Audit and Assurance Committee

Date: **11 October 2017**

Item: **Internal Audit Quarter 1 Report 2017/18**

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 Quarter 1 of 2017/18, the work in progress at the end of Quarter 1, the work planned for Quarter 2 and the status of agreed audit actions.

1.2 The report also includes (see section 5 and Appendix 6) a revised Integrated Assurance Plan for the remainder of 2017/18.

2 Recommendation

2.1 **The Committee is asked to note the report and approve the revised Integrated Assurance Plan for the remainder of 2017/18.**

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 table below shows the number of Internal Audit Reports, Health, Safety and Environment (HSE) and Technical audit reports and other outputs, including advisory/ consultancy reports and memorandums, issued during Quarter 1, together with comparative figures for 2016/17.

	Internal Audit Reports WC – well controlled AC – adequately controlled RI – requires improvement PC – poorly controlled					**HSE and Technical Audit Reports**					**Other Outputs (Advisory Reports/ Memos)**	
	WC	**AC**	**RI**	**PC**	**Total**	**WC**	**AC**	**RI**	**PC**	**Total**		**Total**
Quarter 1	5	3	10	0	18	2	22	3	1	28	7	53
Quarter 1 2016/17	3	6	8	1	18	3	21	12	1	37	7	62

4.2 A list of all the audit reports and other outputs issued during Quarter 1 can be found in Appendix 1. Where applicable, management actions have been agreed to address the issues raised and are being taken forward. The appendix shows the date by which the last management action is due to be completed or confirms that the audit has been closed as at the date of this report.

Third Line Assurance Activity – Internal Audit

4.3 None of the internal audit reports issued during Quarter 1 were concluded as 'poorly controlled'.

4.4 Notable reports issued during Quarter 1 were as follows:

(a) Procurement and Management of Professional Advisers in Commercial Development (Internal Audit Report issued 10 April 2017 – Requires Improvement) – The audit highlighted a number of areas where documentation in relation to procurement of professional advisers needed to be improved. In particular, there were weaknesses in the documentation of tender evaluations and of single-sourcing decisions. The audit also found a number of instances where contracts had not been signed in advance of professional advisers starting work;

(b) *Commercial Development – Management of the Property Partnerships Programme (Internal Audit Report issued 13 April 2017 – Requires Improvement*) – The audit found some areas of good practice, particularly in relation to stakeholder management. However, a number of areas were identified where governance arrangements and controls could be strengthened. The most significant of these was that there is a need for a documented Investment Strategy to set out the decision-making criteria and demonstrate there is a consistent and justifiable approach to site selection and prioritisation;

(c) *Investment Appraisal in Commercial Development (Internal Audit Report issued 27 April 2017 – Requires Improvement)* – The audit reviewed the processes applied by Commercial Development to appraise potential investment opportunities and decide which ones to prioritise and take forward. The audit highlighted that there is no documented Investment Strategy (see also the audit of the Property Partnerships Programme above) and noted other areas where the investment appraisal methodology could be improved;

(d) *Movers and Leavers Processes (Internal Audit Report issued 5 May 2017 – Requires Improvement)* – The audit found that controls had improved since the previous audit in this area in 2015. However, there were still a number of issues remaining, in particular in relation to ensuring that building passes are returned by leavers, and recovery, or reassignment, of IT assets held by movers/leavers; and

(e) *Payment Card Industry Data Security Standard (PCI DSS) Compliance – audits in London Transport Museum and DLR (Interim Audit Reports issued 31 May 2017 – Requires Improvement*) – Both audits found there was a lack of clear accountability within the business area for PCI DSS compliance, and that the risks associated with PCI DSS were not being identified and monitored through the risk management process.

4.5 Work in progress at the end of Quarter 1 is shown in Appendix 2 and work due to start in Quarter 2 is shown in Appendix 3.

Second Line Assurance Activity – HSE and Technical audits

4.6 One of the HSE and Technical audit reports issued during Quarter 1 was concluded as 'poorly controlled'. The audit of Inspection of Earth Structures identified issues with the resources being applied to completion of inspections of earth structures, both with regards to numbers of inspectors available to deliver the work and their qualifications. The required written inspection reports were not consistently being prepared and reviewed. Action is underway to address the issues raised, including recruitment of suitably qualified inspectors.

4.7 The majority of the remaining audit reports issued during Quarter 1 were concluded either as 'well controlled' or 'adequately controlled', with just three concluded as 'requires improvement'. There were no particular trends identified by this work.

4.8 One of the audits concluded as requires improvement reviewed supplier assurance arrangements within LU in respect of contracts for maintenance, operational parts and services. This found inconsistency in arrangements for monitoring contract performance, which were not always in accordance with the Commercial Toolkit. Action to address this is in progress.

Second Line Assurance Activity – Project Assurance

4.9 The TfL Project Assurance team carries out Integrated Assurance Reviews (IARs) of projects and programmes in the Investment Programme. Projects are selected for review following a risk-based assessment, in order to enable the optimum assurance intervention to be planned. 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 Authority request at the operating business boards with the operating Managing Director in attendance. Issues arising from the reviews are presented to the operating boards with agreed actions, owners and timescales. The reports are also forwarded to the Chief Finance Officer.

4.10 In Quarter 1, 21 IARs were conducted, with IIPAG providing oversight and guidance on 10 reviews, including three sub-programme reviews, which are summarised below. None of the sub-programme reviews identified any critical issues.

London Underground Infrastructure Renewals

4.11 The Infrastructure Renewals Sub Programme covers the ongoing renewals of lifts, escalators, power and ventilation assets. Low carbon initiatives are also being developed. The IIPAG and TfL Project Assurance reviews found that the

component projects had benefited from a common sponsorship team being in place before the sub programme was formally established. The knowledge of asset conditions is uniformly good, enabling the work to be prioritised effectively. Some significant efficiencies have been made, including reducing escalator refurbishment times from 16 to 14 weeks and further reductions are being pursued. There were a total of twelve recommendations, the most significant of which were to ensure that the internal labour resources for lift and escalator works are planned to dovetail clearly with the existing external contracts while they are still in place; with a clear strategy for when each contract ends. A cost-loaded programme is also essential.

London Underground Stations Sub Programme

4.12 The sub programme will provide capacity and accessibility improvements at critical stations, including Camden, Holborn and Elephant and Castle. In addition, the Accessibility Programme will convert 30 stations, in tandem with developer funding where possible. The sub programme is well established, with good leadership and a consistent narrative across the component projects but the governance is through two Programme Boards and should be clarified. A key issue is that the budget and target schedule for the 30 stations in the Accessibility Programme is very challenging. The team is developing cost reduction measures, including simplified lift specifications, modular designs, ramps and other options. There were a total of 13 recommendations, including establishing a clear prioritisation process, a robust cost baseline to track the savings against, and a set of key project milestones across the sub programme.

London Underground World Class Capacity

4.13 The sub programme will deliver peak service improvements on the Victoria, Jubilee and Northern lines. A new timetable was introduced on the Victoria line in May 2017, providing 36 trains per hour in the 90-minute morning and evening peaks. The plans to complete the Jubilee line improvements by 2020 and the Northern line improvement by 2023 are comprehensive and thorough. Cost challenges have produced savings from the reduction of cooling and power scope. There were nine recommendations, including ensuring that the cost savings are clearly categorised to inform the remainder of the programme. Similarly, the lessons from the Victoria line project should be clearly captured and translated to the Jubilee and Northern line projects.

Other significant reviews

4.14 Three of the reviews carried out during Quarter 1 identified critical issues, as follows:

(a) *Structures and Tunnels Investment Programme in Surface (STIP1)* – this was reviewed to assure additional requested Financial Authority and Programme and Project Authority. The programme covers four road-over-rail bridges, each with cost increases. The critical issue related to the final cost not being firm because the proposed contract variations to close out all outstanding issues had not been confirmed. TfL Project Assurance recommended that a further detailed review should be conducted before the contract variations were agreed. Three of the four contract variations have now been agreed, which TfL Project Assurance reviewed in advance. The fourth contract (Ardleigh Green Bridge) is still being negotiated, with oversight from Project Assurance.

(b) *Emissions Surcharge project* – this will introduce a charge for vehicles entering the Central Congestion Charging Zone that do not meet the Euro 4 emissions standards, by October 2017. There was one critical issue: when considered on a stand-alone basis the project's business case was not strong, based on very small reductions in NOx and particulate matter pollutants. It was acknowledged, however, that the business case is largely strategic, as it is linked to the forthcoming Ultra Low Emission Zone in 2019.

(c) *Emergency Services Network* – this is the TfL component of the national Home Office Emergency Services Mobile Communication Programme. It will replace the existing analogue Airwave system with 4G coverage across the London Underground network. The critical issues related to a need for greater clarity over the scope, and the challenging schedule and cost. Significant progress has been made since the review, including management changes, detailed planning and the funding agreement with the Home Office. A further review by Project Assurance and IIPAG is planned to complete in October.

Second Line Assurance Activity – Surface Transport Contract Compliance

4.15 The contract compliance teams in Surface Transport carried out 12 audits during the Quarter. Ten of these were in relation to bus contracts and road space management activities. The other two were boat monitoring audits for London River Services. None of the audits identified any significant issues.

Follow-up of audit actions

4.16 Internal Audit monitors the completion of all audit actions and confirms that they have been adequately addressed by management.

4.17 A list of open audits (ie audits for which the agreed management actions have not yet all been addressed) from previous quarters, including information on when the last management action is due to be completed, is included as Appendix 4.

4.18 The table at Appendix 5 shows the numbers of open audit actions by business area, and the extent to which these are overdue. Where actions have not been addressed within 60 days after their due date the Director with responsibility for the actions is invited to attend the Committee meeting to discuss them.

4.19 There are seven management actions that are more than 60 days overdue, all of which relate to audits with the Technology and Data (T&D) area. Six of the actions are from the audit of Software Licensing for IBM products and one is from the audit of Active Directory. Both of these audits were originally concluded as 'poorly controlled', and all of the audit actions have previously had their due dates extended to allow for the transformation programme within T&D. The Director of T&D will attend the Committee meeting to discuss these issues.

5 Revised Internal Audit Plan

5.1 The Integrated Assurance Plan presented to the Audit and Assurance Committee on 14 March 2017 was prepared on the basis of the audit and assurance arrangements in place at that time, prior to launching the Corporate Assurance Transformation programme. It was noted at the time that the plan would need to be revised part way through the year to reflect the new arrangements in place.

5.2 We have reviewed the Integrated Assurance Plan in liaison with senior managers around the business, and prioritised the remaining items in order to produce a revised plan for the remainder of the year, having regard to the ongoing changes both within Risk and Assurance and also across TfL more widely.

5.3 The Revised Integrated Assurance Plan is included as Appendix 6. This shows the proposed work to be carried out during the second half of 2017/18, aligned to the TfL Strategic Risks. It should be noted that the Plan now distinguishes between third line assurance (Internal Audit), for which the individual audits are listed, and second line assurance, which is noted only in summary form. Detailed plans for the second line assurance activities are agreed with the relevant businesses.

5.4 Outcomes of each internal audit will be reported to the Committee in the Quarterly Internal Audit reports. Detailed outcomes from second line assurance work will be reported to business management with significant issues and trends also reported to the Audit and Assurance Committee.

5.5 The plan will continue to be kept under review during the year and is likely to be revised further in response to ongoing changes in the business risk profile.

6 Resources

6.1 The department started the year significantly below budgeted headcount, with three audit manager and five auditor vacancies. One of the fraud investigators also left the department early in Quarter 1. In light of the ongoing Corporate Assurance Transformation workstream (see below), these roles are not being filled pending the establishment of the new Risk and Assurance Directorate later in the year.

7 Corporate Assurance Transformation Workstream

7.1 We have previously reported to the Committee on the Corporate Assurance Transformation Programme, which will bring together Internal Audit, Project Assurance, Risk and Fraud Management activities into a single Risk and Assurance professional service within General Counsel. Our proposals for the new function were presented to and approved by the TfL Executive Committee in early May 2017. The proposals were then presented to staff and Trade Unions on 15 May 2017, initiating a consultation period that is still ongoing as at the date of this report.

7.2 The expected benefits from the transformation include:

(a) improved efficiency and visibility of information;
(b) better support for TfL's decision making processes;
(c) centralised standards, processes, systems and tools to provide a more efficient and effective service;
(d) audit and assurance to be better co-ordinated with strategic risk, with single points of contact; and
(e) integrated planning and reporting on TfL's strategic risk, assurance, audit and fraud management activities.

7.3 The new professional service will also deliver savings of 20 per cent by reference to the 2015/16 baseline.

7.4 Key elements of the new professional service will include the following:

(a) The risk function, led by a Head of Risk, will set the set the risk framework, strategy and processes to be followed across TfL. The function will manage the ongoing development of TfL's strategic risk management processes and regular engagement with and reporting to the TfL Executive Committee, the Audit and Assurance Committee and the Board. Risk Managers embedded in the operating businesses will interface with local management to ensure that operational risks are being managed effectively and escalated as appropriate, and that there are clear links between local and strategic risks.

(b) There will be a clear distinction between the second and third lines of assurance. Internal Audit (third line), led by a Head of Internal Audit, will be independent, and strategical focused, with its work closely aligned to the TfL strategic risks and driven by the requirements of the Audit and Assurance Committee and the TfL Executive Committee.

(c) The Project Assurance team (second line), led by the Head of Project Assurance, will continue to carry out reviews to support financial decision making at key gate stages of major projects. They will also manage the day to day relationship with IIPAG, which provides third line assurance in relation to delivery of the Investment Programme.

(d) The other second line assurance activities will be managed by a Head of Integrated Assurance. This will include managing a programme of audits of compliance with HSE and Technical standards, which will be agreed in liaison with management and driven by the needs of the operating businesses. The Head of Integrated Assurance will also interface with other second line assurance functions within the business and will lead the development of assurance mapping so that there is clarity over the assurance lines of defence for all key business activities.

(e) The Fraud Team, led by the Senior Fraud Manager will continue to carry out Fraud awareness, prevention and detection and investigation activities.

7.5 As at the date of this report, following an internal recruitment process, we have recently made appointments to the Head of Internal Audit and Head of Integrated Assurance roles. We have not been successful in making an appointment to the Head of Risk role through internal recruitment, and will now look to fill this on an interim basis in order to enable the new risk function to move forward.

7.6 A number of staff have applied, and been accepted, for early voluntary severance. The majority of these will leave the organisation by the end of the calendar year. The next stage of the process will be to move forward with selection and assessment processes to fill the roles in the new organisational structure. Subject to successful completion of consultation, we are hoping to go live with the new organisational structure early in 2018.

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 views on the audit process and the report. The form is questionnaire-based so it can be completed easily and quickly. A summary of the responses to the questionnaire, together with comparative figures for the previous quarter, is included as Appendix 8.

List of appendices to this report:

Appendix 1 – Audit Reports Issued in Quarter 1 2017/18
Appendix 2 – Work in Progress at the end of Quarter 1 2017/18
Appendix 3 – Work Planned for Quarter 2 2017/18
Appendix 4 – Status of open audits from previous quarters
Appendix 5 – Overdue Audit Actions
Appendix 6 – Revised Integrated Assurance Plan for the second half of 2017/18
Appendix 7 – Customer Feedback Form – Summary of Responses Quarter 1

List of Background Papers:

Audit reports.

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Conclusions	Number
PC= Poorly Controlled	1
RI= Requires Improvement	13
AC= Adequately Controlled	25
WC = Well Controlled	7
No Conclusion	7

Reference	Report Type	Responsible Director	Report Title	Report / Memo Issued	Completion Date of Last Action
Pan TfL					
TfL Strategic Risk: Delivery of key investment programmes					
IA 17 600	IAR	Chief Procurement Office, FI	Pan-TfL Retention of Procurement Records (1 x Priority 1 issues / 1 x Priority 3)	16/06/2017 RI	30/11/2017
London Underground and TfL Rail					
TfL Strategic Risk: Significant technology failure or cyber attack					
IA 16 410	IAR	Director of Enforcement and on-street Operations, ST	Controls over disclosure of personal information to external agencies	25/04/2017 WC	Closed
TfL Strategic Risk: Delivery of key investment programmes					
IA 16 806	HSET	Capital Programmes Director, LU	Northern Line Extension Signalling Assurance (6 x Priority 2 Issues / 2 x Priority 3)	05/04/2017 AC	Closed
TfL Strategic Risk: Managing railway or strategic road network asset base					
IA 16 809	HSET	Chief Operating Officer, LU	Inspection of Earth Structures (6 x Priority 1 Issues / 3 x Priority 2 / 3 x Priority 3)	21/04/2017 PC	31/03/2018
IA 16 786	HSET	Chief Operating Officer, LU	LU Operations Changes to Station and Premises Fire Precautions (1 x Priority 1 Issue / 6 x Priority 2)	11/04/2017 RI	30/03/2018
IA 17 714	HSET	Chief Operating Officer, LU	Supplier Assurance in London Underground (1 x Priority 1 Issues / 3 x Priority 2 / 1 x Priority 3)	16/06/2017 RI	15/12/2017
IA 17 709	HSET	Chief Operating Officer, LU	Fire Suppression and Hydrant Maintenance (3 x Priority 2 and 3 Issues)	19/06/2017 AC	30/09/2017
IA 16 743	HSET	Chief Operating Officer, LU	Automated Track Monitoring System (5 x Priority 2 Issues)	26/04/2017 AC	01/11/2017
IA 16 741	HSET	Chief Operating Officer, LU	SSL South Track Maintenance (1 x Priority 1 Issue / 1 x Priority 2 / 2 x Priority 3)	28/04/2017 AC	Closed
IA 16 730	HSET	Chief Operating Officer, LU	Management of Fleet Repeat Asset Failure (1 x Priority 2 Issue)	28/04/2017 AC	Closed
IA 16 745	HSET	Chief Operating Officer, LU	Central Line Heavy Overhaul Programme Lift Project (4 x Priority 2 Issues)	19/05/2017 AC	08/11/2017

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled	Memo Con A	Memorandum Consultancy Advisory

TfL Strategic Risk: Safety Standards					
IA 16 791A	HSET	Chief Operating Officer, LU	Institution of Railway Signal Engineers Competence Management System in LU BCV/SSL (2 x Priority 2 Issues / 2 x Priority 3)	05/04/2017 AC	Closed
IA 16 791B	HSET	Chief Operating Officer, LU	Institution of Railway Signal Engineers Competence Management System in JNP (4 x Priority 3 Issues)	05/04/2017 AC	Closed
IA 16 792	HSET	Capital Programmes Director, LU	LU CPD People and Plant (1 x Priority 2 Issue / 2 x Priority 3)	26/04/2017 AC	Closed
IA 17 701	HSET	Chief Operations Officer, LU	Metropolitan Line HSE Management (6 x Priority 2 Issues / 1 x Priority 3)	10/05/2017 AC	20/09/2017
IA 17 713	HSET	Chief Operating Officer, LU	Northumberland Park Depot HSE Management (2 x Priority 2 Issues / 2 x Priority 3)	31/05/2017 AC	30/11/2017
Surface Transport					
TfL Strategic Risk: Significant Technology failure or cyber attack					
IA 16 414	IAR	Director of Road Space Management	Security and Availability of Surface Transport Road Space Management Applications (2 x Priority 1 Issue / 3 x Priority 3)	05/05/2017 RI	Closed
IA 16 410	IAR	Enforcement and on-Street Operations, ST	Taxi & Private Hire – Controls over Disclosure of Personal Information to External Agencies (1 x Priority 1 Issue / 7 x Priority 2)	15/05/2017 RI	31/10/2017
IA 16 416	IAR	Director, London Rail	Payment Card Industry Data Security Standard Compliance in Docklands Light Railway Limited (2 x Priority 1 Issues / 2 x Priority 2)	31/05/2017 RI	31/12/2017
IA 16 410	IAR	Director of Enforcement and on-Street Operations, ST	Controls over disclosure of personal information to external agencies - EoS (2 x Priority 2 Issues)	10/05/2017 AC	30/04/2018
IA 16 417	IAR	Director of Enforcement and On-street Operations, ST	Card Industry Data Security Standard Compliance in Enforcement and On-street Operations (2 x Priority 2 Issues)	12/04/2017 AC	31/08/2017
TfL Strategic Risk: Operational reliability					
IA 16 602	IAR	Director of Strategy & Contracted Services	Management of the DLR Franchise Agreement in London Rail (No issues)	16/05/2017 WC	Closed
IA 16 400	Advisory Report	Managing Director, Surface Transport	Personnel Security and Security Culture	15/04/2017 Advisory	Closed
TfL Strategic Risk: Safety standards					
IA 16 762	HSET	Chief Operating Officer, ST	Principal Designer Role in LoHAC (9 x Priority 2 Issues)	30/05/2017 AC	30/11/2017
IA 17 707	HSET Memo	Chief Operating Officer, ST	Asbestos Management in Surface Transport	01/06/2017 Memo	Closed
TfL Strategic Risk: Managing railway or strategic road network asset base					
IA 17 702	HSET	Director, DLR	KAD's - Management of DLRL Gas System (2 x Priority 2 Issues)	02/05/2017 AC	30/09/2017
IA 17 703	HSET	Director, DLR	Keolis Amey Docklands (KAD) Management of DLRL Lifts and Escalators Statutory Inspections (1 x Priority 2 Issue)	15/06/2017 AC	14/06/2018

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled

Memo Con A	Memorandum Consultancy Advisory

Commercial Development					
TfL Strategic Risk: Delivery of commercial revenue targets					
IA 16 210	IAR	Director of Commercial Development	Procurement and Management of Professional Advisers in Commercial Development (4 x Priority 1 Issues / 2 x Priority 2)	10/04/2017 RI	29/12/2017
IA 16 202	IAR	Director of Commercial Development	Management of the Property Partnerships Programme (1 x Priority 1 Issue / 6 x Priority 2 / 1 X Priority 3)	13/04/2017 RI	29/12/2017
IA 16 212	IAR	Director of Commercial Development	Investments appraisal in Commercial Development (4 x Priority 1 Issues / 4 x Priority 2	27/04/2017 RI	30/09/2017
Customers, Communication and Technology					
TfL Strategic Risk: Significant technology failure or cyber attack					
IA 15 641	Memo	Chief Information Officer	Procurement of Access and Wide Area Network (WAN) services – Evaluation - Invitation to Participate in Dialogue (ITPD)	26/04/2017 Memo	Closed
Finance					
TfL Strategic Risk: Delivery of key investment programmes					
IA 15 642	IAR	Chief Procurement Officer	Procurement of Facilities Management (FM) Category (Interim memorandum and final Internal Audit Report issued during the quarter) (No issues)	18/05/2017 WC	Closed
One HR					
TfL Strategic Risk: TfL Strategic Risk: Workforce adaptability					
IA 16 100	IAR	Director of HR	Movers and Leavers Processes (3 x Priority 1 Issues / 3 x Priority 2)	05/05/2017 RI	31/10/2017
General Counsel					
TfL Strategic Risk: Governance suitability					
IA 16 127	IAR	Head of Information Governance	Transparency (1 x Priority 1 Issue / 3 x Priority 2 / 2 x Priority 3)	18/05/2017 RI	31/10/2017
Crossrail					
Delivery of key investment programmes - Crossrail					
IA 17 321	HSET	Programme Director Crossrail	Design Management at C620. Systemwide – Signalling (2 x CARs, 5 x Observations)	16/06/2017 RI	Closed
IA 16 507	IAR	Crossrail Talent and Resources Director	Organisational Effectiveness	27/04/2017 WC	Closed
IA 16 511	IAR	Technical Director, Crossrail	Effectiveness of Review Panels (1 x Priority 2 Issue / 4 x Priority 3 Issues)	22/05/2017 AC	Closed
IA 16 512	IAR	Surface Director, Crossrail	Network Rail Commercial Assurance (No issues)	26/05/2017 WC	Closed
IA 16 332	HSET	Crossrail Programme Director	Supply Chain Management at C422 Tottenham Court Road (0 x CARs / 2 x Observations)	03/04/2017 AC	Closed

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled	Memo Con A	Memorandum Consultancy Advisory

IA 16 342	HSET	Crossrail Programme Director	Quality Management at C644 Traction Power (0 x CARs / 2 x Observations)	03/04/2017 AC	Closed
IA 16 345	HSET	Crossrail Programme Director	Interface Management at C644 Traction Power (0 x CARs / 1 x Observation)	03/04/2017 AC	Closed
IA 16 350	HSET	Crossrail Programme Director	Receipt Inspection at C620 Signalling Systems (0 x CARs / 0 x Observations)	06/04/2017 AC	Closed
IA 16 355	HSET	Crossrail Programme Director	Interface Management at C650 (0 x CARs / 4 x Observations)	03/04/2017 AC	Closed
IA 17 304	HSET	Crossrail Programme Director	MEP Certification at C422 Tottenham Court Road (1 x CAR / 2 x Observations)	05/04/2017 AC	Closed
IA 17 300	HSET	Crossrail Programme Director	Document and Certification Management for Contract Completion at C360 Stepney Green Shaft (0 x CARs, 4 x Observations)	20/06/2017 AC	Closed
IA 17 320	HSET	Crossrail Programme Director	Design Management at C610 Systemwide – Track (0 x CARs, 4 x Observations)	23/06/2017 AC	Closed
IA 17 322	HSET	Crossrail Programme Director	Design Management at C644. Systemwide – Traction Power (0 x CARs, 1 x Observation)	15/06/2017 WC	Closed
IA 17 310	HSET	Crossrail Programme Director	F2 (Supplier) Design Management (0 x CARs 1 x Observation)	19/05/2017 WC	Closed
IA 16 508	Memo	Finance Director, Crossrail	Fraud prevention, deterrence and detection work undertaken during 2016/17	07/04/2017 Memo	Closed
IA 16 314	HSET Memo	Technical Director, Crossrail	Rolling Stock and Depot Assurance Process	19/05/2017 Memo	Closed
IA 17 504	Advisory	Crossrail Talent & Resources Director	Corporate KPI verification	11/05/2017 Advisory	Closed
London Transport Museum					
IA 16 419	IAR	Assistant Director, Business and Performance	Payment Card Industry Data Security Standard Compliance in London Transport Museum (2 x Priority 1 Issues / 3 x Priority 2)	31/05/2017 RI	30/11/2017

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled	Memo Con A	Memorandum Consultancy Advisory

TfL Internal Audit **Appendix 2**

Work in Progress at end of Period 3 2017/18

Risk	Type	Audit Title	Objective
Pan-TfL			
Delivery of key investment programmes			
	Internal Audit	Implementation of the new e-tendering system	To provide assurance that the implementation of the new e-Tendering system, is carried out in an efficient and effective manner.
	Internal Audit	Benefits realisation reviews	To review whether TfL has an effective process for planning, managing and measuring the benefits achieved from investment and whether projects are utilising this process throughout the project lifecycle, including completion of benefits realisation reviews.
	Internal Audit	Value management & innovation in the Investment Programme	To review the extent to which value management and innovation has been applied in the IP and what the contribution has been towards savings in the current TfL business plan arising from these activities.
LU and TfL Rail			
Safety Standards			
	HSET Audit	LU Operations Ealing Common Rolling Stock Depot HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
	HSET Audit	REW Competence Management	To provide assurance that appropriate arrangements are implemented for competence of staff.
Managing railway or strategic road network asset base			
	HSET Audit	LU Ultrasonic Testing	To provide assurance that the frequencies of inspections and management of any defects are in accordance with standards by Maintenance Infrastructure Services.
	HSET Audit	LU Warranty Process	To provide assurance that materials and parts are appropriately managed when requiring repair – avoiding excessive costs for repairs within warranty.
	HSET Audit	LU Operations - Inspections of LU Premises	To follow up on actions taken following the previous audit in this area to ensure they are embedded and working.
	HSET Audit	LU Power Planned Maintenance Regime	To provide assurance that the Power Planned Maintenance Activities as per the AMP are implemented efficiently, with any missed inspections appropriately assessed and addressed.
	HSET Audit	Rotork Supplier Audit	To provide assurance over the performance of this supplier.
	HSET Audit	Signals Calibration of Equipment	To provide assurance that robust systems exist to ensure tools and equipment that require calibration are identified and managed in accordance with the applicable regimes.
	HSET Audit	Maintenance of TransPlant Vehicles	To provide assurance that there is a risk based maintenance regime in place for the TransPlant fleet.
Governance suitability			
	Internal Audit	Thorntask Lessons Learnt	To review and follow up the actions in the Thorntask Lessons Learnt Report.
Surface Transport			
Delivery of key investment programmes			
	Internal Audit	Assessing benefits from Lean Six Sigma reviews	To assess whether the expected benefits resulting from Lean Six Sigma (LSS) reviews within Surface Transport (ST) have been achieved.

Risk	Type	Audit Title	Objective
Managing railway or strategic road network asset base			
	HSET Audit	DLR Underframe maintenance and CCTV Checks	To provide assurance that the franchisee is maintaining underframe maintenance and CCTV checks in accordance with requirements.
	HSET Audit	DLR Signals Annual Asset Management Plan (AAMP), Audit Schedule and Improvement Plan	To provide assurance that the franchisee is effectively managing the AAMP, audit schedule and improvement plan.
	HSET Audit	DLR - Keolis Amey Docklands (KAD) Rolling Stock Quality Assurance Process	To provide assurance that the KAD quality assurance processes for rolling stock are adequate and effective
	HSET Audit	DLR Competence management for Service Delivery Staff	To provide assurance that the competence of service delivery staff is being maintained
Financial Sustainability			
	Internal Audit	Traffic Enforcement	To provide assurance on the adequacy and effectiveness of financial and business controls in place within traffic enforcement following the move to Capita.
Commercial Development			
Delivery of commercial revenue targets			
	Internal Audit	Management of TfL's interest in Earls Court Partnership Limited	To provide assurance over the controls in place to ensure effective management of TfL's interest in Earls Court Partnership Limited.
	Internal Audit	Contract Management of the TfL Advertising Partnering Agreement	To provide assurance over the operation of the new advertising contract.
	Internal Audit	Management of Fraud Risk in Commercial Development	A review of a sample of Commercial Development's activities, to assess the extent to which fraud risk is being effectively managed.
Customers, Communication and Technology			
Safety Standards			
	Internal Audit	Safety Complaints Handling	To provide assurance that Health and Safety complaints are handled effectively across TfL including those made to third party providers.
Significant Technology failure or cyber attack			
	Internal Audit	Patch Management - Internet Services (IS) Zone	To evaluate the effectiveness of controls in place to consistently secure against known vulnerabilities in operating system and application software with the IS Zone.
	Internal Audit	IT Infrastructure Control (IP Telephony)	To assess the design and effectiveness of the controls.
Technological or market developments			
	Internal Audit	Procurement of Access & WAN services	To provide assurance that the procurement relating to the Access and WAN contract is being managed effectively and carried out in accordance with approved procedures. The audit will also consider the steps taken to ensure the resulting contract is fit for purpose.
General Counsel			
Governance suitability			
	Internal Audit	Compliance with the Scheme of Authorities	To review application of delegated authorities, following on from work on Standing Orders in the 2015/16 plan.
	Internal Audit	Data Privacy and Protection - preparation for GDPR	To provide assurance that TfL's preparations for the General Data Protection Regulation (GDPR) are appropriate, timely robust and effective.

Risk	Type	Audit Title	Objective
London Transport Museum			
	Internal Audit	LTM Safeguarding	To provide assurance over the creation and implementation of the safeguarding policy.
City Planning			
Delivery of key investment programmes			
	Internal Audit	Commercial Management within Planning	To review commercial management processes within Planning to provide assurance over compliance with TfL policies and good practice.
Governance suitability			
	Internal Audit	Follow up to Garden Bridge Project audit	To review whether the recommendations from our original audit of the Temple to Southbank (aka Garden Bridge) Project have been implemented and controls are working effectively.
Crossrail			
Delivery of key investment programmes - Crossrail			
	Internal Audit	Transition of software assets from Crossrail to TfL	To provide assurance that effective controls are in place to ensure software and associated data transfer from Crossrail to TfL meets business expectations around quality, time and security.
	Internal Audit	Energisation and Isolations Plan	To assess the effectiveness of the arrangements implemented by Crossrail to manage preparedness for the 'R2 – Energisation Readiness Review (Traction Power)'.
	HSET Audit	Old Oak Common Depot	A review of the construction and functionality of Old Oak Common Depot in preparation for delivery of Crossrail rolling stock. To include the management of the OOC Depot project by Bombardier and interface with RfL and the Safety Review Panel process.
	HSET Audit	C610 C620 C644 Design Management by Systemwide (Summary Report)	The management of design by Crossrail and Tier 1 Design Contractors for Systemwide.
	HSET Audit	C631 Manufacture of PES	A review of the manufacture of Platform Edge Screens by Nor Bremse.
	HSET Audit	C828 Contract Document Management	Verification of the accuracy of contract documents, in particular red line drawings (no later than P3).
Crossrail 2			
Delivery of Key Investment programme			
	Internal Audit	Crossrail 2 Procurement of Development Design Services	To provide assurance that the procurements of Development Design Services for CR2 were undertaken in accordance with procurement regulations and approved procedures and bidders were treated fairly and equitably throughout the procurement process.

TfL Internal Audit
Work Planned - P4 2017/18 to P6 2017/18

Appendix 3

Risk	Type	Audit Title	Objective
Pan-TfL			
Safety Standards			
	Internal Audit	Management of Fatigue	To assess the effectiveness of TfL's arrangements for minimising the risk from fatigue.
Delivery of key investment programmes			
	Internal Audit	Effectiveness of target cost contracting	To review the appropriateness of using, and subsequent management of, target cost contracting within projects.
	Internal Audit	Mobilisation of One FM Contracts	To provide assurance over the plans and procedures in place, to ensure the effective mobilisation of the One FM contracts
LU and TfL Rail			
Safety Standards			
	HSET Audit	LU Projects Working with Electricity	To provide assurance that following implementation of recommendations from a Formal Investigation Report (FIR), compliance with the Electricity at Work Regulations in Projects is demonstrated.
	HSET Audit	Signals Bakerloo and Victoria HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
Delivery of key investment programmes			
	Internal Audit	MTR Crossrail Commercial Management by Rail for London	To provide assurance that the controls and processes in place to manage the MTR Crossrail Concession Agreement are adequate and effective.
Managing railway or strategic road network asset base			
	HSET Audit	Batch Management	To provide assurance that the traceability of parts is possible due to the management controls employed by REW using the SAP system.
	HSET Audit	LU Operations Control and Information (C&I) Asset Maintenance Regime	To assess the implementation and effectiveness of the Maintenance Regime for C&I Systems.
	HSET Audit	09TS and S Stock Handover arrangements	To provide assurance that there are robust arrangements in place to ensure that the required information is handed over to enable the fleets to be maintained.
Surface Transport			
Managing railway or strategic road network asset base			
	HSET Audit	DLR Premises and Civils Inspection and Maintenance	To provide assurance that the franchisee is effectively managing inspections, maintenance and defects in accordance with requirements.
	HSET Audit	DLR Permanent Way	To provide assurance that the franchise is conducting maintenance activities, and managing spares, inventories and Maximo data.
Commercial Development			
Delivery of commercial revenue targets			
	Internal Audit	Forecasting and financial reporting – data validation	To review the robustness of Commercial Development's forecasting and financial reporting arrangements, including data validation.
	Internal Audit	Use and prioritisation of Car Parks	Review of the strategy employed to assess and prioritise the use of car parks.

Risk	Type	Audit Title	Objective
Finance			
Safety Standards			
	Internal Audit	Building Incident Management	To review and assess that building incident management is adequately designed, implemented and is operating effectively.
Crossrail			
Delivery of key investment programmes - Crossrail			
	Internal Audit	Controls over land compensation to claimants who interface with Crossrail construction	To provide assurance over the effectiveness of controls over payments to land compensation claimants.
	Internal Audit	Engineering Safety Management and system safety	To review the control measures in place to manage the Safety Approvals process for securing safety authorisations from Regulators.
	HSET Audit	MEP Certification at C502, Liverpool Street	A review of the certification arrangements for Mechanical, Electrical and Public Health at C502 Liverpool Street Station.
	HSET Audit	C435 Compliance with LU1085 "Fire Testing of Materials"	Verification that all materials used on site are fire tested or a concession has been obtained. The MPS should identify what materials need to be fire tested with certification.
	HSET Audit	C610 C620 C644 Engineering Safety Management (Summary Report)	A review of Engineering Safety Management, focusing specifically on tunnel ventilation and software safety.
	HSET Audit	C610 Quality Management and the Contractors Audit Process	A review of the Quality Management System, including Audit and Surveillance processes.
	HSET Audit	C620 Installation Release Notices (IRNs)	A review of the management of Installation Release Notices.
	HSET Audit	C610 Engineering Safety Management	A review of Engineering Safety Management, focusing specifically on tunnel ventilation and software safety.
	HSET Audit	C620 Engineering Safety Management	A review of Engineering Safety Management, focusing specifically on tunnel ventilation and software safety.
	HSET Audit	C644 Engineering Safety Management	A review of Engineering Safety Management, focusing specifically on tunnel ventilation and software safety.
LTM			
	Internal Audit	LTM Management Information	To review the range of management information available to enable LTM management and the Trustee Board to monitor LTM's financial and trading performance.

Reference	Responsible Director	Report Title	Report / Memo Issued	Due date for completion of last action	Comments
Pan-TfL					
TfL Strategic Risk: Catastrophic Event					
IA 16 114	Chief Operating Officer, ST	Business Continuity (BC)	17/8/2016 RI	31/12/2017	
London Underground and TfL Rail					
TfL Strategic Risk: Managing railway or strategic road network asset base					
IA 16 755	Chief Operating Officer, LU	Electrical Testing in Stations	19/8/2016 RI	31/10/2017	
IA 16 748	Chief Operating Officer, LU	LU Operations – Fleet Calibration Process (5 x Priority 1 Issues / 3 x Priority 3)	23/2/2017 RI	16/10/2017	
IA 16 713	Capital Programmes Director	Approval of Non-Railborn Plant including Tall Plant Approval (6 x Priority 2 Issues)	13/2/2017 AC	30/9/2017	
IA 16 739	Chief Operating Officer	Management of Rail Grinding Programme (2 x Priority 2 Issues)	20/1/2017 AC	15/12/2017	
TfL Strategic Risk: Safety standards					
IA 16 757	Director of Safety	Management of Risk from Display Screen Equipment in TfL	23/11/2016 PC	31/1/2018	
IA 16 770	Director of Safety	Control of Occupational Noise Risks in TfL	4/11/2016 RI	30/9/2017	
IA 16 785	Chief Operating Officer, LU	Health and Safety Management in Power Delivery (2 x Priority 1 Issues / 8 x Priority 2 / 3 x Priority 3)	13/3/2017 RI	30/3/2018	
IA 16 788	Chief Operating Officer	Competence Management in London Underground Operations Fleet Maintenance (2 x Priority 2 Issues)	23/1/2017 AC	31/1/2018	
IA 16 775	Chief Operating Officer	Competence and Fatigue Requirements for Undertaking Civil Engineering Safety Critical Work in London Underground (4 x Priority 2 Issues)	23/1/2017 AC	31/1/2018	
IA 16 789	Chief Operating Officer, LU	Pumps Competence Management System and Safety Critical Licensing (1 x Priority 2 Issue)	1/2/2017 AC	28/2/2018	
IA 16 778	Chief Operating Officer, LU	Central Line HSE Management (8 x Priority 2 Issues)	23/2/2017 AC	30/9/2017	
IA 16 781	Chief Operating Officer, LU	HSE Management at Stratford Market Depot (1 x Priority 1 Issue / 4 x Priority 2 / 7 x Priority 3)	22/3/2017 AC	31/10/2018	

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled	Memo Con A	Memorandum Consultancy Advisory

Reference	Responsible Director	Report Title	Report / Memo Issued	Due date for completion of last action	Comments
TfL Strategic Risk: Delivery of key investment programmes					
IA 15 601	Head of TfL PMO	Management of Change Control in projects across TfL	23/5/2016 AC	29/9/2017	
Surface Transport					
TfL Strategic Risk: Safety Standards					
IA 16 764	Director of Contracted Services	Management of Asbestos in DLR	7/10/2016 AC	29/9/2017	
IA 16 760	Chief Operating Officer	Surface Transport Health and Safety Competence Management	14/10/2016 AC	31/8/2017	One Priority 3 action is overdue
TfL Strategic Risk: Governance suitability					
IA 16 129	Director of Road Space Management	Privacy and Data Protection, Traffic Management Cameras – London Street Traffic Control Centre (LSTCC) and London Streets Tunnels Operations Centre (LSTOC)	11/11/2016 RI	30/4/2018	
IA 16 140	Chief Operating Officer, ST	Privacy and Data Protection, Surveillance Cameras, Bus Operations (2 x Priority 1 Issue / 7 x Priority 2)	3/3/2017 RI	30/4/2018	
IA 16 138	Chief Operating Officer, Surface Transport	Privacy and Data Protection, Surveillance Cameras, CentreComm (4 x Priority 2 Issues)	19/12/2016 RI	30/4/2018	
TfL Strategic Risk: Safety Standards					
IA 16 761	Chief Operating Officer, ST	Surface Transport Health and Safety Data Quality and Reporting (1 x Priority 1 Issue / 4 x Priority 3)	8/3/2017 AC	30/11/2017	
Finance					
TfL Strategic Risk: Financial Sustainability					
IA 15 130	Chief Finance Officer	Business Expenses and Purchasing Cards	27/4/2016 RI	31/8/2017	One Priority 1 issue is still to be completed – dependent on the publication of the revised Business Expenses Policy that is expected imminently.
TfL Strategic Risk: Delivery of Key Investment Programmes					
IA 16 600	Chief Procurement Officer	Flow-Down of Responsible Procurement requirements through the supply chain (2 x Priority 1 Issues / 2 x Priority 2)	3/3/2017 RI	31/12/2017	
IA 16 622	Chief Procurement Officer	Procurement of the new e-Tendering System (2 x Priority 2 Issues)	2/3/2017 AC	29/12/2017	
Customers, Communication and Technology					
TfL Strategic Risk: Technological or market developments					
IA 15 403	Chief Technology Officer	Software Licensing for IBM Products	9/5/2016 PC	31/5/2017	Six Priority 1 actions are more than 60 days overdue

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled	Memo Con A	Memorandum Consultancy Advisory

Reference	Responsible Director	Report Title	Report / Memo Issued	Due date for completion of last action	Comments
TfL Strategic Risk: Significant technology failure or cyber attack					
IA 15 421	Chief Technology Officer	Active Directory	6/10/2016 PC	31/5/2017	One Priority 1 action is more than 60 days overdue
TfL Strategic Risk: Financial sustainability					
IA 16 107	Chief Technology Officer/Director of Customer Experience	Fares Refunds (3 x Priority 1 Issues / 7 x Priority 2)	8/2/2017 RI	31/10/2017	
London Transport Museum					
IA 16 418	Museum Director	London Transport Museum (LTM) IT Governance (2 x Priority 1 Issues / 3 x Priority 2 / 1 x Priority 3)	19/1/2017 RI	31/3/2018	These actions were reported as more than 60 days overdue at the July Audit and Assurance Committee. A new completion date has been agreed to allow time for the new arrangements between T&D and LTM to be established.
Crossrail					
IA 16 522	Operations Director, Crossrail	Rail for London Management Systems (3 x Priority 2 Issues)	6/3/2017 RI	22/9/2017	

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled	Memo Con A	Memorandum Consultancy Advisory

Appendix 5

Outstanding Actions Statistics

Directorate	No yet due	1 – 30 Days	31 – 60 Days	61-90 Days	91+ Days
Rail and Underground	104	12	4	0	0
Surface Transport	37	10	0	0	0
Finance	32	2	1	0	0
Commercial Development	19	0	0	0	0
City Planning	0	0	0	0	0
Customers, Communications and technology	6	0	0	7	0
General Counsel	13	0	0	0	0
HR	3	0	0	0	0
Crossrail	9	1	0	0	0
LT Museum	30	4	1	0	0
Total	**253**	**29**	**6**	**7**	**0**

Appendix 6

Internal Audit – Revised Integrated Assurance Plan for the second half of 2017/18

Business Area	Internal Audit Plan (Third line assurance)	Quarter	Second line assurance activity
Strategic Risk 1 (SR1) – Safety Standards			
Pan - TfL	Management of complaints concerning safety	In Progress	
	Management of Fatigue (including how TfL gets assurance of compliance by suppliers)	In Progress	
	Arrangements for managing occupational noise	Q3	
	Reporting of and learning from operational 'near misses'	Q4	
	Arrangements for acting as Principal Contractor	Q4	
LU	Possession Site Control and Monitoring	Q4	Programme of audits of compliance with aspects of the HSE Management system performed by the Integrated Assurance team within Risk and Assurance
Surface Transport	DLR KAD (Keolis Amey Docklands) Safety Assurance arrangements	In Progress	Programme of audits of compliance with aspects of the HSE Management system performed by the Integrated Assurance team within Risk and Assurance
	Arrangements for obtaining assurance over the supply chain	Q3	
	London Overground Safety Assurance arrangements	Q3	
	Trams – follow up to the Sandilands incident	Q4	
	Strategic approach to the management of asbestos	Q4	
SR2 – Workplace Adaptability			
HR	Bullying & Harassment Policy and Procedures	Q3	
	Resourcing Strategy and Demand Planning	Q3	
	Controls over Agency Temporary Workers	Q4	

Business Area	Internal Audit Plan (Third line assurance)	Quarter	Second line assurance activity
SR3 – Governance Suitability			
LU	Data Privacy and Protection – Surveillance Cameras LU	Q3	
General Counsel	Preparation for the General Data Protection Regulation (GDPR)	In Progress	
Crossrail 2	Crossrail 2 Governance arrangements (including lessons learned from Crossrail)	Q3	
SR4 – Foresight Strategy			
No specific work planned against this risk			
SR5 – Technological or Market Developments			
No specific work planned against this risk			
SR6 – External Stakeholder Expectations			
No specific work planned against this risk			
SR7 – Financial Sustainability			
Pan TfL			Programme of audits of Payment Card Industry – Data Security Standard (PCI-DSS) compliance across a range of areas of TfL that handle credit card data carried out by the Integrated Assurance team within Risk and Assurance.
LU	Management of Fraud Risk in London Underground	Q4	
Surface Transport	Congestion Charging – Financial and Business Controls (Capita)	Q4	EC and other funding bodies Grant Agreement Cost Certification audits
Finance	General Ledger Controls	Q3	
	Revenue Apportionment to Train Operating Companies	Q4	
City Planning	Collection of monies due under S278 agreements	Q3	
Transformation	Transformation Programme – Workstream Go-Live Readiness	In Progress	

Business Area	Internal Audit Plan (Third line assurance)	Quarter	Second line assurance activity
SR8 – Unexpected Loss of Income			
No specific work planned against this risk			
SR9 – Delivery of Commercial Revenue Targets			
Commercial Development	Property Management including vetting of tenants	Q3	
	Exterion Capital Expenditure Programme	Q3	
	Arches Strategy	Q3	
	Partnership/ Sponsorship Marketing	Q4	
	Emergency Services Network and Public Cellular Financial Controls	Q4	
	Project and Programme Management in Commercial Development	Q4	
SR10 – Ability to Meet Increasing Demand			
Surface Transport	Dial A Ride Financial and Business Controls	Q3	
SR11 – Catastrophic Event			
No specific Internal Audit work planned, but work in relation to risk SR1 will also provide assurance over this risk			Programme of audits of compliance with aspects of the HSE Management system and Engineering Standards carried out by the Integrated Assurance team within Risk and Assurance
SR12 – Significant Technology Failure or a Cyber Attack			
Customers, Communication and Technology (CCT)	Data Privacy and protection: Marketing Data Security	Q3	
	Cyber Security Operations Centre – strategy and operating model	Q4	

Business Area	Internal Audit Plan (Third line assurance)	Quarter	Second line assurance activity
	IT Disaster Recovery and Operational Resilience	Q4	
Pension Fund	Pensions Data – Access Security	Q3	
SR13 – Delivery of Key Investment Programmes			
Pan TfL	Value Management and Innovation in the IP	In Progress	Programme of reviews at key gate stages carried out by the Project Assurance team within Risk and Assurance
	Effectiveness of Target Cost Contracting	In Progress	Contractor Quality Assurance reviews – programme of reviews being developed by TfL Commercial in liaison with Internal Audit.
	Single Sourcing	Q4	
	Management of risk in projects	Q4	
	Lessons learned from project failures	Q4	
LU	Commercial Management of MTR Crossrail	In Progress	
City Planning	Procurement of Canary Wharf to Rotherhithe Crossing	Q3	
Finance	Retender of Professional Services Framework	Q3	
SR14 – Managing Railway or Strategic Road Network Asset Base			
LU	Asset Information Management	Q4	Programme of audits of compliance with aspects of the HSE Management system and Engineering Standards carried out by the Integrated Assurance team within Risk and Assurance

Business Area	Internal Audit Plan (Third line assurance)	Quarter	Second line assurance activity
Surface Transport			Programme of audits of compliance with aspects of the HSE Management system and Engineering Standards carried out by the Integrated Assurance team within Risk and Assurance
SR15 – Operational Reliability			
Pan TfL	Palestra control rooms integration project	Q4	
LU	Management of attendance	Q4	
Surface Transport	Topographical Testing arrangements	Q3	
	Bus Operations Management	Q4	
SR16 – TfL's Impact on Environment			
Pan TfL	Identification and management of environmental risk/ opportunities in procurement	Q4	
SR17 – External Environment Impact on TfL			
No specific work planned against this risk			
SR18 – Delivery of Modernisation for LU (New Risk)			
No specific work planned against this risk			
SR19 – Decreasing Ridership in Buses (New Risk)			
No specific work planned against this risk			
Crossrail – Project Delivery			
Crossrail	Semi-Annual Construction Report (SACR) reporting process	Q3	Programme of 2nd line compliance audits of Crossrail contractors performed by the Integrated Assurance team with in Risk and Assurance
	Rolling Stock Testing and Commissioning	Q3	
	Disposal of Crossrail Assets	Q3	

Business Area	Internal Audit Plan (Third line assurance)	Quarter	Second line assurance activity
	Ricardo Rail Capability to deliver the Assessment Body/Notified Body Contract	Q3	
	Management of Stakeholders, Sponsors and Interfaces	Q4	
	Legal Requirements	Q4	
Crossrail - Transition			
Crossrail	Training of operators	Q3	
	Crossrail Handover Strategy and Plan	Q4	
	Readiness for handover of LU/ RfL/ MTR Crossrail	Q4	
	Asset information and alignment between Crossrail and its partner organisations	Q4	
London Transport Museum			
LTM	LTM Management Information	In Progress	
	LTM new web shop	Q4	

INTERNAL AUDIT CUSTOMER FEEDBACK FORM
SUMMARY OF RESPONSES FOR 2017/18
Quarter 1

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: Q1 = 46 (Q4 = 58)

Customer Feedback Forms Returned: Q1 = 18 (Q4 = 37)

	No score given		Very poor		Poor		Satisfactory		Good		Very good		Average Score	
ASSIGNMENT ASSESSMENT CRITERIA			1		2		3		4		5		Q1	Q4
PLANNING AND TIMING	Q1	Q4	Q1	Q4	Q1	Q4	Q1	Q4	Q1	Q4	Q1	Q4	4.2	4.3
The assignment timing was agreed with me and there was appropriate consideration of my other commitments as the work progressed	0	0	0	0	2	1	2	2	7	20	7	14	4.1	4.3
The assignment was completed and the report issued within appropriate timescales	0	0	0	0	0	0	1	5	11	17	6	15	4.3	4.3
COMMUNICATION													4.2	4.3
Communication prior to the assignment was appropriate, including the dates and objectives	0	0	0	0	2	0	2	3	5	15	9	19	4.2	4.4
Throughout the assignment I was informed of the work's progress and emerging findings	0	0	0	0	0	0	4	9	6	15	8	19	4.2	4.2
CONDUCT													4.4	4.1
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	1	0	3	9	6	15	8	13	4.2	4.1
The Internal Audit team acted in a constructive, professional and positive manner	0	0	0	0	0	1	0	10	8	12	10	14	4.6	4.1
RELEVANT AND USEFUL ADVICE AND ASSURANCE													4.1	4.3
A fair summary of assignment findings was presented in the report	0	0	0	0	1	0	3	3	6	15	8	19	4.2	4.4
Assignment recommendations were constructive, practical and cost-effective	0	0	0	0	0	2	5	5	6	17	7	12	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	0	4	3	7	20	6	14	4.0	4.3
Overall assessment													4.2	4.2

Other comments including suggested improvements and areas of good performance:

"Very good communication with the lead consultant making himself available for meetings to develop the scope of the consultancy"

"The review has been very helpful and also acted as a catalyst for increased engagement (with some individuals) within the department. Special thanks to the auditor for his contribution and patience. Great Job!"

"The Team were supportive of my suggestions as the head of discipline."

"I was impressed with the level of 1) professionalism when facing and navigating through multi stakeholders with differing views and agenda 2) The personal effort in the planning and reporting to ensure the conclusion we reached."

"The findings of the audit did not highlight any issues the team were not already aware of and addressing. There were however additional, mainly strategic and governance, issues that could have been highlighted that would have been of more value to the business. The auditors were obviously not experts in the field of investment appraisal, and this made it hard from them to truly add value in this area. The audit focused on process and controls, whereas it might have been more helpful to look at the purpose and aims of an investment appraisal team, and examine whether the structures and set up are appropriate to best meet these objectives."

"Absolutely key to this audit was continual contact as the solution development was not straight forward and there was a lot of opportunity for progress to slow / stop without intervention. The Auditor made sure this was the working relationship."

"This particular piece of work has had to heavily rely on creative thinking, relationship networking (across TfL and externally) and a lot of persistence when barriers appear (which they have frequently!). To that end, I'd like to express my personal thanks to the auditor who has orchestrated this activity end-to-end, ensured pace has been kept and provided a significant amount of knowledge, support and relationship management to get to where we are."