TRANSPORT FOR LONDON

AUDIT COMMITTEE

SUBJECT: FINAL INTERNAL AUDIT REPORTS – QUARTER 1 AND QUARTER 2 2008/09

DATE: **25 NOVEMBER 2008**

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1.   PURPOSE AND DECISION REQUIRED

1.1   The purpose of this paper is to inform the Audit Committee of the final audit reports issued in the first and second quarters of 2008/09. The Committee is requested to note the paper.

2   BACKGROUND

2.1   We issued 43 final reports in the two quarters including 9 interim reports that were concluded 'well controlled' and were immediately closed as there were no management actions to complete.

2.2   Seven of the reports issued were second follow ups as the first follow up audits found that not all actions had been completed. One report issued in the half year remains open with a second follow up scheduled for October. Reports that remain open are shown as yellow on the attached spreadsheet, closed reports are shown as green.

3   RECOMMENDATION

3.1   The Audit Committee is asked to NOTE the content of this report.

4   CONTACT

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Reference	Report Title	Interim Report Issued	Original Objective	Final Report Issued
IA_07_126/F	Insurance Arrangements	21/12/2007	To review the effectiveness of the processes and controls in place in respect of London Transport Insurance (Guernsey) Limited (LTIG)	24/06/2008
IA_07_111_vC	Role of Management Accounting in Surface Transport	29/07/2008 WC	To assess the effectiveness of management accounting within Surface Transport.	29/07/2008 WC
IA_06_111	Borough Spending Controls	02/03/2007	To assess the adequacy of controls established by TfL to ensure that the funding of London Boroughs via Borough Spending Plans (BSPs) and Local Implementation Plans (LIPs) complies with the GLA Act and TfL policy, and promotes the achievement of value for money.	05/08/2008
IA_07_102	Payroll Processes	29/02/2008	To assess the effectiveness of the controls that are operating over processes of the TfL Group.	18/08/2008
IA_06_218/F_v1	Project Management within Group Services	14/03/2008	To provide assurance that project quality was being managed in an effective and efficient manner; review the effectiveness of controls operated for ensuring that new systems were developed in accordance with clearly articulated requirements, and that once these are delivered, they integrate with other existing and new systems, and meet those requirements; review the effectiveness of the project cost estimating and forecasting process; and finally review the use made of project management tools and systems within GS.	04/07/2008
IA_07_201/F (2)	Hydrogen Powered Buses	06/07/2007	To ensure that development of the Hydrogen Powered Buses project was being managed in an effective and efficient manner.	29/07/2008
IA_07_223/F	Cooling the Tube Programme	21/12/2007	To provide assurance in relation to TfL Strategic Risk - Project Delivery, and to ascertain whether LU's Cooling the Tube Programme was being managed in an effective and efficient manner.	07/05/2008
IA_06_224/F (2) v2	Use of Project Management Tools and Systems within Surface Transport	30/04/2007	To review the use made of project management tools and systems within Surface Transport.	07/05/2008
IA_06_211/F (2) v2	Project Estimating and Forecasting within Surface Transport	23/04/2007	To review the effectiveness of the project cost estimating and forecasting process within ST.	07/05/2008
IA_07_410/F	Customer Service Integration Programme (CSIP)	29/02/2008	To provide assurance in respect of the Project Delivery strategic risk, by reviewing the effectiveness of controls over risks to the Initiation and Governance of the Customer Support Integration Programme.	13/05/2008 (See below)
IA_07_410/F (2) v2	Customer Service Integration Programme	29/02/2008	To review the effectiveness of controls over risks to the Initiation and Governance of the Customer Support Integration Programme.	21/07/2008
IA_08_327/F	Power PFI Support of PPP Lines Upgrade	07/07/08 WC	To provide assurance in relation to TfL strategic risk 'Effective Contract Management'.	07/07/08 WC
IA_07_334/F	Contract Management of the London Overground 'LOROL' Concession Agreement	27/05/2008	To determine whether effective controls have been established in managing the London Overground (LO) 'LOROL' Concession Agreement; therefore ensuring that an appropriate service is being delivered by the concessionaire.	30/06/2008

Reference	Report Title	Interim Report Issued	Original Objective	Final Report Issued
IA_07_306/F v2	Management of Bus Stop Information	07/01/2008	To ascertain whether adequate controls are in place to ensure the effective management of the contract for the provision of travel information posted at bus stops and shelters.	29/07/2008 audit not closed
IA_07_316	Connect Airwave - Contract Payments Management	19/03/2008	To determine whether payments made for the Connect Airwave variation had been adequately controlled and whether a cash neutral position had been maintained in relation to off-charging expenditure to National Policing Improvement Agency (NPIA).	11/08/2008
IA_07_001/F	Group Property & Facilities Security Policies and Procedures	12/06/08 WC	To provide assurance by establishing whether relevant, adequate and up to date security related policies and procedures exist within GP&F to ensure protection of staff and assets.	12/06/08 WC
IA_06_127/F	Induction Processes	16/02/07	To assess the adequacy of induction training for new recruits joining TfL.	04/04/2008
IA_07_013/F	Security of Intervention Points, JNP	12/06/08 WC	To provide assurance by ensuring that the security risks relating to JNP Intervention Points had been identified and were being effectively managed.	12/06/08 WC
IA_07_418/F_v1	Maintenance, Enforcement and Traffic Regulations Order System Project	This report summarises the issues reviewed during our real time audit work.	To review the control processes used during the development phase of the METROS1 software and to assess the extent to which the controls used were adequate and effective.	25/06/2008
IA_05_117/F	Group IM Security Policy and its implementation	22/03/2007	To assess the extent to which the policy issued in February 2005 was complete, had been fully implemented and that procedures were in place to update the policy to take account of emerging security risks.	18/07/2008
IA_05_118/F	Review of Corporate Internet, Intranet & E-mail Security Policy	12/05/2006	To review existing security policies, procedures and practices relating to the Internet, Intranet and E-mail systems and consider the extent to which these are adequate to mitigate the key risks associated with these services.	25/07/2008
IA_05_119	Corporate Network Systems, RAS	23/02/2007	To assess existing arrangements to provide accessible services and access to TfL systems for employees and others.	14/08/2008
IA_07_420	DSRC (Tag & Beacon Project	15/08/2008 WC	To review the effectiveness of controls over risks to the Tag and Beacon - DSRC Project.	15/08/2008 WC
IA_07_413	Management of Intranet and Internet Websites	23/04/2008 WC	To review the adequacy of processes and controls which are in place around the TfL Intranet and Internet websites; this included a review of the website strategy, content management, development practices, monitoring and security in order to gain assurance that TfL's objectives are met.	23/04/2008 WC
IA_05_218/F	London Works Software Development	13/09/2006	To assess whether or not the London Works programme has adequately defined requirements for functionality, control and security, and to assess the project's proposed control framework to manage the design and delivery of the system.	03/06/2008

Reference	Report Title	Interim Report Issued	Original Objective	Final Report Issued
IA_06_431/F	Hosting of Surface Transport's servers at Global Switch	04/10/2007	To review the governance around the arrangements through which Surface Transport's servers are hosted at an external data centre which is managed by Global Switch.	11/06/2008
IA_06_419/F	London Underground IM's Compliance with the Common IM Methodology for IM	17/07/2007	To review the extent to which IM projects in London Underground (LU) IM were being appropriately governed and controlled using the CIMM framework and were in compliance with CIMM.	17/06/2008
IA_06_435/F	London Transport Museum IM Strategy Policy and Procedures	26/06/2007	To review LTM's IM Strategy, Policies and Procedures in order to determine the extent to which these were in alignment with the Museum's overall business objective, and to establish the level of compliance by staff.	01/07/2008
IA_07_124/F	Response to Mayoral Directions	07/05/2008	To review the effectiveness of the processes and controls in place in respect of TfL's responses to Mayoral Directions. This audit aimed to provide assurance in relation to TfL strategic risk Operational Delivery.	07/05/2008 WC
IA_05_233/F_v1	Ethical Compliance Review	11/10/06	To assess the effectiveness of the policies and controls in place to promote ethical business behaviour.	23/04/2008 (see below)
IA_05_233	Ethical Compliance Review	11/10/2006	To assess the effectiveness of the policies and controls in place to promote ethical business behaviour.	25/07/2008
IA_06_136/F	Risk Management Process	25/04/07	To ensure an effective risk management process is in operation within TfL for identifying, assessing, managing and reporting on risk.	04/04/2008
IA_07_104/F	Risk Management in Surface Transport	09/10/07	To ensure an effective risk management process is in operation within ST for identifying, assessing, managing and reporting on risk.	07/04/2008
IA_07_112/F	Control Risk Self Assurance Process	12/10/07	To ensure that the CRSA process was operating efficiently and effectively, in order to provide a level of assurance for future audit work.	04/04/2008
IA_07_025/F	Assurance of Section 17, Crime & Disorder Act 1998 Implementation	22/04/2008 WC	To provide real time assurance to management that the overall implementation arrangements of Section 17 of the Crime& Disorder Act 1998 and the supporting controls that were incorporated throughout the TfL business were commensurate with the identified risks.	22/04/2008 WC
IA_06_405/F	Single Source of Truth - Assets	06/02/2007	To assess the extent of which application controls and security were included during the build phase of the SST-A.	02/05/2008
IA_07_105/F_v1	PASS Revenue Controls	13/07/2007	To assess the effectiveness of controls operating over PASS Agents to ensure that all revenue due to TfL from ticket sales by PASS Agents is accurately recorded and paid to TfL.	23/06/2008
IA_06_115/F_v1	Oyster Help Line - Customer Charter and Other Refunds	24/09/2007	To assess the effectiveness of internal controls operating over customer charter refunds and other fare refunds to ensure that only legitimate refunds are being issued.	27/06/2008
IA_06_128/F	Group Property Rental Income Maximisation	29/06/2007	To assess the adequacy and effectiveness of controls ensuring that Property Asset Management, GP&F, maximises rental revenue from TfL properties.	07/07/2008
IA_07_145_v1	Enhanced Station Accounting Facility	15/07/08 WC	To assess the effectiveness of processes for recording and accounting for tickets sales at LUL stations.	15/07/08 WC