

TRANSPORT FOR LONDON

SAFETY, HEALTH AND ENVIRONMENT ASSURANCE COMMITTEE

SUBJECT: ASSURANCE OF HSE AUDIT PROCESSES

DATE: 9 MARCH 2011

1 PURPOSE AND DECISION REQUIRED

- 1.1 The Terms of Reference of the Safety, Health and Environment Assurance Committee (SHEAC) include the requirement for the consideration of audits of Health, Safety and Environmental Management Systems and the progress with implementation of recommendations arising from audits. In the light of this, the Committee's Advisers have reviewed selected audit processes and reports.
- 1.2 The Committee is asked to note the paper.

2 BACKGROUND

- 2.1 TfL manages Health, Safety and Environment in a structured manner through the use of documented HSE Management Systems (HSEMSs). These HSEMSs address the requirements for audits to be carried out and aspects of the auditing process and audit reports are communicated to SHEAC through established reporting mechanisms.
- 2.2 The Advisers to the Committee recently reviewed a selection of audit reports produced in 2009/10 to provide an independent view on audit processes in TfL and the follow up on recommendations from audits.

3 CONCLUSIONS OF THE ADVISERS' REVIEW

- 3.1 The Advisers concluded that:
- (a) London Underground and Surface Transport have comprehensive programmes of HSE audits which are being carried out competently and followed up in a timely manner;
 - (b) It is a high priority for London Rail to develop a comprehensive HSE audit programme;
 - (c) Crossrail's 2010/11 HSE audit programme should be reviewed in due course; and
 - (d) Following HSE audits of Corporate Directorates in 2007/08, another health and safety audit has not been considered necessary in these relatively low risk directorates.
- 3.1 The Advisers' report is attached as Appendix 1.

4 RECOMMENDATION

4.1 The Committee is asked to NOTE the paper.

5 CONTACT

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SUBJECT: REVIEW OF SELECTED HEALTH, SAFETY AND ENVIRONMENTAL AUDIT REPORTS BY THE SHEAC ADVISERS

1 INTRODUCTION

The Advisers have reviewed selected Health, Safety and Environment (HSE) audits which were conducted on the operations of TfL or its contractors during 2009/10, in line with one of the items in SHEAC's Terms of Reference, namely *"To review, and exceptionally to request, the carrying out of audits of health, safety and environmental management systems, as necessary, and to review progress with the implementation of recommendations arising from such audits"*.

2 LONDON UNDERGROUND

Last year we reviewed a selection of 2008/09 audits of London Underground (LU) and made just one recommendation which has been closed out.

Last year we concluded that *"The Advisers consider the LU audit arrangements to be well structured and effective overall. They are sufficiently flexible to respond to emerging risks in LU."* Therefore, we decided it was not necessary to review any of LU's 2009/10 audits.

3 SURFACE TRANSPORT

Bus Operators

Substantial audit effort in Surface Transport (ST) is directed towards the bus operators. For 2008/09 we reviewed the audit reports and action logs for three of the largest bus operators in London and made five recommendations to improve the effectiveness of the bus operator audit programme, London Buses has addressed all those recommendations to our satisfaction. Therefore we decided not to review any of ST's 2009/10 bus operator audits.

Other operations

ST informed us that approximately 50 audits were conducted on non-bus operations in 2009/10. We had noted in a 2008/09 audit conducted by LU of one of ST's non-bus businesses that *"there [were] several statements to the effect that unsatisfactory conditions, previously identified, had not been addressed"*, as a result of which we had made a recommendation to ensure that the corrective actions are tracked for all audits. Therefore for 2009/10 we requested audit reports and follow up logs for three of the non-bus operations.

Victoria Coach Station (VCS): On 12 October 2010 we were provided with '*Victoria Coach Station Operational Assurance Audit Report*' reference CB/63/2009 dated 25 October 2009. This is a comprehensive report which was conducted by the LU Audit Team and generally showed continued improvement since the previous year. No recommendations are listed within the report itself, however a separate file '*SQE 2009 action plan*' contains 23 recommendations, each with 'Person Responsible', 'Target Date' and 'Completion Date'; where recommendations were rejected, the reason was explained. This follow up process is a significant improvement on last year.

We were concerned that two of the 'Completion Dates' were in the future (November 2010 and December 2010), which cast doubt on whether each 'Completion Date' was genuine. The VCS Operations Manager has now confirmed that these were typographical errors and the actual completion dates were the corresponding months in 2009. We accept this correction.

London River Services, Westminster Pier: We were provided with '*Westminster Pier 0809*' (audit report) and '*Pier Findings Summary Westminster Pier August 2009*' (follow up log). The audit was conducted by LU and was comprehensive. Of the eight recommendations listed in the follow up log, one had been rejected as too costly, two were shown as ongoing, one was due for completion in December 2010 and three were completed. We note that one of the 'ongoing' items was picked up again in the August 2010 audit, namely '*Not all boat staff wore lifejackets as per Code of Practice*', otherwise we are satisfied with this audit and with its follow-up.

Tunnels: We requested all three tunnel audits that had been scheduled for 2009/10.

- Internal audit of arrangements for the identification of operational risk within road tunnels and the mitigation processes, undertaken by Internal Audit – November 2009/January 2010.
- Internal audit of arrangements in place by the HMWCs for the identification of road tunnel assets and maintenance of maintenance logs – January/March 2010.
- Internal audit of competency and training arrangements for contractor staff undertaking maintenance works within road tunnels – January/March 2010.

For the second and third audits their Scope and Objectives demonstrate that they are not directly concerned with HSE matters. Therefore we were satisfied to review the first audit.

We were provided with '*INTERIM INTERNAL AUDIT REPORT – Tunnel Safety*' reference IA_09_133 dated 25 May 2010 and '*Internal Audit Status of Agreed Actions*'. The audit identified "*a number of significant issues that may have an impact on the management of safety in TfL tunnels*" and states that '*a follow up review will be carried out and a final audit report will be issued by end of Quarter 4 2010/11 to ensure the agreed management actions have been implemented and are operating effectively.*' The report lists 13 agreed actions, all of which are shown in the Status log as either complete or proceeding to plan. We are satisfied with this audit and with its follow-up.

We conclude that Surface Transport has a comprehensive programme of HSE audits. The reports and follow-up logs that we reviewed showed that they are being carried out competently.

4 LONDON RAIL

For 2009/10, the HSE Director, London Rail (LR) told us that *“there is still a limited field of audits to choose from. Audit is not the preferred approach in LR, rather we undertake detailed monitoring of the period reporting, incidents and site visits. Developing an audit capability is part of the 2010-11 safety improvement plan.”*

LR then sent us five 2009/10 audit reports.

Docklands Light Railway (DLR): We were supplied with Docklands Light Railway Safety Management System Audit, Final Report, 17 December 2009 by Arthur D Little. The audit was comprehensive and there were no Critical Findings. The 2009 SMS Audit action status log lists 43 Major and Minor Findings, two of which are In Progress with the remainder Completed or Closed.

London Overground Infrastructure (LOI) Project: We were supplied with East London Line Project, Audit of Mott MacDonald TSP2, ELM-TEC-224-01-10-0200 Issue B, May 2010 (draft). This audit of a design service provision (detailed design for Phase 2 of ELLP) appeared to have been conducted competently and it produced one Corrective Action Report (CAR) and six observations. The report states that timescales have been agreed for the corrective action to be carried out. But the status of the reported observations will not be considered by London Overground until the next audit, for which no date was given.

We have since been told by LOI that the CAR has been closed out, with Issue 03 of the Quality Plan being accepted on 6 October 2010. Mott MacDonald (TSP2) has now completed the detailed design and LOI is about to enter into the construction phase. LOI has no current plans to audit TSP2's design function. However, they do intend to audit the Civils and P-Way Contractor a few months after commencement – the audit is currently pencilled in for July 2011. They will also undertake internal audits of the Phase 2 delivery team. There has been a dispute about the wording of the audit report that has prevented its agreement / issue and LOI is working with the TSP2 team to agree the wording and issue the report. We accept these responses.

As three of the observations related to deficiencies in formal document control systems, we are unclear why they were not classified as corrective actions.

London Overground Infrastructure Maintenance: We were supplied with 'Rail for London, Audit Report – Carillion, LO-MS-104-04-0100 Issue D, November 2010 (draft)'. This report on an audit carried out on the East London Line Infrastructure Maintenance Contractor Carillion covered other matters as well as HSE ones, and produced three corrective action reports and 34 observations. There is no information about the timescales for implementing the corrective actions, nor for London Overground to review the observations. However LOI has since told us that all three CARs should be closed in the near future. As with the LOI Project audit report, we cannot see a clear basis for classifying findings as corrective actions or observations.

- **Recommendation LR-10-01**: Review the criteria used by London Overground Infrastructure auditors to classify findings as corrective actions or as observations. Priority: Medium.

London Tramlink Track Replacement: we were supplied with 'Health, Safety and Compliance Audit, Second Year Track Replacement Project, Final Report dated 18-10-10. Seven recommendations were made and the report states that *“All actions raised on site were closed out during the project. These are now to be captured as*

lessons learnt for the next project. Report recommendations are to be reviewed at the London Tramlink Executive H&S Meeting and Period End Review Meeting". Although only lasting one day, it appears that the audit covered the scope of work competently, the report is very readable and it is good that the actions raised on site were closed out immediately.

We had noted that the recommendations did not cover a comment in the report relating to management of fatigue of the project manager, however we accept London Tramlink's subsequent comment *'that this did not reflect the contractor's general performance on this area, rather the actions of a very dedicated and committed Project Manager who personally wanted to ensure the work went safely and to target; his Director was aware of the issue and sent him off site to rest'*.

London Tramlink Maintenance: We were supplied with 'AUDIT OF CARILLION MAINTENANCE SYSTEM FOR LONDON TRAMLINK, ITLR-T26470-001, Issue 2 02/09/10', prepared by Interfleet Technology Limited. The auditors identified one non-compliance with statutory regulations and made 23 recommendations to improve the maintenance work processes, record keeping, data management and maintenance planning. They concluded *"We have been impressed by Carillion's safety management ethos and processes and this is reflected by the minor nature of the observations relating to their safety management system"*. The audit appears to have been competent and comprehensive. Tramlink tell us that all outstanding works have been discussed and captured as the 2011/12 objectives for the Engineering team, and checks will be made that they have been met and closed as part of the LT Audit / Assurance Programme.

We conclude that in 2009/10 London Rail carried out five competent HSE audits, which are being followed up appropriately. However as we were not provided with any information about an overall audit plan and in light of the statement that *"Developing an audit capability is part of the 2010-11 safety improvement plan"* LR did not appear to have a comprehensive HSE audit programme.

Accordingly we repeat our recommendation from last year:

- **Recommendation LR-10-2**: LR should ensure that priority is given to its work to develop an overall HSE audit plan (going out three years), to base it on a clear review of risks, and to develop a more consistent approach to audit methodology. Priority: High.

5 CROSSRAIL

During 2009/10 Crossrail (CR) was newly established and its on-site activities were only just getting under way. The audit programme was just being established therefore we decided not to review any of CR's 2009/10 audits.

- **Recommendation CRL-10-1**: CR's HSE audit programme for 2010/11 should be the subject of a future review. Priority: Medium.

6 CORPORATE DIRECTORATES

None of the Corporate Directorates (CD) had an HSE audit during 2009/10, nor were any planned for 2010/11. CD staff are office-based so their health and safety risks are low.

7 CONCLUSIONS

- (a) London Underground and Surface Transport have comprehensive programmes of HSE audits, which are being carried out competently and followed up in a timely manner.
- (b) In 2009/10 it is a high priority for London Rail to develop a comprehensive HSE audit programme.
- (c) Crossrail's 2010/11 HSE audit programme should be reviewed in due course.
- (d) Following HSE audits of Corporate Directorates in 2007/08, another health and safety audit has not been considered necessary in these relatively low risk directorates.