

Date: 14 March 2017

Item: Internal Audit Reports Quarter 2 and 3 Report 2016/17

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 Quarters 2 and 3 of 2016/17, the work in progress at the end of Quarter 3, and the work planned for Quarter 4 of 2016/17.

2 Recommendation

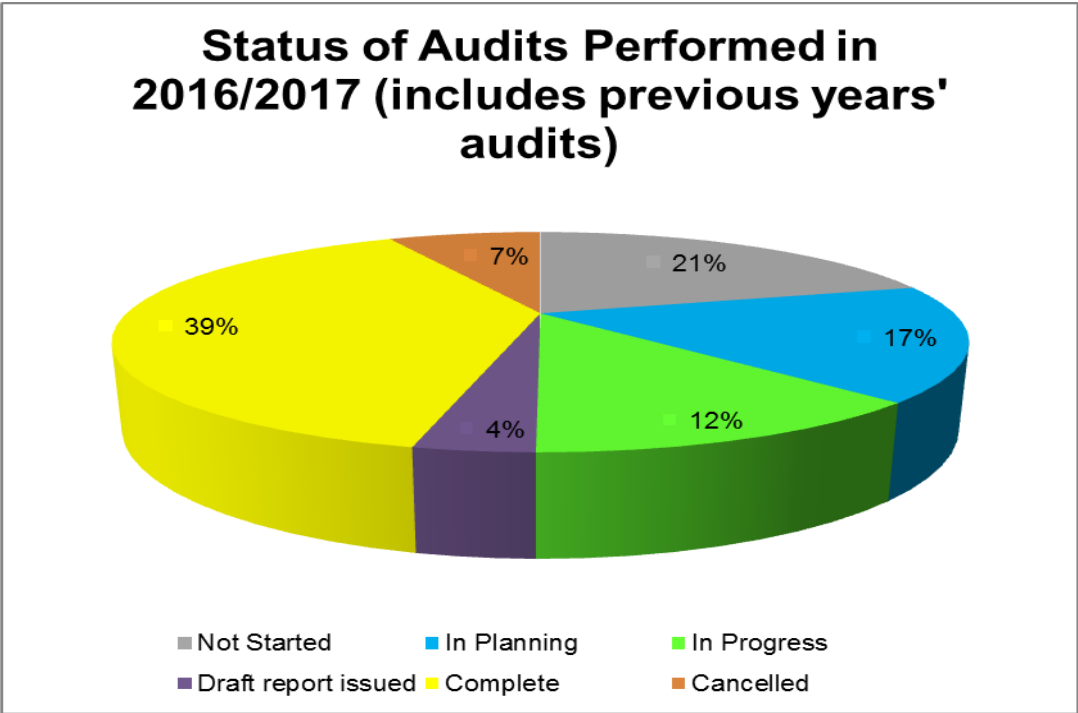
2.1 **The Committee is asked to note the report.**

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 2016/17 audit plan, including work in progress brought forward from 2015/16.



4.2 The table below shows the number of Interim Audit Reports, HSE & Technical audit reports and other outputs, including advisory/ consultancy reports and memorandums, issued during quarters 2 and 3 and in the year to date, together with comparative figures for 2015/16.

	Interim Audit Reports					HSE and Technical Audit Reports					Other Outputs (Advisory Reports/ Memos)	Total
	WC	AC	RI	PC	Total	WC	AC	RI	PC	Total		
Quarters 2 and 3	5	6	8	2	21	2	43	18	1	64	22	62
YTD	8	12	16	3	39	5	64	30	2	101	32	172
YTD 2015/16	11	10	21	3	44	2	21	21	1	45	24	113

* - The HSE&T report numbers include, for the first time, reports (40 in the year to date) issued by the Crossrail audit team who transferred into TfL Internal Audit in March 2016. The numbers are not, therefore, directly comparable with the prior year.

4.3 A list of all the audit reports and other outputs issued during quarters 2 and 3 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.

4.4 Three of the reports issued during quarters 2 and 3 (two interim audit reports and one HSE&T report) were concluded as 'poorly controlled'. These are:

Active Directory

Active Directory is a directory service developed by Microsoft for Windows networks. Through pre-defined configuration and security principles, Active Directory enables the management of access to hardware and software throughout the network. Our audit found three Priority 1 issues:

- (a) there are weaknesses in the configuration of, and management of user access to, Active Directory;
- (b) the roles and responsibilities of staff involved in the administration, maintenance and security of the Active Directory environment have not been clearly documented, defined and assigned; and
- (c) the policies and procedures relevant to the effective management of Active Directory are out-of-date, incomplete or undefined. There is also a lack of monitoring of compliance with established policies and standards.

Management actions to address these issues have been agreed and are scheduled to be completed by 30 April 2017.

Victoria Coach Station Security

This audit identified a number of issues regarding the overall security arrangements at VCS. The more significant of these included: a lack of an organisational security strategy; a lack of robust risk management processes; out of date CCTV signage; and some ineffective physical access security measures.

Management actions to address these issues have been agreed and are scheduled to be completed by 1 May 2017.

Management of Risk from Display Screen Equipment in TfL

The audit found that TfL could not demonstrate effective management of risk from DSE in office areas as required by the DSE Regulations. There were a large number of users who had not completed DSE risk assessments. There were also issues with data maintenance, with the log of DSE assessments not accurately reflecting starters, leavers and organisational changes.

Management actions to address these issues have been agreed and are scheduled to be completed by 31 March 2017. In particular an exercise is underway to ensure that all staff complete their DSE assessments.

4.5 Other notable reports issued during the two quarters are:

- (a) **Business Continuity (Interim Audit Report issued 17 August 2016 – Requires Improvement)** – This audit reviewed controls over business continuity arrangements for non-operational parts of the business. The most significant issue raised was that, whilst each of the main business areas had its own business continuity manager, there was no overall owner for business continuity in TfL. This would enable greater consistency and co-ordination in matters of policy, strategy and processes across TfL. It was agreed that options would be developed and presented to the Resilience Steering Team for agreement;
- (b) **Gate and Design Reviews in Surface Transport (Interim Audit Report issued 1 September 2016 – Requires Improvement)** – The audit reviewed the effectiveness of the gate and design review process for a sample of projects in Surface Transport. The review found good practice in some areas, but also noted some inconsistency in the conduct and documentation of gate reviews, impacting the degree of rigour and challenge to the projects;
- (c) **Quality and Timeliness of IT Project Delivery (Interim Audit Report issued 6 October 2016 – Requires Improvement)** – The audit found that there were shortcomings in the change control process for the maintenance of project baseline dates that could lead to inaccuracies in the reporting of performance of the project delivery. T&D management had begun piloting a control to address this;

(d) **Management of Single Sourcing in London Rail (Interim Audit Report issued 10 November 2016 – Requires Improvement)** – The audit found instances where single source approval was granted by officers in excess of their delegated authority levels. This was particularly with regard to procurement of contractors/ consultants, where individuals are engaged on repeated short term contracts, which are individually within authority levels, but not when considered in aggregate; and

(e) **Gifts and Hospitality (Interim Audit Report issued 24 November 2016 – Requires Improvement)** – The audit found that processes for recording and publishing gifts and hospitality of Board Members and Chief Officers were well managed. However, there was scope to improve the consistency of processes for recording, approval and monitoring of gifts and hospitality in other areas of the business.

4.6 Work in progress at the end of Quarter 3 is shown in Appendix 2 and work due to start in Quarter 4 of 2016/17 is shown in Appendix 3.

Follow-up of audit actions

4.7 Internal Audit monitors the completion of all audit actions and confirms that they have been adequately addressed by management. In the case of Interim Internal Audit Reports (but not HSE&T reports), it has also been the practice to issue a subsequent formal Final Internal Audit Report to confirm that the agreed management actions have been addressed. A decision has recently been taken, with the approval of the Audit and Assurance Committee, to discontinue, with effect from 1 April 2017, the practice of issuing Final Internal Audit Reports. However, all audit actions will continue to be followed up, and Internal Audit will confirm to management when audits are closed. In the case of audits concluded as 'Poorly Controlled' a formal follow-up report will still be issued.

4.8 There were 29 Final Audit Reports issued during quarters 2 and 3 (including six interim reports that were concluded as 'Well or Adequately Controlled', did not have any management actions arising, and went straight to final). A list of the reports issued (except one in relation to the TfL Pension Fund) is included as Appendix 4. In all but one of these (see below), appropriate management action had been taken to address the issues raised in the original Interim Audit Report and the audit was closed.

4.9 The exception was our follow-up of our interim audit report on Payroll issued in July 2015. This found that one management action had not been addressed and two others were only partially addressed. The not addressed action relates to monitoring of permissions and risks associated with SAP users accessing sensitive and bespoke HR and payroll transactions. The ERP Security Governance Council is tasked with implementing a programme to monitor these, but it had not been established. The actions are now due to be completed by 31 March 2017.

4.10 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 5.

Changes to the Audit Plan

- 4.11 As noted in paragraphs 6.1 and 6.2 below, Internal Audit has been operating below its budgeted headcount throughout the year. To compensate for this, some further audits have been identified that that will be cancelled or postponed to 2017/18. The full list of audits cancelled/ postponed together with the business justification for doing so can be found in Appendix 6.
- 4.12 We have also added some audits to the plan, as a result of management requests or changes to business activity. The list of jobs added to the plan can be found in Appendix 7.

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 Quarters 2 and 3.

Project Assurance

- 5.2 The TfL Project Assurance team carries out Integrated Assurance Reviews (IARs) of projects. 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 relatively 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 EFC 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 In Quarters 2 and 3 2016/17, 43 IARs were conducted, with IIPAG providing oversight and guidance on 30 reviews, mostly of projects with an Estimated Final Cost of over £50m. Issues arising from the reviews are presented to the operating boards with agreed actions, owners and timescales.
- 5.5 Some of the more significant reviews during Quarters 2 and 3 were: Contract award reviews of the Piccadilly Line Bogie Modifications, and of the procurement of two new Woolwich Ferries; a Pre-Tender review of the Surface Intelligent Transport System (SITS) Phase 2; a programme review of the Surface Transport Investment Programme 2 portfolio; and interim reviews of the Mini Holland Programme, the Cycle Superhighways Programme, and of Crossrail 2.

Crossrail Contractor Commercial Reviews

- 5.6 In addition to the work carried out by Internal Audit, Crossrail has a contractor commercial review team. 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. The most recent results reported to the Crossrail Audit Committee in October showed improving contractor performance against the set criteria. There are no significant areas of concern arising from this work.

Embedded Assurance

- 5.7 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 London Underground. This was incorporated in the Integrated Assurance Plan for 2016/17 approved by the Audit and Assurance Committee in March, and work done during Quarters 2 and 3 is summarised below.
- 5.8 In Surface Transport a total of 68 audits were completed in Quarters 2 and 3 as follows. There were no significant issues arising:
- (a) 39 audits focused on ensuring the existence and adequacy of the control procedures and management systems used by bus operators in accordance with Buses Directorate contractual requirements as well as road space management and asset management;
 - (b) 20 Surface safety assurance reviews in Taxi and Private Hire, London River Services and Dial a Ride; and
 - (c) nine audits by the Asset Management directorate focused on compliance, signal modernisation and maintenance.
- 5.9 London Underground – Eight audits were completed in Quarters 2 and 3, as follows:
- (a) an audit of an Occupational Health supplier to assess its capability as a provider of medical assessments for track certification and other safety-critical certification purposes on behalf of LU;
 - (b) an Environmental Audit to assess the effectiveness of Greenwich Generating Station's arrangements for data monitoring and reporting of CO₂ emissions for the European Union Emissions Trading Scheme (EU ETS);
 - (c) audits of management of quality standards and processes at four contractors; and
 - (d) process audits in relation to two LU projects.

6 Resources

- 6.1 The department has been substantially below its budgeted headcount throughout the year. At the start of quarter 2, we had five vacancies – two audit managers and three auditors. Two more auditors left the department during quarters 2 and 3, and another audit manager has left since the end of quarter 3.
- 6.2 Consequently, the department is currently eight heads below its budgeted headcount. In light of the headcount controls that TfL has introduced we will not be filling those vacancies. As noted in para 4.11 above, a number of audits have been cancelled or postponed to compensate for this. The future resourcing requirements for the department will be determined through the Corporate Assurance Transformation workstream.

7 Corporate Assurance Transformation Workstream

- 7.1 In September 2016 the TfL Executive Committee agreed that there should be a Corporate Assurance Transformation workstream as part of TfL's wider Transformation Programme. The workstream passed through 'Design Gate 1' (DG1) in December 2016. The Executive Committee approved the vision for change contained in the DG1 presentation, which is to establish a single risk and assurance function to provide oversight of all of TfL's risk management, assurance and fraud activities, and provide better support for TfL's decision making processes. This will mean bringing internal audit, project assurance, strategic risk and fraud prevention activities together to form a single professional service in General Counsel.
- 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 A steering group involving representation from the various functions included in the workstream is now looking at how this function might work in practice and will start to develop proposals for the structure of the function. To help us do this, we are looking at the way other organisations approach risk and assurance, and engaging with our stakeholders.
- 7.4 We have also been asked to aim to reduce our operating budget for the combined function by 20 per cent. We will be taking this into account as we consider how to establish our integrated approach to risk and assurance.

8 External Quality Assessment

- 8.1 Internal Audit has recently been subject to an External Quality Assessment carried out by the Chartered Institute of Internal Auditors (IIA). The review has included assessing the function's conformance with the IIA's International Professional Practice Framework, benchmarking the function's activities against best practice and considering the possible changes arising from the transformation project currently underway. The IIA's report is in the process of being finalised and will be shared with the Audit and Assurance Committee once it is complete.

9 Customer Feedback

- 9.1 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 Quarters 2 and 3 2016/17
- Appendix 2 – Work in Progress at the end of Quarter 3 2016/17
- Appendix 3 – Work Planned for Quarter 4 2016/17
- Appendix 4 – Final Reports Issued in Quarter 1 2016/17
- Appendix 5 – Status of open audits from previous quarters
- Appendix 6 – Audits Cancelled and Postponed Quarters 2 and 3 2016/17
- Appendix 7 – Audits Added Quarters 2 and 3 2016/17
- Appendix 8 – Customer Feedback Form – Summary of Responses Quarters 2 and 3

List of Background Papers:

Audit reports.

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Conclusions	Number
PC= Poorly Controlled	3
RI= Requires Improvement	26
AC= Adequately Controlled	48
WC= Well Controlled and Audit Closed	7
No conclusion	22

Reference	Report Type	Responsible Director	Report Title	Report / Memo Issued	Current Status (Due date of last action)
Pan-TfL					
TfL Strategic Risk: Catastrophic Event					
IA 16 114	IAR	Chief Operating Officer, ST	Business Continuity (BC)	17/08/2016 RI	31/03/2017
London Underground and TfL Rail					
TfL Strategic Risk: Managing railway or strategic road network asset base					
IA 16 702	HSET	Chief Procurement Officer	LU Project-Specific Works Information Documents	27/07/2016 RI	31/3/2017
IA 16 755	HSET	Chief Operating Officer, LU	Electrical Testing in Stations	19/08/2016 RI	31/3/2017
IA 16 732	HSET	Chief Operating Officer, LU	Overhaul of Signal Assets and Supplier Assurance for supplied products in LU Railway Engineering Workshop (REW)	22/08/2016 RI	Closed
IA 16 752	HSET	Chief Operating Officer, LU	Management of off Track Drainage – LU Operations	02/09/2016 RI	17/3/2017
IA 16 750	HSET	Chief Operating Officer	London Underground Rolling Stock Wheelset Management	27/10/2016 RI	Closed
IA 16 714	HSET	Capital Programmes Director	LU Project Requirements	14/10/2016 RI	30/4/2017
IA 16 703	HSET	Chief Procurement Officer	Track Welding Supplier – Keltbray Rail	01/07/2016 AC	Closed
IA 15 753	HSET	Capital Programmes Director, LU	Track Partnership use of Pathway and the Provision of Maintenance Handover Deliverables and Ellipse Asset Data	27/07/2016 AC	Closed
IA 16 717	HSET	Chief Operating Officer, LU	Wabtec (Breckwell Willis) Supplier Assurance	21/07/2016 AC	31/3/2017
IA 16 753	HSET	Capital Programmes Director, LU	Maintenance of Air Handling Units (AHUs) for Critical Rooms	22/07/2016 AC	Closed
IA 16 744	HSET	Chief Operating Officer, LU	Piccadilly Line Fleet Life Extension Project	26/07/2016 AC	Closed
IA 16 728	HSET	Chief Operating Officer, LU	Management of Portable Current Rail Indicator Devices (CRIDs) and Permanent CRIDs (P-CRIDs)	05/08/2016 AC	Closed
IA 16 710	HSET	Capital Programmes Director, LU	Track Clearances in LU	18/08/2016 AC	Closed

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Report Type	Responsible Director	Report Title	Report / Memo Issued	Current Status (Due date of last action)
IA 16 799	HSET	Chief Operating Officer	Track Manual Metal Arc Welding	21/09/2016 AC	Closed
IA 16 718	HSET	Commercial Director	Sweetnam and Bradley Supplier Assurance	05/10/2016 AC	15/1/2017
IA 16 719	HSET	Commercial Director	Supplier Audit – OTE Precision Engineering (UK) Ltd	06/10/2016 AC	31/12/2016
IA 16 737	HSET	Chief Operating Officer	LU Operations, JNP Signals Maintenance	12/10/2016 AC	8/3/2017
IA 16 801	HSET	Chief Operating Officer	Supplier Audit – DK Rewinds	14/10/2016 AC	Closed
IA 16 747	HSET	Chief Technology Officer	Removal of the LITE Database	09/11/2016 AC	Closed
IA 16 740	HSET	Chief Operating Officer	BCV Track Maintenance	15/11/2016 AC	Closed
IA 16 800	HSET	Chief Operating Officer	LU Contract (Motivair) to Maintain Compressors	21/11/2016 AC	31/3/2017
IA 16 736	HSET	Chief Operating Officer	LU Operations Signalling Maintenance BCV	28/11/2016 AC	Closed
TfL Strategic Risk: Governance suitability					
IA 15 428	Memo	Chief Finance Officer	Payment Card Industry Data Security Standards (PCI DSS) Assurance and Compliance at London Underground(LU) AND Visitor Information Centre (VIC's)	28/07/2016 Memo	N/A
TfL Strategic Risk: Safety Standards					
IA 16 757	HSET	Director of Safety	Management of Risk from Display Screen Equipment in TfL	23/11/2016 PC	31/3/2017
IA 16 770	HSET	Director of Safety	Control of Occupational Noise Risks in TfL	04/11/2016 RI	30/9/2017
IA 16 787	HSET	Director of Safety	Fit for the Future Stations – Transfer of Station HSE Duties	05/10/2016 AC	31/3/2017
Surface Transport					
TfL Strategic Risk: Delivery of key investment programmes					
IA 16 609	IAR	Director of PPD	Gate and Design Reviews in Surface Transport	01/09/2016 RI	31/03/2017
IA 16 652	IAR	Director of Commercial	Management of single sourcing in London Rail	10/11/2016 RI	30/6/2017
IA 16 608	IAR	Director of PPD	Use of Pathway in Surface Transport	01/09/2016 AC	28/02/2017
IA 15 620F	IAR	Director of Projects and Programmes	Management of Project Transition in Surface Transport	28/09/2016 WC	Closed
IA 15 619F	IAR	Director of Projects and Programmes	Management of Project Closure in Surface Transport	28/09/2016 WC	Closed
IA 16 661	Memo	Director of Commercial	Real time audit on the procurement of the Major Projects Framework (MPF)	16/08/2016 Memo	N/A
IA 16 661	Memo	Director of Commercial	Real time audit on the procurement of the Major Projects Framework	15/11/2016 Memo	N/A

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Report Type	Responsible Director	Report Title	Report / Memo Issued	Current Status (Due date of last action)
TfL Strategic Risk: Safety Standards					
IA 16 797	HSET	Director, London Rail	Emirates Air Line Health and Safety Assurance	29/06/2016 AC	Closed
IA 16 764	HSET	Director of Contracted Services	Management of Asbestos in DLR	07/10/2016 AC	31/3/2017
IA 16 760	HSET	Chief Operating Officer	Surface Transport Health and Safety Competence Management	14/10/2016 AC	31/1/2017
TfL Strategic Risk: Managing Railway or strategic road network asset base					
IA 16 726	HSET	Director, DLR	DLR Adverse Weather Preparedness	25/11/2016 RI	26/5/2017
IA 16 708	HSET	Chief Operating Officer	Supplier Audit – British Mica	07/12/2016 RI	19/6/2018
IA 16 765	HSET	Director, London Rail	London Overground Safety Verification Process	11/07/2016 AC	Closed
TfL Strategic Risk: Governance suitability					
IA 16 129	IAR	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	28/4/2017
IA 15 428	Memo	Chief Finance Officer	Payment Card Industry Data Security Standard (PCI DSS) Assurance and Compliance at Docklands Light Railway Limited (DLRL)	28/07/2016 Memo	N/A
IA 15 428	Memo	Chief Finance Officer	Payment Card Industry Data Security Standard (PCI DSS) Assurance and Compliance at Enforcement and On Street Operations (EOS)	28/07/2016 Memo	N/A
TfL Strategic Risk: Operational reliability					
IA 15 114	Memo	Chief Operating Officer, Surface Transport	Delivery of Enforcement & On-Street Operations Taxi and Private Hire Compliance Action Plan Follow Up	30/11/2016 Memo	31/3/2017
TfL Strategic Risk: Catastrophic Event					
IA 16 413	IAR	Director of Service Operations	Victoria Coach Station Security	25/11/2016 PC	1/5/2017
Finance					
TfL Strategic Risk: Delivery of key investment programmes					
IA 12 632	IAR	Chief Procurement Officer	Procurement of Professional Services Framework	19/08/2016 AC	Closed
IA 16 660	Memo	Chief Finance Officer	Conflicts of Interest (COI) management by suppliers Turner & Townsend (T&T) and Pell Frischmann (PF)	15/08/2016 Memo	Closed
IA 16 654	Memo	Director of Commercial	Use of Commercial Toolkit in Pan-TfL Commercial Teams	04/10/2016 Memo	Closed
IA 16 634	Memo	Chief Finance Officer	External Experts Turner & Townsend (Advisory) (T&T) – Effectiveness of Conflicts of Interests (Col) Measures	19/10/2016 Memo	Closed

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Report Type	Responsible Director	Report Title	Report / Memo Issued	Current Status (Due date of last action)
IA 15 639	Memo	Director of Commercial	Consultancy Assignment by Internal Audit on Supplier Relationship Management in TfL	04/11/2016 Memo	Closed
TfL Strategic Risk: Financial sustainability					
IA 16 131F	IAR	Chief Finance Officer	Group Treasury	12/10/2016 WC	Closed
Commercial Development					
TfL Strategic Risk: Delivery of commercial revenue targets					
IA 16 203	IAR	Director of Commercial Development	Phoenix Property Payments Process	14/09/2016 RI	28/02/2017
IA 16 201	IAR	Director of Commercial Development	Bus Shelter Advertising Concession	15/07/2016 AC	31/1/2017
IA 16 204F	IAR	Director of Commercial Development	Mobilisation of the Pan TfL Advertising Contract	09/11/2016 WC	Closed
IA 16 204	Memo	Director of Commercial Development	Mobilisation of the Pan TfL Advertising Services Contract	24/08/2016 Memo	N/A
IA 15 125	Memo	Director of Commercial Development	Financial Controls in Commercial Development	21/07/2016 Memo	31/3/2017
IA 16 204	Memo	Director of Commercial Development	Mobilisation of the Pan-TfL Advertising Services Contract	4/10/2016 Memo	N/A
IA 16 213	Memo	Director of Commercial Development	Exterior Connectivity Services	23/08/2016 Memo	31/3/2017
Customers, Communication and Technology					
TfL Strategic Risk: Technological or market developments					
IA 15 641	Memo	Chief Technology Officer	Procurement of Access and Wide Area Network (WAN) services	12/08/2016 Memo	N/A
IA 15 641	Memo	Chief Technology Officer	Procurement of Access and Wide Area Network (WAN) Services	28/10/2016 Memo	N/A
TfL Strategic Risk: Significant technology failure or cyber attack					
IA 15 421	IAR	Chief Technology Officer	Active Directory	06/10/2016 PC	30/4/2017
IA 16 401	Memo	Various	Internal Audit Consultancy Engagement on the Contact Centre Service Framework (CCSF)	23/09/2016 Memo	Closed
TfL Strategic Risk: Delivery of key investment programmes					
IA 15 425	IAR	Chief Technology Officer	Quality and Timeliness of IM Project Delivery	06/10/2016 RI	31/3/2017
HR					
TfL Strategic Risk: Workforce adaptability					
IA 15 137	IAR	Director of Pensions and Reward	Performance and Development in TfL	19/09/2016 AC	31/5/2017
IA 14 103	Memo	HR Director	Employee Relations London	05/12/2016	30/4/2017

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Report Type	Responsible Director	Report Title	Report / Memo Issued	Current Status (Due date of last action)
			Underground Interim Follow Up Memo	Memo	
IA 15 103	Advisory	Director of HR	Employee Relations in Specialist Services and Surface Transport	28/07/2016 Advisory	Closed
IA 16 103	Advisory	Director of Pensions and Reward	Make a Difference Instant Awards	15/07/2016 Advisory	Closed
General Counsel					
TfL Strategic Risk: Governance Suitability					
IA 16 134	IAR	Head of Secretariat	Gifts and Hospitality	24/11/2016 RI	31/3/2017
London Transport Museum					
IA 16 112	IAR	Museum Director	New Income Generation in LTM	21/10/2016 RI	30/6/2017
IA 15 428	Memo	Director LTM	Payment Card Industry Data Security Standard (PCI DSS) Assurance and Compliance at London Transport Museum (LTM)	04/07/2016 Memo	N/A
Crossrail					
IA 16 361	HSET	Crossrail Central Delivery Director	Management of Design and the Gates Process at C828	30/06/2016 RI	Closed
IA 16 362	HSET	Programme Director, Crossrail	Programme Management at C828 Ilford Depot	09/09/2016 RI	15/3/2017
IA 16 341	HSET	Programme Director, Crossrail	Quality Management at C530	03/10/2016 RI	18/3/2017
IA 16 306	HSET	Crossrail Technical Director	Management of Gates in Systemwide	29/11/2016 RI	17/3/2017
IA 16 367	HSET	Crossrail Central Delivery Director	Engineering Safety Management and Technical Assurance at C405	29/06/2016 AC	Closed
IA 16 368	HSET	Crossrail Central Delivery Director	Engineering Safety Management and Technical Assurance at C435	29/06/2016 AC	Closed
IA 16 339	HSET	Crossrail Central Delivery Director	Framework Design Consultants for C512	30/06/2016 AC	Closed
IA 16 323	HSET	Crossrail Central Delivery Director	Sectional Completion Documentation at C360	11/07/2016 AC	Closed
IA 16 324	HSET	Crossrail Central Delivery Director	Management of Construction Interfaces at C360	11/07/2016 AC	Closed
IA 16 519	IAR	Director of IT, Crossrail	Transition of the Crossrail Data Centre to Woking	12/07/2016 WC	Closed
IA 16 356	HSET	Crossrail Central Delivery Director	Quality Management at C650	15/07/2016 AC	Closed
IA 16 369	HSET	Crossrail Central Delivery Director	Engineering Safety Management and Technical Assurance at C610	19/07/2016 AC	Closed
IA 16 370	HSET	Delivery Director, Crossrail	Engineering Safety Management and Technical Assurance Process at C631 Platform Edge Doors	29/07/2016 AC	Closed
IA 16 335	HSET	Delivery Director, Crossrail	Management of Design and Design Change at C502 Liverpool Street	11/08/2016 WC	Closed

Status Key

PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Reference	Report Type	Responsible Director	Report Title	Report / Memo Issued	Current Status (Due date of last action)
IA 16 358	HSET	Delivery Director, Crossrail	Management of Design and Design Change at C660 Communications & Control	11/08/2016 WC	Closed
IA 16 363	HSET	Delivery Director, Crossrail	Management of Gates Process at C620 Signalling Systems	12/08/2016 AC	Closed
IA 16 364	HSET	Delivery Director, Crossrail	Management of Gates Process at C610 Track	12/08/2016 AC	Closed
IA 16 337	HSET	Delivery Director, Crossrail	Contractors Self Certification and Quality Management at C510 Whitechapel	17/08/2016 AC	Closed
IA 16 371	HSET	Delivery Director, Crossrail	Safety & Quality Management at C236 Canary Wharf Station	18/08/2016 AC	Closed
IA 16 505	IAR	Crossrail Central Delivery Director	Project Glide-Path Monitoring	26/08/2016 AC	Closed
IA 16 333	HSET	Programme Director, Crossrail	Compliance with Crossrail Documentation at C435 Farringdon	07/09/2016 AC	Closed
IA 16 365	HSET	Programme Director, Crossrail	Gate and Design Change Management at C650 HV Power Systems	07/09/2016 AC	Closed
IA 16 315	HSET	Programme Director, Crossrail	Train Works, Depot Works and Services Acceptance Processes	08/09/2016 AC	Closed
IA 16 321	HSET	Programme Director, Crossrail	Management of Lifts & escalators at C502 Liverpool Street	26/09/2016 AC	Closed
IA 16 307	HSET	Technical Director, Crossrail	Management of Technical Assurance	04/11/2016 AC	Closed
IA 16 313	HSET	Crossrail Technical Director	Signalling Design Management	17/11/2016 AC	Closed
IA 16 501	Memo	Finance Director, Crossrail	Review of Financial controls and processes for contracts between Crossrail and Engie	25/08/2016 Memo	N/A

Status Key


PC Poorly controlled

RI Requires improvement

AC Adequately controlled

WC Well controlled

Risk	Audit Title	Objective
Pan-TfL		
Catastrophic Event		
	Personnel Security and Security Culture	To evaluate the employment based security screening processes to provide assurance of effective design and operation.
Significant Technology failure or cyber attack		
	Controls over disclosure of personal information to external agencies	To evaluate the controls in place over disclosure to external agencies (including police and security services) concerning staff and customers.
Delivery of key investment programmes <input type="checkbox"/>		
	Flow down of Responsible Procurement (RP) requirements through supply chain.	To provide assurance that the relevant RP clauses in main contracts are being flowed down to the supply chain and being adequately checked and monitored.
	Retention of Procurement Records within TfL	A review of a sample of procurements to ensure that all necessary documentation is in place and available, in accordance with regulatory and TfL requirements.
	TfL Lessons Learned Process	Provide assurance that previous audit actions to improve implementation of the process have been undertaken and embedded.
LU and TfL Rail		
Safety Standards		
	LU Competence Requirements for Undertaking civil engineering safety critical work	To review LU's compliance with Category 1 standards in respect of competence requirements for undertaking civil engineering safety critical work.
	LU Operations Fleet Competence Management	Assess implementation of Competence Management System in Fleet Asset area.
	LU Operations Track Manufacturing Division HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
Catastrophic Event		
	London Underground Station Security Review	Thematic review of the protective security controls in place at high risk stations to assess whether controls are operating effectively.
Delivery of key investment programmes <input type="checkbox"/>		
	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.
	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.
Managing railway or strategic road network asset base		
	Consultancy - Signal Design Management	To evaluate recent enhancements in design management controls and ensure that best practices are adopted within LU.
	LU Operations SSL Signal Maintenance	To provide assurance over specific elements of signal maintenance controls, covering calibrated tools and equipment, surveillance activities and management of wire degradation.

Risk	Audit Title	Objective
	LU Operations Management of Rail Grinding Programme	To provide assurance that the rail grinding programme is appropriately managed to ensure track assets are in a safe and serviceable condition.
	LU Operations Signal Maintenance Surveillance	To seek assurance that effective signal maintenance surveillance regimes are in place.
	LU Operations Changes to Station Fire Precautions	To provide assurance that changes to station fire precautions are controlled adequately and in accordance with the revised standard issued in 2015.
	Supplier Audit: John Bradley and Son Ltd.	To seek assurance that the Supplier 'John Bradley and Son' has suitable quality management systems in place to assist in the LU Train Stop overhaul project.
	LU Operations - Fleet Management of Notifiable Incidents	To provide assurance that current processes are being adhered to for 'unusual noise under car', safety irregularities (brake and doors) and notifiables.
	Morsons Supplier Audit and Assurance	To provide assurance that that Morsons management systems and arrangements are compliant with the LU Contract for provision of protection staff. Also to review how LU receives ongoing assurance from the supplier that the contract conditions are being met.
	Cleshars Supplier Audit and Assurance	To provide assurance that that Cleshars management systems and arrangements are compliant with the LU Contract for provision of protection staff. Also to review how LU receives ongoing assurance from the supplier that the contract conditions are being met.
Surface Transport		
	Safety Standards	
	Trams Rolling Stock HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
	ST Health and Safety data quality and reporting	To review the mechanisms in place to ensure the quality of health and safety data and reporting thereon.
	Significant Technology failure or cyber attack	
	ST Critical Applications	To provide assurance that the security and availability of specified Surface Transport applications are adequate and meet agreed company standards.
	Delivery of key investment programmes 	
	Procurement of the Major Projects Framework	To ensure that the procurement process employed for the Major Projects Framework is managed effectively, in accordance with approved procedures and EU directives, is open, fair and transparent, and has appropriate management controls and governance.
	Operational Reliability	
	Management of the DLR franchise contract in London Rail	To provide assurance that the controls and processes in place to manage the DLR Franchise Contract are adequate and effective.
	Governance Suitability	
	TPH Regulatory Function	To review the governance and regulatory functions in Taxi and Private Hire and EOS.
	Technological or market developments	

Risk	Audit Title	Objective
	Data Privacy & Protection - Surveillance Cameras Centrecom and bus stations	To determine if TfL's use, management, and control of surveillance cameras are in accordance with the relevant TfL policies, laws and codes of practice.
Financial Sustainability		
	Taxi and Private Hire - Financial Controls healthcheck	To provide assurance over financial controls within TPH including third parties.
Financial Sustainability		
	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.
Commercial Development		
Delivery of commercial revenue targets		
	Management of the Property Partnership Programme of sites	To provide assurance that the new property development framework is being used efficiently and effectively.
	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.
	Procurement and management of professional advisors by Commercial Development	To provide assurance that appropriate controls are in place for the appointment and management of advisers, to ensure that advice received is of a high quality and not compromised by conflicts of interest.
Customers, Communication and Technology		
Catastrophic Event		
	Strategic Datacentre Controls Review	To assess the design and effectiveness of the controls.
Significant Technology failure or cyber attack		
	Remote Access Control (T-SNAP)	To provide assurance over the controls over remote access to TfL's networks.
	Access to Central Journey Data	To review the effectiveness of the controls over the various systems/applications providing access to Central Journey Data.
Workforce adaptability		
	Contact Centre Operations Temporary Agency Staff Payments	To provide assurance that controls are operating effectively over payments to temporary agency workers engaged in Contact Centre Operations, Marketing and Communications.
Technological or market developments		
	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.
Financial Sustainability		
	Refunds	To review controls over issue of refunds to customers.
	Concessionary Travel	To provide assurance that effective controls are operating over the approvals and maintenance of concessionary travel arrangements.

Risk	Audit Title	Objective
HR		
Workforce adaptability	Movers and Leavers' Processes	To provide assurance on the adequacy and effectiveness of controls in place over staff leaving or moving within the organisation.
London Transport Museum		
	IT Governance	To provide assurance over LTM's IT governance arrangements.
Crossrail		
	Asset Handover Strategy and Implementation	To assess the effectiveness of Asset Handover Strategy and Implementation management within Crossrail.
	Effectiveness of the Review Panels	To assess the effectiveness of the Review Panels in managing systems integration and operability.
	Gates process in Systemwide	To assess the effectiveness of the Gates process for design management in Systemwide.
	Project Delivery Team management of HS Q&E	To assess the effectiveness of the Project Delivery Team management of HS Q&E.
	Rolling stock assurance process	To assess the effectiveness of the rolling stock assurance process managed by Bombardier.
	Sectional Completion Documentation at C422 Tottenham Court Road	A review of Sectional Completion Documentation.
	Fujitsu performance management	To assess the effectiveness of Fujitsu performance management.
	Accounts Payable	To review the effectiveness of controls over the Accounts Payable process.
	Compliance with RIDDOR	To assess the effectiveness of legal compliance with RIDDOR by Crossrail.
	Urban Realm management	To assess the effectiveness of Urban Realm management for Crossrail stations.
	Transition of the Tunneling and Underground Construction Academy (TUCA)	To provide assurance that TUCA is being transitioned effectively and that commitments made to funders are being met.
	Lifts and Escalators at C412	A review of the management of lifts and escalators at C412 Bond Street.
	Lifts and Escalators at C530	A review of the management of lifts and escalators at C530 Woolwich Station.
	Design Management at C422 Tottenham Court Road	A review of the management of design contractors by the Principal Contractor, Laing O'Rourke.

Risk	Audit Title	Objective
Pan-TfL		
Delivery of key investment programmes □		
	Effectiveness of target cost contracting	To review the appropriateness of using, and subsequent management of, target cost contracting within projects.
	Procurement of the New e-Tendering System (previously Commercial Systems project)	To provide assurance that the processes employed for the procurement of the E-tendering system, are in accordance with approved procedures and are open, fair and transparent as well as ensuring that the system requirements cover current and future needs.
	Security and business continuity in projects	A review of a sample of projects to assess the extent to which TfL's security and business continuity requirements are met.
LU and TfL Rail		
Safety Standards		
	LU Operations Stratford Market Depot Rolling Stock Depot HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
	LU Operations Central Line HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
	LU Operations Pumps and Drainage Competence Management	Assess implementation of Competence Management System in Lifts & Escalators area.
	LU Operations Power Maintenance HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
	LU Operations IRSE Competence management system	To provide assurance that an effective management system is in place to manage competence under the IRSE regime, including follow up of findings from previous audits.
	LU CPD Exclusion zones	To review compliance with new internal systems being developed by LU working group and relevant legislation.
Managing railway or strategic road network asset base		
	LU CPD - Load Application Process	To provide assurance that the Power Load Application process is followed by LU Projects and is effective in ensuring the integrity of the power system.
	LU Operations - Repeat Asset Failure Avoidance	To provide assurance that asset failures are investigated and root causes identified, addressed and escalated to avoid repeat failures.
	LU Operations Introduction of new signalling products and management of associated special conditions	To provide assurance that new and novel signalling products are appropriately implemented along with specific control conditions required.
	LU Power Defects Management	To provide assurance that Power defects are process managed to avoid impacts on the operational railway.
	LU Plant Approval Process for Construction Sites (non-rail borne)	To provide assurance that non-rail track plant on construction sites is subject to suitable approval processes before it is used.
	LU Operations - Fleet Central Line HOPL	To review assurance arrangements and processes in place to manage the project work stream.
	LU SSL Track Maintenance	To provide assurance over specific elements of track maintenance controls, covering Ellipse data management, manual metal arc welding, PM4 inspections and preparations for Night Tube (where applicable).

Risk	Audit Title	Objective
	LU JNP Track Maintenance	To provide assurance over specific elements of track maintenance controls, covering Ellipse data management, manual metal arc welding, PM4 inspections and preparations for Night Tube (where applicable).
	LU Operations - Automatic Track Monitoring System	Provide assurance that the processes for fault monitoring and rectification are in line with standard S1159.
	LU Operations - Fleet Calibration process	To assess the process in place to manage and control the calibration of tools to be used on rolling stock, including processes to add and remove from the asset equipment section of Ellipse.
Governance Suitability		
	Thorntask Lessons Learnt	To review and follow up the actions in the Thorntask Lessons Learnt Report
Surface Transport		
Safety Standards		
	ST CDM Principal Designer Role	To provide assurance that ST is appropriately discharging its duty as CDM Principal Designer where appropriate.
Significant Technology failure or cyber attack		
	PCIDSS - Enforcement and On-Street Operations (EOS)	To assess the ongoing design and effectiveness of controls for non-compliant business units.
Commercial Development		
Delivery of commercial revenue targets		
	Operation of Earls Court JV	To provide assurance over management of the risks to TfL and the JV Board arising from the property development project.
	Operation of Advertising Partnerships	To provide assurance over the Operation of the new advertising contract.
	Investments appraisal	To assess the efficiency and effectiveness of processes and tools used in the development of cost/benefit appraisals used in scheme selection and prioritisation.
Customers, Communication and Technology		
Significant Technology failure or cyber attack		
	Data Privacy & Protection - Marketing Data	To evaluate the data security governance and control arrangements operated by Dawley's (or alternative 3rd party provider).
	Patch Management - DMZ	To evaluate the effectiveness of controls in place to consistently secure against known vulnerabilities in operating system and application software with the DMZ.
	IT Infrastructure Control - Avaya IP Telephony	To assess the design and effectiveness of the controls.
General Counsel		
Governance Suitability		
	Authorities	To review application of delegated authorities, following on from work on Standing Orders in the 2015/16 plan.
	Transparency	To provide assurance over the effectiveness of the controls over the collection and publishing of data under the local government transparency code.

Risk	Audit Title	Objective
London Transport Museum		
	LTM Safeguarding	To provide assurance over the creation and implementation of the safeguarding policy.
	LTM PCI DSS compliance	To provide assurance over LTM's compliance with the PCI DSS standard. This will include a review of progress with the Electronic Point of Sale (ePOS) Ticketing System Project, which is intended to deliver PCI-DSS compliance.
Crossrail		
Delivery of key investment programmes - Crossrail		
	Network Rail Reporting	To provide assurance over the effectiveness of Network Rail Reporting to Crossrail.
	Management and Financial Accounting	To review the effectiveness of controls over Management and Financial Accounting processes.
	Management of the Configuration Management Database (CMDB)	To assess the effectiveness of the management of the Configuration Management Database (CMDB).
	Crossrail Cyber Security	To assess the effectiveness of the management of the physical security of new stations.

Reference	Responsible Director	Report Title	Report / Memo Issued	Due date for completion of last action	Comments
London Underground and TfL Rail					
TfL Strategic Risk: Managing railway or strategic road network asset base					
IA 15 727A	Chief Operating Officer, LU	Aluminothermic Welding – MIS	21/04/2016 PC	30/4/2017	Only one priority 3 action outstanding
IA 15 757	Capital Programmes Director	Points and Crossing Inspection and Maintenance	13/05/2016 RI	28/02/2017	
IA 15 713	LU Director of Capital Programmes	LU Plant Approval Process for Construction Sites	12/05/2016 RI	30/4/2017	
IA 15 727B	Chief Operating Officer, LU	Aluminothermic Welding – AP JNP	29/04/2016 AC	30/04/2017	
IA 15 727C	Chief Operating Officer, LU	Aluminothermic Welding - Track Partnership / Track Delivery Unit	29/04/2016 AC	30/04/2017	
IA 15 792	Capital Programmes Director, LU	LU Management of Asbestos	31/03/2016 AC	31/3/2017	
TfL Strategic Risk: Safety standards					
IA 15 747	Director of Safety	Management of High Risk Waste	22/04/2016 RI	5/1/2018	
IA 15 766	Director of Safety	LU HSE Incident Action Tracking	13/06/2016 RI	31/3/2017	
IA 15 760	Director of Safety	LU Operations Working at Height	14/06/2016 RI	31/5/2017	
IA 15 706	Director of Safety	Compliance with Revised CDM Regulations	19/04/2016 RI	19/4/2017	
IA 15 741	Chief Operating Officer, LU	Jubilee Line HSE Management	06/01/2016 AC	31/3/2017	
IA 15 795	Chief Operating Officer, LU	Station Platform Works	14/06/2016 AC	31/3/2017	
TfL Strategic Risk: Delivery of key investment programmes					
IA 16 706	Capital Programmes Director, LU	Disposal and Acquisition of LU Land and Property	27/05/2016 RI	31/01/2017	
IA 15 601	Head of TfL PMO	Management of Change Control in projects across TfL	23/05/2016 AC	31/3/2017	
IA 14 833	Capital Programmes Director	Quality Inspection and Completion Certificate (QICC)	25/09/2015 AC	28/2/2017	

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled	Memo Con A	Memorandum Consultancy Advisory
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Reference	Responsible Director	Report Title	Report / Memo Issued	Due date for completion of last action	Comments
TfL Strategic Risk: Operational Reliability					
IA 15 785	Director of Commercial	LS Precision (Supplier Assurance)	20/11/2015 RI	14/4/2017	
IA 15 736	Chief Operating Officer	LU Communication Equipment Room Management	24/03/2016 RI	30/3/2017	
TfL Strategic Risk: Impacts on environment and resilience to extreme weather					
IA 14 816	Capital Programmes Director	Environmental Management through Pathway	19/06/2015 RI	31/3/2017	
Surface Transport					
TfL Strategic Risk: Delivery of key investment programmes					
IA 15 626	Director of Buses, ST	Purchase and Supply of New Routemaster from Wrightbus Limited	23/05/2016 AC	31/08/2017	
TfL Strategic Risk: Safety Standards					
IA 15 738	Director of Trams	Tram Infrastructure Safety Management	18/04/2016 AC	31/3/2017	
TfL Strategic Risk: Operational Reliability					
IA 15 716	Director of Trams	Trams - Hand back of critical assets from the Systems Upgrades Project	12/02/2016 RI	31/3/2017	
IA 15 114	Director of EOS	EOS - Compliance	29/03/2016 Memo	31/3/2017	
TfL Strategic Risk: Financial Sustainability					
IA 15 107	Chief Technology Officer	Revenue inspection controls over contactless ticketing	24/12/2015 RI	30/4/2017	
Finance					
TfL Strategic Risk: Financial Sustainability					
IA 15 132	Chief Finance Officer	VAT	09/05/2016 RI	31/5/2017	
IA 14 120	Chief Finance Officer	Payroll	29/07/2015 RI	31/3/2017	
IA 15 126	Chief Technology Officer	Oracle Financial Controls and Supporting Systems	29/02/2016 RI	31/3/2017	
IA 15 130	Chief Finance Officer	Business Expenses and Purchasing Cards	27/04/2016 RI	30/6/2017	Five Priority 1 issues still to be completed – all are dependent on the publication of the revised Business Expenses Policy that is now expected in early April.
HR					
TfL Strategic Risk: Workforce adaptability					
IA 15 102	HR Director	HR Documentation pan-TfL	13/11/2015 PC	28/2/2017	Four Priority 1 and one Priority 2 actions are due for completion

Status Key

PC Poorly controlled	RI Requires improvement	AC Adequately controlled	WC Well Controlled	Memo Con A Memorandum Consultancy Advisory
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Reference	Responsible Director	Report Title	Report / Memo Issued	Due date for completion of last action	Comments
Customers, Communication and Technology					
TfL Strategic Risk: Technological or market developments					
IA 15 403	Chief Technology Officer	Software Licensing for IBM Products	09/05/2016 PC	30/4/2017	Six Priority 1 issues are due for completion in April
TfL Strategic Risk: Financial Sustainability					
IA 15 107	Chief Technology Officer	Revenue inspection controls over contactless ticketing	24/12/2015 RI	31/3/2017	
London Transport Museum					
IA 15 145	Museum Director	LTM Follow up work on previously agreed actions	14/03/2016 Memo	31/3/2017	

Status Key

PC	Poorly controlled	RI	Requires improvement	AC	Adequately controlled	WC	Well Controlled	Memo Con A	Memorandum Consultancy Advisory
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**TfL Internal Audit
Internal Audit Plan 2016/17
Audits Cancelled and Postponed**

Appendix 6

Risk Audit Title	Objective	Cancelled/ Postponed	Comment
Pan-TfL			
Impacts on environment and resilience to extreme weather			
TfL Emissions from local generators	To provide assurance that the requirements from the new Non-Road Mobile Machinery regulations have been effectively implemented across TfL.	Postponed to 2017/18	Postponed at the request of HSE to allow new legal requirements to be implemented
Workforce adaptability			
Occupational Health (OH)	To review provision of OH services across TfL including compliance with SLAs.	Cancelled	Cancelled as an external OH Review has recently covered this
LU and TfL Rail			
Safety Standards			
LU Possession Site Control and Assurance	To review the effectiveness of the assurance systems related to delivering safe track access and protection for persons working on the track.	Postponed to 2017/18	Postponed due to a recent Formal Investigation Report in this area.
LU Works Planning Lockdown Procedures	To provide assurance that the procedures for lockdowns as part of planning works effectively ensure safety	Cancelled	This will be incorporated into the audit above.
Managing railway or strategic road network asset base			
LU 4LM Upgrade Project Signalling Assurance	To provide assurance over this project. Detailed scope to be determined based on local surveillance results etc.	Cancelled	The 4LM Upgrade Project is not sufficiently progressed to warrant carrying out the work at this time
LU Operations - Obsolescence of Assets	To provide assurance that the risk from obsolete assets and the impact on operation of the railway is effectively mitigated	Postponed to 2017/18	Postponed at the request of LU Head of Obsolescence to allow new requirements to be implemented.
LU Operations Communication and Information (C&I) asset maintenance regime	To assess the implementation and effectiveness of the maintenance regime for C&I Systems	Postponed to 2017/18	Agreed with the Signals Head of Profession that this work would add more value in 2017/18
LU Operations NR Maintenance of signals on the Wimbledon Branch	Provide assurance that NR is appropriately maintaining the Wimbledon Branch of the District line sufficient to manage safety and reliability.	Postponed to 2017/18	Postponed to allow the new contract in March with NR to be implemented.
Surface Transport			
Safety Standards			
ST Taxi/Private Hire HSE Management	Cancelled. ST has confirmed that the mostly office based work of TPH makes them very low HSE risk and this audit resource could be better used providing a broader HSE management systems maturity review. See added audit IA 16-807	Cancelled	Low risk area. Replaced by a broader HSE management systems maturity review (see Added Audits)

Ability to meet increasing demand			
Dial a Ride	To provide assurance on the adequacy and effectiveness of financial and business controls in place within DAR, focussing on key activities.	Postponed to 2017/18	Postponed due to delays in introduction of new DAR structure following Social Needs Review.
Managing railway or strategic road network asset base			
Assurance of DLR Operations	To provide assurance that adequate arrangements exist to ensure the operability of new or altered DLR assets.	Postponed to 2017/18	Postponed at the request of the HSE team due to a current dispute with the operator in this area
Effectiveness of the new ST Command and Control arrangements	To review the effectiveness of the new ST Command and Control arrangements.	Cancelled	Agree with management that it is too early for this work to add value.
Operational Reliability			
Topographical Testing	To provide assurance over the revised process and controls around topographical testing.	Postponed to 2017/18	Postponed due to delays in introduction of new testing system in TPH.
Governance Suitability			
Enforcement and On-Street (EoS) Governance	To provide assurance over the effectiveness and efficiency of the introduction of the revised EoS Governance.	Postponed to 2017/18	Postponed due to delays in implementing new governance structure.
Financial Sustainability			
Congestion Charging	To provide assurance on the adequacy and effectiveness of financial and business controls in place within congestion charging following the move to Capita.	Postponed to 2017/18	Postponed due to delay in transfer of Congestion Charging operations to Capita
Finance			
Fixed Assets	To review controls over fixed assets with focus on the use of a range of different asset management systems across TfL and how this impacts on financial accounting.	Postponed to 2017/18	Postponed to avoid conflicting with strategic asset management review was in progress.
Insurance Brokers	To provide assurance that effective controls are in place over payments to insurance brokers. Audit Cancelled due to higher priority work and reduced resource.	Cancelled	Cancelled since this is a lower risk area
General Ledger	To review the financial processes and controls operating over the General Ledger.	Postponed to 2017/18	Postponed to avoiding conflicting with the Financial Controls Team's process mapping exercise.
Commercial Development			
Delivery of commercial revenue targets			

Partnership/ Sponsorship Marketing	To review arrangements for identifying and exploiting partnership/ sponsorship marketing opportunities.	Postponed to 2017/18	Postponed at request of Commercial Development as a new strategy for engaging with the market is being developed.
Property Management including vetting of tenants	To review controls over property management, including the vetting of tenants.	Postponed to 2017/18	Postponed due to the ongoing Right Financial Solution project
HR			
Workforce adaptability			
Resourcing Strategy and Demand Planning	To review the implementation of TfL's resourcing strategy and review of process and controls over demand planning.	Postponed to 2017/18	Postponed at the request of HR
London Transport Museum			
Security of LTM Pop-up Shops - Thematic Audit	To provide assurance over the physical and logical security of the LTM pop-up Shops.	Cancelled	Cancelled due to the LTM trial of pop-up shops being discontinued
Crossrail			
Hazards Management (part of Engineering Safety Management)	To review the effectiveness of Hazards Management as part of Engineering Safety Management.	Cancelled	Incorporated into the Engineering Safety Management Audit
Crossrail asset management	To assess the effectiveness of the Crossrail asset management process.	Postponed to 2017/18	Postponed and split into two separate audits to better align with Crossrail needs.

TfL Internal Audit
Internal Audit Plan 2016/17
Audits Added - Quarters 2 and 3

Risk Audit Title	Objective
LU and TfL Rail	
Managing railway or strategic road network asset base	
Supplier Audit: Old Town Engineering	To provide assurance that OTE Welding & Fabrication Ltd has the appropriate competence, capability and quality management systems to undertake the manufacture and supply of precision parts and components to REW for the overhaul of safety critical signal assets.
Supplier Audit: Sweetnam and Bradley	To provide assurance that Sweetnam and Bradley has suitable quality process and competences in place to enable the supply of metal frameworks to be carried out and completed to requirement.
Morsons Supplier Audit and Assurance	To provide assurance that that Morsons management systems and arrangements are compliant with the LU Contract for provision of protection staff. Also to review how LU receives ongoing assurance from the supplier that the contract conditions are being met.
Cleshars Supplier Audit and Assurance	To provide assurance that that Cleshars management systems and arrangements are compliant with the LU Contract for provision of protection staff. Also to review how LU receives ongoing assurance from the supplier that the contract conditions are being met.
LU Earth Structures Inspections	To provide assurance that inspections of earth structures are undertaken in accordance with LU standards
Surface Transport	
Managing railway or strategic road network asset base	
DLR Audit Action Verification	To provide independent assurance / verification that the actions from previous asset audits have been effectively implemented and accurately recorded.
Governance Suitability	
Data Privacy & Protection - Surveillance Cameras Centrecom and bus stations	To determine if TfL's use, management, and control of surveillance cameras are in accordance with the relevant TfL policies, laws and codes of practice
Financial Sustainability	
EC Grant Agreement Cost Certification	To certify costs in respect of EC funding for Old Oak Common [NB: The timing of this requirement subsequently changed and this is now included in the 2017/18 plan]
Safety Standards	
Consultancy - ST H&S Management System Maturity	To provide independent review and verification that the ST Directorates have suitably implemented the requirements of the ST Safety Management System; and their local assurance regimes are accurately measuring implementation

**INTERNAL AUDIT CUSTOMER FEEDBACK FORM
SUMMARY OF RESPONSES FOR 2016/17
Quarter 2 & 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: Q2 & Q3 = 93 (Q1=53)

Customer Feedback Forms Returned: Q2 & Q3 = 51 (Q1 = 19)

ASSIGNMENT ASSESSMENT CRITERIA	No score given		Very poor		Poor		Satisfactory		Good		Very good		Average Score	
	Q1	Q2 & Q3	Q1	Q2 & Q3	Q1	Q2 & Q3	Q1	Q2 & Q3	Q1	Q2 & Q3	Q1	Q2 & Q3	Q1	Q2 & Q3
PLANNING AND TIMING													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	0	0	4	8	8	19	7	24	4.2	4.3
The assignment was completed and the report issued within appropriate timescales	0	0	0	0	1	2	2	6	7	17	9	26	4.3	4.3
COMMUNICATION													4.1	4.4
Communication prior to the assignment was appropriate, including the dates and objectives	0	0	0	0	2	0	1	7	9	16	7	28	4.1	4.4
Throughout the assignment I was informed of the work's progress and emerging findings	0	0	0	0	1	1	2	6	10	20	6	24	4.1	4.3
CONDUCT													4.3	4.5
The Internal Audit team demonstrated a good understanding of the business area under review and associated risks, or took time to build knowledge and understanding as the work progressed	0	0	0	0	1	0	2	7	8	14	8	30	4.2	4.5
The Internal Audit team acted in a constructive, professional and positive manner	0	0	0	0	0	0	2	4	9	13	8	34	4.3	4.6
RELEVANT AND USEFUL ADVICE AND ASSURANCE													4.0	4.2
A fair summary of assignment findings was presented in the report	0	0	0	0	1	2	5	6	9	24	6	19	4.0	4.2
Assignment recommendations were constructive, practical and cost-effective	0	0	0	0	1	1	6	9	8	22	6	19	3.9	4.2
My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	0	0	0	0	1	1	6	5	6	18	9	27	4.0	4.4
Overall assessment													4.1	4.4

Other comments including suggested improvements and areas of good performance:

"The EAL cable car is a unique business within TfL. It was necessary for the audit team to study and understand the European and UK cableway regulations."

"We had a number of meetings to discuss what we needed to do and were kept up to date on legislation changes and the advice from emerging findings was useful. We had meetings with suppliers and the advice the team gave us, was very valuable."

"Good communication around date changes, and draft versions of the required documents. Meeting on site was a big help for someone new to the business like myself."

"This was a technical IT project and the Auditor had a good grasp of the subject area which helped."

"The audit team approached this audit in a very positive way even though the timescales has to be brought forward."

"The communication was satisfactory but we were liaising between multiple colleagues and there was reference to seperate meetings with colleagues before the on site audit, I am not clear if these went ahead and / or what the output was"

"The auditor was very professional and dealt with the issues in an appropriate manner."

"The audit was useful in highlighting a requirement in the Signalling Standard that needs to be amended. Communications have been made between the Head of Signalling and the Head of Stations Systems Engineer to rectify this issue."

"The audit will help us improve the overall management in this area, the recommendations were proportionate, and this is exactly what we needed."

"The audit finding doesn't necessarily fit across the board. So, interpretation of the outcome needs to be cognisant of this."