

**Date: 8 March 2016**

**Item: Internal Audit Quarter 3 Report 2015/16**

**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 2015/16, the work in progress and work planned for Q4.

**2 Recommendation**

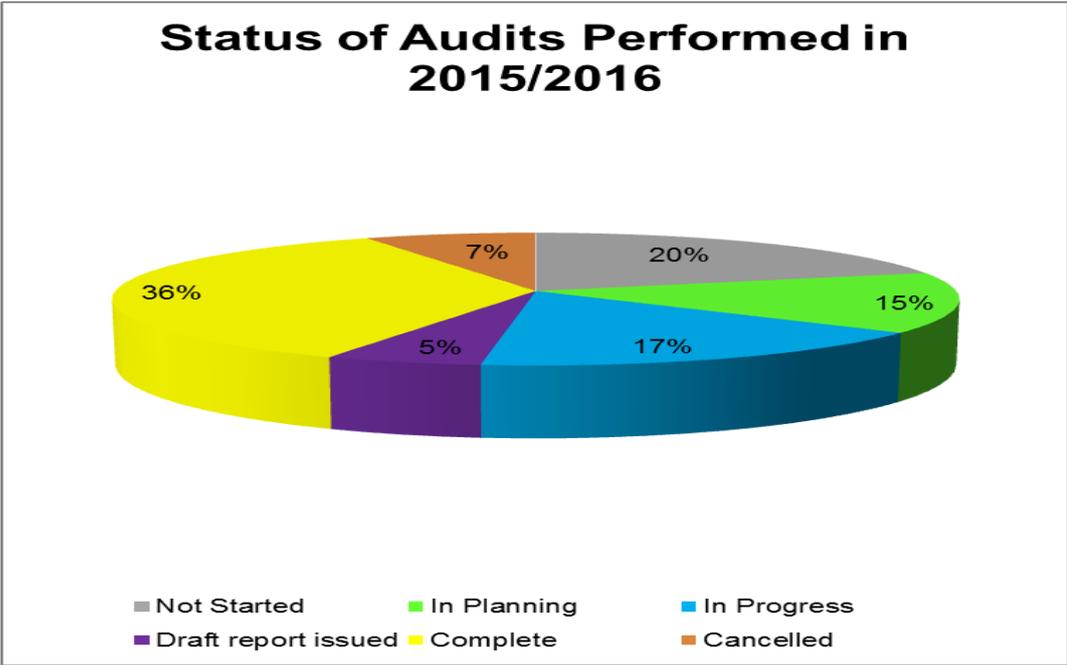
2.1 **The Committee is asked to note the report.**

**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 2015/16 audit plan, including work in progress brought forward from 2014/15.



- 4.2 There were 16 Final Audit Reports issued during the Quarter, including three reports that were ‘Well Controlled’ or ‘Adequately Controlled’ and went straight to final. There were two reports, on JNP Payroll Data Integrity and Cost Planning and Control of IM Initiatives, which we were not able to close as a result of actions not being complete. In both cases we will carry out a second follow up review in due course to confirm that the remaining actions have been completed. A summary of the report findings, excluding one in relation to the TfL Pension Fund, can be found in Appendix 3. 52 Final Audit Reports have been issued in the year to date (2014/15 year to date (YTD): 40).
- 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 and year to date, together with comparative year to date figures for 2014/15.

	Interim Audit Reports					HSE and Technical Audit Reports					Other Outputs (Advisory Reports/Memos)	Total
	WC	AC	RI	PC	Total	WC	AC	RI	PC	Total		
This Quarter	2	4	7	1	14	1	10	5	0	16	7	37
YTD	11	10	21	2	44	2	21	21	1	45	24	113
YTD 2014/15	10	20	10	1	41	3	44	19	2	68	27	136

- 4.4 Details of the findings from the interim reports issued during the quarter can be found in Appendix 4. In all cases, management actions have been agreed to address the issues raised, and are being taken forward. One of the interim reports issued during the quarter was concluded as ‘poorly controlled’. The audit of People Management Documentation Pan TfL found inconsistent and ineffective controls over the maintenance of staff records. HR is taking forward a programme of work to address the issues found.
- 4.5 In the year to date a significantly higher proportion of the interim audit reports issued have been concluded as Requires Improvement or Poorly Controlled compared to the same period last year. There is no obvious reason for this, and it may simply reflect the mix of areas audited this year compared to last. However, this will be kept under review.
- 4.6 A summary of the other outputs issued during the quarter, including memorandums and advisory reports, can be found in Appendix 5. Notable pieces of work include the following:
- (a) Our review of the employee relations machinery in Rail and Underground identified a number of areas where the governance arrangements should be strengthened. Management has agreed a range of actions to address the issues identified.

- (b) Our review of TfL's Information Security Controls Framework (ISCF) found that the framework provides a useful model to help TfL identify and manage its information security risks. However, there is need to ensure the ISCF is better embedded into day to day activities and properly understood by relevant staff across the organisation.
  - (c) A review of the standstill letters process found significant variation in the application of the process across the procurements that we examined and made a number of recommendations for improving consistency, which are being taken forward.
- 4.7 Summaries of the Health, Safety, Environmental and Technical (HSE&T) Audit reports issued during Q3 are set out in Appendix 6. As with the interim audit reports, a higher proportion of HSE&T reports have been concluded as Requires Improvement or Poorly Controlled compared to the same period last year. This reflects a conscious decision in the current year's plan to carry out a smaller number of more in depth and wide ranging audits, many of which are in areas that haven't been audited for some time. By their nature, these audits are more likely to identify issues.
- 4.8 Work in progress at the end of Q3 is shown in Appendix 1 and work due to start in Q4 is shown in Appendix 2.
- 4.9 Six pieces of work were added to the plan during the quarter, as follows:
- (a) two consultancy style reviews of the Transplant Competence Management System and the Consultancy Commissioning process;
  - (b) two audits of supplier quality management systems;
  - (c) a review of TPH regulatory functions; and
  - (d) an audit of the Crossrail cost verification process.
- 4.10 Eight audits were cancelled or postponed as follows:
- (a) five HSE&T audits covering LU plant approvals process for construction sites; Network Rail signal maintenance on Wimbledon Branch; LU repeat asset failure avoidance; LU competence of trainers; and Bus Infrastructure Asset Management. In all cases these have been postponed to 2016/17 at management's request due to delays to the work that is subject to audit;
  - (b) an audit of fixed asset systems in LU has been postponed and will be incorporated into a pan-TfL review of fixed asset systems in 2016/17; and
  - (c) two Crossrail audits of the Configuration Management Database, and Urban Realm Funding have been cancelled in order to prioritise the additional Crossrail audit referred to above.

### **Audit of Garden Bridge Design and Development Procurements**

- 4.11 At the Audit and Assurance Committee held on 8 December 2015, Members discussed the Director of Internal Audit's attendance at the GLA's Oversight Committee on 22 October 2015, at which he answered questions about the internal audit of the design and development procurements for the Garden Bridge. Subsequently, on 25 February 2016, the Chair of Audit and Assurance Committee also attended the Oversight Committee to answer questions about

the audit. A recording of his appearance at the Committee can be found on the GLA website here: <https://www.london.gov.uk/gla-oversight-committee-2016-02-25>. The Chair will provide an update on his appearance at the Oversight Committee at this meeting.

- 4.12 Follow up of the recommendations raised by the Internal Audit memorandum is in progress and will be reported to the meeting of the Audit and Assurance Committee held on 14 June 2016.

## **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 Q3.

### **Project Assurance**

- 5.2 The TfL Project Assurance Team carries out Integrated Assurance Reviews (IARs) of projects as part of the Pathway Project Management Framework. Projects are selected for review following a risk-based assessment, in order to enable the optimum assurance intervention to be planned. The risk factors that inform the assurance include: novel engineering; team experience; repeatable work; complexity; and consents. In this way, reviews of low risk, repeated work, such as highways maintenance, will not be assured to the same depth as a project with novel engineering for the same cost.
- 5.3 All projects with an estimated final cost over £50m are reviewed under the same IAR process but with additional input from the Independent Investment Programme Advisory Group (IIPAG). The assurance reports are considered alongside the project's Authority request at the operating business boards with both the operating Managing Director and the Chief Finance Officer in attendance.
- 5.4 At its meeting of 7 January 2016, the Finance and Policy Committee approved a new structure for the Project Assurance team, to increase the capability and reach of the assurance activities. A new assurance framework is being designed, to deliver a more proportionate approach so that higher risk projects are reviewed in more detail. In addition, the new team will carry out continuous assurance activities on the larger more complex projects. A recruitment drive has been underway to fill 11 positions, including three that were covered by secondees. Eight appointments have been made, with three staff now in position and the remainder to begin by the end of March 2016.
- 5.5 In Q3, 29 IAR reviews were conducted, with the IIPAG providing oversight and guidance on 15 reviews all for 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.
- 5.6 Some of the more significant reviews during Q3 were: an Option IAR of Crossrail 2; an Option IAR of Ultra Low Emissions Zone (ULEZ); a pre-tender review of the 92 Tube Stock motor replacement; an initiation review of the Step

Free Access Programme; and an Initiation IAR of the next phase of the Structures and Tunnels Investment Portfolio (STIP2).

### **Crossrail Assurance Providers**

- 5.7 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.
- 5.8 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: Materials Compliance; Station Asset Maintenance; Handover Strategy; and Engineering Safety Management. There were no significant issues arising from these audits.
- 5.9 Contractor HSQE Audits – There is a programme of over 170 contractor audits for 2015/16 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 health and safety management; environmental management; fire safety; interface management; material compliance; quality management; and occupational health. There were no particular trends arising from this work.
- 5.10 Contractor Commercial Reviews – This team carries out commercial assurance reviews of the performance 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.

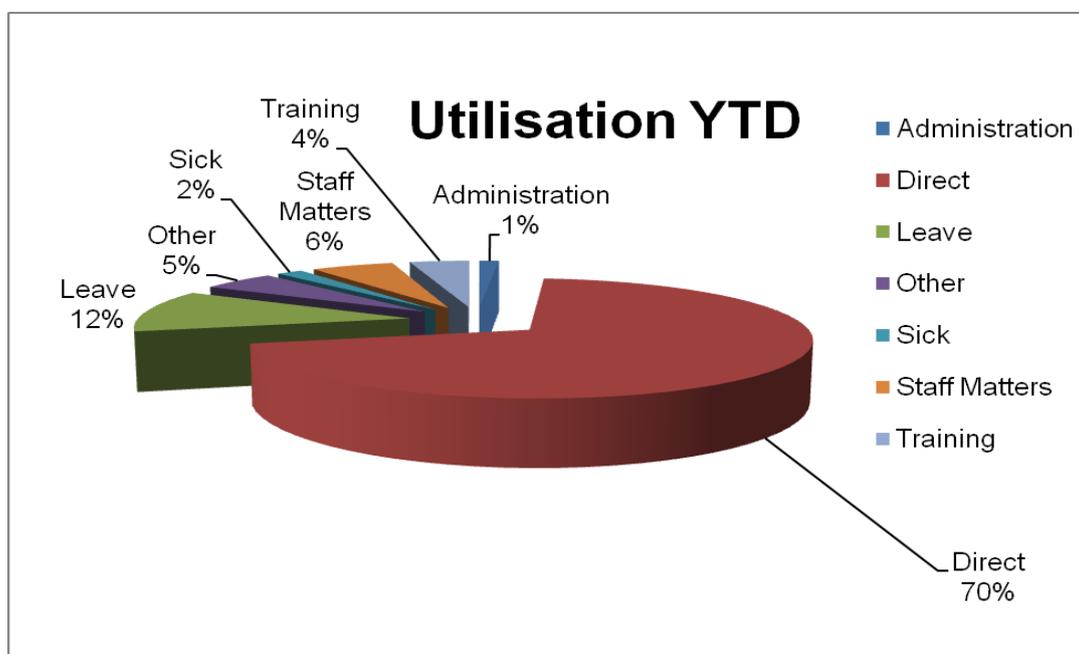
### **Embedded Assurance**

- 5.11 In addition to HSE and Technical audits carried out by Internal Audit, a number are carried out during the year by staff 'embedded' in parts of Surface Transport and Rail and Underground. This was incorporated in the Integrated Assurance Plan for 2015/16 approved by the Audit and Assurance Committee on 9 March 2015, and work done during Q3 is summarised below.
- 5.12 Surface Transport – 15 audits were completed in Q3. The purpose of these was to ensure the existence and adequacy of the control procedures and management systems used by bus operators in accordance with Buses Directorate contractual requirements, and the existence and adequacy of the control procedures and management systems used by contracted operators in line with contractual requirements at Rail Replacement and London River Services operations. There were no significant issues identified.
- 5.13 Rail and Underground – Four audits were completed in Q3, as follows:
- (a) one quality audit of station infrastructure engineering. There were no significant issues identified; and

- (b) three occupational health audits to assess the competency and capability of current providers of medical assessments for track certification and other safety critical certification purposes on behalf of LU. There were no significant issues identified.

## 6 Resources

- 6.1 We are continuing to plan for the TUPE transfer of the Crossrail Audit Team into TfL Internal Audit, which, subject to successful completion of the consultation process, is expected to take effect on 1 March 2016. The Crossrail team, consisting of an audit manager and five auditors, which is managed by the TfL Senior Audit Manager – Crossrail, carries out HSE and technical audits of compliance with the Crossrail Management System, and audits of contractors. Integrating the Crossrail team into Internal Audit will provide greater flexibility as the focus of the audit work required in Crossrail shifts from heavy construction towards operations.
- 6.2 We have recently filled, through an internal appointment, the new Audit Manager post to lead on delivery of audit work in relation to Commercial Development activities. We have also filled the vacant Fraud and Audit analytics specialist post. The individuals concerned will start their new roles in March.
- 6.3 One of the Audit Managers in the Commercial audit section has recently given notice. A recruitment process to find a replacement has commenced.
- 6.4 Recruitment is also in progress to fill two other vacancies: an Audit Manager – Security and an Internal Auditor.
- 6.5 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, continues to meet on a quarterly basis. At its most recent meeting the group agreed a paper to be presented to the Leadership Team setting out the ADG’s progress

to date in delivering the Integrated Assurance agenda and asking for the Leadership Team's endorsement of future plans. These plans include: further development of a common TfL approach to assurance mapping; improvements to self-assurance processes; a 'OneTfLAudit' approach to adopt common standards for all those conducting audits within TfL; and closer collaboration between Internal Audit, Project Assurance and TfL PMO.

- 7.2 We continue to meet regularly with the Head of the TfL PMO and the Head of Project Assurance 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 regularly. The CIAG is a useful forum for the sharing of assurance activity, which helps minimise the risk of duplication of effort between assurance providers. A representative of Network Rail attended the most recent of these meetings for the first time, which is a valuable addition to the group.

## **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 2015/16
- Appendix 2: Work Planned for Quarter 4 2015/16
- Appendix 3: Final Reports Issued in Quarter 3 2015/16
- Appendix 4: Interim Reports Issued in Quarter 3 2015/16
- Appendix 5: Consultancy Reports and Memoranda Issued in Quarter 3 2015/16
- Appendix 6: HSE and Technical Reports Issued in Quarter 3 2015/16
- Appendix 7: Customer Feedback Form – Summary of Responses for Quarter 3

### **List of Background Papers:**

Audit reports.

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Transport for London Internal Audit plan 2015/16 by directorate	Appendix 1
Approved by the TfL Audit and Assurance Committee 9 March 2015	Work in Progress as of the end of Quarter 3 2015/16
Audit	Objective
<b>Pan TfL</b>	
<b>TfL Strategic Risk: Delivery of capital investment portfolio</b>	
Supplier Relationship Management	To assess the adequacy of TfL's arrangements for ensuring that relationships with key suppliers provide good value for money.
<b>TfL Strategic Risk: Disruption to quality of service</b>	
Software Licencing for IBM products	To provide assurance on the processes that have been implemented to manage IBM product licences across TfL.
Collaborative Procurement	A review of TfL's involvement in the GLA's development of a shared service for procurement.
<b>TfL Strategic Risk: Major / Catastrophic incident</b>	
Major Incident Emergency Plans	To provide assurance that Major Incident Plans are accurate, maintained and implementable in co-ordination between LU and ST.
<b>Rail and Underground</b>	
<b>TfL Strategic Risk: Maintaining a long term strategic, balanced Plan</b>	
Cash management - Fit for Future	To review the effectiveness of controls over cash management following the installation of the new Cash Handling Devices (CHDs) at stations.
<b>TfL Strategic Risk: Delivery of capital investment portfolio</b>	
Procurement of Facilities Management Category	To ensure that the procurement processes employed for the Facilities Management Category are in accordance with approved procedures and EU directives and are open, fair and transparent.
Fraud risk in projects and contracts within the Station Works Improvement Programme (SWIP)	Review the adequacy and effectiveness of controls in place to manage fraud risk in projects and contracts within SWIP and assess against a Fraud risk maturity model.
Value for money in small contracts	A review of a sample of small works contracts to assess their value for money.
Management of manufacture and supply of signalling (BCV & SSL) contract	To audit controls over management of the manufacture and supply of signalling (BCV & SSL) contract.
Project use of Pathway and Maintenance Teams' Readiness to deliver support for new Signalling assets	To provide assurance that products such as approval and registration of new equipment, provision of training, provision of tools and spares etc. are delivered in a timely and effective manner.
<b>TfL Strategic Risk: Disruption to quality of service</b>	
Procurement of the new London Overground concession operator	To provide assurance that the procurement process is being managed effectively and in accordance with approved procedures and EU directives.
DLR - Closeout of Serco contract	To review the process for the formal close out of the contract, including the adjustment and finalisation of monies due.
Trams - Hand back of critical assets from the Systems Upgrades Project	Review the hand-back arrangements between Trams and the Systems Upgrade Project to ensure they are sufficiently robust for the safe return to service of assets. Seek assurance that Upgrades project contractors are using an effective competence management system.
LU Management of Contractors	To assess, using ISO 55000 as a benchmark, the effectiveness of arrangements to manage suppliers working on LU premises / assets, with specific regard to on site monitoring, competence and management of sub-contractors.
LU Calibration of RS depot tools	Follow up to the previous audit to confirm that improvements have been made and that the calibration of depot fleet tools continues to be managed effectively.
LU Change to signal maintenance regime	To ascertain the level of compliance against the requirements of BCV/SSL Extension of Signal Maintenance – Safety Case (SRX97336) issue 3.5 and whether activities and processes are in place to ensure continued adherence.
SSL Track Maintenance	To provide assurance that specific technical requirements are controlled to mitigate service disruption and safety risks.
Assurance of LU Maintenance	To assess the processes used in LU AP to determine the assurance arrangements for assets. This will focus on the Assurance section of Asset Support and benchmark against ISO 55000.
LU Communication Equipment Room Management	Provide assurance that management actions in response to a previous 'poorly controlled' audit have been implemented and are effective.
Supplier Audit: Vossloh	This audit aims to provide assurance in relation to the manufacture and provision of equipment and components by Vosslohas as a new vendor to London Trams.

Audit	Objective
<b>TfL Strategic Risk: Major / Catastrophic incident</b>	
HSE Management in LU COO Signals (JNP Maintenance)	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
Jubilee Line HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
Hainault Rolling Stock Depot HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
Greenwich Power Station HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
Management and Disposal of High Risk Waste	To provide assurance that suitable arrangements are in place for the management and disposal of high risk waste from operational premises and projects, in compliance with TfL Management System requirements and environmental legislation.
LU Control of Mobile Plant	Review the arrangements in place locally to manage the maintenance, use, competence and operation of mobile plant in depots and worksites.
Inspection of LU Premises Assets to Minimise the Risk of Falling Objects	To review Inspection Processes, Temporary Work Processes and Project work to assess whether robust checks are in place to mitigate risk from Falling Objects.
<b>TfL Strategic Risk: Financial and Governance Controls</b>	
Consultancy: Review of Consultancy Commissioning Process	To provide consultancy services to undertake a lean / six sigma review of the consultancy commissioning process to identify any efficiencies.
<b>Surface Transport</b>	
<b>TfL Strategic Risk: Delivery of capital investment portfolio</b>	
Procurement of Bus Stops and Shelters	To provide assurance that the procurement process employed for the Bus Stops and Shelters contracts is managed effectively, in accordance with approved procedures and EU directives, is open, fair and transparent, and has appropriate management controls and governance.
<b>TfL Strategic Risk: Technology</b>	
Implementation of delivery projects in Surface Transport	Provide assurance that IM projects delivered have been implemented in line with TfL's strategic objectives and business requirements.
<b>TfL Strategic Risk: Disruption to quality of service</b>	
Multi-Modular Integrated Command & Control System (MICCS)	To provide assurance over the processes to ensure that the chosen solution meets the operational needs of London Underground and Surface Transport.
EOS - Compliance	To follow up on the work carried out during 2014/15 and review the EOS business improvement project to provide assurance on the compliance control environment within TPHC.
Bus accessibility	To provide assurance over bus accessibility including driver training.
<b>TfL Strategic Risk: Financial and Governance Controls</b>	
Taxi and Private Hire - Licensing and Vetting	To provide assurance over the system for licensing within TPH. This review will include controls over driver vetting.
TPH Regulatory Function	Following a management request the audit will review the governance and regulatory functions in Taxi and Private Hire and Enforcement and On Street Operations.
<b>Finance</b>	
<b>TfL Strategic Risk: Maintaining a long term strategic, balanced Plan</b>	
Delivery of Efficiencies	Assurance work following on from, and in support of the Fresh Eyes 3 work by PWC.
<b>TfL Strategic Risk: Financial and Governance Controls</b>	
Payment Card Industry Data Security Standards (PCI DSS) Compliance	To review compliance with PCI DSS in specified business areas.
Oracle financial controls and supporting systems	To review the financial processes and controls operating under the Oracle system.
Contract Payment Approval Form processes (CPAF)	To review the processes and controls over the use of CPAFs.
<b>Commercial Development</b>	
<b>TfL Strategic Risk: Maintaining a long term strategic, balanced Plan</b>	
Commercial Development programme management	To provide assurance that the Commercial Development Programme is being managed in an efficient and effective manner, in particular the control and assurance environment.
Procurement of Property Development Framework.	To ensure that the procurement processes employed for the Property Development Framework are in accordance with approved procedures and EU directives, and are open, fair and transparent.

<b>Audit</b>	<b>Objective</b>
Procurement of the new advertising contract	To ensure that the procurement processes employed for the advertising contract are in accordance with approved procedures and EU directives, and are open, fair and transparent.
Commercial Development Embankment Project Lessons Learned Review	To identify lessons learned from the project management of the Commercial Development Embankment Project including stakeholder management, monitoring of budgets and milestones, and clarity of roles and responsibilities.
<b>Customer Experience, Marketing and Communications</b>	
<i><b>TfL Strategic Risk: Maintaining a long term strategic, balanced Plan</b></i>	
Revenue inspection controls over contactless ticketing	To review the controls over the revised processes for revenue inspection in respect of contactless ticketing.
<i><b>TfL Strategic Risk: Delivery of capital investment portfolio</b></i>	
Transforming IM (TIM)	Provide assurance on the effectiveness of the programme of work, approach and processes involved in defining and implementing the IM sourcing strategy and delivery of the programme objectives.
<i><b>TfL Strategic Risk: Technology</b></i>	
Security of Visitor Centres	To review and test the security arrangements in operation to secure Visitor Centres, including controls over personal data.
<i><b>TfL Strategic Risk: Disruption to quality of service</b></i>	
Management of IM Non Permanent Labour (NPL)	To provide assurance on the effectiveness of the processes that have been established by IM to optimise the use of NPL capabilities and ensure effective knowledge management in order to meet TfL corporate objectives.
IM Service Requests Management	Provide assurance on the effectiveness of the governance around management and implementation of service requests to ensure that all service requests have been adequately authorised and are following an adequate process.
<b>Human Resources</b>	
<i><b>TfL Strategic Risk: People Risk (inc. Pensions - Industrial Relations)</b></i>	
HR Preferred Suppliers	To review how HR / Procurement manage the HR preferred suppliers process.
Recruitment Processes	A review of the policies, procedures, planning, risks and controls around the recruitment and selection process, including volume recruitment.
<b>General Counsel</b>	
<i><b>TfL Strategic Risk: Financial and Governance Controls</b></i>	
Standing Orders	Review of standing orders including delegated authorities.
<b>London Transport Museum</b>	
LTM Follow up work on previously agreed actions	To review the progress and implementation of agreed actions following previous internal audit reviews.
<b>Crossrail</b>	
DLR Apportionment of Costs	A review of DLR apportionment of costs to Crossrail to verify that these reflect actual costs to DLR.
Signalling system design process	A review of the signalling system design process, and how this is monitored. This will include a review of relevant standards and applicability to Crossrail.
Document control and configuration management at RfL	A review of document control and management at RfL.
Rolling Stock Assurance	A review of Bombardier to provide assurance that rolling stock design and progress meets RfL requirements.
Physical Site Security	To review security arrangements in operation to secure people, property and information.
Cost Verification	A review of cost verification process including the tier 1 contractor verification of Tier 2 costs.

Transport for London		Appendix 2
Internal Audit plan 2015/16 by directorate		
Approved by the TfL Audit and Assurance Committee 9 March 2015	Work Planned for Quarter 4 2015/16	
Audit	Objective	
<b>Pan TfL</b>		
<b>TfL Strategic Risk: People Risk (inc. Pensions - Industrial Relations)</b>		
Employee Relations - Timing and conduct of TU consultations	To review the controls in place to ensure TU consultations are timed and conducted in a manner to limit service disruptions, loss of revenue and damage to reputation in TfL following similar work on LU in the 2014/15 plan.	
<b>TfL Strategic Risk: Disruption to quality of service</b>		
Incident Management - Planning & Management	To review the dedicated processes and procedures to support incident management - specifically those arrangements in place to test planning for crisis and incident and managing such events.	
Incident management - Response and Recovery	To review the dedicated processes and procedures to support incident management - specifically those arrangements in place to test incident response and recovery.	
<b>TfL Strategic Risk: Major / Catastrophic incident</b>		
Compliance with Revised CDM Regulations	To provide assurance that the revised CDM Regulations are being complied with.	
<b>Rail and Underground</b>		
<b>TfL Strategic Risk: Delivery of capital investment portfolio</b>		
SUP Programme Execution Plan Implementation	To provide assurance that the revised Programme Execution Plan is being implemented as intended.	
LU Design Change Control	To provide assurance that arrangements are adequate to ensure that design changes are controlled and risks mitigated.	
LU Management of Temporary Works - Civils	To provide assurance that temporary works for SWIP and L&E Programme are in accordance with LU Standards.	
<b>TfL Strategic Risk: Technology Risk</b>		
Review of Supervisory Control and Data Acquisition (SCADA) Systems	To provide assurance on previous vulnerability assessment work ensuring all identified threats and risks have been appropriately mitigated.	
Review of London Underground Security Programme (LUSP)	To work with LU Network Security to assess deliverability of the current LUSP arrangements.	
<b>TfL Strategic Risk: Disruption to quality of service</b>		
Supplier assurance within LU	An end-to-end review of LU's processes for assuring the quality of goods and services from its suppliers.	
LU RS Fracture Maps	To provide assurance that the management of fracture maps is strategic and makes use of the asset management databases.	
LU Signalling Competence in accordance with Institute of Registered Signalling Engineers (IRSE) requirements	To provide assurance that LU is operating in compliance with IRSE regarding process, capabilities and competences for the delivery of IRSE licence.	
Track Alumino Thermic Welding	To assess the effectiveness of the process, record keeping and general compliance with LU standards	
JNP Track Maintenance	To provide assurance that specific technical requirements are controlled to mitigate service disruption and safety risks.	
Assurance of Signalling Installation and maintenance works associated with equipment rooms	To seek assurance that suitable installation/maintenance assurance regimes are established and implemented for signalling works; to ensure that defects are identified, actioned and monitored and that installation / maintenance works within these rooms are appropriately controlled.	
<b>TfL Strategic Risk: Major / Catastrophic incident</b>		
Trams Line Maintenance Teams management of HSE	To revisit the 2014 audit and provide assurance that the issues raised have been appropriately actioned and performance reduces the risk of injury, incident or enforcement action.	
Neasden Rolling Stock depot HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.	
Lifting Operations	To provide assurance that lifting operations within LU are conducted in compliance with the LOLER Regs and that suitable written instructions / guidance are available in LU.	
DLR Safety Management	To provide assurance that the appropriate HSEMS process / systems are in place to manage the joint ventures and their sub-contractors.	
Signal Design Management	To evaluate recent enhancements in design management controls and ensure that best practices are adopted within LU and TLL.	
Points and Crossings (P&C) maintenance/inspections	To provide assurance that recent improvements in P&C maintenance/inspections as a result of the Grayrigg Action Plan are embedded from both a Track and Signalling perspective.	
LU Control of Working at Height	To assess LU compliance with the Working at Height Regulations through the Management System, focusing on maintenance staff and contractors.	
LU HSE Incident action tracking	To review the system used to collate evidence and monitor progress from investigations and verify it is effective and appropriately escalates issues.	
LU HSE Monitoring Regimes	To provide assurance that HSE monitoring regimes are aligned with published arrangements for HSE Monitoring Regimes and meet best practice e.g. OHSAS 18001 and RM3.	
72 Tube Stock - Structural repair project	To ensure suitable quality processes and competence management systems are in place to ensure bogie refurbishment and vehicle floor upgrade are completed to LU standards and requirements.	
LU Competence of Test Train Operators	To provide assurance that the competence of Test Train Operators is provided via a robust and implemented system.	
<b>Surface Transport</b>		
<b>TfL Strategic Risk: Delivery of capital investment portfolio</b>		
Project handover and closure in ST	To review the effectiveness of processes in place to hand over the outputs from Surface Transport projects into service and provision for maintenance, including control over changes to requirements and project close-out	
Wrightbus Limited. Supply of New Routemaster - Purchase and Supply	To review effectiveness of contract management arrangements in place.	
<b>TfL Strategic Risk: Technology Risk</b>		
Security Assessments of Surface Transport SCADA systems	To assess the security of key SCADA systems by applying the Centre for the Protection of National Infrastructure (CPNI) assessment tool.	
Security, availability and resilience of Surface Transport critical applications	To provide assurance that the security, availability and resilience of the ST critical applications meet agreed company standards and, where appropriate, are operating efficiently and effectively.	

Audit	Objective
<b>TfL Strategic Risk: Disruption to quality of service</b>	
Information Management Service Model (IMSM) for supporting and managing Surface Transport applications	To provide assurance that the arrangements that have been put in place in ST to manage its IM applications and provide support are effective and efficient and in alignment with TfL and best practices.
<b>Finance</b>	
<b>TfL Strategic Risk: Financial and Governance Controls</b>	
General Ledger	To review the financial processes and controls operating over the General Ledger
Business Expenses and Purchasing Cards	To review the process and controls over Business Expenses and Purchasing Cards.
Enforcement Agents - Property	To review the processes and controls over the use of bailiffs, covering both value for money and reputational risks.
Unsupported Invoices	To review the processes and controls over the use of unsupported invoices.
<b>Commercial Development</b>	
<b>TfL Strategic Risk: Financial and Governance Controls</b>	
Financial Controls in Commercial Development	To review the financial processes and controls operating within Commercial Development.
<b>Customer Experience, Marketing and Communications</b>	
<b>TfL Strategic Risk: Technology Risk</b>	
Active Directory	To provide assurance that the access granted was appropriately authorised and remains appropriate
Security of Oyster Contact Centre	To review and test the security arrangements in operation to secure all types of data (particularly personal data) within the Oyster Contact centre including associated PCI Compliance work.
Transforming IM (TIM) Procurements	To provide assurance that the procurements of the SIAM and Network contracts for the TIMS Programme are being managed effectively and carried out in accordance with approved procedures. The audit will also consider the steps taken to ensure the resulting contracts are fit for purpose.
<b>TfL Strategic Risk: Disruption to quality of service</b>	
Portfolio Management	To provide assurance on the effectiveness of the processes that have been established by IM to optimise the performance of the overall portfolio of IM initiatives in response to changing TfL priorities and demands.
Quality and Timeliness of IM Projects Delivery	To provide assurance on the processes that have been implemented to ensure the quality and timeliness of outputs delivered as part of IM projects and effective managed transition into support services in BAU.
<b>TfL Strategic Risk: Financial and Governance Controls</b>	
Preparations for Mayoral Election	To review TfL's preparations for the Mayoral elections, following on from work begun in 2014/15
<b>Human Resources</b>	
<b>TfL Strategic Risk: People Risk (inc. Pensions - Industrial Relations)</b>	
Performance & Development	To review the new performance and development process including introduction/roll out; procedures and guidance; training; roles and responsibilities; monitoring; linkages to other staff monitoring, and success factors.
Resourcing Strategy	To review the implementation of TfL's resourcing strategy.
Demand Planning	To review process and controls over demand planning.
<b>General Counsel</b>	
<b>TfL Strategic Risk: Financial and Governance Controls</b>	
Freedom of Information	To review the processes and controls over Freedom of Information requests.
<b>London Transport Museum</b>	
LTM IT Governance and Process Review	To provide assurance that the governance processes, including operating procedures, ensure effective management of the risks to the operation of the LTM IT Function.
LTM Grant Funding	To review the controls around the process of grant funding to include reporting process to funders
<b>Crossrail</b>	
Agreements Management process	To review controls over the Agreements Management process, including the roles of TfL and RfL, to ensure the processes are fit for purpose to allow the railway to open on schedule.
Operational interface management by the Infrastructure Managers	To review operational interface management by the Infrastructure Managers, in relation to technical assurance at the boundaries, and specifically interface management at the operational level.
Schedule Management	To review arrangements for management of schedule. The review will include a review of the difference between contractor and Crossrail view of schedule; and a review of Schedule Risk Assessment.
Constructing Better Health (CBH)	To review the effectiveness of CBH performance, including KPIs and reporting processes.
Transition of eB to a cloud service	To review the effectiveness of the process to transition eB to a Bentley led cloud service. To include how systems are backed-up by Bentley, and the systems maintained.

Conclusions	Number
PC= Poorly Controlled	0
RI= Requires Improvement	0
ANC = Audit Not Closed	2
AC= Adequately Controlled	0
WC= Well Controlled and Audit Closed	2
AC/ACL = Adequately Controlled and Audit Closed	1
ACL = Audit Closed	10

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Rail and Underground</b>						
<b>TfL Strategic Risk: Delivery of capital investment portfolio and contract management</b>						
<b>R&amp;U Strategic Risk: Failure to Deliver Capital Investment Programme / Critical Supplier Failure</b>						
IA_14_606F	Commercial Director, R&U	Heathrow PFI Contract	31/03/2015 RI	To review the contract management of the Heathrow PFI contract and ensure that the management controls in place were fit for purpose.	Our Interim Internal Audit Report dated 31 March 2015 entitled Heathrow PFI Contract identified one priority 1 issue, two priority 2 issues and one priority 3 issue.  We have now completed a follow up audit of the agreed management actions. We have concluded that one action has been fully completed and therefore is satisfactorily addressed. The other actions have been substantially progressed and we are satisfied that further follow up for these actions is not necessary. Consequently this audit is now closed.	29/09/2015 ACL

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Surface Transport</b>						
<b>TfL Strategic Risk: Major Catastrophic Incident</b> <b>ST Strategic Risk: Major Incident and Catastrophic Accident</b>						
IA_15_117F	Director of Strategy and Planning	Safety Action Plans for Cyclists, Pedestrians and Motorcyclists	27/11/2015 WC	To review the progress against the three plans.	See Interim Audit Report Summary in Appendix 4	27/11/2015 WC
<b>TfL Strategic Risk: Financial and Governance Controls</b> <b>ST Strategic Risk: N/A</b>						
IA_14_105F	Director of Finance, ST	Project Accounting in Surface Transport	01/05/2015 AC	To provide assurance on the adequacy and effectiveness of controls over the ST project accounting process for the investment programme.	<p>Our Interim Internal Audit Report dated 1 May 2015 entitled Project Accounting in Surface Transport identified four Priority 2 issues resulting in four management actions.</p> <p>We have now carried out a follow up review of the agreed management actions and can confirm that all four have been satisfactorily addressed. Therefore this audit is now closed.</p>	27/11/2015 ACL
<b>Finance</b>						
<b>TfL Strategic Risk: Maintaining a long term strategic, balanced plan</b>						
IA_14_626F	Director of Commercial	Management of the tender for the new London Cycle Hire Scheme Sponsor	17/03/2015 RI	To provide assurance that the tender for the new Cycle Hire Scheme Sponsor was developed and governed in a structured and controlled manner and likely to provide the optimum benefit and long term strategic development to TfL.	<p>Our Interim Internal Audit Report dated 17 March 2015; entitled 'Management of the tender for the new London Cycle Hire Scheme Sponsor' identified one Priority 1 issue, relating to the lack of change control and documentation of decision-making. The audit also identified one Priority 2 issue relating to the need to undertake a formal lessons learned exercise for the project.</p> <p>Management have implemented all the actions agreed in respect of these findings and this audit is now closed.</p>	08/10/2015 ACL

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>TfL Strategic Risk: Delivery of capital investment portfolio and contract management</b>						
IA_14_601F	Director of Strategy and Service Development, R&U/ Director of Strategy and Planning, ST	Business Cases in TfL	04/11/2014 RI	To review the use of business cases to provide a sound basis for decision-making. In particular this focused on: options appraisals; the extent to which the wider implications of TfL sponsored projects, (such as crime and disorder, fraud risk, social value, and equality and inclusion) are compliant with TfL requirements, consistently addressed and captured; and the inclusion of appropriate levels of detail.	Our Interim Internal Audit Report dated 4 November 2014, entitled 'Business Cases in TfL' identified one Priority 1 issue relating specifically to Business Change business cases and two Priority 2 issues relating to the focus of business cases on the Benefit to Cost Ratio (BCR) and the suitability of the Business Case Development Manual (BCDM) for Surface requirements.  Management have implemented all the recommendations made in respect of these findings and this audit is now closed.	19/10/2015 ACL
<b>TfL Strategic Risk: Financial and Governance Controls</b>						
IA_13_414F	Chief Finance Officer	JNP Payroll Data Integrity	27/11/2014 RI	To provide assurance over the adequacy and effectiveness of the processes, procedures and controls that have been implemented to ensure the integrity, availability and confidentiality of the JNP payroll data maintained in the Axiom EPM solution.	Our Interim Internal Audit Report dated 27 November 2014 entitled JNP Payroll Data Integrity identified three priority 1 issues as follows: <ul style="list-style-type: none"> <li>• There were concerns over segregation of duties in relation to controls over the Axiom EPM solution</li> <li>• There was a lack of compliance with the JNP information security mandatory principles and procedures</li> <li>• There were no policies, procedures, standards and guidelines to cover all operational aspects of the Axiom EPM solution, including those associated with information processing and communication facilities, logging and monitoring, service levels, software licensing, patch management and disaster recovery</li> </ul> <p>We also identified two priority 2 issues.</p> <p>We have now carried out a follow-up review and concluded that management has satisfactorily addressed two of the agreed actions</p>	20/11/2015 ANC

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					<p>whilst three have not been addressed despite an extension to the original due date.</p> <p>The implementation date for the three outstanding actions has been revised to the end of December 2015. These management actions will be followed up as they become due and a subsequent final audit report will be issued by 31 January 2016 to ensure the actions have been implemented and are operating effectively.</p> <p>This audit is therefore not closed.</p>	
IA_14_124F	Chief Finance Officer	Supplier Bank Accounts	18/12/2014 RI	To provide assurance over the amendments to and general maintenance of Supplier Bank Accounts (SBAs).	<p>Our Interim Internal Audit Report dated 18 December 2014 entitled Supplier Bank Accounts identified four Priority 1 issues and four Priority 2 issues resulting in eight management actions.</p> <p>We have now carried out a follow up review of the agreed management actions and can confirm that seven have been satisfactorily implemented.</p> <p>One action remains partially addressed due to resource constraints but there is a plan of action to address this by 31 December 2015. Therefore, whilst we have closed this audit, the remaining action will be followed up as it becomes due.</p>	27/11/2015 ACL
IA_14_149F	Chief Finance Officer	Procurement Authority and Associated Controls	18/12/2015 No conclusion	To review the process and control arrangements for granting and monitoring Procurement Authorities (PAs).	<p>Our Interim Internal Audit Report dated 18 December 2014 entitled PA and Associated Controls identified four Priority 1 issues, resulting in 17 management actions.</p> <p>A follow up review of the management actions was carried out and a report issued on 22 July 2015. We reported that seven had been completed, but ten had only been partially addressed and the audit was not closed.</p> <p>We have now carried out a further follow up review and can confirm that all of the management actions have been satisfactorily addressed.</p> <p>This audit is now closed.</p>	24/11/2015 ACL

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Customer Experience, Marketing and Communications</b>						
<b>TfL Strategic Risk: Technology Risk</b>						
IA_14_418F	Chief Information Officer	EUC – Mobile Technology Programme	<b>27/03/2015 Memo</b>	To provide assurance that security of mobile devices is considered as part of the overall Mobile Technology Programme to ensure that the confidentiality, availability and integrity of information is maintained.	<p>Our Memorandum dated 27 March 2015 entitled EUC - Mobile Technology Programme identified the following:</p> <ul style="list-style-type: none"> <li>• There was no overall framework that underpinned the security requirements for the deployment and use of mobile technology within TfL and</li> <li>• Up-to-date guidelines on the use of mobile devices aligned to the principles of the Information Security Controls Framework (ISCF) had not been published.</li> </ul> <p>We have completed a follow up review and confirmed that management has implemented all the actions agreed in respect of these findings. This audit is therefore closed.</p>	<b>09/11/2015 ACL</b>
IA_14_421	Chief Information Officer	Data Centre Management	<b>02/06/2015 AC</b>	To provide assurance that TfL data centres are being managed effectively and efficiently while ensuring adequate resilience and availability of critical TfL systems and applications.	<p>Our Interim Internal Audit Report dated 2 June 2015 entitled Data Centre Management identified the following priority 3 issue:</p> <p>The Data Centre Installations Team had an informal 'Data Centre Installations SLA/OLA Agreement Document', originally drafted in 2012 and subsequently reviewed internally in 2013 and 2015. This document had been designed with the intention to inform customers external to TfL IM Infrastructure of the activities carried out by the Data Centre Installations team, and the routes to engage with the team. It covered activities such as:</p> <ul style="list-style-type: none"> <li>• Response to access requests;</li> <li>• Allocation of space within the data centres;</li> <li>• Installation, move and decommission of IT Hardware; and</li> <li>• Capacity reporting.</li> </ul> <p>This document clearly outlined the responsibilities and timelines involved in the delivery of these activities. However, it had not been formally communicated or agreed with other teams within IM.</p> <p>We have now carried out a follow up review of the agreed management action and can confirm that this has been satisfactorily implemented.</p> <p>Therefore this audit is now closed.</p>	<b>05/10/2015 ACL</b>

Status Key

**PC** Poorly controlled

**RI** Requires improvement

**AC** Adequately controlled

**WC** Well controlled

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>TfL Strategic Risk: Delivery of capital investment portfolio and contract management</b>						
IA_13_405F	Chief Information Officer	Cost Planning and Control of IM Initiatives	12/08/2014 AC	To provide assurance that the approach to budgeting and controlling costs on IM initiatives was undertaken in a structured and consistent manner within IM that allowed the business to make informed decisions.	<p>Our Interim Internal Audit Report dated 12 August 2014 entitled Cost Planning and Control of IM Initiatives identified three priority 2 issues as follows:</p> <ul style="list-style-type: none"> <li>A comprehensive review of the differences between the actual cost and the cost authorised within the original budget for IM initiatives was not performed. A review against the estimate of costs that is given to customers before the feasibility study was also not performed;</li> <li>A process that would enable consistent estimate of the cost of small works or SIPs had not been mandated; and</li> <li>The Project Estimating Tool used a parameter that gave a 90% accurate estimation and not the desired 95%. This issue had been addressed whilst the audit fieldwork was in progress.</li> </ul> <p>One priority 3 issue was also identified.</p> <p>We have now carried out a follow-up review and concluded that management has satisfactorily implemented 3 out of the 4 agreed actions. The remaining action has not been addressed despite an extension to the original due date. The due date for this action has now been extended until 30 September 2016 and we will perform a further follow up by 31 October 2016 to verify it has been satisfactorily addressed.</p> <p>This audit is therefore not closed.</p>	09/12/2015 ANC
<b>London Transport Museum</b>						
IA_14_428F	Museum Director	London Transport Museum Online Shop	29/06/2015 RI	To provide assurance that the policies, processes and controls in place to manage and maintain the London Transport Museum	<p>Our Interim Internal Audit Report dated 29 June 2015 entitled London Transport Museum Online Shop identified one Priority 1 issue as follows:</p> <ul style="list-style-type: none"> <li>Ownership of the contract was unclear, which had resulted in no review or update of the agreement with Internova UK Ltd.</li> </ul>	16/11/2015 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
				(LTM) Online Shop are adequate to secure an effective web application environment.	There were also three Priority 2 issues resulting in four agreed management actions.  We have carried out a follow up review and can confirm that three of the actions have been satisfactorily addressed and one action has been partially addressed. The partially addressed action is expected to be completed shortly, and the audit is, therefore, closed.	
<b>Crossrail</b>						
IA_15_509	Director of Finance, Crossrail	Management of Cost and Schedule Variance within the Earned Value Process	30/09/2015 AC/ACL	To determine the effectiveness of the processes and controls for managing cost and schedule variances within the Earned Value process.	See Interim Audit Report Summary in Appendix 4	30/09/2015 AC/ACL
IA_14_523F	IT Director, Crossrail	IT Network Infrastructure Firewalls	26/06/2015 RI	To provide assurance that the policies, processes, governance and controls in place to manage the Crossrail IT network infrastructure perimeter firewalls are adequate and effective.	The audit highlighted a lack of collaboration and dialogue between Crossrail IT and Fujitsu, with Crossrail having limited understanding of Fujitsu's activities. This was raised as a Priority 1 issue.  The report also raised four Priority 2 and two Priority 3 issues. It is likely that these issues resulted in part from the weaknesses in the working relationship and engagement between the two parties.  Crossrail management has satisfactorily implemented all the agreed management actions, with the exception of one Priority 2 action that has been substantially addressed. We have every expectation that the final element of this action will be completed by the end of November. This audit is therefore closed.	30/10/2015 ACL
IA_15_506	Commercial Director, Crossrail	Management of Commercial Settlements, Disputes and Contract Close-out	20/11/2015 WC	To determine if the risks associated with Commercial Settlement, Disputes and Contract Close-out are being managed effectively.	See Interim Audit Report Summary in Appendix 4	20/11/2015 WC

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Conclusions	Number
PC= Poorly Controlled	1
RI= Requires Improvement	7
AC= Adequately Controlled	3
WC= Well Controlled and Audit Closed	2
AC/ACL = Adequately Controlled and Audit Closed	1

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
<b>Rail and Underground</b>						
<b>TfL Strategic Risk: Financial and Governance Controls</b>						
<b>R&amp;U Strategic Risk: Insufficient Funding</b>						
IA_15_112	Asset and Operational Support Director	Uniforms for Operational Staff	08/102015 RI	To review the effectiveness of controls over uniforms	31/03/2016	<p>We identified the following areas of good practice:</p> <ul style="list-style-type: none"> <li>The warehouse frequently counts stock and this significantly contributes to stock accuracy. Our sample of independent stock counts showed that stock was accurately reflected in the stock records. In addition, the warehouse completed over 100 stock counts during the period from 1 January to 26 June 2015, but net stock adjustments in the period were less than £92</li> <li>Stock levels are maintained according to targets set by Materials Management</li> <li>In collaboration with the project team, the team at North Acton has made a significant contribution to the new uniform project</li> <li>Several good practices were identified at the locations visited, such as maintaining a manual record of stock on site, and requiring employees to acknowledge receipt of uniform</li> </ul> <p>Two Priority 1 issues, together with six Priority 2 and three Priority 3 issues were raised. The Priority 1 issues are:</p> <ul style="list-style-type: none"> <li>Given the planned increase in stock levels in the short term, the business continuity plan needs to be updated and fire risk needs to be adequately addressed. Some aspects of warehouse security need to be improved</li> <li>Stock issues based on manual requisitions are a known risk and procedures need to be improved to make sure that they are documented and authorised</li> </ul>

Transport for London Audit and Assurance Committee-Interim Reports Issued Quarter 3 2015/16

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
IA_15_111	Chief Operating Officer, LU	TfL Company Vehicles	30/10/2015 RI	To review the management and controls over the use of TfL Company Vehicles.	31/01/2017	<p>An example of good practice was the surprise visits carried out by the Fleet Development Manager at various depots. It was on such occasions that instances were found where vehicles were damaged without the necessary report being made to DSM.</p> <p>The audit identified two Priority 1 issues, four Priority 2 and one Priority 3 issues.</p> <p>The Priority 1 issues are:</p> <ul style="list-style-type: none"> <li>• The P40 policy applies to all areas of TfL. However individual policies and procedures are still being used by LU, JNP and ST and these form part of their management systems.</li> <li>• DSM and line managers have not carried out all checks required by the P40 policy to ensure only approved drivers use company vehicles. This was due to limited staff availability, although DSM created two new posts at the time of the audit fieldwork to ensure that all relevant checks are carried out.</li> </ul>
IA_15_408	Chief Operating Officer, LU	Security of Stratford Market Depot (SMD)	11/11/2015 RI	To assess the effectiveness of the security controls and governance arrangements in operation that ensure that all relevant risks have been identified and mitigated for the physical security of the SMD.	31/01/2016	<p>We noted that the physical security of the SMD has been improved with the recent upgrade to the CCTV system.</p> <p>Notable benefits of the upgraded CCTV system are:</p> <ul style="list-style-type: none"> <li>• A reduction in security staff carrying out physical patrols in a hazardous operational environment;</li> <li>• Real time information on incidents allowing quicker informed decisions on appropriate response and action to be taken; and</li> <li>• Capturing of images as evidence for investigations.</li> </ul> <p>The audit did not identify any Priority 1 issues. However, we identified three Priority 2 and two Priority 3 issues. The following is a brief summary of the Priority 2 issues:</p> <ul style="list-style-type: none"> <li>• Lack of formal security governance meetings</li> <li>• Broken external doors, and broken or missing security locks and door controllers, at the Trackside House offices and the Skills Training Centre</li> <li>• The rear entrance/exit into the SMD requires additional works to improve its physical security</li> </ul>

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Transport for London Audit and Assurance Committee-Interim Reports Issued Quarter 3 2015/16

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
<b>TfL Strategic Risk: Technology Risk</b> <b>R&amp;U Strategic Risk: N/A</b>						
IA_15_405	Chief Operating Officer, LU	Security of Power Assets in Rail and Underground	11/12/2015 RI	To assess the effectiveness of the physical security controls and governance arrangements in operation that ensure that all relevant risks have been identified and mitigated for the physical security of power assets.	30/06/2016	<p>Overall, and subject to the exceptions noted in the Priority 1 issue summarised below, we found that the physical security arrangements are effective and commensurate with the security risks. In particular we found that the access control and monitoring arrangements for intruder alarms and CCTV were clearly defined and rigorously applied at all sites selected for review.</p> <p>We identified one Priority 1 issue, one Priority 2 issue and one Priority 3 issue.</p> <p>The Priority 1 issue is summarised as follows:</p> <ul style="list-style-type: none"> <li>We identified that 44 out of 222 sites did not have adequate physical security controls. All of these 44 sites were sharing physical boundaries between LU operational railways (ie SSL, BCV, JNP) and National Rail (NR).</li> </ul>
<b>Surface Transport</b>						
<b>TfL Strategic Risk: Disruption to Quality of Service</b> <b>ST Strategic Risk: N/A</b>						
IA_15_415	Chief Operating Officer, Surface Transport	Access Control Arrangements in the Surface Transport and Traffic Operations Centre (STTOC)	05/10/2015 RI	To assess the effectiveness of the physical access security arrangements that are in operation within the STTOC at Palestra and 200 BPR.	05/03/2016	<p>Although, the physical security of the second floor Palestra, and the 200 BPR access control arrangements do not currently feature on the Palestra risk register as a risk area, a number of physical security controls have been put in place:</p> <ul style="list-style-type: none"> <li>Staff requiring access to STTOC must attain security clearance, and access authorisation must be granted by an appropriate manager.</li> <li>STTOC issues security awareness messaging to staff when threat-levels change and, among other messages, instructs its staff to display TfL Palestra photographic ID at all times, to disallow access unless they have the relevant pass and to challenge anyone who is not wearing their photographic ID or whom they do not recognise.</li> </ul> <p>We note that there have been no reported occurrences of unauthorised access to the STTOC or recovery control rooms areas within the last</p>

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>year. However, we identified that there were some areas where internal control processes could be strengthened.</p> <p>We identified one Priority 1, two Priority 2 issues and one Priority 3 issue. The Priority 1 issue highlights that a review of physical access rights to Palestra (second floor) and the recovery control room at 200 BPR has not taken place. Further, there is no documentation outlining the requirement to review the access rights of personnel on a regular basis appropriate to risk.</p>
<p><b>TfL Strategic Risk: Major Catastrophic Incident</b>  <b>ST Strategic Risk: Major Incident and Catastrophic Accident</b></p>						
IA_15_117F	Director of Strategy and Planning	Safety Action Plans for Cyclists, Pedestrians and Motorcyclists	<p>27/11/2015 WC</p>	To review the progress against the three plans.	<p>27/11/2015 WC</p>	<p>The audit examined all the scope areas, and ascertained that the three plans are being implemented. All the relevant parties have been identified, and each is aware of the actions it is responsible for.</p> <p><u>Implementation of the three plans</u>                      To aid monitoring of the implementation, the Road Safety team has developed an 'action tracker' for each of the three plans – a spreadsheet on which the actions are recorded with details of the:</p> <ul style="list-style-type: none"> <li>• ST team responsible for implementation</li> <li>• Road safety team member responsible for monitoring implementation</li> <li>• Current progress</li> </ul> <p>As part of its monitoring function, the Road Safety team holds regular meetings with representatives of the teams responsible for implementing the actions, to discuss any relevant issues and obtain progress updates.</p> <p><u>Monitoring Outcomes</u>                      Senior management involvement and support of the development and implementation of the actions is evidenced by:</p> <ul style="list-style-type: none"> <li>• Strategy planning approval of budget spend for some of the programmes eg: the Safer Lorry Scheme for cyclists and pedestrians</li> <li>• Visible support from the Mayor, Deputy Mayor for Transport and Commissioner</li> <li>• The inclusion of Reduced Casualties as one of the ST outcomes</li> <li>• Weekly updates to the Deputy Mayor for Transport on road safety</li> </ul>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> <li>• Managing directors, ST directors and the Deputy Mayor for Transport meet every Thursday to discuss Surface Transport issues, which regularly include those of the Road Safety programme</li> <li>• At the request of the Commissioner, a Business Management Review was held on 22 October 2015 to provide an update on the Road Safety programme</li> <li>• The Reduced Casualties Steering Group (RCSG) meets every eight weeks</li> </ul> <p>Funds are allocated to road safety programmes, projects and initiatives in accordance with the ST planning and budgeting process, and controls are applied to ensure effective and efficient utilisation, and expenditure within budget.</p> <p><u>Governance</u> An appropriate governance framework is in place, key aspects of which are:</p> <ul style="list-style-type: none"> <li>• The RCSG, chaired by the Director of Strategy and Planning, and comprising representatives of TfL departments involved in the delivery of the Reduced Casualties Outcome. The Group oversees the implementation of the Action Plan and the three plans. It reviews the dashboard report that explains risk, progress and milestones for all areas of road safety, presented for the first time to the June RCSG.</li> <li>• The Road Safety Steering Group (RSSG), again chaired by the Director of Strategy and Planning with representation from a number of organisations, including the Metropolitan Police, London boroughs, and London Ambulance Service. One of the Group's main duties is to review and report on progress in implementing road safety policy in London.</li> <li>• Each of the three plans has its own safety working group. They are a mix of internal and external members to oversee the operations as stakeholders for the three plans and meet once every two to three months.</li> </ul> <p><u>Reporting</u> In accordance with the Action Plan, ST continues to publish reports and information describing how TfL is reducing casualties in London.</p> <p>The audit identified one Priority 3 issue.</p>

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
<b>Planning</b>						
<b>TfL Strategic Risk: Maintaining a Long Term Strategic Balance Plan</b>						
IA_15_634	Head of Strategic Analysis	Strategic Transport Modelling in TfL	27/10/2015 AC	To provide assurance over the use of strategic transport planning models and forecasts within TfL.	31/03/2016	<p>The following examples of good practice were identified:</p> <ul style="list-style-type: none"> <li>• The design and development of strategic transport models has been brought in-house, reducing reliance and spend on external consultants and improving knowledge retention</li> <li>• Modelling forums have been established to share knowledge, monitor project progress and identify opportunities for improvement. Accredited consultants are required to attend and present on their work. Lessons learnt exercises are undertaken and disseminated to the wider family of model users through these meetings.</li> <li>• The licensing and accreditation process is effective and well managed; there is evidence of continuous improvements to increase efficiency and streamline the process. Correspondence with internal and external users is effectively managed through bespoke email addresses.</li> <li>• High level guidance on the models' purpose and use is available on the TfL external website and in brochure format. More detailed guidance specific to the models is also available.</li> <li>• A repository of modelling data is being established that will allow access to standardised outputs for base year and forecast scenarios, covering a wide range of routes, areas and modes.</li> </ul> <p>The audit did not identify any Priority 1 issues. One Priority 2 issue was identified; regarding documentation of the modelling process.</p>
<b>One HR</b>						
<b>TfL Strategic Risk: People Risk (Including Pensions / Industrial Relations)</b>						
IA_15_102	HR Director	People Management Documentation Pan-TfL	13/11/2015 PC	To review the effectiveness of controls over the storage and processing of people management related documentation held by the business.	31/01/2017	<p>There were examples of good practice in managing staff records in some areas (e.g. Bus Enforcement and Programme Management Office) where documents were scanned and minimum paper records kept.</p> <p>HR is currently piloting the Success Factors SAP tool in both IM and HR. The system will provide an integrated P&amp;D solution and remove the need for storing P&amp;Ds locally.</p>

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Transport for London Audit and Assurance Committee-Interim Reports Issued Quarter 3 2015/16

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>Four Priority 1 issues and two Priority 2 issues were identified during this audit.</p> <p>The following issues were identified as being Priority 1:</p> <ul style="list-style-type: none"> <li>• No strategy and communication plan for delivering the policy and procedures for managing staff records in the business</li> <li>• Procedures and guidance on managing staff records are inconsistent and incomplete in some areas</li> <li>• Staff record management practices across business areas are inconsistent and ineffective which could lead to breaches of the DPA</li> <li>• No policy and inadequate procedures within JNP for managing staff records has to led to poor practices which are not in compliance with legislation</li> </ul>
IA_15_139	HR Director	Managing Attendance	19/11/2015 RI	To review and confirm the effectiveness of processes and controls in place for managing attendance, including sick and special leave.	31/05/2016	<p>The following areas of good practice were noted:</p> <ul style="list-style-type: none"> <li>• The HR Metrics team produces a suite of reports on a periodic basis detailing performance against the attendance target. The reports show the breakdown of planned working days, short term and long term days lost. The reports are provided to the HR Business Partners who are expected to share with their teams and take action as appropriate to address areas of concern</li> <li>• Within LU, the HR Delivery team produces fortnightly reports detailing actions that have been taken to manage infringements, paying particular attention to the timeliness of interventions. As with all the reports produced, the line managers are ultimately responsible for ensuring that appropriate action is taken to manage infringements</li> <li>• The introduction of the ME programme will ensure that relevant and consistent training is provided to all people managers in managing attendance, therefore boosting the manager's confidence in managing people related challenges and applying policies related to AAW</li> </ul> <p>Surface Transport and LU, in particular Enforcement and On-Street Operations (EOS), Dial-a-Ride (DAR) and LU COO have struggled to achieve the 96 per cent attendance target. In the last 12 months DAR has not achieved the target and EOS achieved the target once (P2 2015/16). A number of initiatives have been proposed and implemented to improve attendance management in these areas. A report is also being prepared at the request of the Surface Transport Board seeking a response from the business on the actions that are</p>

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>being taken to address sickness and absence across Surface Transport.</p> <p>The audit identified two Priority 1, one Priority 2 and one Priority 3 issues.</p> <p>The Priority 1 issues are as follows:</p> <ul style="list-style-type: none"> <li>Line managers are not managing absence infringements in line with the policies and procedures</li> <li>Recently the Occupational Health team has faced challenges in delivering a timely service to the business to support managing attendance. This in turn has an impact on the manager's ability to make timely decisions on the employee's fitness to return to work.</li> </ul>
<b>London Transport Museum</b>						
<b>TfL Strategic Risk: People Risk (Including Pensions / Industrial Relations)</b>						
IA_15_147	Museum Director	Youth Travel Ambassador Programme	13/11/2015 RI	To review the effectiveness of processes and controls in place to deliver the YTA programme.	31/10/2016	<p>Feedback on the delivery of the programme from YTAs, schools and boroughs has been good. For example, the June 2015 wider school community survey showed that 76 per cent of students agree or strongly agree that they have become more aware of their safety on the road. The presentations given to schools by the YTACs are of good quality and encourage engagement from students.</p> <p>There have been some staff changes in the YTA team, including the appointment of a new YTA Team Leader. The Head of Learning Development and the YTA Team Leader were aware of some of the issues with the YTA programme and have already started taking action to address these.</p> <p>We identified three Priority 1 issues, together with three Priority 2 issues and one Priority 3 issue.</p> <p>The three Priority 1 issues are:</p> <ul style="list-style-type: none"> <li>The timing difference between the financial year and the academic year results in objectives and targets of the YTA programme being set before review of the previous year's results. Changes made to objectives and targets set in the SLA are not documented and formally agreed with the project sponsors.</li> </ul>

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						<ul style="list-style-type: none"> <li>The current approach to delivering the YTA programme limits the number of schools that can be engaged, and potential efficiencies of combining the programme with the Safety and Citizenship (S&amp;C) programme have not been explored.</li> <li>The audit trail of reported results from the YTA programme to underlying data is not clear and easy to follow.</li> </ul>
<b>Crossrail</b>						
<b>TfL Strategic Risk: N/A</b>						
IA_15_509	Director of Finance, Crossrail	Management of Cost and Schedule Variance within the Earned Value Process	30/09/2015 AC/ACL	To determine the effectiveness of the processes and controls for managing cost and schedule variances within the Earned Value process.	30/09/2015 AC/ACL	<p>The audit identified the key parties involved in the earned value management (EVM) process, and confirmed that they are aware of their respective responsibilities.</p> <p>There are appropriate procedures in place for the various aspects of EVM. This includes the Quantity Unit Rate Report (QURR), which is used to determine the physical percentage of work completed. This information is key to the EVM process, as it is used to calculate each period's budgeted cost of work performed (BCWP). Contractors are obliged by their agreement with CRL to use it.</p> <p>The audit reviewed the processes at three projects, and identified that at one, QURR was not being used as required. The Lead Cost Engineer at the project is in the process of addressing this issue with a plan for the full implementation of the system, to facilitate its use for determining the work completed.</p> <p>All the programme EVM performance indicators are negative, which is indicative of performance below the expected standard. These are mainly as a result of some challenges and difficulties with a number of contracts. These contracts have been identified and where possible, corrective action is being taken to address the issues.</p> <p>There is regular reporting of EVM performance indicators, through a number of different periodic reports, including a Project Dashboard report, the NSACS report, and the Crossrail Board report. These reports enable effective monitoring of performance at different levels of the business.</p> <p>At the time of the audit, work was in progress to improve two aspects of the EVM process, as follows:</p>

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Transport for London Audit and Assurance Committee-Interim Reports Issued Quarter 3 2015/16

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> <li>• More accurate calculation of budgeted cost of work scheduled (BCWS) through better identification of unresolved trends and outstanding compensation events</li> <li>• Introduction of an 'earned schedule' approach to produce more meaningful and helpful schedule performance indicators.</li> </ul>
IA_15_506	Commercial Director, Crossrail	Management of Commercial Settlements, Disputes and Contract Close-out	20/11/2015 WC	To determine if the risks associated with Commercial Settlement, Disputes and Contract Close-out are being managed effectively.	20/11/2015 WC	<p>The audit examined all the scope areas. It identified the key parties involved in the three processes, and confirmed that they are aware of their respective responsibilities. There is effective communication between the parties, especially between the project management teams and Commercial, which play key roles. Also, CRL Legal provides expert advice and support to Commercial for the management of Disputes.</p> <p>It confirmed the governance arrangements for the three areas. An important aspect of the governance framework is the CCSC, a working group of the Executive and Investment Committee. It plays an oversight role, and some of its key duties include:</p> <ul style="list-style-type: none"> <li>• Monitoring all potential, notified or referred disputes. Each period, it receives the Disputes Register, which keeps it informed of all disputes, and facilitates the oversight function.</li> <li>• Providing guidance and direction on the initiation and conduct of commercial negotiations and the terms of any proposed commercial settlement of a dispute.</li> <li>• Approval of contract Close-out Plans, as well as review of the Contract Completion Commercial and the Contract Defects Date Commercial reports.</li> </ul> <p>The Board also plays a monitoring role in the Disputes process through the periodic report it receives from the Legal Director. There is also a requirement that all claims and disputes are authorised in accordance with CRL's Scheme of Authorities.</p> <p>The audit identified the following two minor non-compliance issues. They have been brought to the relevant manager's attention, who has agreed to address them.</p>
IA_14_524	IT Director, Crossrail	IT Disaster Recovery Processes in Crossrail	02/12/2015 AC	To provide assurance that the disaster recovery arrangements for information technology components support the	26/04/2016	The ITDR plan sets out in detail the processes to manage the infrastructure, network, systems and applications that would enable a structured recovery in the event the ITDR plan is invoked. The ITDR plan is based on a high level design for recovery services and adheres to contractual requirements.

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Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
				restoration of critical business services.		<p>Crossrail systems and infrastructure are hosted within two data centres managed by Fujitsu. Both data centres' designs include measures to enable a high level of resilience and continuity of services by utilising data replication technologies, multiple system components, multiple data copies and other technologies such as virtualisation.</p> <p>A business impact analysis and risk analysis has been incorporated into the ITDR plan. Recovery timescales have been identified and critical recovery time periods have been defined for the services and applications agreed with Crossrail. Both recovery time objective and recovery point objective have been established for the core services and applications, which are to be recovered within 48 hours and data to be available within 24 hours.</p> <p>The ITDR plan was last tested in November 2014 and all testing and recovery objectives were met. Crossrail IT management confirmed their confidence in the recovery process and the testing was deemed a success in relation to meeting defined recovery timescales. The actions identified in the ITDR test completion report are being monitored through the Service Management Board meetings with Fujitsu.</p> <p>It was established that Crossrail is planning to move the production servers from the Fujitsu primary data centre in Slough into the TfL data centre located in Woking in May 2016. Therefore, recovery testing is now planned to take place at the end of 2016. A firm date cannot be established as yet for the full ITDR testing until the data centre move is completed.</p> <p>There were no priority 1 issues. One priority 2 and one priority 3 issue were identified.</p>
IA_15_516	Operations Director, RfL	Digital Railway Application for Infrastructure Managers	10/12/2015 AC	To provide assurance that the management of RfL Crossrail Systems Information Programme (RCSIP) will deliver effective asset management solutions.	23/04/2016	<p>There are robust governance arrangements for seeking approval of decisions and recommendations. The governance is explained in a 'Terms of Reference' document, which detailed the composition and authority of the Portfolio Governance Board. Actions from Portfolio Board meetings were minuted and stakeholders of appropriate authority and influence were engaged.</p> <p>The investigation into stakeholder requirements, appraisal of options and mobilisation of projects was organised and logical. Documents such as stakeholder maps, requirement catalogues, option appraisal papers and a business case were all drafted, reviewed and approved by senior managers.</p>

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Transport for London Audit and Assurance Committee-Interim Reports Issued Quarter 3 2015/16

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>Good communication between TfL IM and the RfL operations team was facilitated by the Business Change Manager (BCM) through regular meetings and workshops. The BCM ensured that all parties were using the latest information, working towards the same objective, and agreement was reached on the preferred solution.</p> <p>The individual projects managed by TfL IM, follow the Pathway Project Management methodology. This ensures a systematic and organised approach to delivering the preferred solution.</p> <p>The RCSIP team have competent and qualified staff in place, and are using their combined experience to manage the programme.</p> <p>This audit did not identify any Priority 1 issues. The audit identified one Priority 2 issue in relation to documentation of interfaces between projects.</p>

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Responsible Director	Report Title	Date Issued/ Report Type	Objective	Summary of Findings
<b>Rail and Underground</b>					
<b>TfL Strategic Risk: Delivery of capital investment portfolio and contract management</b>					
<b>R&amp;U Strategic Risk: Failure to Deliver Capital Investment Programme / Critical Supplier Failure</b>					
IA_14_608	Commercial Director, R&U	Procurement of Framework Contracts for the Supply of Track Labour	<b>03/12/2015 Memo</b>	To ensure that the procurement processes employed for the Managed Services contract for the supply of track labour are in accordance with approved procedures and EU directives and are open, fair and transparent.	Based on our work to date, we are satisfied that effective controls have been applied to the procurement of framework contracts for the supply of track labour, although we have made recommendations around two minor concerns.
<b>TfL Strategic Risk: Major Catastrophic Incident</b>					
<b>R&amp;U Strategic Risk: Inadequate Operational Performance / Catastrophic Event</b>					
IA_MEMO_317	Chief Operating Officer, LU	HSE Compliance and Management Assurance in London Underground Operations	<b>26/11/2015 Memo</b>	The purpose of this memo is to highlight common findings from audits and weaknesses in management assurance that are preventing a consistent level of Management System compliance and thereby risking legislative breaches and employee injury.	<p>LU Operations has been through significant organisational change with the integration of Metronet and Tube Lines adding to the previous service delivery areas. Internal Audit work since the integration of HSE Audit into Internal Audit in 2013 has focussed on providing assurance that HSE risks are managed across Operations.</p> <p>The findings indicate that while Service Delivery continues to manage risks adequately, Maintenance areas have struggled to embed TfL HSE processes. As a result, compliance with legislative requirements is inconsistent and risks to staff are potentially higher than they should be.</p> <p>Additionally, there is a reliance on Internal Audit for assurance with management assurance absent or weak. Lessons beyond the areas audited are not learnt to prevent the same audit findings arising.</p> <p>The memorandum makes a number of short term recommendations, along with some longer term ones. These align with work proposed as part of the HSE Transformation Project.</p>
<b>Finance</b>					
<b>TfL Strategic Risk: Delivery of capital investment portfolio and contract management</b>					
IA_12_632	Director of Commercial	Procurement of the Professional Services Framework	<b>04/12/2015 Memo</b>	To ensure that the procurement process employed for the Professional Services Frameworks is managed effectively, in accordance with approved procedures, EU directives and is open, fair and transparent.	<p>Since the issue of our previous memorandum, the Programme Team have finalised the shortlist of bidders to receive the ITT for Framework 4.</p> <p>As with the other frameworks, the framework has been divided into a number of sub-categories to allow for bidders to compete according to their area of expertise. This framework is for multi-disciplinary services and accordingly has the most sub-categories spread over a range of specialisms and subject matters.</p> <p>During the Consensus Process, it became apparent that the evaluation of two of the sub-categories would be problematic. The Lift &amp; Escalator Engineering sub-</p>

**Transport for London Audit and Assurance Committee - Advisory Reports and Memorandums Issued Quarter 3 2015-16**

Reference	Responsible Director	Report Title	Date Issued/ Report Type	Objective	Summary of Findings
					<p>category PQQ evaluation resulted in only one supplier being deemed to have submitted a satisfactory PQQ.</p> <p>Also, for the Facilities Management – Strategic Advice category, the PQQ evaluators felt that the PQQ submissions demonstrated a lack of understanding of the requirement, and that consequently most of the bidders were unlikely to be able to meet the needs of TfL in this area.</p> <p>Following discussions between the internal stakeholders and Internal Audit, it was agreed to abandon the current PQQ submissions for these two sub-categories and start the process again after the scope of requirements has been revised to ensure it is more accurate. The scope for Lifts and Escalators will be split into two so bidders can demonstrate experience with either Lifts, Escalators or both. The Commercial Manager will also reinforce the message to evaluators about the need to be objective and not base scores on personal knowledge.</p> <p>The scope for the Facilities Management – Strategic Advice will also be revised to more accurately reflect the requirement.</p> <p>Both categories will be competed again, possibly as independent tenders from the PSF, depending upon advice from TfL Legal.</p>
<b>Commercial Development</b>					
<b>TfL Strategic Risk: Maintaining a long term strategic, balanced plan</b>					
IA_15_629	Director of Commercial Development	TfL's Commercial Advertising Partnering Agreement Procurement: PQQ	<b>24/09/2015 Memo</b>	To provide assurance that the decision making process in place for governing the procurement of TfL's Commercial Advertising Partnering Agreement is managed effectively, in accordance with approved procedures and has appropriate management controls and governance.	<p>Overall, we are satisfied that the procurement is being managed adequately. However, control could be strengthened by the establishment of a formal governance board to oversee and direct the procurement.</p> <p>The audit will continue to review progress and we will issue further memorandums at key milestones or as appropriate. The next key milestone is the completion of the tender evaluation phase which is currently scheduled for early October 2015.</p>
<b>General Counsel</b>					
<b>TfL Strategic Risk: Delivery of Capital Investment Portfolio</b>					
IA_14_638	Director of Legal	Review of Standstill Letters	<b>19/11/2015 Memo</b>	The objective of the review was to support TfL Legal by reviewing the effectiveness of the arrangements in place to manage the standstill letter process.	<p>Our review of standstill letters found significant variation in the effectiveness of the process across the procurements that we examined. We have highlighted a number of concerns surrounding the process, and made some recommendations for improving the consistency of the process, and making it more robust.</p> <p>We are aware that staff in the areas we have reviewed have already taken on board some of the issues highlighted, and that steps have been taken to ensure these are not repeated in their current procurements.</p>

**Transport for London Audit and Assurance Committee - Advisory Reports and Memorandums Issued Quarter 3 2015-16**

Reference	Responsible Director	Report Title	Date Issued/ Report Type	Objective	Summary of Findings
<b>One HR</b>					
<b>TfL Strategic Risk: People Risk (Including Pensions / Industrial Relations)</b>					
IA_14_103	HR Director	Employee Relations	<b>10/11/2015 Advisory Report</b>	To determine the efficiency and effectiveness of the structure and processes in relation to the employee relations machinery in R&U.	<p>We identified the following areas of good practice:</p> <ul style="list-style-type: none"> <li>• An Engagement Day (linked to the Chief Operating Office HSE Improvement Programme) is being planned for TU safety reps/ managers with a broad focus aimed at changing relationships and understanding risks, as well as the legal requirements</li> <li>• Trains Council has facilitated joint workshops on business case writing and understanding costs with staff and TU reps as a way of helping all parties to understand how decisions are made in the business</li> </ul> <p>The audit identified five Priority 1 issues and two Priority 2 issues.</p> <p>The Priority 1 issues are:</p> <ul style="list-style-type: none"> <li>• Ineffective agreements that may no longer deliver business need</li> <li>• Weak governance arrangements for the local level councils and inadequate change control mechanisms for agreements</li> <li>• Insufficient strategic direction and governance arrangements for Functional Councils</li> <li>• Weak governance arrangements for dealing with issues effectively</li> <li>• Lack of effective management and monitoring of TU release time</li> </ul>
<b>Customer Experience, Marketing and Communications</b>					
<b>TfL Strategic Risk: Technology Risk</b>					
IA_15_422 (Issued under IA_14_416)	Chief Information Officer	Information Security Controls Framework (ISCF)	<b>30/09/2015 Memo</b>	To provide assurance on the effectiveness of the processes that have been used to implement the ISCF in alignment with best practices and TfL business and legal requirements.	<p>The audit highlighted some examples of good practice such as the process followed to approve and ratify the ISCF that involved the Strategic Architectural Alignment Board (SAAB) and IM Leadership Team (IMLT). The ISCF has led to an improved project risk model to help identify information security risks early on in the project cycle and to maintain a consistent approach in all TfL IM projects. However, the audit also identified some areas for improvement, including the following:</p> <ul style="list-style-type: none"> <li>• There was a lack of awareness of the ISCF by some IM project staff due to a lack of a clear communication strategy</li> <li>• The ISCF was not clearly aligned with the TfL Information Security Policy</li> <li>• There was no process or plan in place to review and update the ISCF.</li> </ul> <p>We will perform a follow up review by 30 April 2016 to ensure that the agreed management actions have been implemented and are operating effectively.</p>

Conclusions	Number
AC= Adequately Controlled	10
RI= Requires Improvement	5
PC= Poorly Controlled	0
WC= Well Controlled and Audit Closed	1
AC/ACL = Adequately Controlled and Audit Closed	0

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
<b>Rail and Underground</b>						
<b>TfL Strategic Risk: Delivery of capital investment portfolio and contract management</b>						
<b>R&amp;U Strategic Risk: Failure to Deliver Capital Investment Programme / Critical Supplier Failure</b>						
IA_15_782	Director of Capital Programmes	LU Scope Definition and Design Reviews	09/11/2015 RI	To assess the effectiveness of LU Scope Definition Reviews (SDRs) and Design Reviews, including compliance with PD0049-A1, and to identify any improvement opportunities.	N/A	<p>The SDRs and Design Reviews undertaken were appropriate for each project, and in accordance with the overall intent of the procedural instruction, except as noted below.</p> <p>Priority 1 Issue: The procedural instruction is not robust, meaning that projects are interpreting requirements and guidance in different ways. The following aspects contribute towards this issue:</p> <ul style="list-style-type: none"> <li>• PD-0049-A2, PD-10886-A5 and associated guidance documents have errors and omissions and are inconsistent with other TfL Pathway Products and processes.</li> <li>• SDR and Design Review outputs do not require sign-off prior to passing Stage Gates, and PD-0049-A2 and PD-10886-A5 do not link SDRs and Design Reviews to Pathway Products that do require sign off. This means there is a risk that projects move on to the next Stage before they are ready to do so.</li> <li>• Projects are using different mechanisms to undertake SDRs at Stage 1 (Output Definition) and / or Stage 2 (Feasibility).</li> <li>• One project does not intend to have Concept Design Review meetings for this type of project at Stage 3, as the Detailed Design Review meetings at Stage 4 (Detailed Design) are considered to be sufficient and more cost effective.</li> <li>• Most of the projects audited have not held 20% or 60% design</li> </ul>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>completion Detailed Design Review meetings at Stage 4, as the 95% design completion Reviews at Stage 4 were considered to be sufficient and more cost effective.</p> <ul style="list-style-type: none"> <li>One project did not hold a Detailed Design Review meeting with Stakeholders at Stage 4 for one part of the project (but now intends to go back and do so).</li> <li>Some projects have not used TfL Pathway as intended to manage the project, and have not provided links to the Pathway Products produced.</li> </ul>
IA_15_704	Director of Capital Programmes	Management of Signal Risk Registers in London Underground	07/10/2015 AC	To provide assurance that routine changes to the signalling systems utilised by London Underground are identified, reported, recorded, monitored and addressed in an appropriate manner.	N/A	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>Risk Registers have been produced for BCV, SSL and JNP and include ranking and mitigating controls and actions such as remedial works or enhanced maintenance</li> <li>A new draft procedure has been produced which aims to align practices across the business in line with the requirements of S5044 Asset Risk Standard</li> </ul> <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> <li>The JNP controlling procedure inherited from Tube Lines had not been subjected to regular review and does not meet all the requirements of LU Standard S5044 Asset Risk Standard.</li> <li>In SSL/BCV where risks were closed or severity scores reduced (below eight) as a result of mitigations being in place, this was not communicated back to the custodians of the local risk registers</li> <li>Not all risks are recorded and a number of different ARM databases are utilised which were not compatible with each other.</li> <li>Where risks were identified across differing asset groups, these were not consistently scored by the two asset areas</li> <li>There was no definitive asset stewardship list that details who is responsible for each asset.</li> </ul>
IA_15_714	LU Director of Capital Programmes	Metropolitan Line Extension Programme: Civil Engineering Design Management and Co-ordination	09/12/2015 AC	To examine civil engineering design management and co-ordination arrangements for the LU operational area of the Metropolitan Line Extension project, to assess their effectiveness and degree of compliance with contractual and management system requirements and to identify any improvement opportunities.	N/A	<p>All the scope areas were examined during the audit, and evidence was provided to demonstrate that the project has used suitable and effective design management and coordination processes prior to and during the project management transition from Hertfordshire County Council to LU.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>The use of a Project Product Plan that is aligned with LU, Network Rail and RIBA project lifecycles and identifies the PMF or Pathway Products produced before the end of Stage 3 (Concept Design) and the Products required during Stage 4 (Detailed Design) and who has to produce them.</li> <li>The use of Requirements Specifications, Verification and Validation Reports and Matrices, Conceptual Design Statements (CDSs), Concept Design Report (equivalent) and</li> </ul>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>Interdisciplinary Design Reviews.</p> <ul style="list-style-type: none"> <li>The issue of assessment reports and CDSs for all civil engineering assets in LU areas of responsibility to ensure that they meet current LU Standards, the acceptance by LU of these CDSs and the passing of Stage Gate 3.</li> <li>The issue of a single source of truth Design Issues Tracker and the issue of a Compliance Plan that provides detailed proposals as to how design compliance submissions are to be undertaken and managed.</li> </ul> <p>Priority 1 Issue</p> <ul style="list-style-type: none"> <li>The project is in Stage 4 (Detailed Design), but design management arrangements following the project management transition from HCC to LU have not been formally defined and agreed, as indicated below. <ul style="list-style-type: none"> <li>Updates to top level management plans have not been completed and formally issued.</li> <li>Arrangements for design integration, systems integration, design change control and acceptance and approval of key management plans have not been formally defined and agreed.</li> <li>Cat 3 Design Check arrangements for the Viaduct need to be clarified.</li> </ul> </li> </ul>
IA_14_833	Director of Capital Programmes	Quality Inspection Completion Certificate (QICC) requirements in London Underground	25/09/2015 AC	To provide assurance of compliance and effectiveness of the Category 1 Standard S1900 – Quality Inspection Completion Certificate (QICC) process, prior to putting power equipment into service on the LU system.	N/A	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>Project Managers and Project Engineers were aware of the general principles of the QICC as detailed in the Standards</li> <li>Assurance requirements are discussed and agreed early in the project</li> <li>Assurance is undertaken to ensure detailed designs are implemented</li> <li>Snag lists were maintained in accordance with the process</li> <li>Operations &amp; Maintenance manuals were being produced in preparation for handover, prior to project completion</li> </ul> <p>Priority 1 Issue:</p> <ul style="list-style-type: none"> <li>There was a need for clarification and improved understanding regarding the competence records required to be provided for safety critical roles. Some managers interviewed were not clear on the records needed to be held and were not compliant with the QICC standard to receive records of 'Means of Identification' as defined by LU Standard S1548 (Safety Critical Work). In addition, the guidance to the QICC standard is not consistent with the standard itself as it requires a 'competency statement' to be provided.</li> </ul> <p>Priority 2 and 3 issues:</p>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> <li>At Stations Engineering and Stations Delivery Projects in JNP, although auditees were aware of the Standards, there were shortfalls in understanding the full QICC process</li> <li>Some of the Power and Cooling Project, Datapack documents were not completed as per QICC (S1900) requirements</li> <li>At Sub- Surface Projects, It was found that the QICC (S1900) requisite templates for recording MWCC and Snags were not utilised for the 'Embankment DC Traction Power Supply Upgrades' project.</li> </ul>
<p><b>TfL Strategic Risk: Disruption to quality of service</b>  <b>R&amp;U Strategic Risk: Inadequate Operational Performance</b></p>						
IA_15_723	Chief Operating Officer, LU	Signal Asset (Relay) Routine and Incident Change Over	07/10/2015 RI	To provide assurance to the business that both routine and incident change of signalling assets (relays) had been undertaken and that records were in place to demonstrate compliance with the Signal Maintenance Regime.	N/A	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>The process allocating Authority to Work Certificates from authorised issuers to authorised receivers was operating effectively.</li> </ul> <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> <li>Standard S2524 (Testing Signalling Installations.) requires review to ensure that the requirements are unambiguous and relevant for each testing scenario.</li> <li>There was no evidence to confirm that the extent of testing to be undertaken was documented in a test plan that made reference to a relevant test specification.</li> <li>There was no evidence to demonstrate that Authority to Work Certificates included a reference to the test specifications employed when immediate identification or rectification of faults had been undertaken.</li> <li>Instances were found where AWCs were not completed before an asset was handed back into service which is contrary to the documented requirement.</li> </ul> <p>Priority 2 Issues</p> <ul style="list-style-type: none"> <li>The scope of work to be undertaken was not clearly defined on AWCs.</li> </ul>
IA_15_732	Chief Operating Officer, LU	COO Supplier Change Control	23/10/2015 RI	To provide assurance that LU has a robust and effective change control system in place, to ensure LU is not vulnerable to material or component change by internal and external suppliers.	N/A	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>Suppliers were found to be notified in the contracts (Purchase Order LUL Conditions of Contract and Framework Agreement) of the requirements that must be met before any changes in materials or components that can affect LU assets can be carried out.</li> <li>Suppliers with small size contracts at REW were shown to inform LU of the intended change in material, and seek approval before commencing with the change.</li> </ul>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> <li>The Signalling Engineering Design team do inform staff and end users about changes in material and disposal of old materials, with revised work instructions and bulletins where appropriate.</li> <li>Suppliers with big and small size contracts were found to inform LU prior to change of ownership and significant organisational change that may impact on the contractual relationship.</li> </ul> <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> <li>There was no evidence or record of set criteria to trigger the re-evaluation of suppliers that consistently supply below standard product or are not performing to the required standard (TfL Contract Management Handbook –H061)</li> <li>Revisions were made to two components (E21005/1 and E21006/1) in the Automatic Train Operation Controller by Siemens Rail, without informing LU in advance of the change. This does not meet the requirement in the Assurance Standard (S1538: 3.1.4).</li> </ul> <p>Priority 2 issues:</p> <ul style="list-style-type: none"> <li>There was no evidence of regulatory requirements, technical or safety standards forwarded to suppliers of 'small size contracts' to inform them of TfL requirements, with regards to changes to supplied equipment and components. This could lead to TfL requirements not being met, and resulting in safety and reliability issues.</li> <li>There was no evidence of performance measurement carried out on Siemens Rail Automation Ltd, based on the quality of product delivered, on time delivery of product, overdue purchase orders and criticality of not having the product when required.</li> <li>There was no evidence of what features/characteristics (specification) should be checked in the 'First Article' inspection of supplied goods, and what to do with the inspected article.</li> <li>There were no specified sample sizes for determining 'sample count' of delivered goods. Therefore consistent and uniform 'sample count' cannot be applied to all the supplied goods – either quantitatively or qualitatively.</li> </ul>
IA_15_785	Director of Commercial	LS Precision (UK) Ltd (Supplier Assurance)	20/11/2015 RI	To provide assurance to London Underground (LU) that LS Precision has an effective quality management system in place to ensure the adequate control of business processes in relation to the manufacturing and provision of safety critical	N/A	<p>All the scope areas were examined during the audit.</p> <p>Good Practice:</p> <ul style="list-style-type: none"> <li>The organisation operates a capable batch identification and traceability process.</li> </ul> <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> <li>At the time of the audit there was no evidence that the organisation holds the required level of Employers' Liability and Product insurance cover.</li> </ul>

Status Key

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RI Requires improvement

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				and machined components to LU.		<p>Priority 2 Issues:</p> <ul style="list-style-type: none"> <li>No formal production planning or capacity planning arrangements were in place to confirm that customer requirements in terms of production capability can be met.</li> <li>Purchasing information provided to suppliers is not aligned to customer requirements. No 'Required by Date' for delivery is specified on orders.</li> <li>Processes in place for the calibration of equipment do not comply with the requirements of ISO 9001:2008.</li> <li>Procedures in place for the selection and management of the supply chain were not shown to be effectively implemented.</li> <li>The management of corrective and preventive action does not meet the requirements of ISO 9001:2008. Corrective action taken to address 4 non-conformities raised during the external audit was not shown to have been recorded.</li> <li>Records from the Management Review process do not effectively demonstrate the continuing suitability and adequacy of the quality management system.</li> <li>No documented procedures are in place for the 'Control of Documents &amp; Records' and 'Internal Audit'.</li> </ul>
IA_15_719	Director of London Overground	London Overground (ELR-CR) Adverse Weather Preparedness	23/10/2015 AC	To provide assurance that the risk of London Overground East London Rail Core Route (ELR-CR) infrastructure and operations not being fit for use as a result of adverse weather (winter, leaf fall and flooding) is mitigated	N/A	<p>All the scope areas were examined during the audit. The areas sampled included infrastructure, operations, New Cross Gate Depot / Silwood Stabling Facility, fleet and the Fault Reporting Centre.</p> <p>Areas of Effective Control (With the exception of those areas shown under priority 2 and 3 issues):</p> <ul style="list-style-type: none"> <li>Adverse weather arrangements are in place and being managed.</li> <li>Pre-winter briefings have taken place or are scheduled.</li> <li>Adverse weather specific competences are being managed.</li> <li>Adverse weather preparations have taken place or are ongoing.</li> <li>The availability and replenishment of adverse weather materials and equipment is being managed.</li> </ul> <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> <li>An adverse weather risk review could not be evidenced to ensure that all risks arising from adverse weather have been identified and mitigations put in place.</li> <li>The Infrastructure Maintenance Contractor's (IMC's) competence matrix did not include the use of all adverse weather equipment.</li> <li>The Winter Working Arrangements meeting, held during the autumn with key stakeholders, has not been scheduled for 2015 and did not take place in 2014.</li> <li>The vegetation survey, to be completed by the IMC in July each year, could not be evidenced.</li> <li>The IMC did not provide assurance of their adverse weather</li> </ul>

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						<p>preparedness.</p> <ul style="list-style-type: none"> <li>Supplies of adverse weather specific equipment held in New Cross Gate Depot stores was not being monitored.</li> </ul>
IA_15_729	Chief Operating Officer, LU	BCV Track Maintenance	20/11/2015 AC	To assess compliance with LU Track Category 1 standards to give confidence that specific technical requirements are controlled to mitigate service disruption and safety risks.	N/A	<p>Good Practice:</p> <ul style="list-style-type: none"> <li>To ensure Written Notice LU-WN-01292 is followed Central line have copied table 1 from the Written Notice onto the front page of F0129, although this should go through the appropriate change process.</li> </ul> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>Temporary Approved Non-Compliance (TANC) training and licensing</li> <li>TANC Accountable Managers' responsibilities were understood</li> <li>The number of TANCs at the time of audit were Central nil, Victoria 76, Bakerloo 48. The process for approving these TANCs was followed and a process exists to seek approval from the Maintenance Assurance Engineer beyond 28 days</li> <li>Switch maintenance management has been successfully transferred to MIS</li> <li>Annual risk assessment for PM1 and PM4 inspections are completed by all lines</li> </ul> <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> <li>There is no independent quality check on the work of NRL (contractor). The completed work is checked by the contractor who performed the work. There are no follow up checks by MIS staff with knowledge and understanding of the hand grinding process.</li> </ul> <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> <li>TANCs on Bakerloo and Victoria lines state mitigation of patrolled "three times per week", instead of maximum duration between inspections of 72 hours</li> <li>Work Instruction W0128 requires revising in respect of closure of TANCs</li> <li>Switch Inspection and Hand Grinding Record forms were incomplete and out of date versions used</li> <li>The departure of a manager in MIS had left a number of documents inaccessible</li> </ul>
<p><b>TfL Strategic Risk: Major Catastrophic Incident</b></p> <p><b>R&amp;U Strategic Risk: Inadequate Operational Performance/ Catastrophic Event</b></p>						
IA_15_765	Director of Safety	Control of Hand Arm Vibration Risks in TfL	23/10/2015 RI	To assess TFL management	N/A	Pockets of compliance and good practice were found. However, a number of issues need addressing to ensure consistent compliance

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				arrangements in relation to TfL employees' risk of exposure to Hand Arm Vibration (HAV).		<p>with the HAV Regulations.</p> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>Overall awareness of HAV symptoms and when employees should be referred for health surveillance to Occupational Health was good.</li> <li>The maintenance regime/schedule is effectively monitored and maintained by Plant services to prevent unnecessary increases in vibration exposures.</li> <li>Examples were seen of the Hierarchy of Controls being implemented and risk being removed or mitigated at source through procurement decisions</li> </ul> <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> <li>HAV risk assessments were not completed in two of the seven areas sampled as required by the Management System and to ensure compliance with Regulation 5 of the HAV Regulations</li> <li>Copies of HAV risk assessments are commonly not sent to Occupational Health to enable Occupational Health to support control of risks</li> <li>The arrangements for Health Surveillance under Regulation 7 of the HAV Regulations are not included in the Management System. Assurance could not be provided that health questionnaires are sent to relevant employees</li> </ul> <p>Priority 2:</p> <ul style="list-style-type: none"> <li>A complete register of where HAV is a risk would enable Occupational Health to support the business better in controlling HAV risks</li> <li>Other requirements for assessors to have a briefing from a topic expert are not implemented</li> <li>In one of the areas sampled, training for employees using heavy tools with a HAV risk could not be evidenced</li> </ul>
IA_15_740	Chief Operating Officer, LU	HSE Management in District Line	23/10/2015 AC	To provide assurance regarding compliance with HSE legislation and that TfL/LU HSE Management System requirements were being followed and were working effectively.	N/A	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>Workplace Risk Assessments were undertaken and reviewed</li> <li>Competence, including safety critical licensing was managed and monitored</li> <li>Evacuation Safety briefings were provided to the auditor on arrival at stations</li> <li>First Aid provision arrangements have been assessed at all locations</li> <li>Periodic medicals were planned and attended at the required intervals</li> <li>Staff hours were monitored and changes recorded</li> <li>Suitable processes were in place for managing staff and tenants</li> </ul>

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						<p>familiarisation</p> <ul style="list-style-type: none"> <li>• Current Station Security Programmes were available and adequate checks were completed</li> <li>• Pro-active monitoring programmes were undertaken, findings reported and remedial actions implemented</li> <li>• Fire call point testing was completed across the area sampled and meet requirements</li> <li>• A Line Speed Checks Risk Assessment was evidenced and speed checks are completed as required.</li> <li>• Incident trends were monitored and individual incidents investigated</li> </ul> <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> <li>• Display Screen Equipment (DSE) training and assessments were not completed for all users</li> </ul> <p>Priority 2 or 3 Issues:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities for the new Area Managers are clear and defined but the handover check list was not evidenced</li> <li>• There were no records that night worker health questionnaires were issued</li> <li>• There was a lack of awareness to use the new Working Exceedance Authority forms when working hours are exceeded.</li> </ul>
IA_15_744	Chief Operating Officer, LU	HSE Management in LU Direct Labour Organisation (DLO)	06/11/2015 AC	To provide assurance regarding compliance with HSE legislation and that TfL HSE Management System requirements were being followed and were working effectively.	N/A	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>• Risk Assessments (RAs) were undertaken for all activities by a competent assessor and have been kept updated.</li> <li>• Site visits found that key risks such as working at height, confined spaces, electricity and driving were controlled adequately and in line with Work Instructions</li> <li>• Elements of fitness such as monitoring working hours and medicals were managed adequately</li> </ul> <p>Priority 2 Issues:</p> <ul style="list-style-type: none"> <li>• Opportunities to strengthen RAs include ensuring controls listed reflect those in Work Instructions and not just lower level controls such as PPE and training, correcting errors in risk calculations and improving communication by updating Induction Packs</li> <li>• Where employees have a health condition the appropriate Management System form is not used to record the review of the risk assessments and any action agreed</li> <li>• Pro-active Monitoring: Safety Tours were completed by managers rather than Senior Managers; the programme of System Checks did not include all the required elements</li> <li>• Communications: HSE Notice Boards were not suitably</li> </ul>

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						<p>managed; some of the alternative HSE reporting arrangements available have not been communicated</p> <ul style="list-style-type: none"> <li>• Fitness for Duty: managers were not aware of the arrangements within TfL Management System on managing fatigue and there were no records that night worker health questionnaires were issued</li> </ul>
IA_15_762	Director of Capital Programmes	Drugs and Alcohol Policy in London Underground	06/11/2015 AC	To assess London Underground's arrangements for compliance with duty of 'due diligence' under the Transport at Works Act 1992.	N/A	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>• Overall awareness of Drugs and Alcohol policy requirements was good</li> <li>• The induction and training process includes LU policy requirements and is effectively monitored and maintained</li> <li>• Adequate commercial arrangements with suppliers for communication of policy requirements and assurance</li> <li>• The contract in place with a supplier for undertaking D&amp;A testing includes response times and this is monitored.</li> <li>• Annual unannounced testing requirement (minimum 5%) of Safety critical staff is maintained as per standard</li> <li>• Arrangements for 'For Cause' testing are understood by managers sampled and implemented consistently</li> </ul> <p>Priority 2 Issue:</p> <ul style="list-style-type: none"> <li>• The National Rail policy on testing after a dangerous incident is to do so where the individual may have contributed to the incident <u>and</u> there is suspicion of use via observed conduct, behaviour or physical signs. The LU Policy is to test individuals involved in a defined dangerous incident regardless of suspicion of use. An investigation into an incident in 2012 highlighted the potential risk caused to the operational railway from standing down and D&amp;A testing operational staff but did not highlight the greater flexibility applied on National Rail</li> </ul> <p>Priority 3 issues:</p> <ul style="list-style-type: none"> <li>• Guidance G1241 – Minimum percentage (6%) for unannounced testing does not align with the 5% referenced in the LU Standard. The guidance is long (79 pages) has typographical errors and has not been reviewed since 2009. There is potential to make it more user friendly.</li> </ul>
IA_15_758	Chief Operating Officer, LU	Control of Manual Handling	09/11/2015 AC	To examine the effectiveness of the embedment of the HSE requirements of the TfL Management System to ensure health and safety risks arising from manual handling activities are	N/A	<p>Good Practice:</p> <ul style="list-style-type: none"> <li>• Manual Handling posters and reminders were seen in various notice boards and worksite locations around the business</li> <li>• A number of innovative manual handling aids are currently being trialled across TfL.</li> </ul> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>• Overall awareness of Manual Handling Risk Assessments and</li> </ul>

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				controlled		<p>when they should be implemented was evident.</p> <ul style="list-style-type: none"> <li>The surveillance of manual handling activity is effectively monitored and maintained by the Management Teams.</li> <li>Examples were seen of the hierarchy of controls being implemented and risk being removed or mitigated at source through workplace and manual handling risk assessments and the use of various manual handling aids in all areas.</li> </ul> <p>Priority 2 issues:</p> <ul style="list-style-type: none"> <li>Many areas sampled were unaware of the 'Working at TfL' intranet page where the manual handling processes and assessment forms are stored.</li> <li>The Trams Fleet Maintenance Team currently do not have manual handling risk assessments in place, although all Trams Fleet Maintenance staff are currently attending manual handling training to mitigate the risk.</li> </ul> <p>Priority 3 issues</p> <ul style="list-style-type: none"> <li>Some areas of London Underground are not using the WoCRA system for workplace risk assessments, however, the workplace and manual handling risk assessments sampled were compliant with the regulations.</li> <li>WoCRA is only mandatory for London Underground, the TfL manual handling form (F0126) requires a WoCRA number to link the workplace risk assessment to the manual handling risk assessment.</li> <li>The London Underground areas sampled were unaware of the need to send manual handling risk assessment to the HSE Team as stated in the Working at TfL procedure and guidance document.</li> </ul>
IA_15_772	Chief Operating Officer, LU	LU Availability of Competence Records	27/11/2015 WC	To provide assurance that competence records can be provided within one hour as required by The Railways and Other Guided Transport Systems (Safety) Regulations 2006.	N/A	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>With the exception of one area, fleet and track depots sampled could provide competency records for randomly selected employees within one hour</li> <li>Databases of employee competence are updated daily by the administrators and are password protected. These are held on shared drives so they can be accessed by the manager on duty</li> </ul> <p>Priority 3 issue:</p> <ul style="list-style-type: none"> <li>Bakerloo and Victoria line track managers were unable to view employee records for employees who do not report directly to them. This was addressed during the audit</li> </ul>
IA_15_764	Director of Capital Programmes	Use of Site Persons in Charge in Providing Protection in LU	07/12/2015 AC	To provide assurance that following the change to Site Persons in Charge	N/A	Evidence was available that planning and management is largely being undertaken and recorded in accordance with LU Category 1 Standards and Rule Books.

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				(SPC) providing protection services, risks remain adequately controlled.		<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>The transitional risks assessment and action plan is defined, updated and adhered to ensuring that risks are mitigated and arrangements clear. There are defined ownership and accountabilities for the risks and mitigations and stakeholders were identified, consulted and communicated with throughout the change process</li> <li>There is a defined change control process for protection activities that is largely adhered to</li> <li>Competence, roles and responsibilities are clear, understood and largely implemented</li> <li>Replacement of the track safety/protection courses with modularised, activity based training has been implemented (eg new learning information booklet and Assessor’s Guidance Handbook)</li> </ul> <p>Priority 2 issues:</p> <ul style="list-style-type: none"> <li>LU ‘framework’ suppliers are still assigned at short notice to undertake the duties of SPC (mainly surveys, inspections etc) without the knowledge and technical skills required for the work assured through the completion of TSW 035 declaration of competence by the SPC Employing Manager.</li> <li>The provision and use of the approved TSW035 for SPCs was not found to be effectively communicated and sometimes not complied with.</li> <li>Safety Critical Site Inspections by Protection Assurance Managers (PAMs) are undertaken ad-hoc, but have no scheduled programme or defined frequency target. Other protection activities are not included as part of the inspection process.</li> <li>The mandatory quarterly protection booking requirement for protection staff to ensure they remain practiced is not enforced</li> </ul>

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**INTERNAL AUDIT CUSTOMER FEEDBACK FORM  
SUMMARY OF RESPONSES FOR 2015/16  
Quarter 3**

We send a customer feedback form to our principal auditee at the conclusion of each audit. This table sets out the questions asked and the responses, including a selection of the freeform comments that we have received.

**Customer Feedback Forms Sent: Q3 = 48 (Q2=30)**

**Customer Feedback Forms Returned: Q2 = 22 (Q2 = 15)**

ASSIGNMENT ASSESSMENT CRITERIA	No score given		Very poor		Poor		Satisfactory		Good		Very good		Average Score	
	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2
<b>PLANNING AND TIMING</b>													<b>4.2</b>	<b>4.4</b>
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	0	3	1	10	6	9	8	4.3	4.5
The assignment was completed and the report issued within appropriate timescales	0	0	0	1	1	0	3	2	11	3	7	9	4.1	4.3
<b>COMMUNICATION</b>													<b>4.0</b>	<b>4.3</b>
Communication prior to the assignment was appropriate, including the dates and objectives	0	0	0	0	1	0	3	1	11	7	7	7	4.1	4.4
Throughout the assignment I was informed of the work's progress and emerging findings	0	0	0	0	2	1	3	1	10	8	7	5	4.0	4.1
<b>CONDUCT</b>													<b>4.1</b>	<b>4.3</b>
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	0	2	1	4	1	8	7	8	5	4.0	4.1
The Internal Audit team acted in a constructive, professional and positive manner	0	0	0	0	1	1	1	0	12	6	8	8	4.2	4.4
<b>RELEVANT AND USEFUL ADVICE AND ASSURANCE</b>													<b>4.2</b>	<b>4.1</b>
A fair summary of assignment findings was presented in the report	0	0	0	0	0	2	3	1	12	6	7	5	4.2	4.0
Assignment recommendations were constructive, practical and cost-effective	0	0	0	0	1	1	4	2	9	7	8	5	4.1	4.1
My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	0	0	0	0	1	1	1	1	12	5	8	7	4.2	4.3
<b>Overall assessment</b>													<b>4.1</b>	<b>4.3</b>

**Other comments including suggested improvements and areas of good performance:**

"The audit team were professional at all times and were friendly and engaging."

"There was confusion as the audit was against a policy that was in the process of being phased out and the audit had areas that were out of the control of the auditee that caused concerns."

"I found the auditor to be extremely professional and very open and communicative at all times."

"A couple of items weren't followed through completely, but this was largely due to lack of assistance from the auditees and their unpreparedness in many cases"

"The auditor had taken time to review the requirements prior to our meeting and was able to demonstrate a good understanding and the reason for the audit."

"Good response to my feedback on initial findings which led to a well balanced final report that focussed on key issues."

"It's obviously a very technical area but the approach taken by the auditors ensured that the essential elements particularly around the processes were well understood and consequently the recommendations were fair and useful."

"We were able to supplement the audit team by including one of our experts in the field of audit topic."

"Very good engagement from the auditor, explaining clearly what she was doing and how she was progressing; [the team] showed good understanding of the logic behind working under legal privilege."

"The audit team adopted a sensible and collaborative approach to the timing of the audit such that its value, relative to the delivery schedule, was optimised."

"The consistent impression given was that the audit team were acting to improve the scheme, rather than find fault."

"The review was not beneficial to my team and provided no real learnings or practical suggestions for future. It took up a lot of my team's time."