Audit and Assurance Committee

Date: **15 June 2012**

Item 9: **Internal Audit Quarter 4 Audit Report 2011/12**

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 2011/12, the work in progress and work planned for Q1 of 2012/13.

2 Recommendation

2.1 **The Committee is recommended 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 reporting on 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 included on this agenda.

4 Work Done

4.1 13 Final Audit Reports were issued during the quarter, making a total of 77 issued in the year. One of the Final Audit Reports, in respect of competence management in Crossrail, was not closed as an agreed management action had not been completed. This is now scheduled to be completed by the end of May 2012. A summary of the report findings (excluding one relating to the TfL Pension Fund) is attached as Appendix 3.

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 year to date, together with comparative figures for the prior year to date.

	Interim Audit Reports					Other Outputs (Advisory Reports/ Memos)	
	WC	**AC**	**RI**	**PC**	**Total**		**Total**
This Quarter	2	2	12	1	17	8	25
2011/12	12	17	39	2	70	23	93
2010/11	13	45	50	4	112	10	122

4.3 Details of the findings from the interim reports issued during the period can be found in Appendix 4. One audit report was issued during the quarter with a poorly controlled conclusion. This was the audit of OneLondon End User Applications Software Licensing and further details are provided in the Internal Audit Annual Report elsewhere on this agenda.

4.4 A summary of the other outputs issued during the quarter, including memorandums and advisory reports, can be found in Appendix 5. These included two significant advisory reports. One of these was on Management of Milestones, and provided a comparative review of how milestone management is used in project delivery across TfL. The other was on Contractual Compliance of Suppliers on the Engineering and Project Management Framework (EPMF). This review, requested by management, evaluated the compliance of a selection of contractors on the EPMF with specified contractual requirements. Both of these pieces of work have received very positive feedback from management, demonstrating how these consultancy style reviews can add value to the organisation, whilst still providing useful assurance.

4.5 Work in progress at the year end is shown in Appendix 1 and work due to start in the first quarter of 2012/13 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.

LU HSQE Audit

5.2 The LU HSQE Audit team delivered 33 audits in quarter 4, including the following:

(a) Audit of Competence Management System (CMS) assessor compliance in LU Operations Directorate identified non-conformances in the quality of some assessors' notes which can make establishing the legitimacy of

these assessments difficult. Improved guidance is being produced to address this. Potential improvements to SAP were indentified which, if implemented, would make the monitoring of assessor compliance more efficient and effective.

(b) An LU audit of safety leadership and management in the Track Partnership (a programme of rail replacement work undertaken jointly by LU and Balfour Beatty) identified robust management systems, a positive safety culture and several areas of best practice. Areas for improvement include ensuring clarity in the discharge of Construction (Design Management) Regulations project accountabilities, timely production of Project Management Framework (PMF) products and strengthening the link between risk assessments and work instructions. An action plan is being produced to address these findings.

(c) An audit of flash butt welding identified the welding process at Ruislip Depot is generally producing high quality welds, but the internal standard and associated management system guidance is out of date. As a result, the standard will be withdrawn and a Technical Specification implemented to reflect current practice and remove ambiguity.

(d) An audit of track lubrication management in LU resulted in a review to update the standards and method statements for this work.

(e) Audits were undertaken of security compliance of stations and service control areas building on audit work undertaken in Quarter 3. This found non-conformances in relation to the control of digital CCTV, and actions to address these issues are already underway. Verification activity is planned in Quarter 1 2012 to confirm their effectiveness. Service control areas were found to have effective processes in place with localised compliance issues only to be addressed.

Tube Lines Audit

5.3 During the quarter, five audit reports were issued, all of which were safety, assurance and technical audits.

5.4 The audits covered Health and Safety Communications with External Contractors; Northern Line Fleet Maintenance; Maintenance of Fire Assets; Review of Asset Registration for Track and Fleet; and Supplier Assurance on Vital Rail. Four Corrective Action Requests and two Business Improvement Actions were raised against findings in these audits.

5.5 In all cases, there will be follow up to ensure that appropriate action has been taken by management.

CGAP Reviews/IIPAG

5.6 Investment Programme projects with a total cost over £5m are subject to the Corporate Gateway Approval Process (CGAP). Following the Organisational Review, the CGAP reviews are now managed by the Assurance Team as part of the TfL Programme Management Office (PMO). The assurance reports are considered alongside the project's authority request at the operating business boards with both the operating Managing Director and the Managing Director, Finance in attendance.

5.7　In Quarter 4, 31 reviews were conducted, of which 11 included guidance and oversight from the Independent Investment Programme Advisory Group (IIPAG).   Issues arising from the reviews are presented to the operating boards with agreed actions, owners and timescales.

5.8　Some of the more significant reviews during Quarter 4 were BCV/SSR Civils Programme; SSR Upgrade Power Package 3B; Cycle Hire Phase 1; Cycle Super Highways Phase 1; Track Plant, Deep Tube Programme; Pan TfL Escalator Programme; Bank Station Upgrade; Neasden Depot S Stock Heavy Maintenance Facilities; Hanger Lane Bridges; Low Emission Zone; and TLRN Capital Renewals.

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 view on the audit process and the report. The form is questionnaire-based so it can be completed easily and quickly. A copy of the questionnaire and the feedback for the quarter, together with comparative figures for the previous quarter, is included in Appendix 6.

List of appendices to this report:

Appendix 1 – Work in Progress at the end of Quarter 4 2011/12
Appendix 2 – Work Planned at the end of Quarter 4 2011/12
Appendix 3 – Final Reports Issued in Quarter 4 2011/12
Appendix 4 – Interim Reports Issued in Quarter 4 2011/12
Appendix 5 – Reports and Memoranda Issued in Quarter 4 2011/12
Appendix 6 – Customer Feedback Form – Summary of Responses for Quarter 4

List of Background Papers:

Audit reports.

Contact Officer:　Clive Walker, Director of Internal Audit
Number:　020 7126 3022
Email:　Clivewalker@tfl.gov.uk

Transport for London	Appendix 1
Internal Audit plan 2011/12 by directorate	
Approved by the TfL Audit Committee 2 March 2011	**Work in Progress at the end of Quarter 4 2011/12**
Work Item	**Outline scope**
Pan TfL	
Delivery of Efficiencies	
Efficiencies Delivery Programme - Reduction in Non Permanent Labour	Review the arrangements that have been put in place to ensure delivery of the planned savings from the Efficiencies Delivery Programme - Reduction in Non Permanent Labour project.
Project/contract management	
TfL's relationship with IIPAG	To review the efficiency and effectiveness of TfL's response to the Independent Investment Programme Advisory Group (IIPAG) and to the advice and guidance it gives.
Project management of compensation events	A review of the extent to which compensation events are forecast and managed in a consistent and coordinated manner for the overall benefit of TfL. This will be closely linked with the audit of the use of the NEC3 contract.
Incentives in Contracts	To review the effectiveness of the selection and application of incentives within contracts let by TfL and the extent to which value for money is demonstrated.
Supplier Relationship Management	To assess whether the policy and processes applied across TfL to manage relationships with its key suppliers (critical and strategic suppliers), are effective and efficient and, if appropriate, to make recommendations for improvement.
Fraud Risk in Projects and Contracts	To review the adequacy and effectiveness of controls in place to manage fraud risk in TfL's projects and contracts. The control systems will be assessed against an internally developed fraud maturity model, and areas for improvement will be identified.
IM Governance	
Security of Data	To ensure that there are adequate controls in place to secure TfL data against loss, inappropriate use or failure to comply with regulatory requirements. The audit will include consideration of TfL's resilience to computer viruses and cyber crime.
Ensuring Continuous IM Service	Review IM business continuity and disaster recovery strategies to ensure these have been developed in line with business requirements and implemented in an effective manner.

Work Item	Outline scope
IM Risk Management	Review the effectiveness of the processes in place to identify, manage and mitigate IT risk.
Core Financial Processes	
Staff Recognition Schemes	Review the effectiveness of controls over staff recognition schemes, including long service awards and 'Thanks to You' (consultancy work).
Cash Forecasting	Review the effectiveness of the cash forecasting process across TfL.
Games Readiness	
Games Security Assurance	Real time assurance on current state of planning for security mitigations and operations during the Games.
Other	
Information Security Classification, Marking and Handling Scheme	To audit the effectiveness of the implementation of the recent Information Security Classification, Marking and Handling Policy.
London Underground	
Core Financial Processes	
Financial controls over payments to contractors on major projects	Review financial controls over a sample of major infrastructure projects, focusing on how contract management teams assure themselves of the accuracy and validity of invoices.
Other	
Support to DfT - Transec requirements	Assist LU by conducting a gap analysis between new security regulations issued by the DfT and existing regulations, and providing advice and assurance where gaps exist.
SQE Audit Teams - Peer Review	Peer review of LU and TLL SQE Audit Teams to confirm the effectiveness of the auditing standards applied to their work.
London Rail	
Other	
Security assurance of Cable Car Project	Provide real time security assurance and consultancy on security risk for the cable car project.
Surface Transport	
Project/contract management	
Bus contracts - Contract Management of the Bus Route contracts	To provide assurance on the adequacy of the current system established to manage the procurement of bus route contracts.

Work Item	Outline scope
Finance	
Project/contract management	
Category Management	To review whether the policy and processes being developed for category management and related implementation plans are appropriate and likely to be effective.
IM Governance	
Management of IM Performance	To establish the effectiveness of the approach and related processes and controls that have been implemented to measure Your IM's solution and service delivery.
Security of TfL Websites	To review and provide assurance on all TfL websites and test against serious external cyber attacks.
Core Financial Processes	
Treasury Management	Review of controls within Group Treasury following the go-live of the new Treasury Management System. The audit will cover controls over cash management, investments and banking.
Payment Card Industry Data Security Standard (PCI DSS) Assurance	Review the arrangements for setting and applying corporate policies and standards for PCI DSS.
Purchase Order release	Review the effectiveness of the six month pilot whereby FSC has been releasing purchase orders on behalf of Procurement, to ensure proper control has been maintained.
General Counsel	
Project/contract management	
Management of archiving contracts	Review, requested by management, of the adequacy of the process used to renew record storage and archiving contracts and the effectiveness of current contract management arrangements following the transfer of responsibility for this area to Information Governance.
Other	
Bribery Act Healthcheck	Healthcheck review to ensure adequate procedures have been put in place across TfL to manage risks related to bribery.

Approved by the Audit Committee 2 March 2011

Work Item	Outline scope
Crossrail	
Business Continuity	Review of Business Continuity and Disaster Recovery arrangements, covering business impact analysis, risk assessment and incident response.
Construction Management	Review processes and controls over contract administration; contract monitoring (including contractor arrangements to cover catastrophic risk); and construction management.
Fujitsu Contract Review	Review the effectiveness of contract management of Fujitsu to ensure that the Fujitsu is meeting current business requirements and continuing to adhere to the contract agreements and SLAs, and that its performance is competitive with alternative suppliers and market conditions.
Bechtel Contract Performance	Review the extent to which the contractor is meeting the integration expectations under the new delivery model.
Contingency Management	Review the project level contingency management.
Procurement Audit	Review post-event procurement of Whitechapel station contract to establish robustness of the organisational changes to the procurement function.

Transport for London

Internal Audit plan 2012/13 by directorate `` ` ``

Approved by the TfL Audit Committee - 7 March 2012 | **Work Planned at the end of Quarter 4 2011/12**

Work Item	Risk Category	Outline scope
Pan TfL		
Efficiencies delivery		
Outsourcing of support services	Supplier chain management	A review of TfL's strategy for the sourcing of various support services.
Project delivery & contract management		
Quality of procurement-related data in SAP	Information, Communications and Knowledge	A review of the quality of procurement-related SAP data, such as classification of spend and detailed description of spend.
Implementation of TfL Document Management System	Operations, facilities & systems	A review of the project management of the implementation of the new TfL document management system.
Facilities management contracts	Supplier chain management	Review of contract administration of Facilities management contracts.
Fraud Risk in Projects and Contracts	Financial, funding & fraud	Review of the effectiveness of fraud prevention and detection controls within projects against a fraud risk maturity model, continuing work began in 2011/12.
IM Governance		
Management of SAP	Strategy & Leadership	A real time review of the governance processes that have been established to make effective business decisions regarding TfL enterprise resource planning system(s), including the methodologies that have been implemented by IM to work with the business in the identification of strategic objectives and key operational processes and the technology that would be required to enable their delivery.

Work Item	Risk Category	Outline scope
IM Security Review	Information, Communications and Knowledge	Review of the effectiveness of controls that have been established to respond to and manage security incidents and malfunctions effectively, ensure effective protection from malicious software, and effectively and securely handle removable media and exchanges of information and software (eg electronic mail).
Games delivery		
Games Assurance Letters	Olympic risk categories	Review of Games Assurance Letters process and content continuing work started in 2011/12.
Securing Games-related monies	Olympic risk categories	Review the processes by which TfL seeks to recover all monies due in respect of Games-related work.
Travel Ambassador Project	Olympic risk categories	Review the management of the TfL Travel Ambassador programme.
Games Transport Operations Cost Assurance	Olympic risk categories	To provide assurance that reliable and sound estimates have been used to calculate the incremental operational costs to be incurred specifically for the Games.
Olympic Security Assurance Work	Olympic Risk categories	Real-time assurance over potential security threats to the Games.
Other		
Lost Property Office	Operations, Facilities & Systems	Review of process and controls around cataloguing; security; and disposal of unclaimed items.
Underground and Rail		
Project delivery & contract management		
Control of delegated procurement authorities	Financial, funding & fraud	Review the controls within SAP over delegated procurement authorities, particularly in the context of organisational changes arising out of Project Horizon.
Tube Lines		
IM Governance		
Post Implementation Review of Oracle Upgrade	Operations, Facilities & Systems	Review the effectiveness of the Oracle upgrade implementation.

Work Item	Risk Category	Outline scope
Surface Transport		
Core Financial Processes		
DTO - Review of Development Application Controls	Operations, Facilities & Systems	Review the effectiveness of development controls, compliance with TfL standards and alignment with business strategy.
Finance		
IM Governance		
Security of Back-up media and offsite storage	Financial funding & Fraud	To review the current security arrangements and offsite storage for back-up media.
Security and resilience of data centres	Financial funding & Fraud	To review the current security arrangements including resilience controls at two data centres.
Security of Record Management Storage facility	Information, Communications and Knowledge	To review the security arrangements in place at Crown Records Management, TfL's outsourced Record Management storage facility.
General Counsel		
IM Governance		
TfL's Incident Management Process	Information, Communications and Knowledge	Review of the current incident and escalation management process that supports security breaches.
Other		
Transparency Agenda	Legal Compliance & Regulation	Review controls over arrangements for publishing on TfL's website details of transactions over £500, contracts, senior staff salaries and expenses.
Marketing and Communications		
Project delivery & contract management		
Development / Upgrade of the Customer Relationship Management system	Operations, Facilities & Systems	Review the effectiveness of the development / upgrade process for the Customer Relationship Management System.
One HR		
IM Governance		
Taleo Recruitment System	Operations, Facilities & Systems	Review the effectiveness of controls that have been designed and implemented to ensure integrity, availability and security of the data maintained and managed by the Taleo application.

Work Item	Risk Category	Outline scope
Crossrail		
Budgeting and Forecasting		Review the management of budgeting and forecasting within Crossrail.
Trend and change control		Review the management of the identification, control and approval of potential changes from the agreed programme and project baselines including requirements, scope, quality, schedule, budget and operations and reporting.
Complaints Commissioner (CC) Accounts		Annual review of CC accounts for accounting accuracy.
Management of catastrophic risk		Review effectiveness of strategy to manage catastrophic risk in Central Section and any specific risk responses.
London Transport Museum		
LTM Efficiencies review		Consultancy work around the planning and delivery of LTM's programme of efficiencies focusing on providing assurance that these are real and sustainable.

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued

Interim	Finals
AC= Adequately Controlled	WC= Well Controlled
RI= Requires Improvement	ACL= Audit Closed
PC= Poorly Controlled	ANC= Audit Not Closed
WC= Well Controlled	

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued
Surface Transport					
Project/Contract Management					
IA_11_621F	Contract Management of the Easynet Contract	**15/03/2012 WC**	Review the effectiveness of the processes and controls for the contract management of the Communications Network for CCTV and other Traffic Operations Applications.	See Interim Audit Report summary in Appendix 4.	**15/03/2012 WC**
IM Governance					
IA_10_427F	London Works Application Review	**07/06/2011 RI**	Provide assurance over the logical IT controls protecting the London Works Central Register (LWCR) application and the confidentiality, integrity and availability of the system.	Our Interim Audit Report dated 7 June 2011, entitled 'London Works application', identified two significant issues: • Non-compliance with the TfL Code of Connection requirements • Weak password complexity and lack of password change We have now undertaken a follow-up review which confirmed that all of the issues raised in the original report have been satisfactorily addressed. This audit is now closed.	**01/03/2012 ACL**
Core Financial Processes					
IA_11_112F	Victoria Coach Station Healthcheck	**02/11/2011 AC**	The objective of this audit was to review the controls operating over the core business processes within VCS to ensure that they were appropriate and were operating effectively.	Our Interim Audit Report, dated 2 November 2011 and entitled Victoria Coach Station Healthcheck, identified no significant issues. However, four other issues were raised, leading to six management actions. We have now carried out a follow up review of the agreed management actions and found that they have been satisfactorily addressed. Accordingly, this audit is now closed.	**02/02/2012 ACL**

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued
Finance					
IM Governance					
IA_09_439F	Maturity of IM Related Aspects of Business Continuity	**28/07/2010 RI**	To assess the suitability of Business Continuity arrangements within TfL with specific reference to IM service continuity.	Our Interim Audit Report dated 28 July 2010, entitled 'Maturity of IM Related Aspects of Business Continuity', identified one significant issue, which was that there was no IT Disaster Recovery (ITDR) strategy in place either modally or pan-TfL. We undertook an initial follow-up review and issued a Final Audit Report on 25 August 2011, which concluded that because many there was still no ITDR strategy and that supporting activities were not sufficiently developed, the audit was not closed. We have now carried out a second follow-up review and have established that a robust ITDR Strategy is now in place and in the process of being delivered. The programme of deliverables will be on going and as such we will continue to monitor IM's delivery of the ITDR and will review the progress being made in March 2012 and again during 2012/13. This audit is now closed.	**27/01/2012 ACL**
IA_10_420F	SAP Programme Governance	**02/06/2012 RI**	To provide assurance that the programme of TfL SAP projects has been aligned with the business strategy, and has been established, governed and managed using a defined programme and project management approach that enables effective stakeholder participation and managing of relevant risks.	Our Interim Audit Report dated 2 June 2011 identified the following significant issues, most of which related to the overall IM governance and were not limited to the SAP programme of works: • A formalised process to translate TfL's business demand for SAP and other IM system enhancements and technical improvements into IM strategic and tactical plans had not been fully implemented; • An overall TfL enterprise architecture documentation that would have outlined TfL's key systems and applications employed, whilst in progress, had not yet been documented; • The budgeted spend for the SAP programme of works was an arbitrary figure that had not been based on a structured planning process; and • There was a lack of a robust process to review the benefits realised from individual projects by the benefits owners outside IM. We have now undertaken a follow-up audit which confirmed that the issues raised in the original report have been satisfactorily addressed. This audit is now closed.	**29/02/2012 ACL**
IA_10_429F	Security of Laptop Computers	**29/07/2011 PC**	To provide assurance that laptop computers (including notebooks, net books and tablet PCs) and data stored on them were adequately protected against loss, unauthorised access or other breaches of security	Our Interim Audit Report dated 29 July 2011 identified the following significant issues: • Data recorded in the Configuration Management Database (CMDB) was not robust and could not be relied upon to prove ownership; • There was inadequate ownership, guidance, policy and procedure to govern the life of a laptop; • A significant number of legacy laptops did not have encrypted hard drives; • Antivirus software was not always updated by users; • There were no effective controls in place to prevent non-TfL IT equipment (including laptops) being connected to the network where they could be used to access and download corporate data; • Laptops could be connected directly onto the internet via home broadband services where they could be used to bypass the company filtering solutions designed to prevent access to inappropriate material; and • A number of risks relating to laptops recorded in Active Risk Manager (ARM)	**26/03/2012 ACL**

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued
		RED		were either overdue for review or did not have associated mitigating action plans. We have now undertaken a follow-up audit which confirmed that the issues raised in the original report have been satisfactorily addressed. This audit is now closed.	GREEN
General Counsel					
IA_11_123F	Preparing for the 2012 Mayoral Elections	29/02/2012 WC	To review the TfL preparations for the 2012 mayoral election.	See Interim Audit Report summary in Appendix 4.	29/02/2012 WC
IA_11_122F	Incident and RIDDOR Reporting	21/09/2011 RI	To review the controls in place to ensure the accuracy of incident and accident reporting to the appropriate body or agency.	Our Interim Audit Report, dated 21 September 2011 and entitled Incident and RIDDOR Reporting, identified one significant issue. Sample testing identified instances of under reporting of 'over three day injuries'. Other than in the London Underground Chief Operating Officer (COO) HSQE, there were no controls to compare HR records to those in incident reporting systems. Of the eight agreed management actions, six have now been satisfactorily addressed and two others partially addressed. The partially addressed actions have appropriate plans in place that will see that they are properly resolved. Accordingly, this audit is now closed.	30/03/2012 ACL
Crossrail					
IA_10_507F	Corporate Governance Review	20/05/2011 RI	To review the adequacy of the Crossrail internal governance arrangements following changes implemented during 2010.	The Interim Internal Audit Report dated 20 May 2011 identified some good practice and one significant issue in relation to the control of policies. A follow up review of the status of the agreed management actions from the Interim Report has been conducted. It was found that management have satisfactorily addressed the recommendations made in respect of these findings. This audit is therefore now closed.	13/12/2011 ACL
IA_11_516F	Project Bank Accounts	19/10/2011 RI	To provide assurance over the administration and management of the Project Bank Accounts.	Our Interim Internal Audit Report dated 19 October 2011 identified two significant issues in relation to: • The absence of signed Trust Deeds for two contracts, with the C315 Trust Deed unsigned at the end of the initial audit; and • There was no documented procedure for the administration of these accounts. A follow up review of the status of the agreed management actions from the Interim Report has been conducted. It was found that management have satisfactorily addressed the recommendations made in respect of these findings. This audit is therefore now closed.	27/01/2012 ACL

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued
IA_10_500F	Competence Management	**21/03/2011 AC**	To provide assurance that the competence of key personnel (both staff and contractors) performing assigned roles and tasks are assessed, managed and maintained throughout their employment.	Our Interim Audit Report dated 21 March 2011 did not identify any significant issues but did raise some other issues, for which four management actions were agreed. A follow up review has been conducted and found that three of the four actions have been addressed satisfactorily. However, the fourth action relating to the implementation of a competency matrix has not been addressed fully. The audit is not closed. A second follow-up review will be conducted before the end of May 2012 to review the status of the final action.	**13/02/2012 ANC**

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued
London Transport Museum					
IA_10_151F	LT Museum's Legal Compliance	**04/01/2012 RI**	To review the adequacy of the controls in place for ensuring that the LTM complies with relevant UK/EU regulations.	Our Interim Audit Report dated 4 January 2011 entitled LT Museum's Legal Compliance identified the following four significant issues: • There was no overarching governance role to ensure that LTM maintains awareness of the wider legislative environment in which it operates. As a consequence, no processes or procedures were in place to highlight when new legislation or other requirements are to be introduced. • The interface between LTM, the TfL Group, and external bodies has not been fully utilised. The terms of reference of the LTM Statutory Board Meetings were limited to health and safety matters only. • Compliance with UK/EU laws and regulations was identified as a strategic risk but the risk register was out of date and had no mitigating actions against this risk. Operational risk registers were only partially completed and no risk register exists for health and safety although this is the main legislative area for LTM. • Outside of the health and safety agenda, it was unclear what assurance mechanisms exist to provide assurance to the LTM Board of Trustees or TfL that LTM is in compliance with all relevant UK/EU laws and regulations. We carried out an initial follow up review of the status of the agreed management actions and issued a Final Audit Report on 31 August 2011, which found that of the fifteen actions, ten had been completed, three had been partially implemented and two had not been implemented. We have now conducted a second follow up review. We found that of the five outstanding actions from the initial follow up, three have now been completed, and the two others have made good progress and will be complete in the near future. Accordingly, this audit is now closed.	**22/02/2012 ACL**

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

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Interim Findings
Surface Transport					
Project/Contract Management					
IA_11_621F	Contract Management of the Easynet Contract	15/03/2012 WC	Review the effectiveness of the processes and controls for the contract management of the Communications Network for CCTV and other Traffic Operations Applications.	15/03/2012 WC	Overall, we found existing controls and processes to be sufficient to provide assurance that the contract is being managed effectively, and that the contract management team were looking for continuous improvements in the management and delivery of the contract. We particularly noted that the Change Manager has drafted guidance for other users of the Agreement to ensure that it is utilised in a consistent manner across the different areas of Surface Transport. This is a good example of best practice, and provides a solid foundation for efficient management of the contract to continue and improve where possible. There were no issues arising from this audit. However, we did note two areas where there may be scope for the existing good practice to be enhanced still further: • Documents are managed using both SharePoint and the shared drive. This is an area that could possibly be improved through the more consistent deployment of SharePoint in this capacity. • The Works Orders process and also the Change Control process were both effectively and efficiently managed by the contract management team, as was the relationship with stakeholders. However, there may be potential to improve these processes further through automation utilising the work flow capability of SharePoint. The potential benefits of this would need to be weighed against the resources required to implement it.
Core Financial Processes					
IA_11_114	Surface Transport Support Vehicles	14/03/2012 RI	To provide assurance over the use of ST's fleet of support vehicles.	30/09/2012	We have noted the following areas of good practice: • ST has introduced a 'Policy for Authorised Drivers' to provide more detailed guidance over and above the ST Driving and Riding procedure. • An Approved Drivers register is maintained by ST Fleet. The register includes the results of drivers' risk ratings derived from the completion of an Online Risk Assessment (ORA). • The ORA tool has been developed and rolled out across TfL by Group HSE, in collaboration with the ST Vehicle Fleet, ST HSE and the Distribution Services Centre (DSC) to replace paper-based risk assessments. All current Approved Drivers must complete the ORA, as well as those wishing to become approved. • In order to reduce costs ST Fleet has been reviewing the number of vehicles it manages to ensure the most effective use of resources. By considering the need for renewal of vehicle leases approaching expiry during 2011, the number of vehicles was reduced by 22 to 155 and this trend is forecast to continue.

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Interim Findings
					We have identified two significant issues: • There is underreporting of road-related accidents and incidents to ST local management and HSE when compared to records held at the DSC. • Mileage recorded at the DSC is often significantly below the actual mileage of support vehicles.
Games Readiness					
IA_11_420	Review of Logical Access Controls	26/03/2012 RI	To provide assurance that the security, availability and resilience of key applications required by Surface Transport during the Games 2012 meet agreed company standards and, where appropriate, are operating efficiently and effectively.	30/06/2012	The Traffic Systems (TS) team are engaging with IM over resilience of key systems during the Games. These discussions are progressing well and it is expected that an agreed IM Olympic Operating Model for TS will be published by the end of March 2012. Nevertheless, this issue remains open as at the date of this report, and in view of the importance of achieving resolution to the satisfaction of TS, it is included as a significant issue in the report. We identified three other significant issues, as follows: • There are a number of logical access control weaknesses within some of the systems. • Password management controls have not been enforced for UTC (Urban Traffic Control System) and SFM (Site and Fault Management System) for appropriate user authentication. Also, generic passwords are used for user authentication to Data Services (business intelligence and web mapping products that support traffic operations) and are not subject to IM password requirements. • The CCTV interface to the Metropolitan Police provides powerful user access to the Metropolitan Police for this system. We found that there is no binding operational agreement that governs the usage of the CCTV system by the Metropolitan Police.
Finance					
Project/Contract Management					
IA_11_602	Project Document Control and Management Systems	06/01/2012 RI	To review the document management systems and processes for project management documents held by TfL, including use of collaborative software, in order to ensure that the governance, processes and controls are adequate for supporting projects to complete on time, and within budget.	31/08/2013	We identified areas of good practice in some of the projects that we looked at. TfL IM, London Rail and Tube Lines are each very consistent in the processes and systems used to manage documents for their projects. Project staff in business units demonstrated a consistent understanding of their document management system, and the document control process which serves to support effective and efficient document management. LU's Project Management Framework was found to be the most comprehensive in terms of guidance on how to manage, structure and classify documents. LU projects also demonstrated a good understanding of their document management systems and document control process within individual projects but there was inconsistency between projects, primarily due to the variety of systems used. Document control seems to be best managed in projects where there are nominated or dedicated Document Controllers. We identified the following significant issues: • There is no overall strategy, policy and ownership of document management in TfL. Although Information Governance is responsible for ensuring that TfL complies with legal, regulatory and best practice requirements which apply to the management of information and records, each Project Management Office (PMO) has its own project management methodology, and there is no process in place to provide such assurance. • No central contract or framework agreement is in place for the procurement of document management systems in TfL. Consequently TfL cannot be assured that it is getting value for

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Interim Findings
					money from its suppliers. • The purchase and ongoing costs for document management systems is not transparent due to the way in which such systems are procured. • As a result of TfL not having an enterprise wide document management system in place, business units are using a number of different, incompatible document management systems for project work, some of which are no longer supported by TfL IM. • No clear processes were in place regarding ongoing responsibility for, authorised access to, and maintenance of data held on document management systems, once project teams have disbanded at project close. • As existing document management systems no longer receive support from TfL IM, SharePoint is increasingly being promoted by TfL IM as the document management system of choice. However, it is not clear whether SharePoint is actually a suitable replacement system for TfL projects because of its limitations, such as its inability to store CAD drawings and poor email integration.
IM Governance					
IA_11_411	SAP Data Management	05/03/2012 RI	Reviewed the adequacy and effectiveness of the controls and processes that have been implemented by the SAP Data Management Team (DMT) to manage the quality of data held and processed by the SAP application.	26/06/2012	The SAP DMT has provided an overview of the activities it performs on its SharePoint site, which includes documentation of its procedures, work instructions, 'Gatekeeper Welcome' presentations and other useful information. The documentation provided on this site clearly defines the roles and responsibilities of the SAP DMT and the team's expectations in terms of procedures to be followed by its customers when raising service requests. It comprehensively describes the activities of SAP DMT, and provides an overview of the tools available to the SAP DMT team to support its customers. Our review identified the following significant issues: • The service level targets for the SAP master data maintenance services provided by the SAP DMT have been set to two working days. The factors that were considered when the target date was set have not been recorded or signed off by SAP DMT's customers in the form of service level agreements. In addition, service level targets for more complex services and escalation procedures for dealing with under-achievement on service level targets have not been established. • The SAP DMT has not implemented a process to ensure classification and handling of the information it deals with in compliance with TfL's Information Security Classification Standard.
IA_11_402	OneLondon End User Applications Software Licensing	28/03/2012 PC	To provide assurance that TfL practices that have been implemented to manage software licensing for OneLondon end user applications are in compliance with legal, regulatory and contractual obligations and are operating in an effective and efficient manner.	31/10/2012	We identified two significant control issues and an overall lack of a clear process for the management of software licensing across the TfL infrastructure. In particular, we noted that: • TfL has not implemented a robust control framework to manage software licences; and • There is no consolidated inventory providing complete and reliable information on software licence entitlement or software deployed and used in OneLondon. IM management have already instigated actions to address certain aspects of these findings, including the drafting of a TfL Software Asset Management Strategy and a Software Policy. These policies should be further defined, implemented and enforced in consideration with the findings noted above.

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Interim Findings
Core Financial Processes					
IA_11_102	Payroll	**22/12/2011 RI**	To review the controls over TfL's end to end payroll processes, including SAP system configuration and authorisation controls, and management supervisory controls.	**30/04/2012**	We found that the Payroll Services team operations are working well with effective arrangements in place over the running of the payrolls including the management of exceptions and payments to both staff and third party vendors. The team drives forward continuous improvement activity which has resulted in the automation of reports to enhance the identification of exceptions. The wider remit of Payroll Services is also subject to effective controls and we particularly note the work undertaken with HRS Recruitment to develop their knowledge and skills, following the identification of issues with the creation of SAP records for new employees and transfers. We performed sample testing of: • Amendments to the TfL organisational structure; • HRS creation and maintenance of master HR records; • Manual entry of time and overtime in LU operations, Asset Performance Directorate and Capital Programmes Directorate (CPD); and • Payroll Services delivery of 18 pay runs. No evidence of 'ghost' employee records was found in SAP. We further scrutinised the detailed results of analytical tests performed by KPMG against a full set of payroll master data and payroll transactions for the 2010/11 financial year. No issues were identified by these tests. The review of the SAP configuration of payroll controls identified two significant issues: • The ability to perform certain HR and payroll transactions in SAP has not been restricted to relevant users; and • A central repository of critical system configuration information for SAP HR and payroll has not been maintained.
IA_11_117	Senior Accounting Officer Certificate Sign Off (SAO)	**22/03/2012 AC**	To provide assurance that effective processes are in place to support the certificate signed by the SAO and submitted to HMRC, and ensure compliance with Schedule 46 of the Finance Act 2009.	**31/10/2012**	The following areas of good practice were identified: • A documented approach for fulfilling the requirements of Schedule 46 is in place and was implemented effectively for the first submission. The approach includes an Assurance Plan (AP), a briefing memo, and a sign off flow chart. • Engagement with the business took place very early in the year. As a result, the submission of the signed annual certificate was made by the deadline of 31 December 2011. • Group Tax (GT) engaged with Internal Audit and the Corporate Risk Management team to ensure that the process being developed would satisfy HMRC's requirements. • The Client Relationship Manager at HMRC was kept abreast of TfL's approach to satisfying the requirements of Schedule 46 and positive feedback has been received. A significant finding was identified in relation to the Crossrail AP. At the time of our audit fieldwork, the completed plan had not been returned to GT for its review, could not be located by Crossrail, and subsequently had to be re-produced.
IA_11_144	Supplier Bank Accounts (SBAs)	**02/02/2012 RI**	To provide assurance over control of amendments to, and general maintenance of, SBA details.	**30/06/2012**	Procedures have recently been revised and reinforced and controls were found to be in place for the management of changes to SBA details at the Financial Services Centre (FSC), Crossrail and Tube Lines (TLL). The processes in operation are not dissimilar and there is active engagement between TLL, Crossrail and the FSC to share good practice with a view to improving existing controls. Fraud risks in relation to fraudulent changes to SBA details are being actively managed through

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Interim Findings
					inclusion on the relevant risk registers.

One significant issue was identified in relation to the application of the SBA procedures at the FSC. We found instances where bank account details had been changed based on information provided on an invoice rather than a letter from the supplier. In these cases the required checks had not been undertaken to verify the authenticity of the request. It should be noted that in all cases, the changes were genuine. Management action has now been taken to ensure that going forward the appropriate checks and controls will be applied in cases where bank account changes are included in invoices. |
| **Planning** | | | | | |
| IA_11_124 | Implementation of the Mayor's Transport Strategy (MTS) | 22/12/2011 RI | To review the effectiveness of the mechanisms developed within TfL to deliver the Goals of the MTS. | 30/12/2012 | The MTS was published last year, and since that time, much work has taken place within Planning to develop tools and mechanisms to help the business implement areas of the Strategy and work towards the Mayor's Goals. Several items were noted that were considered to constitute good working practice:

• Planning has developed a multi-criteria assessment framework tool, the Strategic Assessment Framework (SAF), which enables the assessment and comparison of projects and programmes against the MTS Goals. It is a pan-TfL tool and facilitates consistent decision making across all business areas.
• In addition to developing the SAF, Planning has written a paper identifying what it perceives to be the key actions required to enhance the use of the SAF by the business.
• Planning is currently leading a work stream, Planning for Growth (PfG), that seeks to understand how TfL's current Business Plan to 2014/15 and beyond will deliver against the MTS Outcomes. This work stream demonstrates Planning's commitment to ensuring that the business remains on course with its delivery of the MTS.

However, the following significant issues were identified:

• The division of responsibilities between Planning, which has responsibility for leading the development of TfL's transport strategy, and Group Business Planning, which is responsible for developing the TfL Business Plan, is not always clear, and is undocumented.
• The use of the SAF in assessing project options is not currently mandatory within TfL; rather, project sponsors are 'encouraged' to use the SAF. Neither is the process through which the results of the SAF are to be used in evaluating projects. The SAF is a very effective tool, but in order to ensure that it becomes fully embedded in the planning process, these issues need to be addressed. |
| **General Counsel** | | | | | |
| IA_11_123F | Preparing for the 2012 Mayoral Elections | 29/02/2012 WC | To review the TfL preparations for the 2012 mayoral election. | 29/02/2012 WC | TfL's preparations for the 2012 mayoral election were reviewed under the following key headings:
• Governance, roles and responsibilities
• Planning, methodology and timescales
• Arrangements for analysing candidates' positions and policies
• Risk assessment and recording
• Guidance and legal support
• Transitional arrangements, including impact on the TfL Board

In all areas, we found that the arrangements in place were effective. We also confirmed that three issues identified by a review of the 2008 election preparation process have been addressed. There were no issues identified, and the audit is closed. |

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Interim Findings
Group HR					
IA_11_131	Staff Induction Processes	**19/12/2011 RI**	The objective of the audit was to review the effectiveness of TfL's staff induction processes.	**02/07/2012**	Examples of good practice identified include: • A cost saving initiative by L&D Design and Delivery to produce the Guide for Employees in-house • The development of a TfL Recruitment 'Manager On-Boarding Guide' to provide an overview of on-boarding activity to managers of new staff • The use of previous graduate inductees to feed into future Graduate Scheme induction events • The sharing of experience and best practice by Group Customer Services to support Ask HR in designing a tailored induction program The following significant issues were identified: • There is no clear ownership of the TfL induction process • The TfL induction process has not been evaluated for effectiveness or subject to improvement activity since it was introduced in 2008 • The TfL induction checklist is not being used to record delivery in line with the induction process • The induction process does not apply to staff who TUPE into TfL • The content of the Guide for Employing Managers has not been subject to regular review
Crossrail					
IA_11_522	Technical Assurance	**03/01/2012 RI**	To provide assurance that the management, communication and reporting of Technical Assurance is adequate and appropriate.	**30/04/2012**	There is substantial dialogue between Crossrail and the Infrastructure Managers (IMs) with regards to technical assurance, with weekly meetings to discuss technical matters. The Technical Directorate has made commendable progress in putting in place a framework for the delivery of technical assurance in Crossrail to satisfy the requirements of the Project Delivery Agreement (PDA). This framework has been outlined in the Technical Assurance Strategy (TAS), which has been accepted by Compliance Assurance Group (CAG). A robust reporting regime is in place in the form of the periodic Technical Director's report, the Programme report and the Semi Annual Construction Report. The Crossrail Board receives technical assurance updates in these key documents. There is effective engagement between CAG and the Technical Directorate to ensure consistency between the information discussed at CAG and reported as part of Crossrail's management reporting process. Two significant issues were identified from the audit: • A consensus needs to be reached between the IMs and Crossrail on the amount, the timing, and the provider of assurance evidence in relation to the remaining station designs to avoid future delays in the process. • Technical design proposals are sometimes brought to CAG having had insufficient review by those that need to have been involved, creating inefficiency in the approval process.
IA_11_511	Contract Administration	**14/03/2012 AC**	Review the effectiveness of contract administration for Crossrail contracts for Main Works	**08/06/2012**	The following examples of good practice were identified: • The introduction of a Contract Administration Manual (CAM) for use by the Contract Administrators and Project Managers' Representatives (PMRs) that covers key areas of policy on the administration of the NEC 3 form of contract in use. • A Commercial Assurance Review process which is conducted by a small team of two reviewers and

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Interim Findings
					the relevant Crossrail Heads of Business, Project Managers and Contract Administrators. The review covers key areas of the Contractor's and Crossrail's project and commercial performance. This has identified and reported on performance trends over several periods. Some of these trends have led to process improvements that are being addressed by both Crossrail and contractors alike; for example, the Anticipated Final Cost process. • Introduction and provision of training for staff on the enterprise Bridge (eB) Contract Administration database and briefing sessions on the CAM, in relation to its usage, and when changes have been made to the manual. The audit identified no significant issues, but did identify two less significant ones. The Commercial Assurance Review process is part of the overall assurance framework that Crossrail has established. The findings from this audit provide evidence that, overall, the Commercial Assurance Review process is sufficiently robust and can be relied on to provide appropriate and independent assurance to Crossrail management and the Audit Committee. It can therefore be relied on to provide appropriate and independent assurance.
London's Transport Museum					
IA_11_139	LTM Management Information (MI)	19/12/2011 RI	To review the adequacy and effectiveness of the controls in relation to MI at the LTM.	31/07/2012	We noted several areas of good practice. LTM's management processes generate MI by gathering data from a range of systems: • Patrons Edge, for admissions and sales of guide books at the admissions desk, and also for group bookings and logging educational visits • Futura, for retail income information • The Information Management System, for cataloguing the Museum's collections • SAP, for finance, procurement, and HR • Internova, for e-commerce processing Each system has its own reporting capabilities, and each is used for collecting operational and commercial information. Outputs from each system are interpreted to present MI to a variety of stakeholders at operational, tactical, and strategic levels, in various formats agreed with the recipient. MI reports are presented in appropriate detail for the target audience, enabling performance analysis, and assisting the decision making process. We identified two significant issues: • There are no formal documented governance arrangements for MI data collection, review, and reporting • A review of Periods 3 to 6 found that several MI reports contained inaccurate data due to weaknesses in the reconciliation processes.

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
IA_11_143	Carbon Reduction Commitment Energy Efficiency Scheme (CRC)	23/12/2011	Memorandum	To review the arrangements that TfL has put in place to ensure compliance with the CRC.	TfL met the deadline for submission of the footprint and annual reports to the Environment Agency. Business areas understood the requirements of CRC and had gathered the relevant data on energy consumption on a timely basis. The evidence pack complied with CRC requirements, and supported the figures reported in the footprint and annual reports. We made some recommendations for areas where controls could be tightened for future years.
IA_11_508	Assurance of Security Culture within Crossrail	16/01/2012	Memorandum	To assess the security culture within Crossrail using an industry tool known as SeCuRE (the Security Culture Review and Evaluation tool).	The SeCuRE survey confirmed that overall, staff are aware of security, understand the reason for security and do not feel that it inhibits them from carrying out their day to day activities. Staff wish to be actively engaged in security but feel that their engagement could be more positively recognised and rewarded. The survey highlighted some areas where there was scope to promote security more effectively and management are taking action to address these.
IA_11_608	Milestone Management	17/01/2012	Advisory Report	To carry out a comparative review of how milestone management is used in project delivery across a range of projects and TfL business areas.	We found that milestones are generally well managed and understood, and there is a high level of awareness of the importance of milestone management at project and programme level. All of the project managers interviewed use milestones to good effect as a tool to progress their projects. However, TfL does not have a cohesive strategy for milestone management, and there is no consistent promotion of a single methodology across the business. Consequently, we identified a disparate approach to implementation of milestone management across the business. There is therefore an opportunity to share good practice and develop a more structured approach across the Group.
IA_11_146	Compliance with UK Corporate Governance Code	28/02/2012	Memorandum	To carry out a benchmarking review of TfL's corporate governance arrangements against the relevant requirements of the Financial Reporting Council's (FRC's) UK Corporate Governance Code 2010 (hereafter 'the Code').	No significant issues were identified during the review. There are two elements of the Code where TfL could enhance its governance arrangements. However, in both instances, these had already been identified as areas where improvements could be made, and management are considering actions to make current arrangements more robust. There are seven other provisions where TfL does not fully meet the requirements of the Code. However, these provisions are relatively minor and are not onerous, and mostly relate to disclosures in the Annual Report.
IA_11_611	Games Assurance Letters	15/03/2012	Memorandum	To provide assurance that TfL's Games Assurance Letters process provides a robust mechanism to assess the state of TfL's preparedness for the Games.	There were no areas of concern identified during this review, although we did note some areas where minor improvements could be made, and implementation of these is in hand. Overall, the process appears to be robust and comprehensive, with no significant gaps or weaknesses. Each of the Programme Managers interviewed displayed a good knowledge of their business areas and the various projects they were reporting upon.

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
IA_11_518	Fraud Assurance Work on Staff Remuneration	23/03/2012	Memorandum	To use data analytical techniques to identify any potential indicators of fraud in relation to staff remuneration at Crossrail. .	No evidence of any fraudulent activity was found by the analysis.
IA_11_628	Audits of Engineering and Project Management (EPMF)	26/03/2012	Advisory Report	To evaluate compliance by a selection of contractors on the EPMF with some specified contractual clauses.	Overall, the contractors reviewed complied with most of the specified requirements of the EPMF. There is room for improvement in compliance with the EPMF Agreement in respect of correct application of both volume and utilisation discounts and open-book accounting. In part, this reflected a lack of clear guidance from TfL and our report includes a number of recommendations to address this.
IA_11_630	Northern Line Upgrade Benchmarking Data	30/03/2012	Memorandum	To review the benchmarking data used in the business case for continuing with the incumbent supplier for the Northern Line Signalling Upgrade project.	Our review concluded that appropriate benchmarking data had been used for the business case, but that there was scope for improving the control environment around the review and approval of such data going forward.

Transport for London   **Q4 2011/12**
Internal Audit

CFF sent (period 10 – 13): 23   (Q3: 20)
CFF returned (period 10 – 13): 11   (Q3: 12)

Customer Feedback Form – summary of responses for 2011/12 – Quarter 4

Understanding our customers' needs and expectations and ensuring we are meeting them, is an important part of the continuous improvement we strive for in Internal Audit. We have recently worked with you on an audit project and would be grateful if you would take a few moments to give us feedback on our performance – after all, we have just given you feedback on yours!

Scale (please tick one):
1 = Strongly agree, 2 = Agree, 3 = Disagree, 4 = Strongly disagree

	Question	1	2	3	4	No mark given	Total
1	**Communication prior to the audit work was appropriate and I was aware of visit dates and objectives before the work started**	**3** (4)	**7** (7)	**0** (0)	**0** (0)	**1** (1)	**11** (12)
2	**Throughout the audit process I was kept informed of the work being done and issues arising**	**2** (5)	**7** (6)	**1** (0)	**0** (0)	**1** (1)	**11** (12)
3	**Internal audit staff demonstrated a good understanding of the business and associated risks (or took the time to develop such understanding during the audit process)**	**5** (3)	**6** (8)	**0** (0)	**0** (0)	**0** (1)	**11** (12)
4	**Internal audit staff demonstrated a pragmatic and commercial approach to developing solutions to issues identified during the audit**	**5** (2)	**4** (9)	**1** (1)	**0** (0)	**1** (0)	**11** (12)
5	**The audit report was issued in a timely fashion and was a fair summary of audit findings and management responses**	**3** (5)	**5** (6)	**3** (1)	**0** (0)	**0** (0)	**11** (12)
6	**Internal audit staff acted in a professional manner throughout the assignment**	**6** (6)	**5** (6)	**0** (0)	**0** (0)	**0** (0)	**11** (12)

7. What did we do best?

"The team persisted, during the course of the audit, to ensure adequate information was provided and that agreed actions followed up on. This was important and required during a time of significant change (Horizon workstreams) for key people involved."

"The team responded well to new information provided during the course of the audit to help influence the final outcome."

"The team built up an excellent professional rapport with key individuals they dealt with during the audit which served well in gaining the buy-in and information needed to conduct the review."

"...listened to us and took careful note of our concerns and opinions."

"The use of other sources and activities undertaken, which covered the current audit objectives, and hence prevent duplication of effort was very well done and should be applauded."

"The audit report was well written and came out with good observations and recommendations. The staff were professional and demonstrated an excellent understanding of the issues."

"This was a departure from Internal Audit's usual type of activity and as a Consultancy Report this activity and resulting report was an excellent example. It was very well formatted and user friendly to read, which made the report extremely useful as reference document going forward."

8. What could we have done better?

"Audit timelines often slip but the revised timescale is not widely communicated – suggestion would be short note to principal auditee and key stakeholders each week setting out what work has been undertaken, which aspects are not on plan and any changes to the expected completion date for the audit ..."

"Too much haste in allocating actionees and actions, which were not practically achievable by the actionees."

"...some external benchmarking could usefully have been carried out beforehand (i.e. with other organisations managing large infrastructure projects, e.g. Network Rail; Highways Agency; BAA), particularly as the agreed actions include developing a TfL wide information management framework for Projects."

*"**The internal report classifications:** Having read the report and discussed with audit team overall the report is very positive. The classification "Requires Improvement" gives the impression that there is something significantly wrong rather than dealing with the issues and subject to continuous improvement."*

"I thought the report was a little slow in coming, but overall a thoroughly good job was done."

"The field work was done very effectively but it took a very long time for the report to be issued..."