

Date: 14 June 2016

Item: Internal Audit Quarter 4 Report 2015/16

This paper will be considered in public

1 Summary

1.1 The purpose of this report is to inform the Committee of the audit work completed in the fourth quarter of 2015/16, the work in progress and work planned for Quarter 1 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.

3.2 This is a shorter than usual quarterly report, which has been restricted to informing the Committee of reports and other outputs issued during the quarter, and work in progress and planned. This is to avoid repeating material included within the Internal Audit Annual Report elsewhere on this agenda.

4 Work Done

4.1 There were 12 Final Audit Reports issued during the quarter, including five reports that were 'Well Controlled' and went straight to final. In all cases, appropriate management action had been taken to address the issues raised in the original Interim Audit Report and the report was closed. A summary of the report findings (except one in relation to the TfL Pension Fund) is included in Appendix 3 attached.

4.2 The table below shows the number of Interim Audit Reports and other outputs, including advisory/consultancy reports and memorandums, issued during the quarter and in the full year, together with comparative figures for 2014/15.

	Interim Audit Reports					HSE and Technical Audit Reports					Other Outputs (Advisory Reports/Memos)	Total
	WC	AC	RI	PC	Total	WC	AC	RI	PC	Total		
	WC – well controlled AC – adequately controlled RI – requires improvement PC – poorly controlled											
This Quarter	5	3	9	2	19	0	12	9	0	21	9	49
2015/16	16	13	30	4	63	2	34	30	1	67	33	163
2014/15	14	27	21	1	63	7	62	27	2	98	43	204

4.3 Details of the findings from the interim reports issued during the quarter (except one in relation to the TfL Pension Fund) can be found in Appendix 4. In all cases, management actions have been agreed to address the issues raised and are being taken forward. Two of the audit reports issued during the year were concluded as 'poorly controlled'.

- (a) The report on Contractor Payment Application Forms (CPAFs), which are the mechanism for authorising the cost of work done by a contractor to support the invoicing process, identified seven priority 1 issues. This includes issues relating to a lack of a clear 'audit trail' supporting CPAF payments, unclear roles and responsibilities, inconsistent authorisation requirements and variable approaches to verification of supporting documentation. Financial Services Centre and Commercial are leading a programme of actions to address the issues identified.
- (b) The report on Recruitment identified six priority 1 issues, including a lack of clear planning for recruitment campaigns, inadequate documentation of assessment and selection, and inconsistencies and omissions in employment screening. HR is taking forward a series of actions to address these issues.

4.4 A summary of the other outputs issued during the quarter, including memorandums and advisory reports (excluding one memorandum in relation to the TfL Pension Fund) can be found in Appendix 5. The more significant of these include the following:

- (a) Our memorandum in respect of our real time audit of the Property Partnerships procurement found that there were effective controls in place over the Invitation to Participate in Dialogue and Invitation to Submit Final Tender stages of the process. No issues were identified with the final phases of this procurement. We have made some recommendations to strengthen the governance arrangements in preparation for the first mini-competition using the new framework.
- (b) Another real time audit of the procurement of the Commercial Advertising Partnering Agreement found that the procurement had been effectively managed through to the end of the ITT phase. However, we have recommended the establishment of a formal governance board to oversee and direct the procurement.

- 4.5 Summaries of the HSE and Technical (HSE&T) Audit reports issued during Quarter 4 are set out in Appendix 6.
- 4.6 Work in progress at the end of Quarter 4 is shown in Appendix 1 and work due to start in Quarter 1 of 2016/17 is shown in Appendix 2.

5 Other Assurance Providers

- 5.1 In reaching his overall opinion on the effectiveness of internal control in TfL, the Director of Internal Audit takes account of work carried out by other assurance providers as well as work carried out directly by Internal Audit. The following paragraphs provide a brief summary of work carried out by other assurance providers during Quarter 4.

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 At its meeting of 22 January 2015, the Finance and Policy Committee approved a new structure for the Project Assurance team to increase the capability and reach of the assurance activities. A recruitment drive has been undertaken to fill ten positions. Six appointments have been made, with campaigns underway for the final four. A new assurance framework is also now in place based on the Three Lines of Assurance model. Under the arrangement, TfL's project delivery group, supported by the Programme Management Office, are responsible for First Line Assurance. Second Line is the responsibility of TfL Project Assurance with IIPAG acting as Third Line.
- 5.5 In Quarter 4, 32 IARs were conducted, with IIPAG providing oversight and guidance on 16 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.
- 5.6 Some of the more significant reviews during Quarter 4 were: an Option review of Silvertown Tunnel, a Contract Award review of Jubilee Line World Class Capacity, an Annual review of New Tube for London and an Annual Review of the Bus Priority Delivery Portfolio.

Crossrail Assurance Providers

- 5.7 In addition to the work carried out by Internal Audit there are a number of other teams providing assurance over delivery of the Crossrail project. The Crossrail Audit Committee receives regular reports on the work of these teams, whose work during Quarter 4 is summarised in the following paragraphs.
- 5.8 Crossrail Compliance Audits – The compliance audit function within Crossrail carries out technical audits of compliance with the Crossrail Management System, and is managed by the Senior Audit Manager – Crossrail. Audits carried out during the quarter covered: Management of Final Design Submission; Reliability, Availability and Maintainability (RAM) Plan Performance Management; Testing and Commissioning Strategy; and Spray Concrete Lining Safety Management. There were no significant issues arising from these audits.
- 5.9 Contractor HSQE Audits – There is a programme of over 170 contractor audits for 2015/16 spread across a range of themes and contracts aimed at providing assurance that contractors have appropriate HSQE systems in place. These audits are also managed by the Senior Audit Manager – Crossrail. Audits carried out during the quarter covered areas such as health and safety management; environmental management; building control processes; interface management; material compliance; quality management; design management and occupational health. There were no particular trends arising from this work.
- 5.10 Contractor Commercial Reviews – This team carries out commercial assurance reviews of the performance of contractors, covering Cost; Contract Management; Risk Management; Commercial Value; Supply Chain and Procurement; and Anticipated Final Cost Management and Controls. There are no significant areas of concern arising from this work.

Embedded Assurance

- 5.11 In addition to HSE and Technical audits carried out by Internal Audit, a number are carried out during the year by staff 'embedded' in parts of Surface Transport and Rail and Underground. This was incorporated in the Integrated Assurance Plan for 2015/16 approved by the Audit and Assurance Committee at its meeting of 8 March 2016, and work done during Quarter 3 is summarised below.
- 5.12 Surface Transport – 13 audits were completed in Quarter 4. The purpose of these was to ensure the existence and adequacy of the control procedures and management systems used by bus operators in accordance with Buses Directorate contractual requirements, and the existence and adequacy of the control procedures and management systems used by contracted operators in line with contractual requirements at Rail Replacement and London River Services operations. There were no significant issues identified.
- 5.13 Rail and Underground – Three audits were completed in Quarter 4, as follows:
- (a) One quality audit of Greenford E3 and Incline in order to provide objective evidence of effective management of Red-Line /As Built Drawings. There were no significant issues identified.
 - (b) Two Site and Competency management Audits to assess arrangements for ensuring that there is adequate and effective management processes in place. There were no significant issues identified.

6 Customer Feedback

- 6.1 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 7.

List of appendices to this report:

Appendix 1: Work in Progress at the end of Quarter 4 2015/16

Appendix 2: Work Planned for Quarter 1 2016/17

Appendix 3: Final Reports Issued in Quarter 4 2015/16

Appendix 4: Interim Reports Issued in Quarter 4 2015/16

Appendix 5: Consultancy Reports and Memoranda Issued in Quarter 4 2015/16

Appendix 6: HSE and Technical Reports Issued in Quarter 4 2015/16

Appendix 7: Customer Feedback Form – Summary of Responses for Quarter 4

List of Background Papers:

Audit reports.

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TfL Internal Audit
Work in Progress at end of Period 13 2015/16

Risk	Audit Title	Objective
Pan-TfL		
	People Risk (Inc Pensions, IR)	
	Employee Relations - Timing and conduct of TU consultations	To review the controls in place to ensure TU consultations are timed and conducted in a manner to limit service disruptions, loss of revenue and damage to reputation in TfL following similar work on LU in the 2014/15 plan.
	Delivery of Capital Investment Portfolio	
	Change control in projects	This audit aims to review the adequacy and effectiveness of controls in place to manage Change Control in projects across TfL.
	Supplier Relationship Management	To assess the adequacy of TfL's arrangements for ensuring that relationships with key suppliers provide good value for money.
	Disruption to Quality of Service	
	Incident Management - Surface Transport	To review the dedicated processes and procedures to support incident management specifically those arrangements in place to test planning for crisis and incident and managing such events.
	Software Licencing for IBM products	To provide assurance on the processes that have been implemented to manage IBM product licences across TfL.
	Major/ Catastrophic Incident	
	Compliance with Revised CDM Regulations	To provide assurance that the revised CDM Regulations are being complied with.
Rail & Underground		
	Maintaining a long term, strategic balanced plan	
	Cash management - Fit for Future	To review the effectiveness of controls over cash management following the installation of the new Cash Handling Devices (CHDs) at stations.
	Delivery of Capital Investment Portfolio	
	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.
	Management of manufacture and supply of signalling (BCV & SSL) contract	To audit controls over management of the manufacture and supply of signalling (BCV & SSL) contract.
	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.
	LU Design Change Control	To provide assurance that arrangements are adequate to ensure that design changes are controlled and risks mitigated.
	LU Management of Temporary Works - Civils	Provide assurance that temporary works for SWIP and L&E Programme are in accordance with LU Standards.
	Project use of Pathway and Maintenance Teams' Readiness to deliver support for new Signalling assets	To provide assurance that products such as approval and registration of new equipment, provision of training, provision of tools and spares etc. are delivered in a timely and effective manner.
	Disruption to Quality of Service	
	DLR - Closeout of Serco contract	To review the process for the formal close out of the contract, including the adjustment and finalisation of monies due.
	Track Alumino Thermic Welding - MIS	To assess the effectiveness of the process, record keeping and general compliance with LU standards.

Risk	Audit Title	Objective
	Track Alumino Thermic Welding - JNP	To assess the effectiveness of the process, record keeping and general compliance with LU standards.
	Track Alumino Thermic Welding - TDU/TP	To assess the effectiveness of the process, record keeping and general compliance with LU standards.
	JNP Track Maintenance	To provide assurance that specific technical requirements are controlled to mitigate service disruption and safety risks.
	Assurance of Signalling Installation and maintenance works associated with equipment rooms	To seek assurance that suitable installation/maintenance assurance regimes are established and implemented for signalling works; to ensure that defects are identified, actioned and monitored and that installation / maintenance works within these rooms are appropriately controlled
	Management of Track Voltage Recorders and Track Earth Detectors	To be provided assurance that these components are subject to appropriate inspection and maintenance.
	Management of Live Line Detectors	To be provided assurance that these components are subject to appropriate inspection and maintenance.
Major/ Catastrophic Incident		
	Trams Line Maintenance Teams management of HSE	To revisit the 2014 audit and provide assurance that the issues raised have been appropriately actioned and performance reduces the risk of injury, incident or enforcement action.
	Management and Disposal of High Risk Waste	To provide assurance that suitable arrangements are in place for the management and disposal of high risk waste from operational premises and projects, in compliance with TfL Management System requirements and environmental legislation.
	Lifting Operations	To provide assurance that lifting operations within LU are conducted in compliance with the LOLER Regulations and that suitable written instructions / guidance are available in LU.
	Points and Crossings (P&C) maintenance/inspections	To provide assurance that recent improvements in P&C maintenance/inspections as a result of the Grayrigg Action Plan are embedded from both a Track and Signalling perspective.
	LU HSE Incident action tracking	Review the system used to collate evidence and monitor progress from investigations and verify it is effective and appropriately escalates issues.
	72 Tube Stock - Structural repair project	To ensure suitable quality processes and competence management systems are in place to ensure bogie refurbishment and vehicle floor upgrade are completed to LU standards and requirements.
Surface Transport		
	Delivery of Capital Investment Portfolio	
	Project closure in ST	The objective of this audit is to provide assurance on the management of Project Handover from Projects & Programmes to Operations and Project Closure in Surface transport. These stages are represented by Gate 5 and Gate 6 in the TfL Pathway Gate Process.
	Project transition in ST	The objective of this audit is to provide assurance on the management of Project Transition from Sponsor team to Delivery team in Surface transport.
	Wrightbus Limited. Supply of New Routemaster - Purchase and Supply	Review of effectiveness of contract management arrangements in place.

Risk	Audit Title	Objective
	Technology Risk (cyber security)	
	Security Assessments of Surface Transport SCADA systems	To assess the security of key SCADA systems by applying the Centre for the Protection of National Infrastructure (CPNI) assessment tool.
	Delivery of technology projects in Surface Transport	Provide assurance that IM projects delivered have been implemented in line with TfL's strategic objectives and business requirements.
	Disruption to Quality of Service	
	Multi-Modular Integrated Command & Control System (MICCS)	To provide assurance over the processes to ensure that the chosen solution meets the operational needs of London Underground and Surface Transport.
	Finance and Governance	
	TPH Regulatory Function	As a result of a management request the audit will review the governance and regulatory functions in Taxi and Private Hire and EOS.
	Finance	
	Delivery of Capital Investment Portfolio	
	Procurement of the Professional Services Framework	To ensure that the procurement process employed for the Professional Services Frameworks is managed effectively, in accordance with approved procedures, EU directives and is open, fair and transparent.
	Finance and Governance	
	Leases in Operational Contracts	To review the processes and controls operating over leases in operational contracts.
	Business Expenses and Purchasing Cards	To review the process and controls over Business Expenses and Purchasing Cards.
	VAT	To review the controls operating over the calculation and payment of VAT including controls over VAT on property.
	Unsupported Invoices	To review the processes and controls over the use of unsupported invoices.
	Payment Card Industry Data Security Standards (PCI DSS) Compliance	To review compliance with PCI DSS in specified business areas.
	Consultancy: Review of Consultancy Commissioning Process	To provide consultancy services to undertake a lean / six sigma review of the consultancy commissioning process to identify any efficiencies.
	Commercial Development	
	Maintaining a long term, strategic balanced plan	
	Procurement of Property Development Framework.	To ensure that the procurement processes employed for the Property Development Framework are in accordance with approved procedures and EU directives, and are open, fair and transparent.
	Procurement of the new advertising contract	To ensure that the procurement processes employed for the advertising contract are in accordance with approved procedures and EU directives, and are open, fair and transparent.
	Commercial Development Embankment Project Lessons Learned Review	To identify lessons learned from the project management of the Commercial Development Embankment Project including stakeholder management, monitoring of budgets and milestones, and clarity of roles and responsibilities.
	Finance and Governance	
	Financial Controls in Commercial Development	To review the financial processes and controls operating within Commercial Development.

Risk	Audit Title	Objective
Customers, Communication and Technology		
	Technology Risk (cyber security) Active Directory	To provide assurance that the access granted was properly authorised and remains appropriate
	Transforming IM (TIM) Procurements	To provide assurance that the procurements of the SIAM and Network contracts for the TIM Programme are being managed effectively and carried out in accordance with approved procedures. The audit will also consider the steps taken to ensure the resulting contracts are fit for purpose.
	Disruption to Quality of Service Management of IM Non Permanent Labour (NPL)	To provide assurance on the effectiveness of the processes that have been established by IM to optimise the use of NPL capabilities and ensure effective knowledge management in order to meet TfL corporate objectives.
	Quality and Timeliness of IM Projects Delivery	Provide assurance on the processes that have been implemented to ensure the quality and timeliness of outputs delivered as part of IM projects and effective managed transition into support services in BAU.
HR		
	People Risk (Inc Pensions, IR) Performance & Development	To review the new performance and development process including introduction/roll out; procedures and guidance; training; roles and responsibilities; monitoring; linkages to other staff monitoring, and success factors.
General Counsel		
	Finance and Governance Freedom of Information	To review the processes and controls over Freedom of Information requests.
	Legal Compliance	To review the controls over the Legal Compliance process and reporting.
London Transport Museum		
	London Transport Museum LTM Grant Funding	To review the controls around the process of grant funding to include reporting process to funders.
Crossrail		
	Crossrail DLR Apportionment of Costs	A review of DLR apportionment of costs to Crossrail to verify that these reflect actual costs to DLR.
	Signalling system design process	A review of the signalling system design process, and how this is monitored. This will include a review of relevant standards and applicability to Crossrail.
	Operational interface management by the Infrastructure Managers	A review of operational interface management by the Infrastructure Managers, in relation to technical assurance at the boundaries, and specifically interface management at the operational level.
	Schedule Management	To review arrangements for management of schedule. The review will include a review of the difference between contractor and Crossrail view of schedule; and a review of Schedule Risk Assessment.
	Physical Site Security	To review security arrangements in operation to secure people, property and information.
	Transition of eB to a cloud service	A review of the effectiveness of the process to transition eB to a Bentley led cloud service. To include how systems are backed-up by Bentley, and the systems maintained.

TfL Internal Audit
Work Planned for Quarter 1 2016/17

Risk	Audit Title	Objective
Pan-TfL		
	People Risk (Inc Pensions, IR)	
	Occupational Health (OH)	To review provision of OH services across TfL including compliance with SLAs.
	Personnel Security - Role based security screening	To evaluate the employment based security screening processes to provide assurance of effective design and operation.
	Delivery of Capital Investment Portfolio	
	Management of 2nd & 3rd tier contractors	To assess the extent to TfL's first tier contractors manage their contractors in compliance with TfL's contract conditions.
	Technology Risk (cyber security)	
	Data Privacy & Protection - CCTV	To provide assurance over the controls over the use of CCTV and the associated data.
	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.
	Major/ Catastrophic Incident	
	Business Continuity	To review the adequacy and effectiveness of the controls operating over the revised business continuity arrangements within TfL.
	TfL Management of Stress	To assess the effectiveness of management arrangements for minimising the incidence and effect of stress at work in line with best practice.
	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.
Rail & Underground		
	Delivery of Capital Investment Portfolio	
	Management of LU Land and Property and interface with third parties	To assess the adequacy of arrangements regarding the management of LU Land and Property including the interface with third parties.
	LU CPD Track Clearances	Provide assurance that controls are in place over designs to ensure that track clearances are maintained.
	LU Project Specific Works Information Documents	To provide assurance over the preparation, checking and approval of Works Information documents prior to sending to contractors.
	Disruption to Quality of Service	
	Supplier assurance within LU	An end-to-end review of LU's processes for assuring the quality of goods and services from its suppliers.
	Operation of the new DLR franchise	A review of the operation of the new contract, with particular focus on: safety management, outsourcing of maintenance, transfer of obligations.

Risk	Audit Title	Objective
	Supplier Assurance - Keltbray Ltd	This audit was requested by the JNP Track Engineering management team to provide assurance of compliance to LU standards, Keltbray Rail procedures and Regulatory requirements regarding rail welding.
	Supplier Assurance - Viking Precision Ltd	To assess Viking's Precision Limited overall capabilities for providing safety critical and non-safety critical parts (57 in total) to REW following the recent issue of a TfL Viking Contract / Framework (TfL 00583).
	Trams - Management of Power Assets	To provide assurance that the new power supplier HAVMS is appropriately managing and maintaining the Tram Power assets.
	Management of Current Rail Indicator Devices (CRIDs) and Permanent CRIDS	To provide assurance that these pieces of equipment are maintained and managed adequately.
	LU Operations Communication and Information (C&I) asset maintenance regime	To assess the implementation and effectiveness of the maintenance regime for C&I Systems.
	LU Operations - Piccadilly Line fleet Life Extension project	To provide assurance that suitable quality processes and competencies are in place to ensure bogie refurbishment and vehicle floor upgrade meet requirements.
	LU Operations - Management of Off Track Drainage Systems	To review the extent to which COO (AP) is complying with the relevant engineering standards for the management of the Off-Track Drainage.
	Maintenance of Air Handling Units for Critical Rooms	Provide assurance that air handling units for Communication Equipment Rooms and Signal Equipment Rooms are subject to adequate maintenance to prevent failure and impacts on the operational railway.
Major/ Catastrophic Incident		
	Consultancy - Signal Design Management	To evaluate recent enhancements in design management controls and ensure that best practices are adopted within LU.
	LO Safety Verification Process	To provide assurance the change control process in LO provides adequate safety verification when changes with safety impacts / implications are authorised.
	LU Operations Hammersmith & City Line HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.
	LU Operations Upminster 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 Signals SSL South HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented.

Risk	Audit Title	Objective
	LU Operations Fit for the Future Stations - transfer of station HSE duties	To provide assurance that all HSE activities on stations have been effectively handed over and all key HSE activities are being completed.
	Role of Principal Contractor Under CDM in L&E Projects	To review compliance with Principal Contractor and Principal Designer duties in CPD as defined by the CDM Regulations 2015.
	LU Working on Station Platforms	To provide assurance that the risks associated with changes to rules relating to working on station platforms are adequately managed.
	LU access and protection assurance arrangements	To review the effectiveness of the assurance systems related to delivering safe track access and protection for persons working on the track.
Surface Transport		
	People Risk (Inc Pensions, IR) Development of the ST organisation	To provide assurance that ST's organisational changes are being planned and executed efficiently and effectively, and likely to deliver the expected benefits.
	Delivery of Capital Investment Portfolio LoHAC works pipeline	To review the organisation's ability to contract work through LoHAC at adequate levels to achieve anticipated economies of scale.
	Use of Pathway in ST	To review the extent to which Pathway is embedded in Surface Transport (ST), and to assess its use by projects, ahead of the planned Pathway Refresh.
	Gate & Design Reviews in ST	To provide assurance that Surface Transport (ST) gate and design reviews are conducted in accordance with Pathway and that they are effective in contributing to project assurance.
	Technology Risk (cyber security) ST Critical Applications	The objective of this audit is to provide assurance that the security and availability of the Surface Transport applications mentioned under the audit scope are adequate and meet agreed company standards.
Commercial Development		
	Maintaining a long term, strategic balanced plan Mobilisation of Advertising Partnership	To provide assurance over the mobilisation of the new advertising contract, and the exiting of the current arrangements.
	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.

Risk	Audit Title	Objective
	Procurement and management of commercial 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.
	Exterion Connectivity Services Contract	Management request to carry out a lessons learnt review following issues identified with this contract.
	Bus Shelter Advertising Concession	To review the systems and processes JCDecaux have in place and to validate the gross revenue share.
Customers, Communication and Technology		
Technology Risk (cyber security)		
	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.
	Strategic Datacentre Controls Review	To assess the design and effectiveness of the controls.
	Access to Central Journey Data	To review the effectiveness of the controls over the various systems/applications providing access to Central Journey Data.
HR		
People Risk (Inc Pensions, IR)		
	Grievance Policy & Procedures	To provide assurance on the adequacy and effectiveness of controls in place over the grievance policy and associated procedures.
	Make a Difference Instant Awards	To provide assurance on the adequacy and effectiveness of the controls over the ordering, security, issuing, recording and monitoring of MAD Instant awards.
London Transport Museum		
London Transport Museum		
	IT Governance	To provide assurance over LTM's IT governance arrangements.
Crossrail		
Crossrail		
	Engineering Safety Management (ESM)	To assess the effectiveness of the management of the Engineering Safety Management (ESM) process including Common Safety Method management.
	Gates process	To assess the effectiveness of the Gates process for design management.
	Management of Technical Assurance	To assess the effectiveness of the management of Technical Assurance.
	Rolling stock approvals process by Rail for London (RfL)	To assess the effectiveness of the rolling stock approvals process managed by RfL.
	Management of Construction Interfaces at C350 Puddng Mill Lane	A review of management of construction interfaces, including management of deign and design change and interfaces with Network Rail.
	Sectional Completion documentation at C360 Mile End / Eleanor Street Shafts	A review of Sectional Completion documentation.
	Management of construction interfaces at C360 Mile End / Eleanor Street Shafts	A review of construction interfaces.

Risk	Audit Title	Objective
	Control of Materials	A review of Control of Materials.
	Management of Design and Design Change at C435 Farringdon	A review of management of design and design change and the gates process.
	MEP and Permits to Work at C502 Liverpool Street Station	A review of MEP and permits to work.
	Management of Design and Design Change at C502 Liverpool Street Station	A review of Management of Design and Design Change
	Interface Management at C502 Liverpool Street Station	A review of interface between contractors, including handover between contractors, including the interface management between stations and system-wide. To include a review of supply chain management.
	Work Breakdown Structure at C530 Woolwich	A review of the management of the work breakdown structure.
	Interface Management at C610 / C644 Track and Traction Power	A review of interface between contractors, including handover between contractors, including the interface management between stations and systemwide. To include a review of interface management at both Crossrail and contractors.
	Contractor Handover of Digital Information at C620 Signalling Systems	A review of the effectiveness of digital information handover by contractors / suppliers.
	Quality Management Contractors at C660 HV Power Systems	A review of the management of quality by the systemwide contractors.
	MEP and Permits to Work at C828 Ilford Depot	A review of MEP and permits to work.
	Programme Management at C828 Ilford depot	A review of the management of the Ilford Yard delivery schedule.
	Crossrail Complaints Commissioner Accounts	Annual audit of the Crossrail Complaints Commissioner Accounts.
	Audit Process	To assess the effectiveness of the Crossrail audit process following transition to TfL.
	Agreements management process	To review the effectiveness of the Agreements management process to ensure that these are being managed once they have transferred to the Infrastructure Managers.
	Project Glide-path monitoring	To assess the effectiveness of Project Glide-path monitoring in managing outturn costs for each project.
	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.
	Transition of the Data Centre	To assess the effectiveness of arrangements for transition of the Data Centre.

Conclusions	Number
PC= Poorly Controlled	0
RI= Requires Improvement	0
ANC = Audit Not Closed	0
AC= Adequately Controlled	0
WC= Well Controlled and Audit Closed	4
AC/ACL = Adequately Controlled and Audit Closed	7
ACL = Audit Closed	0

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
Rail and Underground						
TfL Strategic Risk: Delivery of capital investment portfolio and contract management						
IA_14_608F	Commercial Director, R&U	Procurement of framework contracts for the supply of track labour	26/01/2016 WC	To ensure that the processes employed for the procurement of framework contracts for the supply of track labour was in accordance with approved procedures and was open, fair and transparent.	See Interim Audit Report Summary in Appendix 4.	26/01/2016 WC
TfL Strategic Risk: Disruption to quality of service						
IA_14_614F	Chief Operating Officer, LR	Contract and Asset Management of the East London Line	06/03/2015 RI	To review the efficiency and effectiveness of the management and maintenance of the East London Line infrastructure assets. This audit also reviewed the management of the maintenance contract.	Our Interim Internal Audit Report dated 6 March 2015 entitled Contract and Asset Management of the East London Line identified no priority 1 issues. However, we noted eight priority 2 issues and nine priority 3 issues. The summarised priority 2 issues were as follows: <ul style="list-style-type: none"> • Asset bases stored on AMIS were found to be incomplete for non-critical asset groups • Competence of Carillion site staff were not being checked by ELL before maintenance work was carried out • ELL relied on Carillion to self certify completion of works • Inspection team for LO were not always specialists in the 	19/02/2016 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					<p>asset maintenance they were inspecting</p> <ul style="list-style-type: none"> • Carillion payment applications were based on 'agreed' rates and no reconciliation with actual cost is carried out • Carillion payment applications were not agreed back to maintenance work carried out • Mechanisms to ensure value for money (VfM) were limited • Risk register did not contain all operational risks associated with maintenance activity. <p>We have now completed a follow up audit of the agreed management actions. Except for two actions, we have concluded that all have been satisfactorily addressed. The exceptions are actions that partly depended upon the co-operation of Carillion. We believe that reasonable steps have been taken to engage with Carillion, and the matter has now been escalated for resolution. Therefore, we are satisfied that a further follow up for this audit is not necessary and the audit is now closed.</p>	
IA_15_612F	Chief Operating Officer, LR	Procurement of the new London Overground Concession Operator	02/02/2016 WC	To ensure that the procurement process employed for new London Overground concession operator is being managed effectively and is in accordance with approved procedures and EU directives.	See Interim Audit Report Summary in Appendix 4.	02/02/2016 WC
TfL Strategic Risk: Major Catastrophic Incident						
IA_15_408F	Chief Operating Officer, LU	Security of Stratford Market Depot	11/11/2015 RI	To assess the effectiveness of the security controls and governance arrangements in operation to ensure that all relevant risks have been identified and mitigated for the physical security of the SMD.	<p>Our Interim Internal Audit Report dated 11 November 2015 entitled "Security of Stratford Market Depot" did not identify any Priority 1 issues, but did identify three Priority 2 and two Priority 3 issues. The Priority 2 issues were as follows:</p> <ul style="list-style-type: none"> • Lack of formal security governance meetings • Broken external doors and broken or missing security locks and door controllers at the Trackside House offices and the Skills Training Centre • The rear entrance/exit into the SMD required additional works to improve its physical security <p>We have now completed a follow up review which confirmed that management has implemented all of the agreed actions. The audit is now closed.</p>	27/01/2016 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
Surface Transport						
TfL Strategic Risk: Delivery of capital investment portfolio						
IA_14_616F	Chief Operating Officer, ST	Management of the new Taxi and Private Hire (TPH) contract	27/07/2015 RI	To review the efficiency and effectiveness of TfL's management of the new Taxi and Private Hire contract.	Our Interim Internal Audit Report dated 27 July 2015 entitled Management of new Taxi and Private Hire (TPH) contract identified one priority 1 issue, relating to risk management, and three priority 2 issues. Management have now implemented all the actions agreed in respect of these findings and this audit is now closed.	05/02/2016 ACL
IA_14_636F	Director of Commercial	Procurement of Bus Stops and Shelters Contracts	08/01/2016 WC	To ensure that the procurement process employed for the Bus Stops and Shelters contracts was managed effectively, in accordance with approved procedures and EU directives, was open, fair and transparent, and had appropriate management controls and governance.	See Interim Audit Report Summary in Appendix 4.	08/01/2016 WC
Commercial Development						
TfL Strategic Risk: Maintaining a long term strategic, balanced Plan						
IA_14_625F	Director of Commercial Development	Commercial Development: Use of Space at Stations	30/01/2014 RI	To provide assurance that the introduction of secondary revenue commercial enterprises efficiently and effectively maximises income from station space, through initiatives such as Click-and-Collect and Kiosks.	Our Interim Internal Audit Report dated 30 January 2015, entitled 'Commercial Development: Use of Space at Stations' identified two Priority 1 issues relating to the process of ensuring compliance with OJEU regulations when procuring kiosks, and the development and communication of strategies and forward plans. Two Priority 2 issues and one Priority 3 issue were also identified. Management have fully implemented the majority of the recommendations made in respect of these findings and partially addressed the remaining two actions. These are due to be completed shortly; therefore this audit is now closed.	18/12/2015 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
Customers, Communication and Technology						
TfL Strategic Risk: Technology Risk						
IA_14_424F	Marketing Director	Security of TfL Websites	19/01/2015 RI	To provide assurance that the TfL websites incorporate appropriate controls and that related data was secured in accordance with the relevant legislation and commercial requirements.	<p>Our Interim Internal Audit Report dated 19 January 2015 entitled Security of TfL Websites identified the following Priority 1 issue:</p> <ul style="list-style-type: none"> • While TfL Online had effective arrangements in place for vulnerabilities management under the NCC managed service, it did not have the mandate to impose a consistent approach or standards across all TfL websites. <p>It also identified three Priority 2 issues.</p> <p>We have now completed a follow-up review and confirmed that management has implemented all of the actions agreed in respect of these findings.</p>	22/01/2016 ACL
IA_14_425F	Director of Customer Experience	Contactless Ticketing	12/03/2015 RI	To review the effectiveness and efficiency of the controls surrounding the Contactless Ticketing back office systems developed by TfL to provide independent assurance that the confidentiality, availability, integrity, and reliability of the data is maintained within these systems.	<p>Our Interim Internal Audit Report dated 12 March 2015 entitled Contactless Ticketing identified the following two Priority 1 issues:</p> <ul style="list-style-type: none"> • The duties relating to implementation of changes to the back office systems had not been adequately segregated; and • Eight leavers still had access to the Contactless Ticketing back office systems. A process to review user access rights had not been introduced. <p>Two other issues were raised with Priority 2 and 3 ratings.</p> <p>We have now carried out a follow up review of the agreed management actions and have confirmed that all actions have been satisfactorily addressed.</p> <p>This audit is now closed.</p>	15/03/2016 ACL

Tfl Strategic Risk: Financial and Governance Controls						
IA_15_135	Head of Corporate Affairs	Preparations for the Mayoral Election	31/03/2016 WC	To determine the adequacy of TfL's preparations for the 2016 mayoral election.	See Interim Audit Report Summary in Appendix 4.	31/03/2016 WC
Crossrail						
IA_14_524F	Director of IT, Crossrail	IT Disaster Recovery Processes in Crossrail	02/12/2015 AC	To provide assurance that the disaster recovery arrangements for information technology components support the restoration of critical business services.	The Interim Audit Report dated 2 December 2015 identified one Priority 2 issue in relation to business impact analysis. One Priority 3 issue was also raised. Crossrail management has implemented all the agreed management actions in respect of these findings. This audit is therefore closed.	30/03/2016 ACL

Conclusions	Number
PC= Poorly Controlled	2
RI= Requires Improvement	9
AC= Adequately Controlled	3
WC= Well Controlled and Audit Closed	4
AC/ACL = Adequately Controlled and Audit Closed	0

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
Rail and Underground						
TfL Strategic Risk: Delivery of capital investment portfolio and contract management						
IA_15_635	Commercial Director, R&U	Value for Money in Small Contracts	04/03/2016 RI	To provide assurance over the controls in place to ensure that value for money is achieved during the lifecycle of small works contracts.	31/05/2016	<p>We noted good practice in JNP's use of before and after photographs when signing off contractor completion certificates. This gave visual evidence to all members of the AP team, as well as audit, of what work was carried out.</p> <p>The BCV & SSL Premises team demonstrated good commercial awareness by mini-tendering a package of 'small value' (sub-£500), frequently occurring works, and granting exclusivity to these types of works to the winning framework contractor for a set duration. When a 'small value' work was required a call-off could be made to the framework contractor immediately.</p> <p>This approach reduced the time and effort needed to mini-compete for each 'small value' work, and ensured these projects were delivered faster.</p> <p>The AP teams should consider the above examples, and if appropriate incorporate them into their processes.</p> <p>Our audit identified one priority 1 issue. In addition there were six priority 3 issues identified. The summarised priority 1 issue related to inconsistent processes for managing the Total Purchased Services contracts, including arrangements for tracking of project status and certification of works.</p>
IA_14_608F	Commercial Director, R&U	Procurement of framework contracts for the supply of track labour	26/01/2016 WC	To ensure that the processes employed for the procurement of framework contracts for the supply of track labour was in accordance with approved procedures and was open, fair and	26/01/2016 WC	<p>Detailed observations and findings are contained in the two Interim Audit memorandums issued during the audit.</p> <p>Our Interim Audit memorandum dated 23 April 2015 covered the procurement up to and including the point at which the Pre-Qualification Questionnaires (PQQs) from suppliers had been evaluated and a shortlist for receiving the Invitation to Tender (ITT) agreed. No issues were identified.</p>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
				transparent.		<p>Our Interim Audit memorandum dated 3 December 2015 covered the procurement up to and including the point at which the tender submissions from suppliers had been evaluated and a recommendation for the award of the contract had been made. No issues were identified.</p> <p>This audit did not result in any management actions but did make observations to highlight points to consider in future procurements. This included less than optimal attendance at earlier ITT meetings by client representatives and delays in drafting the form of contract. Positive points noted about the procurement included the use of anonymised tender information and use of AWARD to improve the speed and quality of the evaluation. The procurement team have advised that they will carry out a lessons learned exercise to note these points.</p>
TfL Strategic Risk: Disruption to quality of service						
IA_15_612F	Chief Operating Officer, LR	Procurement of the new London Overground Concession Operator	02/02/2016 WC	To ensure that the procurement process employed for new London Overground concession operator is being managed effectively and is in accordance with approved procedures and EU directives.	N/A	<p>Our fieldwork covered the ITT stage including the evaluation of bids received. This report covers the situation up to 15 December 2015, being the phase during which the ITT submissions were evaluated and the consolidation report prepared.</p> <p>We were satisfied that the relevant procurement processes were complied with during the ITT preparation and publication. The firms selected following submission of PQQs were given an opportunity to attend Bidder Briefings which served as pre-ITT consultations and allowed them to clarify performance regimes and understand unique aspects of concession, as well as new items of the concession scope.</p> <p>All tenders were received by the deadline of 21 October 2015 and evaluated in accordance with the process established. To gain assurance we attended meetings at different points of the process, observing the conduct of those meetings, examined relevant records and reviewed the electronic data management systems.</p> <p>The following aspects of the process were well controlled and decisions made were concluded on the basis of the established process and good commercial practice:</p> <ul style="list-style-type: none"> • The procurement process was managed by the Concession Procurement Manager and Procurement Process Manager in collaboration with the Head of Concession Management and other internal stakeholders. • As it progressed the procurement was subject to review and approval by the Concession Procurement Steering Group. The expected future costs of the next concession were estimated by the concession management team and subject to scrutiny at each business planning round, to review what is funded and unfunded in the business plan.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> • Consultation with key stakeholders took place to gather opinions on the specification on the next concession and confirm important touch points on related projects. • The ITT was developed with the involvement of the relevant stakeholders and subject matter experts, taking into account dependencies between operation of the new concession and associated TfL projects. • Bidders were provided with suitable guidance on completion of the ITTs and the mechanism for submitting requests for information or clarification. • All commercial information is securely stored with restricted access and editing rights, managed by the Procurement Process Manager. • A team of evaluators and specialist Technical Assessors was approved by the Procurement Committee and trained on the evaluation methodology and rationale. The evaluation plan had been subject to Procurement Committee discussion to consider appropriateness of weightings between price, technical and commercial components, and the impact on value for money bids. • The evaluation model is based on selecting the most economically advantageous tender that takes account of price, commercial and technical components. The bids were assessed by the specialist evaluators. Subsequently they met at a consensus meeting, chaired by a consensus chairperson to agree a final evaluation score for each bidder. • Following consensus meetings the evaluation process allows two days of consolidation and preparation of the Consolidator's Report. The report issue timeline allowed evaluators to clarify their scores/rationale should this be required following consensus or consolidation. <p>The timetable for concession procurement was successfully met. Should the BAFO be required, additional time is allowed for this procurement phase.</p>
Surface Transport						
TfL Strategic Risk: Delivery of capital investment portfolio						
IA_14_636F	Director of Commercial	Procurement of Bus Stops and Shelters Contracts	08/01/2016 WC	To ensure that the procurement process employed for the Bus Stops and Shelters contracts was managed effectively, in accordance with approved procedures and EU	08/01/2016 WC	<p>Our Interim Internal Audit Memoranda dated 17 February 2015 and 5 August 2015 reported our findings up to the end of the Pre-Qualification Questionnaire (PQQ) and ITT Award phases respectively. Subsequently we reviewed the arrangements for contract mobilisation as the final phase of this audit.</p> <p>A review of the requirements and contract performance under the current seven contracts resulted in the segregation of the advertising shelters</p>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
				<p>directives, was open, fair and transparent, and had appropriate management controls and governance.</p>		<p>contract into two separate lots, one covering the asset management aspect of the shelters and the other the advertising concession. These became Lots 1 and 2 under the new framework, which were awarded to Trueform Engineering Ltd and JC Decaux respectively. The tender evaluation process resulted in the other six lots being awarded to the incumbent suppliers.</p> <p>As a consequence, Lots 1 and 2 were the only ones where contract mobilisation required a significant amount of planning. The project team managed this by re-convening the Project Board for monthly meetings to review progress, and instigating regular meetings with all the suppliers to ensure any potential issues were identified and actions agreed to address these.</p> <p>Trueform Engineering Ltd were the incumbent supplier and successful bidder for Lot 4, which covers the supply, install and reactive maintenance of non-advertising shelters. The requirement for Lot 1 is similar to that of Lot 4 but relates to advertising shelters. As both these contracts were awarded to the same supplier, this again meant that there were fewer concerns around the mobilisation of the new contract than might otherwise have occurred.</p> <p>The transition for Lot 2 was the most critical due to the financial value to TfL and consequently this was the one that most resources were expended upon in order to ensure a smooth handover. It was noted that the incumbent supplier has behaved in an extremely professional manner to assist this process and no issues have been identified with the mobilisation process.</p> <p>We noted one observation for management to consider. The Award Notices for publication did not include the complete details for the suppliers. This omission may result in the team receiving queries from interested parties which may otherwise not be necessary.</p>
<p>TfL Strategic Risk: Disruption to Quality of Service</p>						
<p>IA_15_116</p>	<p>Director of Buses</p>	<p>Bus Accessibility</p>	<p>23/03/2016 AC</p>	<p>To provide assurance over the effectiveness of the key controls and processes in place for bus accessibility. For the purposes of the audit bus accessibility was defined as the arrangements in place for disabled people, older people and those with buggies.</p>	<p>31/10/2016</p>	<p>We visited five bus operators during the audit and interviewed managers with responsibilities for bus driver training and communications.</p> <p>We identified the following areas of good practice:</p> <ul style="list-style-type: none"> • Continuous improvement in raising bus accessibility awareness through the 'All Aboard' driver training • Delivery of the UK's first buggy retailer and manufacturer summit exploring how travelling around London can be made better for buggy and wheelchair users • Development of celebrity audio announcements highlighting the correct usage for and rules on wheelchair space

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> • The provision of exceptional support and assistance to bus operators by the Driver Communications Manager <p>Roles and responsibilities for accessibility are appropriately assigned within Buses and cover the key areas of performance monitoring, training and customer experience. The Buses Customer Experience Manager role is a joint initiative between the Surface Performance Management team and the Customer Research & Insight team. This has seen the development of a Buses customer experience strategy, work programme and steering group.</p> <p>There is a range of procedural guidance in place for staff covering bus design standards, planning bus services and inclusive mobility. Accessibility guidance and standards for bus drivers ensure consistency and enable bus operators to meet the accessibility needs of vulnerable customers.</p> <p>Progress against accessibility project risks are discussed, tracked and monitored at the Bus Accessibility Group.</p> <p>Detailed customer research is undertaken and available to the business, providing a sophisticated understanding of the accessibility needs of vulnerable customers, which can be used to help shape strategy, determine and monitor performance indicators and improve services.</p> <p>Bus drivers must obtain their City & Guilds qualification within their first year of service. The bus operators supply quarterly information to Buses detailing the number of drivers on their books and the number that have passed the training.</p> <p>There is effective monitoring of bus operator performance, with persistent poor performance cascaded to the Bus Accessibility Group.</p> <p>External expertise from the Independent Disability Advisory Group is used to assist TfL in identifying the key issues affecting disabled people.</p> <p>A management review process for accessibility arrangements is in place ensuring their continued suitability, adequacy and effectiveness. This forms part of the 'Your Accessibility Transport' document review and is undertaken every three years. Records of reviews are maintained on the TfL website to allow stakeholders easy access to the information.</p> <p>The audit identified one Priority 2 issue, relating to the absence of feedback to TfL on the quality of driver training.</p>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
TfL Strategic Risk: Financial and Governance Controls						
IA_15_118	Director of Finance, ST	Taxi and Private Hire – Driver Licensing and Vetting	03/02/2016 RI	To review and assess the robustness of controls in operation over driver licensing and vetting within TPH.	31/07/2016	<p>We identified two areas of particularly good practice:</p> <ul style="list-style-type: none"> A member of staff from the Home Office has been seconded to TPH to improve and strengthen the visa checking and information sharing process. The arrangement has been working well so far and TPH has benefitted from the ability to check visas more expediently including more efficient and robust processing of applicants with a defined period of leave to remain TPH has recruited six members of staff who have been placed in the Metropolitan Police Service to help reduce the DBS check backlogs, with priority given to licences that have expired. <p>Following TPH concerns over the delivery of the topographical skills assessments a mystery shopping exercise is being undertaken across all the skills assessment centres. A total of 13 centres have been suspended to date for failing to meet TPH standards and a full audit of the centres will be undertaken as a result. In addition 43 drivers have been required to perform test re-sits with a pass rate of approximately 50 per cent. TPH are producing a specification for the redesign of skills assessment centres which will include a service level agreement whereby TfL staff will invigilate all assessments. We noted one instance where the skills assessment centre details on the TfL website were incorrect. This will be rectified as part of this redesign work.</p> <p>The audit identified one Priority 1 issue, four Priority 2 and one Priority 3 issues.</p> <p>The Priority 1 finding relates to arrangements around data security and records management. A number of observations were made following an outside office hours security sweep of BFR. For example a number of sensitive and confidential documents were left unattended on desks including completed DBS and medical forms, details of drivers' convictions and the KoL master answer sheet.</p> <p>Whilst we noted issues in a number of areas, we found no errors in our review of the processing of 20 taxi and 20 PHV driver licence applications.</p>
Finance						
TfL Strategic Risk: Disruption to quality of service						
IA_15_604	Director of Commercial	Collaborative Procurement Team (CPT)	15/12/2015 AC	To provide assurance on CPT work to support the development of a collaborative procurement function	08/04/2016	A GLA Group Collaborative Procurement Board (CPB) has commenced meeting informally since the CPT went live. It includes representation from the GLA and the Functional Bodies (FBs) and acts as a joint committee for the approval of the overarching strategy and approach to collaborative procurement. The CPB role is also to coordinate and oversee the CPT

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
				across the GLA.		<p>work, and to use delegated powers of approval in decision making on contract awards following procurement processes undertaken by the CPT. However, the procurement authority has not yet been fully delegated to CPB.</p> <p>At the time of our audit two key governance documents had been drafted but were still subject to approval:</p> <ul style="list-style-type: none"> • The Working Arrangement Document, which contains the CPB terms of reference, decision making and meeting procedures, and related terms and conditions • The Joint Arrangements Agreement detailing practical arrangements and terms of the collaborative arrangement between TfL and other FBs. <p>Since the audit closing meeting, both these documents have been signed off by the GLA, TfL and all FBs except Metropolitan Police Service, who were still due to confirm their commitment to the governance arrangements.</p> <p>The lack of fully agreed and constituted governance arrangements for collaborative procurement across GLA family is a weakness in the control environment in which the CPT operates. However, effective governance over the CPT is in place within TfL, including the following:</p> <ul style="list-style-type: none"> • The existing TfL category management strategy and processes, TfL Commercial toolkit and the Collaboration toolkit have been adopted for the CPT. • Effective organisational arrangements, including clearly defined roles and responsibilities and adequate resourcing are in place. • There is regular progress monitoring and reporting on savings achieved through collaboration. • Budget management is reviewed periodically by TfL Finance and CPT senior management. <p>Post-implementation arrangements are currently being considered. Each FB will continue to use its own current and differing accounting systems. A new contract with PwC is in place for financial and operational data gathering and analysis to support monitoring of benefits realisation. The contract is managed by CPT.</p> <p>We have identified one Priority 1 issue related to a gap in governance arrangements across GLA and all FBs.</p>
TfL Strategic Risk: Financial and Governance Controls						
IA_15_153	Chief Finance Officer	Contractor Payment Application Forms	08/02/2015 PC	To review the effectiveness of controls in the CPAF process in	31/10/2016	<p>We identified the following good practices:</p> <ul style="list-style-type: none"> • JNP has a system-based CPAF process that records and enforces commercial and accountable manager approvals work-flowed in

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
				both SAP and Oracle.		<p>Oracle, and facilitates the process to match the invoice to the CPAF and the purchase order. It supports transparency and traceability and uses a simple CPAF format</p> <ul style="list-style-type: none"> • London River Services and London Streets CPAF formats are the simplest. They address the primary purpose of the CPAF which is to notify a supplier that its payment application is approved • The Toolkit advocates a contractor payment approval process that is aligned with NEC3 best practice <p>Seven Priority 1 issues were identified as follows:</p> <ul style="list-style-type: none"> • Periodic CPAF payments for large investment programme and maintenance contracts are significant. The manual documentation and authorisation process in SAP results in a lack of audit trail and increases the risk of inaccurate, duplicate or fraudulent payments • For non-JNP contracts, the authority to prepare and sign off CPAFs cannot be clearly ascertained • Responsibility for financial controls in the end-to-end CPAF process is not well-defined. Accounts Payable cannot have confidence that financial controls have been applied consistently throughout the process before the supplier is paid • There are inconsistencies in authorisation requirements because purchase orders are not set up consistently in SAP. The lack of a purchase order flag to indicate that a CPAF is required creates a risk of duplicate payments • Purchase orders tend to be for global contract values to align with procurement authority requirements and are not sufficiently detailed to allow an effective three-way match • There is no consistent risk-based approach and independent review of the process to verify contractor and internal cost records that support the CPAF • The CPAF template is a key document, especially while the process is off-system. Its purpose, scope and authorisation requirements have not been fully defined. Although its use is mandatory, business areas are not using it consistently <p>Three initiatives are on-going in the business and are consistent with the issues in our report:</p> <ul style="list-style-type: none"> • The Head of the FSC has documented his observations and proposals in a briefing paper in response to a fraud under investigation in the contractual payment process. The FSC is planning to implement the SAP Governance and Risk Control self-test module that tests segregation of duties controls and this may be extended to include Fraud Monitoring and Continuous Monitoring tools • There is a move towards using Outline Agreements which facilitate the creation of multiple purchase orders against a contract • The Build a Better Finance (BBF) process maps document the CPAF process and the associated risks and controls. Opportunities for improving controls have been drafted. The actions from this audit will

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						also feed into the recommendations from the BBF procure to pay review, which are in the process of being agreed. The plan is for these to be implemented by a new controls team at the FSC.
IA_15_126	Chief Finance Officer	Oracle Financial Controls	29/02/2016 RI	To provide assurance on the adequacy and effectiveness of internal controls within Oracle Financials.	31/03/2017	<p>Good practice was noted in the implementation of a new program, called First Strike, to identify potential duplicate payments in SAP and Oracle. Team Leaders run reports every morning prior to the payment run.</p> <p>The audit identified two Priority 1 issues, along with four Priority 2 and two Priority 3 issues. The Priority 1 issues relate to:</p> <ul style="list-style-type: none"> An unreconciled bank credit balance of £89,585. This is a historic amount that management feel is due to prior Oracle upgrades, but where the correcting double entry cannot be identified. Absence of a debt management and write off policy and procedure. In addition, responsibility for debt recovery lies with LU JNP staff, with all supporting evidence for debt recovery action taken also being held locally in LU JNP. The FSC therefore has no visibility of debt recovery progress.
IA_15_150	Chief Finance Officer	Enforcement Agents in Property	31/03/2016 RI	To determine the effectiveness of the controls applied to Property Enforcement Agents.	29/07/2016	<p>Property Credit Control (PCC) is responsible for managing the contracts with the two enforcement agent companies used by Property and their performance. TfL and the companies are jointly responsible for complaints. It appears that most complaints are made to the companies, who have appropriate procedures in place for dealing with them. These require prompt investigation and resolution.</p> <p>The audit identified five Priority 2 and two Priority 3 issues. The Priority 2 issues are:</p> <ul style="list-style-type: none"> PCC has been using the companies since at least 1997 without being re-tendered. It is good practice to regularly re-tender contracts in order to ensure TfL is getting good value from suppliers, especially where the relationship is a longstanding one, such as those with the companies. Contracts were not signed between TfL and the companies at the beginning of their relationships. This was somewhat rectified with the signing of Terms of Business documents between the two parties in 2013. However, these contain a number of inadequacies. The absence of processes which PCC can use to determine the extent of the companies' compliance with the relevant laws. The companies are required to remit funds to TfL as soon as they clear in their banks. However, Howes only sends funds once a week. Also, JP Hawkins's remittance advice to TfL only includes the amount recovered from debtors, in spite of the requirement that it should also state the remaining balance for each debtor. The Terms of Business document requires the companies to provide updates in the form of a full report on the progress of each case referred to them at least once a week. However, this is not done. <p>A similar audit has been undertaken in Surface Transport (ST), which also</p>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						uses enforcement agents to chase debts owed for the Congestion Charge, Low Emission Zone, and certain contraventions on the Road Network. That audit concluded that the administration of the ST enforcement agency companies was well controlled. PCC may therefore find it helpful to consult ST in addressing the issues identified by this audit.
Commercial Development						
TfL Strategic Risk: Maintaining a long term strategic, balanced Plan						
IA_14_624	Director of Commercial Development	Commercial Development Programme Management	17/12/2015 RI	To ensure that the Commercial Development Programme is being managed in an efficient and effective manner, focusing on the control and assurance environment.	28/11/2016	<p>All the scope areas were examined during the audit, with the exception of engagement and consultation with TfL stakeholder communities. Following the transformation programme, new roles and processes have been introduced to improve communication and joint-working. This will be the subject of a separate Internal Audit review; Commercial Development - Engagement with Stakeholders.</p> <p>The following examples of good practice were identified:</p> <ul style="list-style-type: none"> Commercial Development projects and programmes have been integrated into the TfL operational governance structure through the Rail and Underground Commercial Development Programme Board and the Surface Transport Asset Portfolio Board A sponsor function has been established within Strategy and Service Development to deliver Commercial Development projects within Rail and Underground. Pathway briefings have been delivered to Commercial Development staff to provide guidance on how Pathway should be applied to projects and programmes and the resources available. <p>The audit identified two Priority 1 issues and one Priority 2 issue, relating to the structure and delivery mechanisms of Commercial Development programmes, and the clarity of governance arrangements, roles and responsibilities.</p>
Customer, Communications and Technology						
TfL Strategic Risk: Maintaining a long term strategic, balanced Plan						
IA_15_107	Director of Customer Experience	Revenue Inspection Controls over Contactless Ticketing	24/12/2015 RI	To determine the effectiveness of revenue inspection controls over contactless ticketing.	31/12/2016	<p>We identified the following areas of good practice:</p> <ul style="list-style-type: none"> External operators for DLR, Overground and TfL Rail are required by their operating agreements to submit annual revenue protection plans that document their overall approach to revenue protection Tramlink has a First Sight system where all updates and notifications

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>tailored to trams are numbered, and sequentially filed in the First Sight file. Inspectors review the file at the start of each shift and sign off as evidence of their review. One example is an Enforcement and On-Street Operations notification that the Revenue Inspection Device (RID) was unable to read Contactless Payment Cards (CPCs) from one bank, and that those CPCs should be temporarily accepted as valid.</p> <p>The audit identified five Priority 1 issues, together with five Priority 2 issues.</p> <p>The first Priority 1 issue refers to the lack of a formal governance framework in Customer Experience; and up to date risk registers in LU and LB. The other Priority 1 issues concern the RID:</p> <ul style="list-style-type: none"> • Roles and responsibilities are unclear because responsibility for the RID has not been formally or fully transferred from the Future Ticketing Phase 2 project team to Infrastructure Service Delivery • Cubic's RID asset register does not match operator Authorised User lists • Many inspectors have retained their MOVie, the predecessor of the RID, that cannot check CPCs • Ticketless Travel Survey (TTS) data, that informs operations and is a contractual KPI for three external operators, does not include CPCs because the RID does not have a survey setting
<p>TfL Strategic Risk: Disruption to quality of service</p>						
<p>IA_15_427</p>	<p>Chief Information Officer</p>	<p>IM Incident and Service Request Management</p>	<p>17/12/2015 RI</p>	<p>To provide assurance that IM service management processes are designed to provide adequate coordination of available resources, and are operating effectively to achieve efficient incident and service resolution.</p>	<p>05/05/2016</p>	<p>All levels of the IM Service Management team were able to articulate an understanding of the incident management process, as well as its benefits to the business. The established service request fulfilment function provides appropriate coverage for TfL's organisational units. The tools and techniques necessary for the provision of service have been automated within a centralised knowledge base.</p> <p>The roles and responsibilities between the helpdesk team and the incident management team are clear, and effectiveness is monitored. Although procedures for communicating, escalating and resolving incidents have been established and communicated, we observed during the course of the audit that, over time, a highly reactive change, configuration and problem management support environment has emerged, affecting staff morale.</p> <p>We identified two Priority 1 issues as follows:</p> <ul style="list-style-type: none"> • Management of problem resolution is not fully effective • IM cannot assess the impact of the changes before they are implemented because the configuration management system data is inaccurate

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						In addition, we identified one Priority 2, and one Priority 3 issue.
TfL Strategic Risk: Delivery of capital investment portfolio and contract management						
IA_15_430	Director of Customer Experience	Security of Visitor Information Centres	03/02/2016 RI	To assess the effectiveness of physical and personnel security arrangements in operation at the VIC sites.	29/05/2016	<p>We tested three out of eight VIC sites. The sites chosen were Kings Cross, Paddington and Liverpool Street, however our findings apply across all eight sites.</p> <p>The audit identified that the VIC management are fully receptive and supportive of the need for security procedures to be overhauled.</p> <p>We identified three Priority 1, six Priority 2 issues and two priority 3 issues. The Priority 1 issues highlighted the following:</p> <ul style="list-style-type: none"> • Lack of robust risk management processes and documentation that would ensure effective identification and mitigation of operational risks, including those related to security (eg counter design, CCTV and panic alarms) • There is no security awareness or training programme to support a secure environment • Inadequate incident management procedures leading to potential disruption to business operations, information security, IT systems, employees or customers and other vital business functions
TfL Strategic Risk: Financial and Governance Controls						
IA_15_135	Head of Corporate Affairs	Preparations for the Mayoral Election	31/03/2016 WC	To determine the adequacy of TfL's preparations for the 2016 mayoral election.	31/03/2016 WC	<p>The document 'Preparing for the 2016 Mayoral Election' identifies the key tasks to be performed. We confirmed that these tasks have either been completed or are in the process of being performed.</p> <p>Below is a summary of the findings for each scope area:</p> <p><u>Governance, roles and responsibilities</u></p> <p>Roles and responsibilities have been clearly defined and appropriately assigned, and an appropriate governance structure has been put in place. The key groups involved are: the TfL Executive Committee; the Mayoral Election Steering Group (MESG); and the Preparation Coordination Group (PCG), formerly the Election Working Group.</p> <p><u>Planning, methodology, documentation and timescales</u></p> <p>The Election Working Group had introduced an appropriate methodology for undertaking its tasks, which is still being used. Elements of this include:</p>

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> • Involving the relevant TfL business area in the preparation. Tasks are allocated with timescales for their completion. One of the key tasks is the preparation of the Commissioner's Pack, which will be discussed at the Commissioner's first meeting with the incoming Mayor immediately after the election. • A Sharepoint site has been created to facilitate access to documents commonly used and information-sharing, <p><u>Arrangements for analysing candidates' positions and policies</u></p> <p>Through meeting the candidates, monitoring their websites, blogs and press pronouncements, the relevant individuals are able to discern the candidates' positions and pledges. These are recorded and analysed in order to determine the financial impact on TfL where possible, and TfL's view on the commitments. Now that the candidates have started releasing their manifestos, these are being analysed, and the outcome included in the Commissioner's Pack.</p> <p><u>Guidance and legal support</u></p> <p>Guidance has been issued to all TfL staff to make them aware of the conduct expected of them in the run-up to the election. In addition, TfL Legal is represented on the PCG, and provides advice as required on the legal aspects of the preparation.</p> <p><u>Transitional arrangements</u></p> <p>It is anticipated that the new Mayor will make at least some changes to the Board immediately after the election, and the preparations for this have been started by TfL Secretariat, working in conjunction with the GLA.</p> <p>The audit did not identify any issues.</p>
One HR						
TfL Strategic Risk: People Risk (inc. Pensions / Industrial Relations)						
IA_15_138	HR Director	Recruitment Processes	24/02/2016 PC	To review the procedures and key controls for recruitment by the Recruitment Delivery Team, HR Services.	31/08/2016	<p>We identified a number of positive findings:</p> <ul style="list-style-type: none"> • Comprehensive guidance is available for hiring managers in the 'Hiring Manager's Toolkit'. Training is also provided for hiring managers through the 'Recruitment Skills for Hiring Managers' course. This has recently been reviewed and updated • All employee contracts in our sample contained accurate information and had been appropriately signed • A sample of five priority candidates who met roles' minimum criteria were correctly invited to interview if they were medical redeployees, or

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>hired for trial periods if they were employees displaced through organisational change</p> <p>The audit identified six Priority 1 issues together with five Priority 2 issues.</p> <p>The Priority 1 issues are:</p> <ul style="list-style-type: none"> • There was no documentary evidence of planning for half of the 10 recruitment campaigns reviewed • Approval of advertising by hiring managers could only be found for a third of the sampled campaigns which required it • The assessment and selection of candidates in the sampled campaigns was not adequately documented • Employment screening was not fully conducted for the sample of 10 candidates tested. • There were no records of the reasonable adjustments made for disabled candidates to comply with the Equality Act 2010. Also, candidates were not always given the chance to apply under the 'Positive about Disabled People' scheme, or invited to interview when they met a job's essential criteria as per the scheme's rules • There were cases of employees being given permanent contracts when they were recruited for temporary positions and should have been given fixed term contracts
IA_15_136	HR Director	HR Preferred Suppliers	12/02/2016 RI	To review the effectiveness of controls over the management and use of HR preferred suppliers.	31/08/2016	<p>The set-up of the PSL has led to lower prices for services compared to prices under previous contractual arrangements, for example, on the Hays recruitment contract, the commission rate was reduced by 50 per cent. On the L&D training courses 20 per cent lower prices have been achieved.</p> <p>We identified three Priority 1 issues as follows:</p> <ul style="list-style-type: none"> • The HR PSL is not kept up-to-date and is not communicated to the relevant users • There is no policy and procedure covering the management and use of preferred suppliers • A lack of awareness of preferred suppliers has resulted in an increase in the volume of single source procurement with non-preferred suppliers, particularly for L&D training
General Counsel						
TfL Strategic Risk: Financial and Governance Controls						
IA_15_142	General Counsel	Standing Orders	15/02/2016 AC	To determine the effectiveness of the processes for managing TfL's SOs, and ascertain the compliance and	30/12/2016	The audit confirmed that the responsibilities for developing and maintaining the SOs have been appropriately assigned. The General Counsel is ultimately responsible for the SOs. On a day-to-day basis, the Secretariat, with input as required from TfL Legal and any relevant business area, is responsible for maintaining them.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Follow-up Audit	Summary of Findings
				monitoring framework.		<p>The SOs have been developed and are maintained in accordance with relevant legislation, as well as TfL's governance requirements.</p> <p>Amendments to SOs are usually caused by organisational changes, operational requirements or changes in the law. The SOs state the process by which they can be amended. The TfL Board has the power to make all amendments, or specific delegations allow the General Counsel to make certain changes. All changes are communicated to the relevant business area in order to facilitate compliance with the revised SOs.</p> <p>The audit identified three Priority 2 and three Priority 3 issues. The Priority 2 issues are:</p> <ul style="list-style-type: none"> • SO184 requires the relevant Authority to be granted for additional variations in a manner that may result in the weakening of the oversight and monitoring of transactions and contracts by the Postholders or bodies granting the relevant Authority. • SO 165, allows Procurement Authority to be granted orally in emergencies. However, there is no requirement for any records to be kept. • SO 174 permits the Commissioner and Chief Officers to approve unbudgeted expenditure in excess of their levels of Financial Authority in emergencies. However, there is no requirement for any such instances to be reported to the TfL Board or the Finance and Policy Committee.

Reference	Responsible Director	Report Title	Date Issued/ Report Type	Objective	Summary of Findings
Rail and Underground					
TfL Strategic Risk: Delivery of capital investment portfolio and contract management					
IA_15_642	Commercial Director, R&U	Procurement of Facilities Management (FM)	22/01/2015 Memo	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.	<p>Based on our work to date, we are satisfied that effective controls have been applied to the procurement of the Facilities Management Category, although we made a recommendation around one concern, now being addressed. This was that the governance for the procurement was not formally documented. This could lead to ambiguity as to how recommendations and changes are approved, and ultimately to decisions being made without the correct stakeholders being consulted.</p> <p>We will continue with the audit, focusing on the ITT and subsequent phases of the programme, including the PQQ and ITT phases for bundles 1, 6 and 7. Further memorandums will be issued at appropriate milestones in the procurement. An Interim Audit Report summarising our overall findings will be issued at the conclusion of the procurement process.</p>
Surface Transport					
TfL Strategic Risk: Disruption to Quality of Service					
IA_15_114	Director of Enforcement and On-Street Operations	Delivery of Enforcement and On-Street Operations Taxi and Private Hire Compliance (EOS TPHC) Action Plan	29/03/2016 Memo	To provide assurance on the compliance control environment within EOS TPHC by reviewing progress with delivery of the Action Plan.	Progress has clearly been made on improving the EOS TPHC control environment. However, of the 36 actions included in the action plan, 18 have either not yet been addressed or are only partially addressed. Revised dates have been agreed for completing the remaining actions and we will follow these up as they become due and a final audit report will be issued by 31 January 2017.
Finance					
TfL Strategic Risk: Maintaining a long term strategic, balanced Plan					
IA_15_122	Chief Finance Officer	Delivery of Efficiencies	15/12/2015 Memo	Assurance work following on from, and in support of the Fresh Eyes 3 work by pwc. The objective of this review was to work with the Efficiencies virtual team to provide independent assurance over the integrity of the Savings and Efficiencies (S&E) databases.	The recording and storage of S&E data has been improved in the past few years. R&U have developed a database, produced associated guidance and conducted partial reconciliations between their S&E database and SAP forecasts. Corporate and ST S&E staff have decided to adopt aspects of the model, but to retain some of their own procedures which they consider more straightforward. However, a number of issues remain to be addressed to minimise the risk of erroneous data.

Reference	Responsible Director	Report Title	Date Issued/ Report Type	Objective	Summary of Findings
TfL Strategic Risk: Maintaining a long term strategic, balanced plan					
IA_15_629	Director of Commercial Development	TfL's Commercial Advertising Partnering Agreement Procurement: ITT Phase	22/12/2015 Memo	To ensure that the procurement processes employed for the advertising contract are in accordance with approved procedures and EU directives, and are open, fair and transparent.	<p>In our previous memorandum, we raised a concern around the lack of formal Project Governance Board comprising representatives of senior stakeholders from across TfL, but as yet, no significant progress has been made in setting up a Board. As the outcome of this procurement could have a significant impact on the management of the recently let contract for advertising on bus shelters, we would re-iterate the importance of ensuring that senior stakeholders from across TfL are involved in the governance of this procurement before the decision to award the contract is made.</p> <p>Overall, we are satisfied that the procurement is being managed adequately. However, control could be strengthened by the establishment of a formal governance board to oversee and direct the procurement.</p>
IA_15_627	Director of Commercial Development	Property Partnerships Procurement: Invitation to Participate in Dialogue (ITPD) and Invitation to Submit Final Tenders (ISFT) Phase	09/03/2016 Memo	To ensure that the procurement processes employed for the Property Development Framework are in accordance with approved procedures and EU directives, and are open, fair and transparent.	<p>Overall, management of the Property Partnerships procurement has continued to improve during the ITPD and ISFT phases. Appropriate procedures and controls were put in place regarding the conduct of the dialogue meetings and the ISFT evaluation and consensus process and no issues were identified during the final stages of the procurement.</p> <p>There remain some issues in the organisation and governance arrangements for the mini-competition process, and we have made a number of recommendations to strengthen the control environment. The project team have accepted our findings and recommendations</p> <p>We will continue with this real-time audit throughout the preparation for the first mini-competition, including the extent to which our recommendations have been implemented. An audit report will be issued at the end of this procurement process.</p>
London Transport Museum					
IA_15_145	Museum Director	Review of status of agreed actions from previous LTM audits	14/03/2016 Memo	To review the progress and implementation of agreed actions following previous internal audit reviews.	<p>The purpose of this review was to revisit a selection of management actions from audits over the past five years to ensure that they continue to operate and are embedded. Whilst 25 of 30 management actions originally agreed have been sustained, the remaining five are no longer effective and require further work.</p> <p>The outstanding management actions will be followed up as they become due and a final audit report will be issued to ensure the five remaining management actions have been implemented and are operating effectively.</p>
Crossrail					
IA_15_511	Operations Director, Crossrail	Management System and Document Control Management in RfL	05/02/2016 Advisory	To provide assurance that appropriate strategies and plans are in place to ensure that an effective management system is developed in readiness to take Crossrail into operation.	<p>The SWOT analysis concluded that the strategies and plans are in place and work is in progress to ensure that an effective management system and document control management is developed in readiness to take Crossrail into operation as well as meeting the TfL Management System requirements.</p> <p>Opportunities were identified to improve effectiveness and efficiency further. It was recommended that these opportunities and potential weaknesses are reviewed by RfL senior management and an appropriate action plan developed to prioritise any issues that are part of the long term objectives. The next step will be to conduct an audit in six months to review implementation of the action plan.</p>

Reference	Responsible Director	Report Title	Date Issued/ Report Type	Objective	Summary of Findings
IA_15_525	Finance Director, Crossrail	Review of the Cost Verification Process for Tier-1 and Tier-2 Contractors	24/02/2016 Advisory	To review the level of fraud risk in relation to Tier 1 and Tier 2 contractor payments.	<p>Crossrail Project Managers (PMs) are responsible for ensuring that the contracts are administered correctly and payments to the contractors are correct. The PMs are supported by the Contract Administration (CA) team, the Cost Verification (CV) team and Contracts Commercial Manager (CCM) in discharging this responsibility.</p> <p>A review was carried out of the processes and checks undertaken by the CV, CA and the CCM teams. This looked at contract C405 Tier1 and Tier 2 contractors' costs for the Costain Skanska Joint Venture. This JV has two subcontractors on the NEC Option C:</p> <ul style="list-style-type: none"> • Skanska Rashleight Weatherfoil (SRW) – a subsidiary of the Tier 1 contractor; and • Byrne Brothers. <p>Details of the checks carried out by Crossrail were analysed using SWOT. The analysis concluded that Crossrail has in place processes that are designed to reduce the impact and likelihood of fraud in Crossrail, e.g. the cost verification process. Substantial levels of collusion by Tier 1 and/or Tier 2 contractors, the PM team and the CV team would be required for a fraud to occur. The current processes in place reduce the likelihood of fraud. The checks undertaken by the CV and CA teams and the CCM appeared to be sufficiently robust.</p>
IA_15_501	Finance Director, Crossrail	Fraud Prevention, Deterrence and Detection Work undertaken during 2015/16	30/03/2016 Memo	To provide assurance that the fraud risk is being managed effectively in Crossrail.	<p>A range of fraud risk management activities have been undertaken jointly between Crossrail and TfL over the previous 12 months. The use of the Fraud Risk Assurance Group (FRAG) to co-ordinate the fraud prevention effort is considered to be effective and value-adding. The Fraud Team has led a series of fraud workshops with Tier 1 and 2 contractors, which have been well received and will improve fraud awareness and help Crossrail manage fraud risk collectively. A Crossrail Fraud Communications Plan has been established, which will further improve fraud awareness across Crossrail.</p>

Conclusions	Number
PC= Poorly Controlled	0
RI= Requires Improvement	9
AC= Adequately Controlled	12
WC= Well Controlled and Audit Closed	0
AC/ACL = Adequately Controlled and Audit Closed	0

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
Rail and Underground					
TfL Strategic Risk: Disruption to quality of service					
IA_15_724	Chief Operating Officer, LU	Changes to the Signal Maintenance Regime (SSL & BCV)	17/12/2015 RI	To ascertain the level of compliance against the requirements of BCV/SSL Extension of Signal Maintenance – Safety Case (SRX97336) issue 3.5 and activities and confirm that processes are in place to ensure continued adherence.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> All Signalling Assets were detailed within Ellipse at the correct maintenance cycles. The Mean Time Between Failure (MTBF) rate has increased across SSL over a 12 month period. The documents detailed in BCV/SSL Extension of Signal Maintenance – Safety Case (SRX97336) issue 3.5 had been updated, approved and issued <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> It is important that Prime Critical Relays on SSL are maintained to avoid the risk of a wrong side failure. The standard requires all to be identified and a maintenance regime implemented as an annual requirement. <ul style="list-style-type: none"> Whilst most had been identified, it could not be confirmed those in trackside kiosks on SSL North had been. There was no technical specification / instructions for 3-position and F style Prime Critical Relays There is small backlog in maintenance across SSL (76 out of 1306) <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> No analysis had been undertaken on assets that had been moved to the 16 week maintenance regime so it was not possible to ascertain if there was any detrimental effect on the safety or reliability of these assets. Whilst a number of assets were transferred to the 16 week frequency, other assets that were in the same general physical location were still on the 12 week frequency. This resulted in multiple visits to the same location to undertake maintenance activities, which is not the most efficient use of resources.
IA_15_716	Director of Trams	Trams Handbook of Critical Assets following Projects' Upgrade Works	12/02/2016 RI	To provide assurance that adequate handover arrangements are in place for the reintegration	<p>Good Practice:</p> <ul style="list-style-type: none"> The London Trams: Entry into Service (EIS) Certificate was shown to have been used as an additional level of assurance for the Wimbledon Line Enhancement Programme (WLEP).

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
				<p>of critical assets into operational service and maintenance regimes following Projects' upgrade works.</p>	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • Lessons Learned Registers were shown to be maintained throughout the life cycle of each of the projects sampled. • Maintenance and Operational Readiness Plans were shown to be completed in line with TfL Pathway requirements. • Controls in relation to the management of derogations and non-compliance were shown to be effectively implemented. <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> • There was no formalised procedure or template document for the submission of data to the Asset Database team for loading into the Asset Information Management System (AMIS). <p>No verification was provided to demonstrate that AMIS had been updated to reflect submissions as part of the Platform 10 WLEP, Trams Management System (TMS) project and the Track Crossings programme (Phase 3).</p>
IA_15_736	Chief Operating Officer, LU	London Underground Communication Equipment Room Management	24/03/2016 RI	<p>To gather assurance that the issues raised in audit report 13_757 titled The Management of Communication Equipment Room (CERs) had been addressed, that agreed actions have been implemented and that they are effective.</p>	<p>Since the original audit of CERs and the issues raised in report 13_757, there has been an improvement in the presentation and upkeep of CERs based on the field sample undertaken. Six out of the ten CERs sampled exhibited some of the same faults identified during the previous audit, but the frequency appeared reduced: four of the ten CERs exhibited zero issues.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> • Evidence was seen of the legislative issues raised in the previous audit being identified and reported for attention by locally managed inspections. • Evidence was seen demonstrating that access to CERs was being managed as per requirements of Rule Book 10. • Evidence was seen of CERs having been registered within Ellipse, and an inspection regime being driven by maintenance scheduled tasks from within Ellipse. <p>Priority 1 Finding</p> <ul style="list-style-type: none"> • Category 1 standard 1-140 issue A1 dated October 2007 is overdue for review and inclusion of several sets of written notices. <p>Priority 2 Findings</p> <ul style="list-style-type: none"> • The definition of roles and responsibilities for CERs in Standard 1-140 are out of date. • Records providing assurance of compliance to requirements should be capable of being made available within five days of request. There is no clear requirement of what records are to be maintained, where they are to be held, and by whom.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
IA_15_721	Chief Operating Officer, LU	Calibration of Depot Tools and Equipment in SSL, BCV and JNP Depots	29/03/2016 RI	To ensure that there is a management and control system in place for the calibration of tools and equipment used for rolling stock maintenance.	<p>Evidence was available that management and control of inspection, measuring and test equipment and tools is largely being undertaken and recorded.</p> <p>Good Practice:</p> <ul style="list-style-type: none"> In Northumberland Park Depot (NPD), Calibration report and other calibration issues are included as an agenda in the daily morning performance meetings. The Concern Escalation and Outstanding Resolution noticeboard highlights to the shift managers any calibration issues requiring attention. <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> There was no Standard, Procedure or Work Instruction for rolling stock maintenance that defines the control of Inspection, Measuring and Test Equipment (IMET) and Tools. Work has commenced on producing a Work Instruction. BCV/SSL did not work in collaboration with JNP in reviewing the draft Work Instruction in order to ensure a unified and consistent requirement across the LU Fleet depots. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> In Stratford Market and Ealing Common depots, Ellipse or Maximo are not used as the primary means of controlling and managing calibration as required by the Work Instruction W0089. Spreadsheets are used instead. Ealing Common Depots do not use Business Objects XI (BOXI) to generate calibration sheet. The Calibration Status Report needs to be improved and updated to reflect current status and reduce the backlog of recalled equipment. Northumberland Park and Ealing Common Depots rely on 'Users' to bring 'out of date' equipment to the office for processing. This has potential consequence of Users not returning all the out of date tools before or after the due date. Torque Wrench readings are not recorded on the Torque Wrench setting log book or record folder in Ealing Common depot. Quarantined/out of calibration items were stored on an open unlocked shelf, easily accessible with a potential of being re-used by maintenance staff.
IA_15_725A	Chief Operating Officer, LU	Signal Competence in accordance with IRSE in JNP	11/02/2016 AC	To confirm compliance of the JNP Institution of Railway Signals Engineers (IRSE) Assessing Agencies (AA) activities with the requirements of the IRSE Licensing procedures and standards.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> With the exception detailed below, the procedures and processes of the Assessing Agency met the requirements of the IRSE Licensing Standard and Procedures. All records observed were accurate, detailed and correctly completed. Licensing assessments were thorough and contained detailed applicable evidence which supported the assessment decisions. The majority of recent changes to the IRSE's requirements had been identified and incorporated into the JNP controlling procedure(s). Internal Verification plans were in place and being undertaken, including observed assessments, with suitable reports produced and communicated. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> There was no process defined within the controlling procedure for the recording

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
					<p>and processing of complaints against the AA</p> <ul style="list-style-type: none"> • There was no evidence available to demonstrate that all of the IRSE licensing procedures were covered by the AA procedures via a compliance matrix • No statistics were being produced nor timescales defined for informing the IRSE office for candidates found 'not yet competent' with the licence category and reason why • Two members of JNP staff who did not have roles within the AA also had access to the secure room where records were held. Although they had previously signed confidentiality agreements, they had not signed the new 2015 versions covering impartiality • The controlling procedure required clarification on two aspects
IA_15_725B	Chief Operating Officer, LU	Signal Competence in accordance with IRSE in LU BCV/SSL	19/02/2016 AC	To confirm compliance of the LU Institution of Railway Signals Engineers (IRSE) Assessing Agencies (AA) activities with the requirements of the IRSE Licensing procedures and standards.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • With the exception detailed below, the procedures and processes of the Assessing Agency met the requirements of the IRSE Licensing Standard and Procedures. • All records observed were accurate, detailed and correctly completed. • Licensing assessments were thorough and contained detailed applicable evidence which supported the assessment decisions. • The majority of recent changes to the IRSE's requirements had been identified and incorporated into the LU BCV/SSL controlling procedure(s). • Internal Verification plans were in place and being undertaken, including observed assessments, with suitable reports produced and communicated. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> • There was no evidence available to demonstrate that all of the IRSE licensing procedures were covered by the AA procedures via a compliance matrix. • The assessment plan was a standalone document and not referenced within the controlling procedure. • The AA maintained and published various statistics with regards to licence assessments including candidates found 'not yet competent' but these were in a number of locations / reports with no specific statistics centrally produced. Timescales for notification to the IRSE office of candidates found 'not yet competent' were also not defined. • The controlling procedure required clarification on four aspects.
IA_15_717	Director of Commercial, R&U	Management of Contractors in LU Operations	23/02/2016 AC	To provide assurance of the effectiveness of arrangements to manage contractors working on LU Operations premises / assets, with specific regard to on site monitoring, competence and management of sub-contractors.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • The contractors' HSE arrangements including competence, risk management, emergency preparedness and site documentation had been reviewed by LU prior to commencement of works. • The contractors were effectively managing their HSE arrangements including site documentation, access, competence and monitoring regimes. • Arrangements were in place for the ongoing monitoring of contractors by LU. • Contractors were able to demonstrate effective selection and monitoring of their sub-contractors. • Station Supervisors were able to demonstrate the management of visitors in

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
					<p>accordance with Rule Book 10 – Station Access.</p> <ul style="list-style-type: none"> Contractors were able to demonstrate the management of access and preparation for works when on site. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> It could not be evidenced how it is ensured that the Safety Tours, PGIs and ePGIs are monitored to ensure sufficient coverage of sites, contractors and high risk works. S1552 – Contract QUENSH Conditions requires contractors to demonstrate relevant competences and a safe and efficient method of working when signing-on with the Station Supervisor. With the exception of checking entry permits, this is not a requirement of Rule Book 10 – Station Access. The Station Supervisor, in one of the stations sampled, did not provide a safety briefing as the works were not taking place within the station.
IA_15_730	Chief Operating Officer, LU	SSL Track Maintenance	01/03/2016 AC	To assess compliance with LU Track Category 1 standards to give confidence that specific technical requirements are controlled to mitigate service disruption and safety risks.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> Temporary Approved Non Compliance (TANC) training and licensing TANC Accountable Managers responsibilities were understood At the time of audit there were seven open TANCs. The process for approving these TANCs was followed and a process exists to seek approval from the Maintenance Assurance Engineer beyond 28 days Annual risk assessment for PM1 and PM4 inspections are completed by all lines Processes exist to ensure that mitigations are implemented in the event of missed inspection <p>Priority 1 Issue:</p> <ul style="list-style-type: none"> Standard S1158 requires that the annual risk assessment to determine intervals between mandated inspections shall be reviewed when there is a change in asset condition. SSL South undertake reviews of the annual risk assessment but do not log the action. <p>Priority 3 issues:</p> <ul style="list-style-type: none"> Examples were found of non-management system forms being used. These were similar to the designated forms and contained similar information.
IA_15_734	Chief Operating Officer, LU	Assurance of LU Maintenance	21/12/2015 AC	To review on the Operations LU maintenance assurance arrangements and to assess alignment to the relevant clauses of ISO 55001 (Asset Management Systems – requirements) related to planning, delivery and reporting of assurance	<p>Areas of Effective Control:</p> <p>The audit found that arrangements related to assurance activities for track, signals and rolling stock asset groups met the requirements of ISO 55001 in supporting LU Asset Management Plans and maintenance delivery objectives for providing a safe and reliable railway.</p> <p>Priority 1 Issue:</p> <ul style="list-style-type: none"> The Rolling Stock document ‘Maintenance Assurance Plan (MAP) and associated Recovery Plan for 2015 /16’ to reflect current assurance activities had not been reviewed, approved and published within the TfL Management System.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
				activities for all three Service Delivery Units (BCV, SSL & JNP.	<p>Priority 2 Issue:</p> <ul style="list-style-type: none"> Rolling Stock document R0463 'Fleet Performance, Assurance & Risk Process' published within the TfL Management System contained numerous typographical errors, out of date roles and responsibilities and inactive hyperlinks to other documents / process flowcharts (this document is not owned by the Maintenance Assurance function although it forms part of the assurance framework). <p>Priority 3 issues:</p> <p>The current Operations LU assurance arrangements were found to meet the relevant ISO 55001 clauses / requirements. The following issues had already been noted and actioned by the Maintenance Assurance Manager as part of 'continual improvement' activities:</p> <ul style="list-style-type: none"> Inconsistencies within the MAPs for all asset groups, in particular risk-based methodologies for planning surveillance and monitoring and reporting to other Operations LU functions and directorates. Separate JNP assurance activities (e.g. different documents) within Track and Rolling Stock. Lack of an integrated JNP Signalling Assurance function within the LU Operations directorate (currently within the CPD directorate).
IA_15_784	Director of Trams	Supplier Audit of Vossloh-Kiepe	21/12/2015 AC	To provide assurance that Vossloh - Kiepe have the capabilities and quality management system in place to supply, repair and overhaul tram components to London Trams contractual requirements.	<p>Vossloh-Kiepe was found to have the capabilities, management system and technical expertise to undertake any required maintenance work on tram components, to London Trams contractual requirements. The result of the audit is as detailed below.</p> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> Overhaul and repairs of High Voltage traction and auxiliary equipment and Low Voltage control equipment were found to be carried out using the specified technical documentation, calibrated equipment and tools, and by qualified and competent staff. Change control of components and sub-components were found to be carried out in accordance with Vossloh – Kiepe change control procedure (KN0018), thus ensuring the process is consistently and universally applied across the company. The identification and traceability of serialised parts were found to be managed in accordance with the procedure: 1ZU IMV 11.4.3-1. Records are maintained for serialised and safety critical parts; indicating where they are fitted and when it was fitted. Also retained are records of modification or changes to serialised parts and who authorised it. Vossloh - Kiepe was found to be fully certificated until 2018, to ISO 9001, in Quality Management Systems, ISO 14001 in Environmental Management Systems and 18001 in Occupational Health and Safety Management Systems. These certifications cover the scope of the company's manufacturing and overhauling/repairs activities.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
					<ul style="list-style-type: none"> It was established that Vossloh-Kiepe, would provide London Trams, with 'Updated System Interrogation Software' whenever such update takes place. There is currently no plan within the organisation to update the 'System Interrogation Software'. It was established that Vossloh-Kiepe would provide training for the subsystems maintenance work for London Trams staff, to suit their requirements particularly in general maintenance work and fault finding. <p>Priority 2 Issue:</p> <ul style="list-style-type: none"> The Trimos height gauge; reference number: 0114RV4063, in the Goods Inwards department was not marked or identified with its calibration status.
<p>TfL Strategic Risk: Major Catastrophic Incident</p>					
IA_15_703	Chief Operating Officer, LU	HSE Management in LU COO Signals	17/12/2015 RI	To ascertain the level of compliance against the requirements of BCV/SSL Extension of Signal Maintenance – Safety Case (SRX97336) issue 3.5 and activities and processes are in place to ensure continued adherence.	<p>Areas of Effective Control</p> <ul style="list-style-type: none"> There is adequate ownership and process in place to ensure general workplace risk assessments are undertaken and recorded. The risk from working at height is managed in line with legislation and a number of additional controls have been implemented. Driving at work, waste management, pro-active and reactive monitoring and communication are undertaken in line with the Management System. <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> Although referenced within the Signals general risk assessments, specific manual handling assessments for assets could not be located on Insite. The present control measures in place to mitigate against contact with exposed conductors (greater than 50V ac) were potentially insufficient to meet the requirements of the Electricity at Work Regulations. The Electricity at Work working group is to review this. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> There were no records available to demonstrate that night worker questionnaires had been issued and signed for by individuals. The Managers seen during the audit were not aware of the recently published requirements within the TfL Management System for fatigue management including the training available. There was no evidence that Work Instruction Identification, Handling and Disposal of Hazardous Materials (SIG-ENV-007 Rev1) dated 21/01/11 had been subject to review.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
IA_15_742	Chief Operating Officer, LU	Hainault Rolling Stock Depot Health and Safety Management	22/12/2015 RI	To provide assurance that health and safety legislation is being complied with through the local implementation of the TfL HSE management system and risk controls.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • All workplace risk assessments and COSHH assessments were recorded in relevant databases • Training in electrical safety has increased awareness and provided a formal process demonstrating competence • Statutory inspections of lifting equipment are being carried out to the required frequencies. • All 32 lifting plans have been completed and briefed to depot staff. • Competence, including safety critical licensing, is managed and monitored to ensure staff meet licensing requirements. • Effective processes exist for ensuring Planned General Inspections (PGIs) are completed to programme and that actions are allocated and tracked. • Robust processes are in place for the management of contractors. • Incident trends are monitored and individual incidents investigated in line with procedures <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> • Manual Handling risk assessments are due to be reviewed every three years. There is no system in place to ensure this is completed. • There is no programme for System Safety Checks and therefore these are not being completed by the Fleet Manager • Senior HSE Tours are not planned or formally recorded <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> • A number of workplace risk assessments could not be seen by the depot staff as their status was 'under review' and they had not been reviewed and published. • Workplace risk assessments for door maintenance, did not include working at height as a risk. • No Portable Appliance Testing has been completed since 2014 in the 'Train Doctor's' area. • Control of Substances Hazardous to Health Assessments on the SYPOL database have exceeded the review date of 3 years • Hazardous substances within the depot were not clearly labelled.
IA_15_741	Chief Operating Officer, LU	HSE Management in Jubilee Line	06/01/2016 RI	To provide assurance regarding compliance with HSE legislation and that TfL/LU HSE Management System requirements were being followed and were working effectively.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • Roles and responsibilities for the new Area Managers are clear and defined • Workplace Risk Assessments were undertaken and reviewed • Noise Assessments have been completed where required • Competence, including safety critical licensing was managed and monitored • Staff hours were monitored and changes recorded • Current Station Security Programmes were available and adequate checks were completed • Incident trends were monitored and individual incidents investigated

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
					<p>Priority 1 Issues:</p> <ul style="list-style-type: none"> • Pro-active monitoring – System Checks and PGIs were not fully complete in Stations • Familiarisation training for staff and tenants was not complete • Display Screen Equipment training and assessments were not completed for all users <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> • Changes to Workplace Risk Assessments for medically restricted staff were not recorded on F1030 to ensure there is a recorded agreement between the manager and member of staff • The First Aid provision arrangements in stations have not been assessed • There were no records of Fire Call Points tests at Neasden SCM area • There were no records that night worker health questionnaires were issued • Staff and managers were not aware of SafeLine, which is an alternative way to raise concerns confidentially to an independent reporting service.
IA_15_763	Director of Capital Programmes	Inspection of LU Premises Assets to Minimise the Risk of Falling Objects	27/01/2016 RI	To review inspection processes and activities to evaluate whether robust checks are in place to minimise the risk of falling objects from premises assets and to identify any improvement opportunities.	<p>This audit was requested by the LU Principal Engineer Premises, following concerns relating to the risk of falling objects and the performance of premises inspections. The Office of Rail Regulation (ORR) has expressed concern, and has met LU in this regard. JNP issued a Formal Investigation Report (FIR) following a catastrophic ceiling collapse at Edgware station on 7 January 2012.</p> <p>BCV, SSL and JNP provide periodic reports on falling objects and have undertaken a significant number of premises inspections and tests at known higher risk sites; however, the following issue has been identified:</p> <p>Priority 1 Issue: BCV, SSL and JNP roofs and suspended ceilings have not been subject to full, detailed intrusive inspections in accordance with G1760-A4 (LU's premises inspection methodology) to comply with legal, regulatory and LU requirements. The following aspects contribute towards this issue:</p> <ul style="list-style-type: none"> • Evidence provided during the audit indicates that relatively few roof inspections have been completed to date. BCV stated that roof inspections were not performed prior to the revision of G1760. SSL has recently started a tender process following trials at two stations. JNP has inspected 13 of its 96 station roofs. • Evidence was not provided during the audit to demonstrate how many intrusive surveys of suspended ceilings (ie including fittings and voids) have been completed. Discussion and evidence provided during the audit indicate that this is a relatively small number. The ceiling surveys by BCV in 2014 and by SSL in 2012 were non-intrusive. JNP has performed intrusive surveys at 13 of its 96 stations, which were selected on the basis of suspected age (and likely ceiling design), material description, location and known water ingress.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
					<ul style="list-style-type: none"> • Programmes covering a full 4 year cycle of roof and suspended ceilings (fittings and voids) inspections were not made available during the audit. • There is a known lack of resource to meet the requirements. This is particularly the case for BCV and SSL, and JNP has recently lost one of its four Surveyors. • The ESTEEM (Engineering Strategy for Economic and Efficient Management) workflow and approval process has not been used as intended for several months, primarily due to the lack of a suitably trained resource.
IA_15_743	Chief Operating Officer, LU	Neasden Rolling Stock Depot Health and Safety Management	25/02/2016 RI	To provide assurance that health and safety legislation is being complied with through the local implementation of the TfL HSE management system and risk controls.	<p>Good Practice</p> <ul style="list-style-type: none"> • Storage of calibration tools within a computerised unit. If a calibration date has passed the tool cannot be used, removing human error <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • All workplace risk assessments and COSHH assessments were recorded in relevant databases • Training in electrical safety has increased awareness and provided a formal process demonstrating competence • Statutory inspections of lifting equipment are being carried out to the required frequencies. • All lifting plans have been completed and briefed to depot staff. • Competence, including safety critical licensing, is managed and monitored to ensure licensing requirements are met. • Effective processes exist for ensuring Planned General Inspections (PGIs) are completed to programme and that actions are allocated and tracked. • Robust processes are in place for the management of contractors. • Incident trends are monitored and individual incidents investigated in line with procedures <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> • Manual Handling and COSHH risk assessments are due to be reviewed every three years. There is no system in place to ensure this is completed. • There is no programme for System Safety Checks and therefore are not being completed by the Fleet Manager • Senior HSE Tours are not planned or formally recorded <p>Priority 2 issues:</p> <ul style="list-style-type: none"> • No dedicated champion is in place to manage hazardous substance risk assessments for Sub Surface Lines • Manual Handling Risk Assessment recommendations are not tracked to closure

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
IA_15_767	Director of Safety, R&U	LU HSE Monitoring Regime	04/05/2016 AC	To provide assurance that the HSE monitoring regimes within CPD are aligned with the TfL HSE management system and external standards (eg OHAS 18001 and RM3).	<p>Good Practice: The Four Lines Modernisation (4LM) Upgrade Programme is rolling out awareness training for those conducting Safety Tours and Planned General Inspections (PGIs). Approximately 40% of the target audience have attended so far. This awareness is providing managers with an understanding of the importance and the content required for PGIs and Safety Tours.</p> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • 4LM and Track Delivery Unit PGIs and Senior Safety Tours are carried out against a risk based programme, and from the samples seen, all programmes are up to date. • The 4LM Cable Route Management System (CRMS) Senior Project Manager is developing a local tracking system to manage issues from safety Tours and PGIs. • The evidence seen from the two programmes audited is considered to be consistent with the level 3 (standardised) definition in the ORR Railway Management Maturity Model and the requirements of OHAS 18001. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> • There is no analysis of PGI or Safety Tour data to identify health, safety and environmental trends as required in S1566 Monitoring of Health, Safety and Environmental Performance (Section 3.3) (Priority 2). • There is conflicting advice on the TfL Management System and within the Standard as to whether standard S5567 applies to all LU or just 'LU Operations and Asset Performance'. The retention period for PGIs is therefore unclear (Priority 3). • There currently is no time limit for the retention of Safety Tour records (Priority 3).
IA_15_705	Chief Operating Officer, LU	LU Major Incident Preparedness	06/01/2016 AC	To provide assurance that LU staff are aware of the processes, and their responsibilities, when a Major Incident is declared.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • Auditees were able to demonstrate how determining the level of incident, its impact on Rail and Underground, and subsequent actions are managed. • Arrangements are in place to receive notification of incidents from the Emergency Services, and to communicate this within TfL. • Key contacts' details within LU, Surface Transport and External Agencies are readily available. <p>Priority 2 issues:</p> <ul style="list-style-type: none"> • It could not be evidenced how the Supplementary Guidance Note, once finalised, will be updated, controlled, distributed and briefed. • The competence requirements for the Major Incident Coordinator could not be evidenced. • LUCC staff have not been trained as loggists for a Major Incident. <p>Priority 3 issues:</p> <ul style="list-style-type: none"> • LU Rule Book 2 and the Supplementary Guidance Note do not concur on the Senior Operating Officer (SOO) to whom Gold Control can be surrendered.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
					<ul style="list-style-type: none"> • The process for maintaining a watching brief and regularly reviewing the assessment of incidents that have not yet significantly affected TfL is not detailed. • Only one auditee was aware of the TfL Head of Resilience role. • The Supplementary Guidance Note does not detail who the Major Incident Group meeting minutes should be communicated to. • The Supplementary Guidance Note does not detail who would take the lead for a pan TfL incident.
IA_15_761	Director of Safety, R&U	LU Control of Mobile Plant	06/01/2016 AC	To examine the effectiveness and the embedment of the HSE requirements of the Provision and Use of Work Equipment Regulations 1998 (PUWER) Approved Code of Practice and Guidance to ensure health and safety risks arising from mobile plant in depots across London Underground (LU) are controlled.	<p>Good Practice:</p> <ul style="list-style-type: none"> • The BCV & SSL Depot Maintenance Unit (DMU) use an electronic mobile device application 'Field Reach' to issue, approve and manage plant maintenance works orders, providing greater flexibility and efficiency. This system removes the need for paperwork. • BCV & SSL DMU have implemented a system of recording and displaying pre-use checks on mobile plant by using a system developed by Scafftag UK. This is above the legal requirement and increases visibility of pre-use checks. <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • All sites audited were seen to document their pre-use checks. This is above the requirement of legislation. • All areas audited had a system in place where all mobile plant keys are kept in the site manager's office in a locked cabinet. A list of all trained and licensed staff was displayed by the cabinet and all keys are signed in and out to competent staff only. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> • There is no system currently in place to trace the permanent relocation of mobile plant from depot to depot (priority 2) • JNP Fleet have no documented work instructions for the use or maintenance of mobile plant (Priority 3)
IA_15_746	Chief Operating Officer, LU	HSE Management in LU Greenwich Generating Station	27/01/2016 AC	To provide assurance regarding compliance with HSE legislation and that TfL/LU HSE Management System requirements are being followed and are working effectively.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • All workplace risk assessments and COSHH assessments were recorded in databases • Adequate training in electrical safety has increased awareness and provided a formal process demonstrating competence • Statutory inspections of lifting equipment are being carried out to the required frequencies. • Competence, including safety critical licensing, is managed and monitored to ensure staff meets licensing requirements. • Effective processes exist for ensuring Planned General Inspections (PGIs) are completed to programme and that actions are allocated and tracked • Incident trends are monitored and individual incidents investigated in line with

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
					<p>procedures</p> <ul style="list-style-type: none"> • Mandatory European Union Emission Trading Scheme (EUETS) and Trade Effluent Discharge Consents limits are adhered to. <p>Priority 2 issue:</p> <ul style="list-style-type: none"> • Some Procedures were in former Powerlink format template and need reviewing to either withdraw them or integrate them into the TfL HSE Management System. A programme is being produced to undertake this. • Although no issues were identified with risk assessments it was found that a number of risk assessments, were overdue for review. • On site COSHH folder (paper copies) were overdue for review and it was noticed SYPOL system for recording the data is not being implemented • Some of the periodic medicals were overdue, records for distribution of health questionnaires were not maintained and fatigue training was not utilised
IA_15_788	Chief Operating Officer, LU	LU Supplier Audit: Alstom Transportation, Preston	11/03/2016 AC	To provide assurance of Alstom's management of their suppliers with regards components used by REW and casualty repair of JNP assets.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • Alstom record a large amount of data relating to quality and performance of the company as well as their suppliers which is utilised to produce a number of management reports. • Following a review of supplier performance, which included non-conformance returns from REW, a number of improvement plans had been put into place to address identified issues. • Following consultation, Alstom had agreed to implement additional inspections / checks of incoming non safety critical items prior to dispatch to REW. <p>Priority 3 issues:</p> <ul style="list-style-type: none"> • When requesting a specification or drawing from the Engineering Department the system automatically returns the most recent version which may be at a newer version than previously ordered with modifications not expected by the customer (REW). • Safety critical items received as a batch are not kept separate from other batches. If a batch was defective a greater number of assemblies where these items may have been used would need to be re-called or be checked than if the batches were kept separate • The Alstom customer satisfaction process only identifies 'Tube Lines' instead of covering London Underground as the main customer. This would ensure that all comments from LU are addressed in the same way. • Where items were returned, greater detail as to why it was rejected and the purpose, use or application of the item would enable Alstom to better understand the problems encountered.

Reference	Responsible Director	Report Title	Report / Memo Issued	Original Objective	Summary of Findings
IA_15_792	Director of Capital Programmes	Management of Asbestos in London Underground	31/03/2016 AC	To provide assurance that the risks from asbestos are being managed by LU in compliance with asbestos regulations and LU standards.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> • With the exception of the issues identified below, the processes for determining the location and condition of asbestos, re-inspecting and updating the asbestos registers were evidenced as being managed. • The risks from asbestos are being assessed. • Information on the location and condition of asbestos is readily available to those working where asbestos may be present. • HMU's process for receiving documented evidence of asbestos removal is being managed. • Maintenance works where asbestos may be present are being notified to, and authorised by the Asbestos Control Unit (ACU) and Hazardous Materials Unit (HMU). • Competences of ACU and HMU staff are being managed. • Asbestos surveying, analysis and removal are being carried out by accredited and licensed contractors. <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> • ACU are not on target to complete the outstanding 2015/16 inspections. • In three of the four instances sampled, 'Summaries of Known/Suspected Hazardous Materials' on HMU's asbestos register had not been updated following re-inspections. • ACU have not been notified of any project work that may affect asbestos since July 2015. • The London Underground Asbestos Strategy to bring together ACU and HMU into one team using a single asbestos asset management tool, and a single asbestos register, has not been implemented. • A process for ensuring Clearance Certificates and Waste Disposal Consignment Notes are received by ACU could not be evidenced. • The process for uploading HMU's Maximo based asbestos register to ACU's single source of truth asbestos register has not been developed.

**INTERNAL AUDIT CUSTOMER FEEDBACK FORM
SUMMARY OF RESPONSES FOR 2015/16
Quarter 4**

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: Q4 = 47 (Q3=48)

Customer Feedback Forms Returned: Q4 = 20 (Q3 = 22)

ASSIGNMENT ASSESSMENT CRITERIA	No score given		Very poor		Poor		Satisfactory		Good		Very good		Average Score	
	Q4	Q3	Q4	Q3	Q4	Q3	Q4	Q3	Q4	Q3	Q4	Q3	Q3	Q2
PLANNING AND TIMING														
The assignment timing was agreed with me and there was appropriate consideration of my other commitments as the work progressed	0	0	0	0	1	0	1	3	7	10	11	9	4.4	4.3
The assignment was completed and the report issued within appropriate timescales	0	0	1	0	0	1	1	3	6	11	12	7	4.4	4.1
COMMUNICATION														
Communication prior to the assignment was appropriate, including the dates and objectives	0	0	0	0	0	1	3	3	6	11	11	7	4.4	4.1
Throughout the assignment I was informed of the work's progress and emerging findings	0	0	1	0	0	2	2	3	7	10	10	7	4.3	4.0
CONDUCT														
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	2	3	4	6	8	10	8	4.3	4.0
The Internal Audit team acted in a constructive, professional and positive manner	0	0	0	0	2	1	1	1	2	12	15	8	4.5	4.2
RELEVANT AND USEFUL ADVICE AND ASSURANCE														
A fair summary of assignment findings was presented in the report	0	0	1	0	1	0	2	3	5	12	11	7	4.2	4.2
Assignment recommendations were constructive, practical and cost-effective	0	0	0	0	2	1	2	4	6	9	10	8	4.2	4.1
My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	0	0	0	0	2	1	1	1	6	12	11	8	4.3	4.2
Overall assessment														
													4.3	4.1

Other comments including suggested improvements and areas of good performance:

The Audit Team were very considerate and realistic with the timings given to review and feedback on this audit.

Consistently the Audit Team act professionally and demonstrate the behaviours of TfL.

Full engagement with the audited party at all times and ahead of any reports being issued.

At all times consultation was undertaken.

Auditor whilst not completely au fait with the operational elements of the requirement took time to understand to further his understanding.

Monthly 1:1's with Senior Commercial Manager keeping [the business] informed of progress.

There was little agreement with all parties. There was not an agreed schedule with every stakeholder agreed before commencement of the audit.

I was not informed of how the audit was going, any issues or problems until the draft report was sent and a meeting to agree an action with my name on it. I was not party to the action prior to the issuing of the draft only to seek agreement of what was in the draft.