifications and operational requirements are met.</p> <ul style="list-style-type: none"> • Products being overhauled by the TD undergo well defined processes and controls that are being adhered to. The risk of component failure whilst in operation within the London Underground network that could result in safety or reliability performance issues is therefore minimised. • Within each dismantling, refitting and assembly line; training and competency records for shop floor staff were seen to be suitably filed, complete and with the relevant approvals. • Suitable documentation (work instructions, certificates and forms) for product realisation (overhaul processes) were in place at office and shop floor levels and were found to be systematically followed and completed. • The audit sampled 100% of all tools, gauges and equipment that require calibration and these were found to be within appropriate next 'due dates' for calibration and controlled centrally with adequate systems. A Good Practice was noted on calibration control. • Minor updates are required for some documents. <p>There were five Observations and two Good Practices as a result of this audit.</p>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
Disruption to quality of service				
13_806	Track Maintenance - JNP	23/09/2013	To establish the level of compliance across JNP in accordance with the Track Maintenance Regime P-165 and the London Underground Standard for Track Inspection and Maintenance S1158.	<p>Track asset inspection and maintenance activities are being scheduled in accordance with intervals determined by London Underground standards.</p> <p>Annual risk assessments for track inspection frequencies are being maintained on the risk containment database. The Track Patrolling Frequencies and Supplementary Measures Procedure which defines the steps to establish the frequencies has not been reviewed and updated since June 2005.</p> <p>It could not be demonstrated that the JNP Asset Management System is effectively monitored to ensure track assets remain compliant or that Temporary Approved Non-compliances had been raised to control risk. The Jubilee and Piccadilly lines have a backlog of inspection and maintenance work orders relating to depot works that are overdue. Independent assurance reviews and surveillance activities are being carried out to programme.</p> <p>The Track Maintenance Regime requires updating to reflect changes to the organisation, responsibilities and associated processes and procedures.</p> <p>There are examples of unexplained overdue work orders generated by Maximo This may, in part, be linked to cases of duplicate work orders being raised for the same activity.</p> <p>There were two Non-Conformances, one Business Improvement Action and five Observations raised as a result of this audit.</p>
13_807	Edgware/Stratford Materials Control	23/09/2013	To assess the compliance and overall effectiveness of the Quality Management System for materials control at Edgware and Stratford track stores.	<p>Maximo is now the single source for the ordering and issuing of materials. The latest revision of Maximo will include control of the issuing and returning of plant equipment.</p> <p>Maximo procedures are followed. Other stores processes, including the use of stores documentation, are not formalised through the use of work instructions and / or process flow diagrams.</p> <p>Housekeeping is to a high standard. Good Practices were identified in the use of a vis-board to aid material location and the grouping of similar parts in common areas of the stores.</p> <p>There is no forum for communication between the stores and the Maximo team to give the stores employees a voice in revisions to Maximo.</p> <p>Stock counting and the control of minimum stock levels are to become part of the logistics vis-board and plans are in place to achieve this. Stock counting has been enhanced by tasking each track store to stock count five part numbers per day.</p> <p>There were two Business Improvement Actions, three Good Practices and three Observations identified as a result of this audit.</p>
13_729	LU Management of Defects Raised by Patrollers	28/10/2013	To confirm that all defects that are raised by the patrollers are being reviewed appropriately and input into the Ellipse system with the correct quality	<p>Two areas of non-conformance were identified:</p> <ul style="list-style-type: none"> • When dealing with failure/malfunction of the Hand Held device, Patrollers in Metropolitan/H&C Lines record the outcome of inspections on obsolete forms. • The Work Bank/Track Patrol Walkout Report in the Ellipse system is not a true reflection of the condition of the asset. Defects raised in Ellipse sometimes do not appear on the Track Patrol Walkout Report.

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
			threshold and associated timescale.	
13_743	Asbestos Management – Powerlink	06/11/2013	To assess PowerLink processes for ensuring asbestos registers are maintained in accordance with legislation, and to prevent harm. Also to examine PowerLink processes for management of waste management records in accordance with legislation and to minimise environmental risks.	<p>The key findings from the audit were:</p> <ul style="list-style-type: none"> • The company (former Powerlink) meets the requirements stipulated in current asbestos legislation. • There is an adequate system of procedures and documents derived from legislation to satisfactorily identify and manage Asbestos Containing Materials (ACMs). • Suitable management controls are in place to prevent asbestos exposure to employees, contractors and the public. • All personnel working for or on behalf of LU are provided with suitable and sufficient information and appropriate training. • The process for reporting asbestos is clearly understood and followed by all employees. • Only licensed contractors are used for removal or treatment of ACM and the Health and Safety Executive (HSE) is formally notified. • A notice of restriction due to asbestos is displayed at all sites. • Asbestos register and site surveys are available at each respective site displayed in a prominent position and are also held electronically on the former Powerlink database. • Occupational Health and Human Resources retain the Asbestos Exposure Report Form for a period of no less than 40 years.
13_731	Signal Maintenance Regime	05/12/2013	Confirm that planned maintenance activities including Routine Change have been undertaken and records are in place to demonstrate compliance with the 2012 / 2013 Signal Maintenance Regime	<p>The audit focused on the Central Line (Leyton Maintenance Depot) and SSL South (Earl's Court offices). The key findings, which included four non-conformances and eight observations, were:</p> <ul style="list-style-type: none"> • The majority of the planned preventative maintenance, routine change, annual certification and corrective maintenance were being carried out as specified. • Some of the recorded maintenance frequencies in the Ellipse database contradict the specification in the signal maintenance regime. • The specified test forms in the signal maintenance regime were not being used and populated on completion of the maintenance tasks. • The Multicore Cables test results were not being kept up to date on the Central Line • There was no evidence of the devised maintenance regime and maintenance record for Code Sweep and Test Track on the Central Line. • There was no evidence of the 20 year routine change records for Depot and selected siding points, on the SSL South.
13_761	Load Change Applications	19/11/2013	Confirm compliance with the Load Change Application Requirements for Electrical, Compressed Air and other services, and that management of Load Change Applications is effective in controlling risk.	<p>The findings of the audit, which included four non-conformances, two business improvement actions and five observations, were:</p> <ul style="list-style-type: none"> • All the areas audited followed the instructions and guidance necessary. Records and databases are kept up-to-date. • Opportunities for improvement were identified with the Category 1 Standard (S1100) which would benefit from review to take into account recent changes and current working practices. • The LU Category 1 Standard (S1100) does not set any requirements for the competence of those involved with the application process and the level of competence of applicants within each contractor's organisation is not defined. • Some Load Change Application forms sent to the Load Applications Engineers were not completed correctly. • It was not clear what remedial measures should be taken where there is a load application change (connection/disconnection) that was not approved or that staff were not made aware of. • Applicants do not submit Traction Load Change Applications at least 4 years prior to the implementation/connection dates as stated in the standard.

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> • Connection agreements completed by utility providers after installation of a new supply are not sent to the Distribution Network Operator (DNO) to complete tariff details, capacity and authorisation. • Some applicants for major works (projects) do not send required information within four weeks of any physical modification onsite to Systems Capacity or Distribution Network Operator (DNO).
13_797	Tunnel Survey Work	05/12/2013	<p>Confirm tunnel monitoring is taking place and actions recorded from monitoring being followed and assurance is being provided.</p>	<p>The audit focused on the tunnel monitoring programme, assurance activities, standards and processes and any associated remedial activities. The key findings, which included four observations, were:</p> <ul style="list-style-type: none"> • Tunnel inspections and monitoring programmes across the JNP network are being effectively managed by both the Operations and Projects directorates. • Where identified, the Engineering Review Panel is effective at managing solutions to mitigate risks due to anomalies found as a result of tunnel inspections and monitoring on the JNP network. • Good progress is being made to replace the concrete tunnel linings on the Jubilee line between Baker Street and Bond Street with cast iron panel sections. • There is no formal process in place to ensure that the tunnel inspection programme is communicated to the JNP Civil Asset Engineer. • The TfL work instruction team are planned to commence work with the Civils asset team to formally document all working procedures. • The introduction of Maximo 7.5 will greatly improve the communication of inspection and risk mitigation across the Operations and Projects directorates.
13_813	Emergency Response Unit	05/12/2013	<p>To determine whether the processes and procedures used by the Emergency Response Unit (ERU) are effective in ensuring consistency across its four operational units.</p> <p>Also, to determine whether the recommendations made following the formal investigation into the New Cross derailment incident in September 2012 have been fully implemented and are effective.</p>	<p>The findings of the audit, which included two business improvement actions and five observations, were:</p> <ul style="list-style-type: none"> • Clear and effectively managed processes and procedures are in place at all four ERU locations ensuring a good consistency of well maintained working practices. • All recommendations made following the New Cross derailment incident in September 2012 have been implemented and are being effectively managed. The ERU have worked closely with the Office of Rail Regulation (ORR) ensuring that progress made has been communicated to all parties. • There is no process for self auditing the work instructions and procedures at the ERU. • There are clear channels of communication in place across all four ERU locations ensuring that risks associated with ERU activities are highlighted and effectively managed prior to incident rectification. • The TfL Management System work instruction team are working with the ERU to review and document all working practices. • Risk assessments for all activities are in place. They are being reviewed to document them in the TfL format. • The use of log books is being trialled at the ERU to demonstrate the type of call-outs attended by ERU operational staff.
13_844	REW's Signalling Overhaul Management	21/11/2013	<p>Assess REW's Management System including Control Processes for Signalling Overhaul products</p>	<p>REW operates a quality management system that has been in place for a number of years. It was found that the quality management system lacks maturity in some of the areas audited due to the reasons listed below</p> <ul style="list-style-type: none"> • The provision of a clearly defined written procedure would improve the rigour and effectiveness of the current training and competence process which is currently fragmented and includes some incomplete records. • Relay workshop processes and process controls used on the relay refurbishment shop floor do not meet with the documented requirements. The banning of some chemicals in work environments and cost saving exercises account for a number of the discrepancies. • Senior management could make better use of management information to help understand the business more clearly and build closer links between the quality management system and the

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
				financial aspects of the business. <ul style="list-style-type: none"> Traceability of product throughout the signals refurbishment process was adequately controlled, although after installation on the network traceability is lost making the efficient recall of installed relay units difficult. Other areas, including document and change control, nonconforming product, and purchasing/ goods-in were adequately controlled.
13_845	Casualty Lifting Activity at Neasden Depot.	14/11/2013	Assess whether the train maintenance staff are adequately trained and competent to undertake casualty lifting activities on the "S" stock.	The key findings of the audit were: <ul style="list-style-type: none"> All the maintenance staff "Fleet Introduction Team" involved with the casualty lifting activities were found to be adequately trained and competent to carry out casualty lifting maintenance work on the "S" tube stock. Health & Safety requirements and legislations are complied with. Risks to the Health & Safety of the maintenance staff, with regards to casualty lifting operation, the use of lifting equipment, tools and gauges are effectively managed. Casualty lifting activities are being carried out in accordance with the approved work instructions applicable to the "S" tube stock. The people leading the casualty lifting operation were adequately trained and competent to lead the operation. The casualty lifting certificate for one member of the "Fleet Introduction Team" has expired.
Major Incident - External				
13_835	Change Control of Safety Risks-LU Access Transformation Programme	25/09/2013	To assess the extent to which operational safety risks resulting from planned changes to operational systems and processes are systematically identified, assessed and controlled.	Overall, the Access Transformation Programme is following the framework for risk management provided by Pathway and is systematically identifying and mitigating operational safety risk effectively. <p>There are defined roles and responsibilities for managing risk. For less advanced workstreams some responsibilities still need to be embedded.</p> <p>Internal resources and competence are sufficient to ensure risk is managed. Embedded specialist services have been provided and contractors procured to provide short term risk assessment studies.</p> <p>Risks are identified and recorded systematically with relevant and realistic mitigations in place and owned. Go/No go criteria are considered, but the decision making regarding this could be made more consistent and explicit within Change Assurance Plans. There are arrangements to ensure risks are kept under review throughout the change process. These are not consistently described in Change Assurance Plans.</p> <p>There is a process for closure of operational risks. A more efficient way of doing this has been agreed as an output of the audit. Clarity can also be strengthened regarding how evidence is retained and by whom.</p> <p>An assessment of the evidence against the Railway Safety Maturity Model suggests the following maturity ratings out of 5:</p> <ul style="list-style-type: none"> - Worker Involvement and Internal Co-operation 4 - Record Keeping and Document Control 3 - Workload Planning 4 - Change Management 4.
13_741	Construction (Design Management) Regulations - LU Track Partnership	18/09/2013	To assess the effectiveness of allocation of roles and responsibilities and	A previous audit identified concerns over provision of pre-construction information, clarity of responsibilities, incomplete documentation and robustness of site monitoring.

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
			communication of information	<p>The audit found that the Project Execution Plan, CDM Competency assessments and Verification Activity Plan had now been produced and met the requirements of the Project Management Framework (PMF).</p> <p>The issue of Monthly site audits had also been addressed with focused and detailed topic specific audits now being undertaken.</p> <p>However, it was noted that although Track Partnership (TP) had put in considerable time and effort to address the issues identified with regards the provision of preconstruction information and CDM roles and responsibilities additional work was still required. This resulted in Business Improvement Actions being raised, as follows:-</p> <ul style="list-style-type: none"> • There should be an interface and consultation with regards to collation of pre-construction information between the Drainage Design Manager and the Information Manager. • Where information was collated or created by the TP, this should be passed to LU for inclusion in the Health and Safety File and CAI for future use. • The role and activities undertaken by the Drainage Design Manager with regards to surveys etc. needs clarification and detailing within project documentation. • The role of Information Manager did not appear on the project RACI chart or CDM Competence Matrix.
13_837	Work Related Road Risk - Bond Street Project – Costain Laing O'Rourke (CoLoR)	31/10/2013	To assess contractor's implementation of TfL contractual requirements to minimise the risk to cyclists from vehicles contracted by them	<p>The audit found that CoLoR's project team understood the majority of the TfL requirements and were undertaking some checks and monitoring to ensure contractors arriving on site met the Freight Operator Recognition Scheme (FORS) Bronze accreditation requirements.</p> <p>Evidence had not been sought that contractors checked drivers' licences with the DVLA at regular intervals. Reliance is placed on the contractor being FORS accredited but this is not a requirement of Bronze accreditation.</p> <p>Evidence had also not been sought that drivers satisfactorily completed the elearning 'Work Related Road Safety' module every 12 months.</p> <p>The Project Team held FORS Accreditation Certificates for all relevant contractors and monitors the FORS web database for continued accreditation. There were some discrepancies however, as the database is only updated 4 weekly.</p> <p>CoLoR has a system in place to receive certificates confirming that the Safe Urban Driving Driver Training has been completed and to monitor those drivers attending site. However the training attendance register on the FORS web site does not include dates of training and is only updated 4 weekly.</p>
13_838	Work Related Road Risk - Tottenham Court Road – Taylor Woodrow Bam Nuttall (TWBN)	05/11/2013	To assess contractor's implementation of TfL contractual requirements to minimise the risk to cyclists from vehicles contracted by them	<p>The audit found that the TWBN Logistics and Security Manager understood the majority of the TfL requirements and was undertaking some checks and monitoring to ensure contractors arriving on site met the Freight Operator Recognition Scheme (FORS) Bronze accreditation requirements.</p> <p>Evidence had not been sought that contractors checked drivers' licences with the DVLA at regular intervals. Reliance is placed on the contractor being FORS accredited but this is not a requirement of Bronze accreditation.</p> <p>Evidence had also not been sought that drivers satisfactorily completed the elearning 'Work Related Road Safety' module every 12 months.</p> <p>The Logistics and Security Manager held FORS Accreditation Certificates for all relevant contractors and</p>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
				<p>monitors the FORS web database for continued accreditation. There were some discrepancies however, as the database is only updated 4 weekly.</p> <p>TWBN has a system in place to review certificates confirming that the Safe Urban Driving Driver Training has been completed when drivers attend site. However, the training attendance register on the FORS web site does not include dates of training and is only updated 4 weekly.</p>
13_839	Work Related Road Risk - Victoria Station Upgrade - Taylor Woodrow Bam Nuttall (TWBN)	05/11/2013	To assess contractor's implementation of TfL contractual requirements to minimise the risk to cyclists from vehicles contracted by them	<p>The audit found that the TWBN project team understood the majority of the TfL requirements and were undertaking some checks and monitoring to ensure contractors arriving on site met the Freight Operator Recognition Scheme (FORS) Bronze accreditation requirements.</p> <p>TfL requires that a number of items of safety equipment must be present on a vehicle. The checklist used by TWBN at Victoria Station Upgrade Project did not cover all the requirements. There was also no reference to, or the facility to record that, where safety equipment was present on the vehicle it was also operational and fulfilled its intended function.</p> <p>Evidence had not been sought that contractors checked drivers' licences with the DVLA at regular intervals. Reliance is placed on the contractor being FORS accredited but this is not a requirement of Bronze accreditation.</p> <p>Evidence had also not been sought that drivers satisfactorily completed the elearning 'Work Related Road Safety' module every 12 months.</p> <p>The Transport Manager held FORS Accreditation Certificates for all relevant contractors and monitors the FORS web database for continued accreditation. There were some discrepancies, as the database is only updated 4 weekly</p> <p>TWBN has a system in place to receive certificates confirming that the Safe Urban Driving Driver Training has been completed and to monitor those drivers attending site. However, the training attendance register on the FORS web site does not include dates of training and is only updated 4 weekly</p>
13_734	Total Package Services (TPS) - Suppliers Assurance of Workmanship and Materials	29/10/2013	To provide evidence that companies responsible to deliver buildings and civils reactive maintenance and minor project works, under the LU Total Package Services (TPS) Lot 3A and Lot 3B contract, are self assuring.	<p>For each of the four contractors the audit found that:</p> <ul style="list-style-type: none"> • Procedures are embedded to identify and record materials specified by the client. This includes responsibility for materials procurement, management and use. • Process documentation is used to instruct site supervisory and operative staff of client requirements; the materials required and its use, installation or build method criteria. • Records are maintained of site employee competences including SPC licence. Materials procurement and stores management regimes were in place including procedures for materials issue to site prior to work commencing. <p>Each principal contractor was able to trace materials supplied to a site and job order. The management of evidence differs between contractors. The best involved comprehensive photo evidence and electronic records accessible to authorised LU representatives.</p> <p>Each principal contractor is using a formal process to record work completion and sign off agreement evidence acceptable to LU TPS 3A and 3B management. Not all TPS contractors had established robust processes to check and report progress of each shift or individual task.</p> <p>Audit at some active works sites has identified assurance weakness relating to material selection, its installation and the works completed management processes used by TPS Project and contractors.</p>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
13_836	Maintenance of Northern Line Electrical Track Equipment	08/11/2013	To assess the compliance and overall effectiveness of the processes for maintaining Electrical Track Equipment (ETE) assets, including depot shore supplies, on the Northern line.	<p>The scheduling and tracking of the Northern line ETE maintenance is being effectively managed. A Temporary Approved Non-Compliance process is not in place for ETE assets that do not meet the Minimum Acceptable Criteria when tested.</p> <p>ETE assets are being tested every three months. For most assets this exceeds the required test frequency. A process is in place for the risk assessment of non-compliant tests.</p> <p>The competency of maintenance staff is controlled and subcontractors carrying out the ETE maintenance are being managed.</p> <p>Compliance with the maintenance regime is being communicated via weekly e-mail updates and a monthly asset maintenance tracker.</p> <p>Trend analysis of the test reports and remedial maintenance reports is not being carried out to identify potential issues and eliminate recurring test failures.</p>
13_823	Supplier Assurance Review - Sarginsons Industries Limited (SIL)	31/10/2013	Supplier Assurance Assessment on SIL who supply LU with rail vehicle gear pan assemblies.	<p>SIL are working in compliance with a Management System that is registered with Lloyd's and assessed by a UKAS accredited assessor. The company:</p> <ul style="list-style-type: none"> • Has embedded satisfactory procedures and processes to managed client order, specification requirements and management of sub-contract services. • Has satisfactory procedures for specification change management. • Has a satisfactory product inspection and test capability, supported by adequate quality records that include product and materials traceability. • Is based in adequate foundry and office buildings and site that provides secure storage for pattern equipment and cast product.
13_723	Powerlink Management of Contractors	17/10/2013	To assess Powerlink processes to ensure the selection of competent contractors, effective monitoring of the delivery of contracted services, and adequate site supervision/management.	<p>The audit found that control and management of contractors by the O&M Support Manager was adequate. As part of the audit, it was confirmed that a key supplier is accredited with ISO 9001: 2008 Quality Management Systems Certificate providing assurance of adherence to Quality Standards.</p>
13_739	Communications and Electrical Safety Management	25/11/2013	Assess whether the Safety risks in Communications and Electrical are being systematically managed.	<p>The audit, which used elements of the ORR's Railway Safety Maturity Model as a benchmark, identified four non conformances, three business improvement actions, five observations and one good practice. Key points included the following:</p> <ul style="list-style-type: none"> • Management and operatives recognise and understand the requirement for risk assessments and safe systems of work. Suitable Working Instructions and method statements are used to manage the risks. 50% of work activities have not been risk assessed, partly due to insufficient numbers of trained risk assessors. Progress is being made to risk assess all outstanding activity tasks. • Most significant risks and their controls arising from workplace risk assessments were not on notice boards or included in local inductions as required by the Management Handbooks. • There was no evidence that the legislative requirement to produce scaffold/tower inspection reports prior to use is being met.

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> • Actions from various sources are not tracked in a coordinated and systematic way.
Surface Transport				
Major Incident - External				
13_738	Incident Reporting and Investigation	15/10/2013	To assess the arrangements for reporting and investigating incidents across Surface Transport so that recurrence is prevented and to support a culture of continual improvement	<p>The key findings from the audit were:</p> <ul style="list-style-type: none"> • Surface Transport is assessed as being at RM3 Level 2 (Managed) with an aspect of Level 3 (Standardised). To advance to Level 3 (Standardised) would require root cause analysis of incidents and near misses to be reported. • Very few near misses are reported and not being investigated where required by the standards. All accidents are investigated. • There was a lack of awareness of the requirement to securely store information and evidence from an incident that has the potential to lead to a civil or legal claim. • Root cause analysis was not widely used across the modes. The root cause analysis needs to be completed for all levels of incidents, including minor incidents, to help prevent recurrence. • The Incident Reporting Information System (IRIS) is not accessible for all five of the audited transport modes within Surface Transport. This leads to a lack of efficiency with modes using local databases. • The incident forms that are used are not consistent. The information required by IRIS is not covered in all areas and not mode specific. • The standards do not reflect the current organisation. • A project is underway to compile a TfL Management System which will include Incident Reporting and Investigation for Surface Transport. This is to be completed in phase three of the project. • Local processes have been produced and are followed for the escalation of investigations. • Immediate findings are addressed as soon as reasonably practicable for all incidents and these issues are solved.

**INTERNAL AUDIT CUSTOMER FEEDBACK FORM
SUMMARY OF RESPONSES FOR 2013/2014
QUARTER 3**

Understanding our customers' needs and expectations and ensuring we are meeting them is an important part of the continuous improvement we strive for in Internal Audit. We have recently conducted an assignment in your area and would be grateful if you could complete this customer feedback questionnaire, **and return it to us by email**. This will help us identify ways in which we can improve our service to the business.

Please select the rating for our performance ranging from 1 (very poor) to 5 (very good) for the areas below. An additional 'Comments' section is provided for you if you wish to make any specific comments on what went well or could be improved, and on your overall opinion of the assignment conduct and usefulness.

Your feedback will be shared with the audit team, and also summarised on a quarterly basis for the Audit Committee. We may contact you to discuss your feedback if we feel that gaining a better understanding of it would be beneficial.

Customer Feedback Forms Sent Q3 = 63 (Q2 = 28)

Customer Feedback Forms Returned Q3 = 30 (Q2 = 19)

		No score given	Very poor	Poor	Satisfactory	Good	Very good	Average Score
ASSIGNMENT ASSESSMENT CRITERIA		1	2	3	4	5		
PLANNING AND TIMING								4.2 (3.9)
1)	The assignment timing was agreed with me and there was appropriate consideration of my other commitments as the work progressed	0 (0)	0 (0)	0 (3)	3 (1)	15 (9)	12 (6)	
2)	The assignment was completed and the report issued within appropriate timescales	0 (0)	0 (0)	0 (1)	9 (5)	10 (8)	11 (5)	
COMMUNICATION								4.1 (3.8)
3)	Communication prior to the assignment was appropriate, including the dates and objectives	0 (0)	0 (0)	0 (0)	6 (4)	11 (10)	13 (5)	
4)	Throughout the assignment I was informed of the work's progress and emerging findings	1 (0)	0 (0)	0 (1)	11 (9)	10 (5)	8 (4)	
CONDUCT								4.2 (3.9)
5)	The Internal Audit team demonstrated a good understanding of the business area under review and associated risks, or took time to build knowledge and understanding as the work progressed	0 (0)	0 (1)	2 (1)	7 (7)	9 (5)	12 (5)	
6)	The Internal Audit team acted in a constructive, professional and positive manner	0 (0)	0 (0)	1 (1)	4 (0)	6 (11)	19 (7)	
RELEVANT AND USEFUL ADVICE AND ASSURANCE								4.1 (4.1)
7)	A fair summary of assignment findings was presented in the report	0 (0)	0 (0)	2 (0)	5 (3)	12 (11)	11 (5)	
8)	Assignment recommendations were constructive, practical and cost-effective	0 (0)	0 (0)	1 (1)	7 (2)	12 (11)	10 (5)	
9)	My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	0 (1)	0 (0)	1 (2)	5 (1)	14 (11)	10 (4)	
Overall assessment								4.1 (3.9)

Other comments including suggested improvements and areas of good performance:

"The auditor was superb, and asked probing questions in all the areas where traditionally LU have performed change control poorly. His background preparation was outstanding and he demonstrated detailed domain knowledge. We would like the auditor to come back again in around 6 months time and have another look at us - as our project moves through different phases. In summary, it was a timely, professionally and intelligently delivery audit."

"The audit was carried out to a very professional standard by the auditor. We also appreciate the consideration and flexibility displayed by the auditor. Job well done."

"The audit achieved its purpose and was undertaken in a competent professional manner. The auditor identified appropriate areas of concern and provided robust assurance confidence to the audit client. No specific areas for improvement in the audit process were identified."

"The audit was carried out in a professional manner and the auditor was very approachable at all times. This lead to an efficient use of time and an atmosphere conducive to collaborative improvements."

"Certain challenges were raised during the audit in regard to understanding of the processes and also the appropriate level of engagement with some members of my team. I think we addressed this issues by regrouping after the draft report was issued to discuss the areas of concern. It was important to reflect the fact that we had specifically directed you to areas that we thought were problematic and to address these concerns in the context of the materiality of the overall investment programme. I believe the final report struck the right balance between this and improvements identified."

"I felt that the audit team produced some good points and highlighted areas of weakness. However the potential impacts of these findings was significantly overstated. This was compounded by the fact that at interim meetings, whilst these weaknesses were discussed, there was no indication from the audit team that they considered them to have a significant potential impact."

"Background information required to carry out Asset Risk audit is technical in nature and it is recommended that in future, Auditors spend more time to understand the framework and nuances associated with implementing a framework. This will ensure audit outcomes are focused and specific."

"Whilst the audit was carried out in an efficient way and good communication was seen throughout, I [had concerns regarding the costs/benefits associated with one of the main recommendations]. I would like to say that despite my reservations of the recommendation above, the Audit Team allowed me to express my views and listened to the reasons for said views and I appreciate the openness of the review of the report."