

Date: 10 December 2015

Item: Key Findings from Internal Audit Reports

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to inform the Panel about Internal Audit Reports related to Safety, Accessibility and Sustainability issued during quarter 2.

2 Recommendation

- 2.1 **The Committee is asked to note this paper.**

3 Background

- 3.1 Appendix 1 provides a summary of the Health, Safety and Environment (HSE) and Technical (HSE&T) audit reports issued during quarter 2. On completion of each HSE&T audit, an audit report is issued to the 'Client' within the business who commissioned the work and copied to other relevant staff involved in the audit. Where corrective actions or improvement actions are agreed to address issues identified by the audit, these are tracked by the audit team, including review of supporting evidence, in order to confirm that the issues have been properly addressed.
- 3.2 Currently there are 139 open HSE&T actions, of which nine are overdue, although none by more than 60 days. The overdue actions do not give any grounds for concern. If a Rail and Underground audit action does go overdue, it is reported to the Value Programme Board (VPB), and the manager responsible for the action is required to attend the VPB to explain what is being done to get the action back on track. A similar process is in place for reporting to the Surface Transport Board. These reports ensure an appropriate focus by senior management on the completion of audit actions.

Embedded assurance

- 3.3 In addition to HSE&T 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 in March, and work done during quarter 1 is summarised below.

3.4 Surface Transport – 19 audits were completed in quarter 2, as follows:

- (a) 13 audits 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.
- (b) Two management system audits within Dial-a-Ride.
- (c) Four contactor audits on suppliers to Taxi & Private Hire, and London River Services.

3.5 Rail and Underground – Eight audits were completed in quarter 2, as follows:

- (a) seven quality audits to support the World Class Capacity, Legacy Train, L&E and NLE delivery portfolios in LU CPD;
- (b) one quality audit of the Pullman Rail – Piccadilly line Bogie Replacement project; and
- (c) one risk management and supplier performance audit of TWIFLEX Braking Systems for Stations Infrastructure.

3.6 There were no significant issues identified from these audits.

List of appendices to this report:

Appendix 1: HSE&T Reports Issued in quarter 2 2015/16

List of Background Papers:

None

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Finals
WC= Well Controlled
AC= Adequately Controlled
RI= Requires Improvement
PC= Poorly Controlled

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
Rail and Underground				
Disruption to quality of service				
IA_14_761	Lifts and Escalators (L&E) Maintenance	06/07/2015 RI	To provide assurance that the overall maintenance plan is delivered and to ensure that appropriate inspection and maintenance regimes are produced and implemented across LU in accordance with the Management System requirements.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • There is a frequency based inspection regime in place that ensures statutory requirements are met • Each asset is maintained by a contractor and recorded in the asset database • The maintenance schedule is effectively monitored through various management tools • The delivery and quality of the maintenance undertaken by contractors is assured through meetings, reports and on site checks • Defects are appropriately addressed and risk based decisions are made regarding keeping assets in service <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> • There was no Maintenance Assurance Plan (MAP), which is a requirement of LU Category 1 standards for the assurance of the Lifts and Escalators. Work has commenced on producing this • An issuing, reporting and recording process for defects was not consistently used in JNP. A process is being put in place. <p>Priority 2 issues:</p> <ul style="list-style-type: none"> • Work is in progress to align all management system documentation across L&E to reflect the current joint working practices and recent changes. • Results of independent review of maintenance activities undertaken in JNP are not incorporated into Asset Performance Report (APR) or submitted to others for assurance as required. • A programme of Quality Assurance checks is not currently undertaken in BCV and SSL. • Annual maintenance certificates are not completed and submitted as part of the asset assurance process in JNP. • Maintenance managers or representatives do not regularly attend mandatory weekly review meetings to discuss concessions, mitigations and addressing all the overdue defects in BCV/SSL.
IA_15_718	Supplier Management of Railborne on Track Plant and on Track Machinery	13/08/2015 RI	To provide assurance that suppliers of 'On Track Plant' (OTP) and 'On Track Machinery' (OTM) were	<p>This audit found that suppliers are maintaining their equipment effectively based on their Maintenance Plans compliant with LU Standard S1171.</p> <p>Priority 1 Issues:</p>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
			<p>complying with the relevant LU Standards specifically in regards to equipment maintenance and engineering change control processes.</p>	<ul style="list-style-type: none"> • None of the suppliers were aware of the LU requirement that changes to engineering and maintenance plans require approval by the LU Plant team prior to implementation. • Supplier Torrent Trainside did not produce evidence of holding a valid Rolling Stock (RS) Certificate of Technical Conformance (CTC) for track trolleys for use within the LU network. • Supplier Readypower was not meeting its planned maintenance schedules and records showed there were cases of checks within their maintenance checklists that had not been undertaken. • Supplier Schweerbau did not provide maintenance records for its OTM at the time of the audit. <p>Priority 2 issues:</p> <ul style="list-style-type: none"> • Supplier Balfour Beatty had not incorporated its maintenance process description within its controlled Management System documentation. • Supplier Torrent Trainside did not provide its Management System document-controlled maintenance process description at the time of the audit. • The processes for managing supplier performance by the LU Plant team and subsequently for providing assurance to the Rolling Stock team have not been defined and incorporated within the TfL Management System.
IA_15_781	Supplier Audit of Siemens Rail Automation	7/9/2015 RI	<p>To provide assurance in relation to the manufacture and provision of equipment and components Siemens Rail Automation (SRA) provide to London Underground with regards to Signalling Systems and Points (Surelock).</p>	<p>Areas of effective control: The electronic system recently put into place by SRA provided a number of benefits with regard to the manufacturing and inspection / test activities. In particular:</p> <ul style="list-style-type: none"> • It allowed for quick and easy traceability of components and assemblies used in Surelock point machines. • It allowed manufacturing and inspection status of components and assemblies to be identified and did not allow activities to be undertaken where previous steps had not been completed. • Only authorised individuals were able to close out manufacturing or inspection activity within the manufacturing process. <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> • The requirement to record the calibration details of the various DAC detector cards on the equipment on the test record was not undertaken as required by SRA document ES0001 issue 10, section 6. The requirement to record the serial number of the test machine and motor used was also not met. • The tolerance limits with regards to time for the points to be thrown on the 2.75kN load test was detailed as '1 to 4 seconds' in the test specification, but the test machine had the tolerance set as '1 to 5 seconds'. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> • A review of the test specification made reference to document 'T13427 Point Mach', a copy of which was requested but was not able to be found within the SRA management system. • A review of outstanding items for calibration detailed two items with a due date of April 2014. The location of these items was not known. • There was no specific detailed requirements for a supplier to notify SRA with regards to changes to the specification or other attribute (including changes required by new legislation etc.) of the product being supplied.

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
IA_15_750	Night Tube Preparedness	31/07/2015 AC	To provide assurance that processes are in place to ensure the Change Assurance Plans and associated risk mitigations have been, or will be, implemented in preparation for Night Tube.	<p>The audit covered Track, Signalling and Fleet, and included a detailed review of four specific risks identified during the audit scoping process: Noise; Customer Complaints; Fleet Preparation; and Signalling Hardware and Software changes.</p> <p>Areas of Effective Control: (with the exceptions identified under Priority 2 issues).</p> <ul style="list-style-type: none"> • Night Tube Change Assurance Plans (CAPs) that meet the requirements of S1538 - Assurance have been developed for each of the areas sampled. • Risks have been identified, assessed and ownership defined. • Risk mitigations and ownership have been identified and are being effectively managed. • The four risks audited in further detail are being effectively managed. <p>Priority 2 issues:</p> <ul style="list-style-type: none"> • The assessment of risks, risk and mitigation ownership and the management of mitigations could not be evidenced for the Central and Victoria line fleets. • The status of approval, recruitment and training of the additional heads required for Fleet preparation could not be evidenced for the Central and Victoria line. <p>Priority 3 issues:</p> <ul style="list-style-type: none"> • Documents, including Line Readiness Risk Registers and Risk Assurance evidence, have not been loaded into the dedicated Night Tube Livelink community within the Capital Programmes Directorate. • The Master Risk Register has risks with no implementation dates and open risks where implementation dates have not been met.
Delivery of Capital Investment Portfolio				
IA_14_833	Quality Inspection Completion Certificate (QICC) requirements in London Underground	14/09/2015 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.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • Project Managers and Project Engineers were aware of the general principles of the QICC as detailed in the Standards • Assurance requirements are discussed and agreed early in the project • Assurance is undertaken to ensure detailed designs are implemented • Snag lists were maintained in accordance with the process • Operations & Maintenance manuals were being produced in preparation for handover, prior to project completion <p>Priority 1 Issue:</p> <ul style="list-style-type: none"> • It was found that clarification and improved understanding is required regarding the competence records required to be provided for safety critical roles. Some managers interviewed were not clear on the records that 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. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> • At Stations Engineering and Stations Delivery Projects in JNP, although auditees were aware of the Standards, there was a lack of understanding of the full QICC process • Some of the Power and Cooling Project Datapack documents were not completed as per QICC

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				(S1900) requirements <ul style="list-style-type: none"> 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
Major Catastrophic Incident				
IA_15_701	HSE Management in LU COO Signals (Central Line)	8/9/2015 RI	This audit was part of a rolling programme of HSE Management Audits aimed at providing assurance regarding compliance with HSE legislation and that TfL/LU HSE Management System requirements were being followed and were working effectively.	Areas of Effective Control <ul style="list-style-type: none"> The risk from working at height is managed in line with legislation and a number of additional controls have been implemented following reviews of controls Driving at work, Fitness for Duty, Waste Management and reactive and proactive monitoring are undertaken in line with the Management System Priority 1 Issues: <ul style="list-style-type: none"> Site specific assessments had been undertaken but only as a desk top exercise and required site visits to confirm and validate those identified risks and controls. 30% of manual handling assessments had not been undertaken where risk assessments had identified the risk as being a high or medium risk. The control measures in place at present to meet the requirement of the Electricity at Work Regulations with regards contact with hazardous exposed conductors (greater than 50V ac) were potentially insufficient as it could be argued it is reasonably practicable for the conductors to be fitted with a cover in line with the Hierarchy of Controls. Priority 2 and 3 issues: <ul style="list-style-type: none"> It was not possible to locate the Workplace Risk Assessment for confined spaces. The managers seen during the audit were not aware of the recently published requirements within the TfL Management System for fatigue management including the training available. COSHH information was available but not in a user friendly or easily available format for the signal technicians to access. PGIs were undertaken as part of the SMQC process with the results being recorded on form F0355 and not F2713 as detailed by the Management System.
IA_15_702	HSE Management in LU COO Signals (SSL North)	8/9/2015 RI	See Objective for IA 15 701 above	Areas of Effective Control <ul style="list-style-type: none"> There is adequate ownership and process in place to ensure general workplace risk assessments are undertaken and recorded The risk from working at height is managed in line with legislation and a number of additional controls have been implemented following reviews Driving at work, Waste Management, reactive monitoring and communication are undertaken in line with the Management System. Priority 1 Issues: <ul style="list-style-type: none"> Only a limited number of Site Specific risk assessments had been undertaken, and only as a desk top exercise. These require completing to confirm and validate identified risks and controls. 30% of manual handling assessments had not been undertaken where risk assessments had identified the risk as being a high or medium risk. The control measures in place at present to meet the requirement of the Electricity at Work Regulations with regards contact with hazardous exposed conductors (greater than 50V ac) were potentially

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				<p>insufficient as it could be argued it is reasonably practicable for the conductors to be fitted with a cover in line with the Hierarchy of Controls.</p> <p>Priority 2 issues:</p> <ul style="list-style-type: none"> • Whilst there was evidence that managers do visit work parties to engage with staff, Safety Tours and System Checks are not planned or recorded • There were no records available to demonstrate that night worker questionnaires had been issued and signed for by individuals. • No evidence was available to demonstrate that excessive hours monitoring was undertaken. • Managers were not aware of the recently published requirements within the TfL Management System for fatigue management including the training available.
Surface Transport				
Major / Catastrophic Incident				
IA_15_777	Health and Safety Evaluation during Procurement in Surface Transport	18/9/2015 RI	To provide assurance that contractors are assessed for their safety competence and processes in a consistent manner and proportionate to the risks involved.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • Health and Safety criteria and weighting used to evaluate suppliers at Pre Qualification Questionnaire (PQQ) and Invitation to Tender (ITT) stages were found proportionate to the risk • Criteria were formally communicated to all potential bidders • Health and Safety criteria were objectively evaluated with outcomes recorded and justified <p>Priority 1 issue:</p> <ul style="list-style-type: none"> • There is no standard process or guidance in the Commercial Tool Kit to aid Health and Safety (H&S) stakeholders' identification and consultation. Examples were found where HSE input had not been sought <p>Priority 2 issues:</p> <ul style="list-style-type: none"> • There is no Risk Matrix tool available to assess suppliers' risks pre and post contract award. There is a process used in R&U • It is not recognised that low commercial value contracts can have significant H&S issues that need to be evaluated and mitigated.
IA_15_774	Buses Directorate, Health and Safety Management	31/07/2015 AC	To examine the effectiveness of the embedment of the health and safety requirements of the TfL Management System and Surface Transport procedures to ensure that the health and safety risks arising from activities are effectively controlled.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • Workplace risk assessments have been carried out for activities in Bus Operations. Documentation and the review of assessments are well controlled. • Arrangements for the communication of risk assessments are effective. • Control measures from risk assessments are being implemented in practice and there is consistency across the three regions. • Senior Manager HSE Tours are programmed and are being carried out to schedule. • The arrangements for managing the TfL approved driver status process are effective. • Pre-appointment checks of Technical Services Group (TSG) contractors' competency has been carried out and contractors have provided the necessary documentation to demonstrate how they manage health and safety.

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				<p>Good Practice:</p> <ul style="list-style-type: none"> Regular managers' checks, which monitor the implementation of a number of the control measures listed within risk assessments, have been implemented in the South region and are due to be rolled out across all other areas. Regional Operations Managers champion specific staff job roles. This helps ensure consistency of risk control measures and allows good practices to be shared across all three areas. <p>Priority 1 issues:</p> <ul style="list-style-type: none"> Manual handling risk assessments have not been undertaken. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> There is no formal process for tracking actions resulting from role specific risk assessments or planned general inspections (PGIs). The requirement to have a safe system of work in place for working at height is not being fully met. Ladder inspections are inconsistent across all three regions. Updated risk assessments and method statements provided by contractors are not consistently being reviewed by TSG. There are no formal arrangements in place for programming or recording visits/inspections undertaken by TSG A sample of incidents showed there is non-compliance with the requirements of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) to report 'over 7 day absence' incidents within 15 days.
IA_15_775	Victoria Coach Station (VCS) Health Safety and Environment Management	18/08/2015 AC	To examine the effectiveness of the embedment of the HSE requirements of the TfL Management System and Surface Transport procedures to ensure that the health and safety risks arising from activities are controlled effectively.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> Workplace risk assessments have been carried out for activities in VCS. Documentation and the review of assessments are well controlled. Arrangements for the communication of risk assessments are effective. Senior Manager HSE Tours are programmed and undertaken to schedule. Planned General Inspections are completed as planned and actions tracked Hazardous substances are risk assessed and stored in suitable conditions Incidents are reported and recorded on IRIS. Reports are run and analysed. <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> Manual handling risk assessments have not been undertaken to ensure the risk is controlled in accordance with the Manual Handling Regulations. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> Workplace and Fire Risk assessments did not have an action plan for actions arising from the assessment The maintenance team respond to faults they did not maintain a log of faults reported for corrective maintenance unplanned work completed There were no drip trays where hazardous substances were stored.