



Date: 18 December 2013

Item 8: Internal Audit Quarter 2 Report 2013/14

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 second quarter of 2013/14, the work in progress and work planned for Q3 of 2013/14.

2 Recommendation

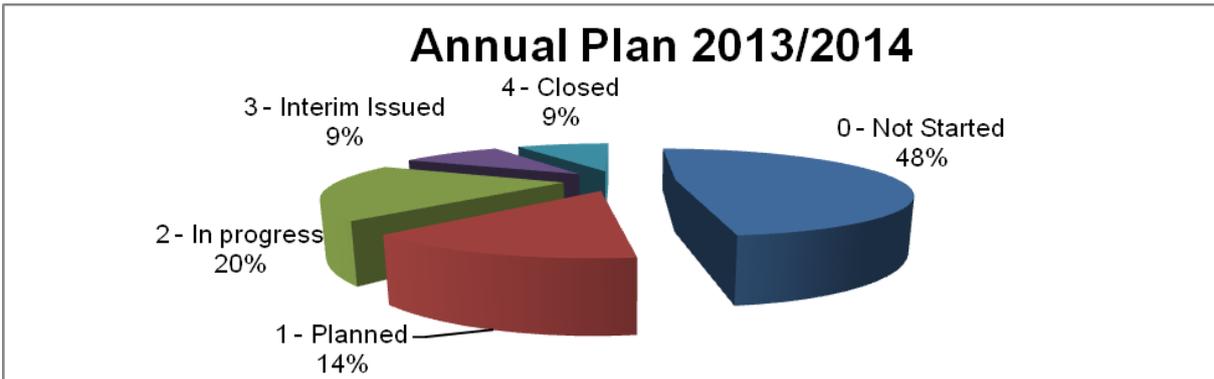
2.1 The Committee is asked to note the report.

3 Background

3.1 The Director of Internal Audit is required to provide an annual report in support of his opinion on the internal control framework. Quarterly reports are presented to the Committee in anticipation of the annual report.

4 Work Done

4.1 The chart below shows progress at the quarter end towards delivery of the 2013/14 audit plan, including work in progress brought forward from 2012/13.



4.2 There were eight Final Audit Reports issued during the quarter. In all cases, we found that appropriate management action had been taken to address the issues raised in the original Interim Audit Report, and the audits were closed. A summary of the report findings (except one in relation to the TfL Pension Fund) is included in Appendix 3 attached.

4.3 The table below shows the number of Interim Audit Reports and other outputs, including advisory/ consultancy reports and memorandums, issued during the quarter, together with comparative figures for the second quarter of 2012/13.

	Interim Audit Reports					Other Outputs (Advisory Reports/Memos)	HSE and Technical Audit Reports	
	WC	AC	RI	PC	Total			
	WC – well controlled AC – adequately controlled RI – requires improvement PC – poorly controlled							
This Quarter	0	4	4	2	10	7	17	34
YTD	2	10	11	4	27	15	35	77
YTD 2012/13	1	6	11	0	18	14	33*	65

\* - HSE and Technical Audits were not controlled by Internal Audit in 2012/13

- 4.4 Details of the findings from the interim reports issued during the period can be found in Appendix 4. Two audit reports were issued during the quarter with 'poorly controlled' conclusions. The audit of HR Document Management identified a number of weaknesses in controls over employee records, exacerbated by a lack of documented procedures and guidelines. The audit of Estates Management found scope for considerable improvement in TfL's management of its commercially let property estate. In all cases management actions have been agreed and are being taken forward to address the issues raised.
- 4.5 A summary of the other outputs issued during the quarter, including memorandums and advisory reports, can be found in Appendix 5. This included a review of the newly established London Underground (LU) Cost Assurance Function (CAF) the role of which is to provide assurance over the validity of costs charged to LU by contractors under NEC3 contracts. Our memorandum found that the CAF had made a good start with the first reviews well executed and managed, and had already identified some significant cost savings. We highlighted some areas for management to consider as the function consolidates.
- 4.6 Summaries of the HSE and Technical Audit reports issued during Quarter 2 are set out in Appendix 6. The most significant of the reports issued during Quarter 2 include the following, and in all cases management actions have been agreed to address the findings, and are being taken forward:
- (i) Stress restoration – a number of non-conformances were identified with regard to compliance with hot weather management requirements following removal of rail defects.
  - (ii) Rolling Stock Depot Safety Management – there was scope for significant improvement to the linkage of risk assessment to systems of work.
  - (iii) London Tramlink – Provision of Engineering Site Protection Staff – although arrangements were generally effective, there was one non-conformance relating to a failure to properly record an instance of poor performance.

- (iv) London Overground Capacity Improvement Programme (LOCIP) Design Management for Silwood Sidings – Five Business Improvement Actions were identified in respect of the management system arrangements relating to design management.
  - (v) LU Asbestos Management – Two main issues were identified in respect of delivery of refresher training and maintenance of the asbestos register. A number of other opportunities for improvement were also noted.
- 4.7 Work in progress at the end of Quarter 2 is shown in Appendix 1 and work due to start in Quarter 3 is shown in Appendix 2.
- 4.8 One audit was added to the plan during the quarter at the request of management. This was in relation to staff travel arrangements, with particular focus on controls of Oyster cards issued to bus operator staff and their nominees. Our audit work is currently in progress.

## **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 2.

### **Project assurance**

- 5.2 In Quarter 2, 24 Integrated Assurance Reviews (IARs) were conducted, with the Independent Investment Programme Advisory Group (IIPAG) providing oversight and guidance on nine reviews, all of projects with an Estimated Final Cost of over £50m. Issues arising from the reviews are presented to the operating boards with agreed actions, owners and timescales.
- 5.3 The reviews are normally conducted using an External Expert (EE). However, in 2013/14, significant effort is being applied to deliver a number of Peer Reviews, where internal review teams carry out the role of the EE. The first of these was completed in Quarter 2, for Fit for the Future Stations. Further peer reviews are underway, with a target to complete twelve in the financial year.
- 5.4 Some of the more significant reviews during Quarter 2 were Jubilee Line World Class Capacity and Victoria Line World Class Capacity at the Initiation stage; Victoria Station District and Circle Line improvements at the Contract Award stage; and Tottenham Hale Gyrotory during the implementation stage.
- 5.5 The IIPAG also carried out Interim Reviews of the Ealing Common and Upminster Depot projects, which are underway. The IIPAG Interim Reviews do not include assurance from the PMO Assurance team and are normally carried out on projects that are in implementation.

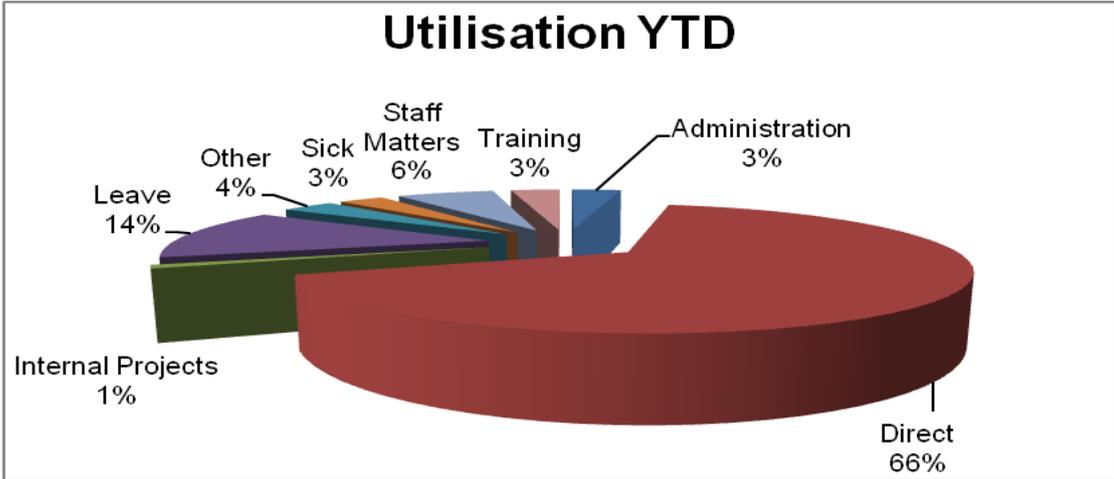
### **Crossrail Assurance Providers**

- 5.6 In addition to the work carried out by Internal Audit there are a number of other teams providing assurance over delivery of the Crossrail project. The Crossrail Audit Committee receives regular reports on the work of these teams, whose work during Q2 is summarised in the following paragraphs.

- 5.7 Crossrail Compliance Audits – The compliance audit function within Crossrail carries out technical audits of compliance with the Crossrail Management System, and is managed by the Senior Audit Manager – Crossrail. Four audits were carried out during the quarter covering: Legal Compliance; Management of Technical Standards; the Risk Management Process; and Temporary Works design management. There were no issues of particular concern arising from these audits.
- 5.8 Contractor HSQE Audits – There is a programme of around 80 contractor audits for 2013/14 spread across a range of themes and contracts aimed at providing assurance that contractors have appropriate HSQE systems in place. These audits are also managed by the Senior Audit Manager – Crossrail. 21 audits were carried out during the quarter covering areas such as contractor employment and industrial relations arrangements; health and safety communications; sprayed concrete lining; hand-arm vibration; and control of substances hazardous to health. There were no particular trends arising from this work.
- 5.9 Contractor Commercial Reviews – This team carries out commercial assurance reviews of contractors, covering Cost; Contract Management; Risk Management; Commercial Value; Supply Chain and Procurement; and Anticipated Final Cost Management and Controls. There are no significant areas of concern arising from this work.

**6 Resources**

- 6.1 During the quarter an Internal Auditor joined the department to fill a vacancy that had arisen. In addition, we took on a secondee to fill a temporary vacancy that had arisen as a result of an Internal Auditor taking up a secondment as Corporate Risk Manager within Finance.
- 6.2 Since the end of Quarter 2, the Senior Audit and Investigations Manager – Fraud and Security has given notice of his retirement, and his last day at TfL will be 17 January 2014. The decision has been taken not to directly replace him, and instead the Security Audit Team will report to the Senior Audit Manager – IM to take advantage of synergies between IM audit and the cyber-security agenda, whilst the Fraud team, led by the Fraud Investigation Manager will report directly to the Director of Internal Audit.
- 6.3 The department’s utilisation for the year to date is set out in the following chart:



## **7 Integrated Assurance / Networking**

- 7.1 The Assurance Delivery Group (ADG), chaired by General Counsel, has continued to meet. Current areas of focus include the development of assurance maps for Finance and Projects, and review of TfL's Control Self Assurance processes. In addition, the ADG is reviewing the Integrated Assurance Framework, which needs updating to take account of recent developments, including the transfer of the HSE and Technical audit teams into Internal Audit.
- 7.2 We continue to meet regularly with the Head of the TfL PMO to discuss upcoming work and ensure that any potential areas of overlap are properly managed.
- 7.3 The Crossrail Integrated Assurance Group (CIAG), which comprises representatives of assurance providers from a range of Crossrail stakeholders, has continued to meet during the quarter. The CIAG is a useful forum for the sharing of assurance activity, which helps minimise the risk of duplication of effort between assurance providers.

## **8 Customer Feedback**

- 8.1 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 7.

### **List of appendices to this report:**

- Appendix 1 – Work in Progress at the end of Quarter 2 2013/14
- Appendix 2 – Work Planned for Quarter 3 2013/14
- Appendix 3 – Final Reports Issued in Quarter 2 2013/14
- Appendix 4 – Interim Reports Issued in Quarter 2 2013/14
- Appendix 5 – Consultancy Reports and Memoranda Issued in Quarter 2 2013/14
- Appendix 6 – HSE and Technical Reports Issued in Quarter 2 2013/14
- Appendix 7 – Customer Feedback Form – Summary of Responses for Quarter 2

### **List of Background Papers:**

Audit reports.

Contact Officer: Clive Walker, Director of Internal Audit  
Number: 020 3054 1879  
Email: [Clivewalker@tfl.gov.uk](mailto:Clivewalker@tfl.gov.uk)

<b>Transport for London</b>	<b>Appendix 1</b>
<b>Internal Audit plan 2013/14 by directorate</b>	
<b>Approved by the TfL Audit and Assurance Committee 6 March 2013</b>	<b>Work in Progress- as of the end of Quarter 2 2013/14</b>
<b>Work Item</b>	<b>Objective</b>
<b>Pan TfL</b>	
<b><i>Delivery of capital investment portfolio and contract management</i></b>	
Application and review of Pathway	To review arrangements for the communication, promotion, provision of information, application, support and continuous improvement of the Pathway methodology.
Run Better Programme	Real time audit of the Run Better Programme, including a review of management of transition into the live environment.
Fraud Risk in Projects and Contracts	Review of the effectiveness of fraud prevention & detection controls within projects against a fraud risk maturity model.
Preparation of Project Assurance Map	Support to management in the development of an assurance matrix for project assurance, mapping risk areas to sources of assurance.
<b><i>Security</i></b>	
SCADA review	To continue the programme of security assessments of SCADA systems begun in 2012/13, using the CPNI assessment tool.
<b><i>Managing external stakeholder interests</i></b>	
Review of asset performance data	To review LU's processes and controls over asset performance data, to gain assurance that reported results are based on accurate and valid information.
<b><i>Financial and Governance Controls</i></b>	
PCI DSS Compliance	Continue to support Group Treasury in obtaining PCI DSS compliance through a programme of assessments and advisory services.
<b>Rail and Underground</b>	
<b><i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i></b>	
Revenue Protection DLR	To review the effectiveness of controls over the DLR revenue protection processes.
Tube Lines Efficiency programme	Confirmation that the efficiency programme is on target and what is being reported is accurate. Review of robustness of future plans.

<b>Work Item</b>	<b>Objective</b>
<b><i>Delivery of capital investment portfolio and contract management</i></b>	
Analysis of LU compensation events	To analyse compensation events to better understand the factors driving the occurrence of compensation events and how they are managed in order to determine any potential areas for improving the outcomes for LU projects using NEC3 Option C contracts.
LU Materials Management Strategy	To review the arrangements put in place to ensure the planned benefits from the contracts awarded as part of the Materials Management Strategy are realised.
Project accounting	Review of the accounting processes and controls on LU projects.
Procurement of the new DLR Franchise	A review of the procurement process associated with renewing the DLR franchise.
Commercial Management of Thales	To provide assurance on the effectiveness of controls in place over the application for payment process, payments and cost verification for the Northern and Jubilee Line Upgrades contract with Thales.
Management of Engineering Competence	To assess effectiveness of processes for ensuring the competence of those involved in engineering assurance.
Design management and co-ordination (earth structures)	Examine the effectiveness of systems for the management of design work both in LU and key suppliers.
Risk Management	To assess progress in addressing deficiencies identified in previous PAS 55 audits - primarily around asset risk management.
REW Rolling Stock Refurbishment Quality Processes	To assess whether refurbishment of Rolling Stock is being undertaken in accordance with quality processes to ensure Rolling Stock is fit for purpose.
Supplier Audit - Xylem	Review of Supplier's capability to meet LU requirements effectively and safely.
<b><i>Disruption to quality of service</i></b>	
Fleet Maintenance Licensing Arrangements	To determine whether maintenance and technical training arrangements for the fleet maintenance staff are effective, robust and meet the requirements in the respective Vehicle Maintenance Instructions (VMIs).
Management of defects raised by patrollers	To confirm that all defects that are raised by the patrollers are being reviewed appropriately and input into the Ellipse system with the correct quality threshold and associated timescale.
Signal Maintenance Regimes	To confirm that planned maintenance activities (including Routine Change) have been undertaken and records are in place to demonstrate compliance with the 2012 / 2013 Signal Maintenance Regime.
Workmanship and materials (Total Package Services) Self Assurance	To assess whether contractors under the TPS Contract are assuring their own compliance with LU Standards.
Compressor Maintenance	To assess the Powerlink maintenance programme for compressed air pipes supplying critical assets such as signalling equipment and train stops against the Pressure Systems Safety Regulations 2000, LU/Powerlink Management system requirements and contractual requirements.
Control and Management of Contractors	Assess Powerlink processes to ensure the selection of competent contractors, effective monitoring of the delivery of contracted services, and adequate site supervision/management once they are appointed, including compliance with applicable Powerlink procedural and legal requirements.

<b>Work Item</b>	<b>Objective</b>
Asbestos Register and Waste Management Records	To assess PowerLink processes for ensuring asbestos registers are maintained in accordance with legislation, and to prevent harm. Also to examine PowerLink processes for management of waste management records in accordance with legislation and to minimise environmental risks.
Track Maintenance	To ensure that Track Inspection and Maintenance are following the processes/procedures, including the delivery of inspections and fault management within Alstom depots.
Northern Line Maintenance of Electrical Track Equipment (ETE)	To assess the compliance and overall effectiveness of processes for ensuring ETE assets are maintained by competent people and to ensure the maintenance of ETE being completed to the specified maintenance regimes.
Edgware/Stratford Materials Control	Follow up audit to confirm effectiveness of actions taken at Edgware and Stratford stores.
<b>Managing external stakeholder interests</b>	
Implementation of new performance database in R&U	To provide assurance that the delivery of the Performance Data Warehouse programme is being managed in an efficient and effective manner.
<b>Major Incident - External</b>	
Communications and Electrical Occupational H&S management	Review control of safety risks in this area.
CDM accountabilities and responsibility allocation	Follow up on previous audit findings regarding clarity of ownership of CDM duties between LU and Balfour Beatty within the LU Track Partnership.
Access Transformation Programme - Change Control of Safety Risks	To assess the extent to which operational safety risks resulting from planned changes to operational systems and processes are systematically identified, assessed and controlled.
Security audit of LU Contractors	An audit of the pre-engagement employment checks with relation to LU contractors/companies as requested by LU Network Security.
<b>Surface Transport</b>	
Responding to growth in ST business plan	Review of arrangements for ensuring that ST has the resource capabilities and competencies to deliver the increased business plan.
Dial a Ride Healthcheck	A review and general Healthcheck on five Regional DaR Centres focusing on a small number of key activities.
UTC (Urban Traffic Control)	To review application controls for the UTC system including user access management, change management, resilience, backup and DR, IT security arrangements, capacity management.
<b>Major Incident - External</b>	
Incident Reporting and Investigation	To assess the arrangements for reporting and investigating incidents across Surface Transport so that recurrence is prevented and to support a culture of continual improvement
<b>Financial and Governance Controls</b>	
Risk Management ST	Review to ensure an effective risk management process is in operation within Surface Transport for identifying, assessing, managing and reporting on risk.

Work Item	Objective
<b>Finance</b>	
<b><i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i></b>	
Revenue payments reconciliation	Review of risks and associated controls over revenue reconciliation processes within the FSC.
<b><i>Delivery of capital investment portfolio and contract management</i></b>	
IM Sourcing Strategy	Review of the processes, procedures and controls involved in establishing the current and future strategy, and developing the capabilities needed to meet current and future sourcing needs.
Procurement of the Professional Services Framework	Real time audit of the procurement process employed for the Professional Services Framework.
<b><i>Disruption to quality of service</i></b>	
Organisation and management of firewalls	Obtain assurance that TfL's network and connectivity security is effectively and efficiently managed through the use of adequate firewall security measures and management and control of inbound and outbound traffic.
End User Computing (EUC)	To review controls over the delivery of the EUC Programme.
<b><i>People Strategy</i></b>	
Consultants	To provide assurance on the effectiveness of controls over the use of consultants in headcount roles.
<b><i>Financial and Governance Controls</i></b>	
Procure to Pay	To provide assurance in relation to the controls operating over the procure to pay processes.
Data Interrogations - Payroll (incl. Review of Employee Master Data)	Undertake a series of data interrogations of the payroll data to confirm that selected key controls operating within and outside of the application are both operational and effective.  Review of the procedures that HR have implemented to ensure that employee master data is complete and accurate, that access to it is adequately controlled and that any changes made to the data outside of SAP have been appropriately authorised and processed.
<b>General Counsel</b>	
<b><i>Financial and Governance Controls</i></b>	
Bribery Act	To review compliance with the Bribery Act across TfL.
<b>Customer Experience, Marketing and Communications</b>	
<b><i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i></b>	
Operation of Contactless Ticketing	Review of the process and controls around the new contactless ticket operation.

<b>Work Item</b>	<b>Objective</b>
<b><i>Delivery of capital investment portfolio and contract management</i></b>	
Procurement of the Ticketing and Fare Collection Services Contract	Real time audit of the procurement of a new contract (or contracts) for a suite of work packages for the provision of the Oyster ticketing system, in time for the expiry of the existing contract with Cubic.
<b><i>Financial and Governance Controls</i></b>	
Customer Experience NPL Payroll	To review the revised process being implemented to resolve the over/under payments to NPL. To attempt to provide an estimate of monetary loss to TfL for 12/13.
<b>One HR</b>	
<b><i>Financial and Governance Controls</i></b>	
Staff Travel	Review of controls over issue and recovery of nominee passes issued to third parties.
<b>Crossrail</b>	
Management of CDM	A review to provide assurance that CRL is discharging its H&S CDM duties appropriately, and managing contractors to ensure an effective documentation trail.
Tunnelling and Underground Construction Academy (TUCA)	Management and effectiveness of the TUCA.
Over-Site Development (OSD)	To review the effectiveness of controls over key elements of the OSD process.
<b>London Transport Museum</b>	
LTM Security (Consultancy)	Support to LTM management on implementation of actions arising out of a recent audit of Security at the Museum.
LTM Review of IT Activities	Work with LTM management to review and contribute to the consideration of areas where the IT arrangements to support the LTM operation may be delivered in a more sustainable and cost effective manner than at present.

Transport for London	Appendix 2
Internal Audit plan 2013/14 by directorate	
Approved by the TfL Audit and Assurance Committee 6 March 2013	Work Planned for Quarter 3 - 2013/14
<b>Work Item</b>	<b>Objective</b>
Pan TfL	
<i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i>	
Post-implementation review of Horizon.	A review across all work streams of the Horizon project to gain assurance over the delivery of financial and non-financial benefits.
<b>Disruption to quality of service</b>	
Mobile Telephony and Portable Devices	Review of controls over the issue, usage and payment for mobile telephony and portable devices (MTPDs).
<b>Security</b>	
TfL's Information Security Incident Management Process	Review the current incident management process surrounding information security breaches, particularly with regards to breaches of the DPA and PCI DSS.
Security assurance of the GP&F Integrated Access Control Project	To provide real time assurance over the GP&F integrated access control project.
Security review of TfL Head Office buildings (Carlisle Surveys)	Review, requested by GP&F management, of security surveys completed by Carlisle Security on Head Office buildings, with the aim of assisting GP&F to re-evaluate completed surveys and assist in development of threat and vulnerability assessments for each significant building.
<b>People Strategy</b>	
Audit of the security risks arising from the use of Social Media	To identify areas of vulnerability via social media networks.
Audit of TfL's Security Culture	Through a number of streams including audit, advisory and consultancy work, we will measure the security awareness and knowledge of staff within non operational areas.
<b>Rail and Underground</b>	
<i>Maintaining a long term strategic, balanced Plan within the constraints of available resources.</i>	
Revenue Protection - London Overground	To review the effectiveness of controls over the Overground revenue protection processes.
<b>Delivery of capital investment portfolio and contract management</b>	
Management of performance risk in contracts - R&U	To identify how Rail & Underground manages the risk of poor performance in contracts and review the effectiveness of those arrangements.

<b>Work Item</b>	<b>Objective</b>
Management of Rolling Stock Project Risk	To ascertain that assurance processes have been followed and have effectively been applied in accordance with LU Standard S1538 Assurance.
Fire Strategies	To assess effectiveness of processes for ensuring that appropriate fire strategies or impact assessments are developed where assets are changed in accordance with standard 1-080.
Design Management & Co-ordination-Bank Project	Examine the design management and co-ordination processes to ensure that the output meets requirements.
Civil engineering design management and construction	Assess process compliance and effectiveness for delivery of and approving designs and ensuring they are constructed as per approved design.
Signals Power Projects Division - Management of Delivery and improvement works	To establish whether actions and lessons learnt resulting from a formal Investigation into an incident at Plaistow have been embedded into management systems.
Stores Management	Assess the compliance and effectiveness of Stores Management processes.
DLR Maintenance Arrangements	To assess the various parties' arrangements for ensuring that assets they are responsible for are maintained to agreed plans.
Plant & Equipment Bond Street/Victoria	Audit of two sites to assess where performance requires improvement and to share best practice.
Supplier Assurance - Otis	To ensure supplier is capable of meeting the quality plan.
Supplier Assurance - Bombardier ATC	Review of Supplier's capability to meet LU requirements effectively and safely.
Centralised Maintenance Planning (Signalling)	To establish whether an organisation change which brought together planning of signalling maintenance into a centralised team is effective.
Management of Extra low loss conductor rail	To establish the effectiveness of the competence and maintenance arrangements following the introduction of a new system.
APD Points & Crossings (P&C) inspections	To assess the implementation of inspection regimes for P&Cs.
Compliance with the Institution of Railway Signalling Engineers standards	To assess processes, capabilities and competencies for the delivery of IRSE Licenses.
Management of Signalling Emergency Response	To assess the arrangements for management of lean stores and on-call roster implementation and incident support.
Station Electrical Testing programme	To assess compliance with SET testing programme and the effectiveness of processes for managing any resulting issues.
Inspection and maintenance of passive fire protection systems	To assess effectiveness of processes for ensuring communication and implementation of requirements contained in standard 3.9 1-084.
F45/54 statutory lift and escalator inspections	Confirm that deficiencies identified in LU from a previous audit have been addressed and also provide assurance in relation to the former Tube Lines area.
Load Applications	To review compliance with LU standard 1-100, which is designed to ensure that core processes allow power load management to be undertaken in a professional and controlled manner.
Management System Checks - Post Transition	To establish whether management systems are working effectively following the termination of the Power Management Contract and TUPE of staff into TfL.

<b>Work Item</b>	<b>Objective</b>
Competency Matrix	To establish whether competency continues to be managed effectively following the termination of the Power Management Contract
Stores Management - Provision of PPE	Ensure risk from termination of Power PFI is controlled.
Maintenance of Records of Sulphur Hexafluoride and Oil - Power Maintenance	Assess the robustness of and compliance with management system arrangements.
Earth Structure Remedial Works (ESR) Cannons Park	To ensure the Construction Team follow control procedures for open excavation in accordance with design documentation and that the lessons learnt from Canons Park are being applied.
Winter Preparedness	To confirm that effective arrangements are in place for dealing with adverse weather conditions, in order to minimise the impact of any disruption to the railway.
Emergency Response Unit (ERU)	To ensure the working practices at the four locations are effective.
<b>Security</b>	
Security audit of power stations and supply.	A security audit will be conducted on power supply sites for which TfL will re-assume responsibility.
<b>Major Incident - External</b>	
Implementation of rule/procedural changes	To assess controls when making changes to rules/procedures.
Workload Planning	Assess evidence to determine whether the right resources (time and manpower) exist to undertake tasks.  This will be undertaken against the ORR Railway Maturity Model.
DLR Project Safety Arrangements	To establish the degree of compliance with DLR's internal requirements in respect of managing safety on DLR projects, focussing on recently changed requirements.
<b>Crossrail</b>	
Procurement of the Crossrail Train Operator Contract.	The objective of this audit is to ensure that the procurement processes employed for the Crossrail Train Operating Contract ('the CTOC') are in accordance with approved procedures and EU directives, and are open, fair and transparent.
<b>Surface Transport</b>	
<b>Maintaining a long term strategic, balanced Plan within the constraints of available resources</b>	
Revenue Protection ST	To review the effectiveness of controls over the ST revenue protection processes.
<b>Delivery of capital investment portfolio and contract management</b>	
Management of the London Highways Alliance Contract (LoHAC)	Management of the LoHAC framework and a selection of call off contracts.
Procurement of new road user charging contract	Real time audit of the procurement of a new contract (or contracts) for Road User Charging, in time for the expiry of existing contracts.
<b>Security</b>	
Security Risk Management River Services	To review the security risk management processes in place in River Services.

<b>Work Item</b>	<b>Objective</b>
<b>Finance</b>	
<b><i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i></b>	
Management of the Commercial Development programme	Review of the programme management arrangements for the Commercial Development programme.
Management of the Commercial Transformation Programme	To obtain assurance that the management of the changes proposed adhere to an agreed process and that the process to achieve the changes are adequately considered so as to ensure an accurate, robust and measurable change.
An audit of the physical security of telephone/IT rooms (not DCs)	Audit, requested by the IM Infrastructure Team, of the security of the TeleEx and Computer Rooms across the TfL estate.
<b><i>Financial and Governance Controls</i></b>	
Fixed Assets	Reviews of fixed asset financial controls.
Data Interrogations - Purchase to Pay	Undertake a series of data interrogations of the purchase to pay data to confirm that selected key controls operating within and outside of the application are both operational and effective.
<b>One HR</b>	
<b><i>People Strategy</i></b>	
Viewpoint Staff Survey	To review the conduct of the Viewpoint staff survey and the responses and resulting action plan.
HR Preferred Suppliers	Review of the process and controls over the HR / Procurement management of the HR preferred suppliers process.
<b>Crossrail</b>	
Organisational capability	To review the management of resourcing in light of the organisational changes to take place when the main work switches from civil engineering to systems engineering and station fit-out.
Framework Design Consultant (FDC) design costs	A Value for Money review of FDC design costs.
Cost verification and assurance	A review of the management of cost verification and assurance on a sample of projects.
Management of partner invoicing	To review how invoicing by the Programme Partner, Project Delivery Partner and Framework Design Consultants is being managed by Crossrail
Business ethics and legal compliance	<p>A review of corporate policies and processes for establishing appropriate ethical values and monitoring of compliance.</p> <p>To additionally review any policy and underlying guidance in place to ensure awareness by staff and contractors of requirements for compliance with the Bribery Act 2010.</p>

<b>Work Item</b>	<b>Objective</b>
Rolling Stock and Depot (RSD) procurement	A real time review of the RSD procurement process.
Undertakings and Assurances	Detailed reviews of a sample of specific commitments to review how these are being managed.
Market conditions and costs	To review how Crossrail understands and assesses the scale and timing of the risk impact of external market conditions, reviews existing responses, and develops and implements mitigations.
Management of the Programme Schedule	A review of the management and monitoring of the Programme Schedule, including the use of Quantified Schedule Risk Assessment (QSRA) and Schedule Performance Index (SPI).
Management of the Programme budget	A review of the management and monitoring of the Programme budget, including the use of Quantified Risk Assessment (QRA) and Cost Performance Index (CPI).
Fujitsu Service Obligations Matrix	A review of the management of the Fujitsu contract through the Fujitsu Deliverables Matrix. To include the environmental aspects of Fujitsu activities, such as the disposal or re-use of IT equipment.
<b>London Transport Museum</b>	
LTM Safety and Citizenship Programme / schools activities	With emphasis on vfm, to review the process and controls around spend, stakeholder funds and benefits realisation.

<b>Finals</b>
ACL= Audit Closed
ANC= Audit Not Closed
WC= Well Controlled and Audit Closed
AC/ACL = Adequately Controlled and Audit Closed

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Surface Transport</b>					
<b>Delivery of Capital Investment Portfolio and Contract Management</b>					
IA_12_629F	New Bus for London Manufacture and Supply	<b>03/07/2013 AC/ACL</b>	To provide assurance on the effectiveness of the arrangements for the manufacture and supply of the New Bus for London.	See Interim Audit Report Summary in Appendix 4.	<b>03/07/2013 AC/ACL</b>
<b>Core Financial Processes</b>					
IA_12_119F	Financial Controls over Payments to Contractors on Major Projects	<b>28/03/2013 RI</b>	To provide assurance that Surface Transport has effective controls over payments to contractors on major projects.	<p>Our Interim Audit Report dated 28 March 2013 entitled Financial Controls over Payments to Contractors on Major Projects identified four Priority 1 and four Priority 2 issues resulting in twelve management actions.</p> <p>We have now carried out a follow up review of the agreed management actions and can confirm that six have been satisfactorily addressed.</p> <p>Six remain partially addressed, but appropriate plans are in place to ensure these will be completed in the near future. Therefore this audit is now closed.</p>	<b>28/06/2013 ACL</b>
<b>Finance</b>					
<b>Project Delivery and Contract Management</b>					
IA_12_613F	Implementation of TfL Integrated Project & Programme Methodology	<b>30/04/2013 RI</b>	To provide assurance that the project to implement the IPPM across TfL is being managed in an efficient and effective manner.	<p>Our Interim Audit Report dated 30 April 2013 entitled 'Implementation of the TfL Integrated Project &amp; Programme Methodology (IPPM)' identified five important priority two issues:</p> <ul style="list-style-type: none"> <li>• There was no separate business case in existence for the IPPM project to comply with best practice.</li> <li>• Steering Group meetings were used as the basis for sign off of IPPM project stage gates. However, in some cases it was not clear whether staff attending such meetings had the seniority or authority to sign off IPPM project stage gates on behalf of the business unit.</li> <li>• The Head of the PMO Centre of Excellence was acting as Project Sponsor for the IPPM project but also line managed the IPPM Project Manager.</li> </ul>	<b>26/06/2013 ACL</b>

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
				<ul style="list-style-type: none"> <li>No issues log was in place to capture and manage stakeholder concerns.</li> <li>Work was still ongoing in the Governance Workstream which formed part of Phase 1 of the IPPM project. A timeframe for completion of the work of the Governance Workstream was not recorded, and there was no visibility of Governance issues.</li> </ul> <p>We have carried out a follow-up review, and concluded that management has taken satisfactory action to implement all required actions to address the issues.</p> <p>This audit is now closed.</p>	
<b>IM Governance</b>					
IA_12_408F	Development of IM Operating Level Agreements	26/04/2013 RI	To provide assurance that the processes being developed in support of the work on IM OLAs meet the needs of the business, contain appropriate controls and are aligned to industry 'best practice'.	<p>Our Interim Audit Report dated 26 April 2013 entitled Development of IM Operating Level Agreements identified two priority 1 issues where there was scope to improve the governance controls over initiatives in general, including stakeholder engagement. In particular, we noted that:</p> <ul style="list-style-type: none"> <li>The initiative lacked a defined governance structure and some associated key documentation. We also noted a more general gap in the defining of governance arrangements and supporting documentation for different types of initiative that were not managed as projects; and</li> <li>Aspects of the stakeholder engagement in the development of OLAs resulted in delays in the delivery of the initiative and a potential failure to meet the expectations of some stakeholders regarding the design and the format of the OLAs.</li> </ul> <p>We have carried out a follow-up review and confirmed that management has satisfactorily implemented all the agreed actions in respect of these findings.</p> <p>This audit is now closed.</p>	09/09/2013 ACL
<b>Information, Communications &amp; Knowledge</b>					
IA_12_409F	SAP Authorisations and Segregation of Duties Conflicts Management	22/02/2013 RI	To provide assurance that the SAP Governance, Risk and Compliance (GRC) access control application was used to establish effective management of segregation of duties conflicts resulting from SAP users' authorisations	<p>Our Interim Audit Report dated 22 February 2013 entitled "SAP Authorisations and Segregation of Duties" identified one priority 1, one priority 2 and one priority 3 issue. The priority 1 issue was as follows:</p> <ul style="list-style-type: none"> <li>The existing SAP risk matrices had not been reviewed since they were initially designed and the SAP roles were not considered by management to be an adequate representation of the required business access post Project Horizon. Whilst an initiative had commenced to address this issue across the HR, procurement and finance functional areas, no formal commitment had been made in terms of timelines, stakeholders and resources.</li> </ul> <p>We have carried out a follow-up review and concluded that management has satisfactorily implemented all of the agreed actions.</p> <p>This audit is now closed.</p>	31/07/2013 ACL

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Customer Experience, Marketing and Communications</b>					
<b>Other</b>					
IA_12_105F	Lost Property Office Operations	07/12/2012 RI	To review the adequacy and effectiveness of the controls in place over LPO operations.	<p>Our Interim Audit Report dated 7 December 2012 entitled Lost Property Operations identified the following four significant issues:</p> <ul style="list-style-type: none"> <li>• No guidelines in place for the disposal of unclaimed property including sales to staff</li> <li>• Limitations with the 'Sherlock' IT system for recording and processing lost property items. The development and implementation of the new 'Holmes' IT system is subject to delays and uncertainty</li> <li>• Absence of a clear, documented strategy and business objectives for delivering LPO operations following the Games period</li> <li>• Financial controls over the LPO reward and recognition scheme required improvement</li> </ul> <p>These resulted in six management actions. Four other issues were raised, resulting in a further seven actions.</p> <p>We have now completed a follow up audit which has confirmed that all management actions have been satisfactorily addressed. This audit is now closed.</p>	26/06/2013 ACL
<b>One HR</b>					
<b>People and Skills</b>					
IA_12_107F	Voluntary Severance Process	08/02/2013 RI	To review the adequacy and effectiveness of the controls over the Voluntary Severance (VS) process.	<p>Our Interim Audit Report dated 8 February 2013 entitled Voluntary Severance Process identified the following Priority 1 issue:</p> <ul style="list-style-type: none"> <li>• VS policies do not define a time limit on the validity of a VS offer made to employees.</li> </ul> <p>This resulted in two management actions. Three Priority 2 and two Priority 3 issues were also raised, resulting in a further 11 actions.</p> <p>We have now completed a follow up audit of the agreed management actions. All the Priority 1 actions and 10 of the further actions have been satisfactorily addressed.</p> <p>The remaining action which has been partially addressed is reliant on an external provider completing work. We are satisfied that completion of this work is being progressed and monitored by HR in liaison with IM. Accordingly, this audit is now closed.</p>	05/08/2013 ACL

<b>Interim</b>
AC= Adequately Controlled
RI= Requires Improvement
PC= Poorly Controlled
WC= Well Controlled and Audit Closed
AC/ACL = Adequately Controlled and Audit Closed

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
<b>Underground and Rail</b>					
<b>Maintaining a long term strategic balanced Plan within the Constraints of available Resources</b>					
IA_13_101	Revenue Protection- London Underground	12/08/2013 RI	To determine the effectiveness and the adequacy of the LU revenue protection processes.	30/04/2014	<p>The function's objectives have been documented and disseminated, and there is currently a review of the supporting Revenue Control (RC) Strategy, aimed at increasing effectiveness and efficiency.</p> <p>Ticket gate lines remain a key control for preventing fare evasion, while RCI (Revenue Control Inspector) inspections are an important preventative and detective control.</p> <p>In order to ensure the efficient use of RC resources, an intelligence-led approach is used to identify fare-evasion high-risk stations, and concentrate resources on these.</p> <p>RC staff are subject to appropriate recruitment and vetting processes, including Criminal Records Bureau (CRB) checking for RCI's recruited externally.</p> <p>To evaluate RC's performance, appropriate measures and targets have been included in the team's scorecard, with periodic reporting of actual performance against the targets.</p> <p>The audit identified four Priority 1, two Priority 2 and one Priority 3 issues.</p> <p>The Priority 1 issues are:</p> <ul style="list-style-type: none"> <li>• Controls over documentation of Penalty Fare Notices (PFNs) and Fare Paid receipts should be strengthened.</li> <li>• Controls over RCIs' Job Books, used to record the details of cases, should also be strengthened.</li> <li>• Lack of clarity on the processes relating to unpaid PFNs referred by Independent Transport Associates Limited (ITAL - the external firm that collects debt payments for RC) to a debt collection agency.</li> <li>• There is a lack of guidance for RCIs on security of Job Books and PFN books held at</li> </ul>

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
					home.
IA_13_114	Revenue Protection – London Tramlink	29/08/2013 AC	The audit determined the effectiveness and the adequacy of the London Tramlink revenue protection processes.	02/12/2013	<p>All the scope areas were examined during the audit. The objectives of revenue protection have been stated in the agreement as the prevention and detection of fare evasion. London Tramlink and TOL are aware of their respective responsibilities and communicate as necessary.</p> <p>In order to ensure that only suitable persons are recruited as RPIs, TOL has a recruitment process, which entails a number of aptitude tests and an interview. In addition, successful applicants are subject to checking by the Criminal Records Bureau (CRB).</p> <p>RPI procedures have been documented, and are available electronically. RPIs inspect tickets in accordance with schedules and rosters that ensure the entire tramlink system is covered.</p> <p>There are processes for identifying PFNs that have not been paid, and sending reminder letters, with failure to respond to these resulting in prosecution.</p> <p>TOL provides London Tramlink with periodic and quarterly reports covering key areas of revenue protection, enabling London Tramlink to monitor its performance. In addition, there are progress and performance review quarterly meetings between London Tramlink and TOL senior managers.</p> <p>For revenue protection purposes, the agreement requires TOL to check approximately 5 per cent of passenger journeys. We noted that there was some ambiguity over how this was defined.</p> <p>The audit did not identify any Priority 1 issues, but two Priority 2 issues and one Priority 3 issue were raised.</p>
<b>Financial and Governance Controls</b>					
IA_12_131	Risk Management in Rail & Underground	27/06/2013 RI	To ensure that an effective risk management process is in operation within R&U for identifying, assessing, managing and reporting on risk.	30/10/2013	<p>The R&amp;U risk management framework provides suitable arrangements for risk assessment and the reporting of risk. Risk Managers provide specialist guidance and advice on risk management to the business, and facilitate regular Key Risk Representative (KRR) meetings to share knowledge and good practice.</p> <p>The R&amp;U strategic risk register (SRR) is maintained through the R&amp;U Senior Risk Manager's review of risks with the Directors and KRRs. We note that there is not currently a KRR for London Rail.</p> <p>The SRR is subject to quarterly review by the relevant RUB sub-committees, and by the R&amp;U Leadership Meeting forum (RULM) in line with the quarterly forecast and decision-making process.</p> <p>Tactical and operational risks are identified, reviewed and reported via normal line management reporting routes and are overseen by the KRR and the relevant Director.</p> <p>We noted the following examples of good practice:</p>

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
					<ul style="list-style-type: none"> <li>• R&amp;U Risk Managers have made a significant contribution towards the development of the TfL Operational Risk Policy and Risk Management Work Instruction, both of which were positively received by the TfL Leadership Team and the Audit &amp; Assurance Committee;</li> <li>• The TfL Quantified Strategic Risk Schedule (QSRS) used for rating risks has been adopted to address R&amp;U needs to assist in the quantification of risks and support the existing risk scoring scheme;</li> <li>• An e-learning package 'Risk Management awareness for Business Managers' is being developed and the initiative is being led by R&amp;U Risk Managers.</li> </ul> <p>Our audit identified one Priority 1 issue. Across R&amp;U, Directorate level risk registers are not being consistently maintained in ARM. Metric Reports, distributed each quarter to encourage the review of risks and the updating of ARM are not consistently being acted upon.</p>
<b>Surface Transport</b>					
<b>Delivery of Capital Investment Portfolio and Contract Management</b>					
IA_12_629F	New Bus for London Manufacture and Supply	<b>03/07/2013 AC/ACL</b>	To provide assurance on the effectiveness of the arrangements for the manufacture and supply of the New Bus for London.	<b>03/07/2013 AC/ACL</b>	<p>We noted that the methods followed during the assessment of the initial eight buses provided by Wrightbus Ltd were comprehensive, thereby giving assurance over the suitability of the bus for production.</p> <p>We did not identify any priority one issues, but did identify one priority two issue. The issue was that the risk register did not accurately record all significant risks associated with this project, and therefore did not describe all of the actions we would anticipate to be taken to mitigate all such risks. This issue had been satisfactorily addressed by the time we finalised the audit report and accordingly the audit was closed.</p>
IA_13_601	Bus Route Contract Procurement Management	<b>20/08/2013 AC</b>	To ensure that the bus contracts procurement and payment process employed by London Bus Services Limited (LBSL) is managed effectively, in accordance with approved procedures.	<b>31/05/2014</b>	<p>Overall, we found that efficient processes were in place to effectively manage the procurement of the significant number of routes and the processing of a high volume and value of payments.</p> <p>We found that the arrangements in place covering each element of our audit scope were appropriate and effective.</p> <p>We identified no Priority 1 or Priority 2 issues but did identify one Priority 3 issue, which was that significant parts of the process rely on paper records leading to a risk that important documents might be lost and not easily recoverable.</p>

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
<b>Finance</b>					
<b>Maintaining a long term strategic balanced Plan within the Constraints of available Resources</b>					
IA_12_112	Estates Management	26/06/2013 PC	To review the adequacy and effectiveness of the controls operating over the management of TfL's commercially let property estate.	30/10/2013	<p>Given the size of the portfolio, each of the three Property Managers demonstrated a good level of knowledge of their property portfolios and the business for which they were responsible.</p> <p>However, three Priority 1 issues, nine Priority 2 issues and two Priority 3 issues were identified during this audit.</p> <p>The Priority 1 issues are as follows:</p> <ul style="list-style-type: none"> <li>• There are no written documents governing the core business processes carried out within Property. As a result, differing working practices have developed and, ultimately, errors occur, some of which could undermine the achievement of Property's objectives. Many of the issues raised in this Report are a result of the absence of written processes defining working practice.</li> <li>• There are high levels of errors occurring when Surveyors enter details of a newly incepted lease onto the property management system. These errors are time-consuming to correct, and lead to delays in invoicing tenants.</li> <li>• The service provided to tenants can be improved in several ways.</li> </ul> <p>The three Priority 1 issues above, and most of the issues detailed in this Report, are compounded by the inflexibility of the property management system used, which our work suggests is not the most appropriate tool for managing TfL's non-operational property portfolio.</p>
<b>Disruption to Quality of Services</b>					
IA_12_407	Review of Controls over Remote Access	19/07/2013 RI	To provide assurance that external direct access to TfL email through the Internet Access Gateway (IAG) and full network services via the Remote Access Server (RAS) is restricted to authorised users and that the TfL data accessed is appropriately secured.	01/05/2014	<p>We noted the following good practices over the management of remote access:</p> <ul style="list-style-type: none"> <li>• The RSA application has been installed on dedicated servers and protected by the use of updated anti-malware tools, and appropriate user account and password configuration, to provide a high level of security to reduce risk of intrusion or introduction of malicious software;</li> <li>• The hardware components comprising the remote access service are placed in the 'Demilitarised Zones' (DMZs) for Citrix Access Gateway (CAG) and IAG and within the trusted network for the RAS.</li> <li>• File Transfer Protocol (FTP), Telnet or other unsecured remote access channels are not used. In addition, IAG and CAG use Secure Socket Layer (SSL) to encrypt information passed over the Internet.</li> </ul> <p>The audit identified two Priority 1 issues concerning the leavers' process and security of the Webmail service.</p> <p>The leavers' process is disjointed with no manual or automated interfaces from SAP to the network, and then to the RSA system, to help ensure the proper removal of remote access to TfL networked resources. Our testing identified a number of leavers that still</p>

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
					<p>had active network accounts several weeks after leaving TfL.</p> <p>Currently the Webmail service relies on single factor authentication which is weaker than that afforded by the RSA remote access solution and the Webmail settings allow potentially sensitive or confidential attachments to be opened and stored on non-TfL computers.</p> <p>Nine other issues were raised. Five are rated Priority 2 and the remaining four are rated Priority 3.</p>
<b>Financial and Governance Controls</b>					
IA_12_129	Captive Insurance Arrangements	28/06/2013 AC	To review the effectiveness of the processes and controls in place in respect of LT Insurance (Guernsey) Limited (LTIG).	31/12/2013	<p>The following areas of good practice were identified:</p> <ul style="list-style-type: none"> <li>• LTIG has a strong corporate governance environment – in part due to the regulatory requirements of the Guernsey Financial Services Commission (GFSC). The Corporate Governance Framework and Procedure Manual direct the manner in which the company is managed, and specify the standards to be complied with.</li> <li>• The activities of Willis Management (Guernsey) Limited ('Willis') which manages LTIG on TfL's behalf, are governed by the Willis Excellence Manual (WEM) - an internal Willis document that prescribes standards to which they must work.</li> </ul> <p>We did not identify any Priority 1 issues. Two Priority 2 issues were identified and can be summarised as follows:</p> <ul style="list-style-type: none"> <li>• The LTIG activities managed by Willis are governed by a Managed Services Agreement, but this has not been competitively tendered since LTIG was established in 1995. This would allow management to ascertain the market rate and reconsider the scope of the contract deliverables.</li> <li>• The LTIG Board comprises six Non-Executive Directors (NEDs), several of whom have been in post since the company was established in 1995. It is considered good corporate governance practice to rotate the NEDs on a more regular basis.</li> </ul>
<b>One HR</b>					
<b>People Strategy</b>					
IA_12_108	HR Document Management	04/07/2013 PC	Review the effectiveness of controls over HR document management covering both paper and electronic documents.	30/04/2014	<p>Document management within HR is complex due to the large number of records that can be generated for each employee in the course of employment and the different systems that generate them. This complexity is further compounded by different systems not interacting with each other, for example, staff passes are maintained on Intrinsic which does not interact with SAP. There are also manual staff records (interview notes/performance development forms) which are generated by line managers, and not directly within the control of HR.</p> <p>The HR management team are aware of the shortfalls in the management of staff records and recognise the risks they impose. HR has commenced work to address some of the issues and is liaising with Information Governance. They have already begun setting up groups across HR to discuss and address the issues identified in this report and are</p>

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
					<p>preparing presentations for the HR Leadership Team.</p> <p>The following issues were identified as being Priority 1:</p> <ul style="list-style-type: none"> <li>• There is no strategy within HR for delivery of its responsibilities with regard to the Information and Records Management (IRM) policy</li> <li>• There is a lack of local procedures and guidelines to advise staff on the management, storage and disposal of personal employee records</li> <li>• Document management practices across HR operations are inconsistent and ineffective</li> <li>• Records held electronically are not deleted once the statutory retention period has been reached.</li> </ul>
<b>Planning</b>					
<b>Maintaining a Long Strategic Balanced Plan within the Constraints of Available Resources</b>					
IA_13_129	Section 106 Recovery Processes	02/09/2013 RI	To review the adequacy and effectiveness of the controls over the S106 recovery processes.	31/03/2014	<p>The aims and objectives of the S106 recovery process have been documented in the BP's Guidance Manual, which is available to all relevant staff. The strategy for delivering the objectives, in line with the London Plan and the Mayor's Transport Strategy, is set out in the 2013/14 BP Work Programme, which links to the wider objectives of TfL Planning and the TfL Business Plan.</p> <p>Our previous audit of S106 in February 2010 identified issues with the S106 database used for monitoring progress on agreements. Since then, improvements have been made to the database which now covers the ten core stages for each planning application, including when agreements have been signed and when payments are due and have been collected. However, there is still some scope for further improvements to the database, as highlighted in this report.</p> <p>The audit identified two Priority 1 issues, and three Priority 2 issues.</p> <p>The Priority 1 issues are:</p> <ul style="list-style-type: none"> <li>• There are weaknesses in the monitoring and collection of S106 monies due from the London boroughs.</li> <li>• Contribution receipts received from the boroughs are not formally reconciled back to the S106 agreement.</li> </ul>

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
<b>Rail and Underground</b>					
<b>Delivery of capital investment portfolio and contract management</b>					
IA_12_638	Review of the LU Cost Assurance Function (CAF)	05/08/2013	<b>Memo</b>	To support LU Commercial by reviewing the assurance arrangements established by Turner & Townsend for a CAF, and to consider the likely effectiveness of those arrangements, and if appropriate make recommendations.	Overall we believe that the setting up of the CAF, and its subsequent activities to deliver the first tranche of cost assurance reviews for the business, have been well executed and managed. Our memorandum highlighted areas that we believed would benefit from further management review as the function consolidates, and continues its work with commercial managers and their teams.
<b>Surface Transport</b>					
<b>Security</b>					
IA_13_020	Community Safety, Enforcement & Policing (CSEP) Data Retrieval & Disclosures Team Procedures Review	05/07/2013	<b>Memo</b>	Internal Audit was invited by CSEP Management to conduct a review of processes and procedures following reports of missing files.	The audit identified a number of areas where improvements are required to controls over the security of data within CSEP and actions to address these were agreed by management. It was also agreed with management that Internal Audit will continue to work with CSEP to support the implementation of actions addressing the recommendations, ensuring security best practice and security principles are applied.
<b>Disruption to quality of service</b>					
IA_13_606	Performance management review of Cycle Hire (CH)	13/08/2013	<b>Consultancy</b>	The objective of this review was to assess the degree to which performance measures are embedded within the various areas of CH and contribute to the effective management of performance.	<p>Performance Management in CH is generally effective, and we noted that the approach to data management and assurance could be seen as best practice. However, our report noted a number of areas for improvement:</p> <ul style="list-style-type: none"> <li>• There is scope for using the Chief Operating Officer's (COO's) report, which is currently only used for upward reporting, to disseminate performance information more widely in the Directorate.</li> <li>• CH should seek to more explicitly link personal objectives of staff to strategic/departmental objectives.</li> <li>• There is potential to enhance the use of internal and external benchmarking to ensure that best practice is being followed.</li> </ul>
<b>Delivery of capital investment portfolio and contract management</b>					
IA_12_628	Cumulative Benefits of Projects on the TfL Road Network	11/09/2013	<b>Memo</b>	To review the effectiveness of controls to ensure that benefits yielded by individual projects lead to an overall optimal improvement in the road network, in line with the Surface Transport (ST) 10 Principal Outcomes and the Mayor's Transport Strategy (MTS)	<p>The Benefits Team have developed a coherent and comprehensive structure and framework to support and enhance benefit management and the contribution of projects to the ST outcomes, though some further work is required to refine, communicate and embed the approach. This includes ensuring the steering groups have an appropriate remit and composition, particularly in identifying conflicts, disbenefits or synergies between projects across the six TLRN outcomes.</p> <p>Work is ongoing to align and integrate the ST benefits and value assessment methodologies with existing pan-TfL frameworks and management systems, such as SAF and Pathway. This work is essential to ensure there is a consistent investment appraisal and decision-making process that supports both ST's Outcomes and the wider organisational obligations under the MTS.</p> <p>Overall, good progress has been made with development of a systematic benefits management</p>

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
					framework for ST.
<b>Finance</b>					
<b>Delivery of capital investment portfolio and contract management</b>					
IA_12_405	Run Better Programme	09/07/2013	<b>Memo</b>	To provide assurance that the processes being developed in support of the Run Better programme of work meet the needs of the business, contain appropriate programme and project controls and are aligned to industry 'best practice'.	<p>We noted the following positive aspects of the programme governance and stakeholder management arrangements:</p> <ul style="list-style-type: none"> <li>The governance structure that has been established for the programme provides adequate leadership and representation from key business areas across TfL.</li> <li>The IM programme team involved in the delivery of the programme has included adequate technical resources.</li> <li>The programme has maintained a defined risk and issues management strategy.</li> </ul> <p>However, we also noted a number of areas where there is scope to improve the controls over the Programme as follows:</p> <ul style="list-style-type: none"> <li>Programme scope, deliverables and milestones – we noted differing descriptions of the programme scope in various programme documents that could impose a challenge in effectively communicating and understanding the approved programme scope, deliverables and milestones.</li> <li>Programme information on stakeholder engagement – the communications matrix that has been created to record the communications sent out to the programme stakeholders has not been maintained to provide a complete trail of the engagement with all relevant stakeholders as outlined in the communication plan.</li> <li>Progress reporting - the programme plan has not been fully maintained to reflect all amended planned or actual dates or align them with the presentations made to the Value Group.</li> <li>Roles and responsibilities of Run Better IM programme board members –these, together with the details of all interfaces with the governance bodies involved in the delivery of the Run Better IM programme have not been formally specified in the IM programme board terms of reference.</li> </ul>
<b>Customer Experience, Marketing and Communications/London Transport Museum</b>					
<b>Security</b>					
IA_13_016	Security Assurance Over the Decommissioning of the Funds Reconciliation System (FRS)	20/08/2013	<b>Memo</b>	The objective of this work was to ensure that the FRS was destroyed securely and in accordance with the Payment Card Industry Data Security Standards (PCI DSS).	We confirmed that the FRS servers and the sensitive data held on them were correctly identified and have been securely wiped and destroyed in accordance with PCI DSS
<b>Crossrail</b>					
IA_13_508	Rolling Stock and Depot Procurement Assurance Review	23/08/2013	<b>Memo</b>	The objective was to review the adequacy of existing assurance provided for the delivery of the Rolling Stock and Depot (RSD) Procurement and in particular the management of changes required due to the new financing arrangements.	We found that the RSD procurement team had taken appropriate steps to manage the risk posed by the change to the financing of the RSD procurement and no observations or issues were raised in the memorandum.

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
<b>Rail and Underground</b>				
<b>Delivery of capital investment portfolio and contract management</b>				
13_783	Maintenance Planning for London Tramlink Tram Vehicles	07/08/2013	To assess the compliance and effectiveness of planning of maintenance processes	<p>The Bombardier Transportation Services (BTS) Croydon tram maintenance unit was operating in compliance with established Quality Policy and Instructions. Planning for scheduled maintenance activity was supported by embedded processes and records management systems that held maintenance history unique to tram car unit numbers and its equipment and parts.</p> <p>Tram maintenance had been subject to advance planning based on vehicle mileage, identified maintenance routines and authorised schedule update.</p> <p>However, maintenance regime practice and controls are not accurately reflected in the Quality Management System (QMS) and it is necessary that BTS address this by a QMS revision.</p> <p>A satisfactory process existed for management of 'change', recognising that maintenance regime change included materials, method and equipment used. However, the BTS change documentation applicable to BTS Croydon should be clarified.</p>
13_744	London Tramlink - Provision of Engineering Site Protection Staff by Skyblue Recruitment Solutions	30/07/2013	To provide assurance that effective systems are in place to manage the risks with regards to supplying staff (e.g. competence, Drugs and Alcohol testing, fatigue)	<p>Skyblue has demonstrated that temporary Safety Protection and labour resource for railway system shift work supply is being provided compliant with London Tramlink (LT) contract requirements and the TfL Category 1 Standard S1548 Safety Critical Work.</p> <p>Skyblue operations were controlled by a comprehensive management system that comprised Group Carillion Construction Services and Skyblue management system documentation.</p> <p>Satisfactory procedures have been issued by Skyblue to deliver employee selection and engagement. Resource training and competence management processes including the supporting staff records were satisfactory.</p> <p>Resource supply booking and shift working time management was satisfactory for managing the resourcing needs of LT.</p> <p>One non-conformance was noted relating to a failure to record the reported unacceptable performance of a Safety Protection resource at a LT site during April 2013 on the Skyblue sub-standard performance management and reporting system. There is also a scope to improve resource booking by LT and the client performance feedback process can be improved.</p>
13_821	Supplier competency and Fatigue Management - Schweerbau	14/08/2013	Confirmation of Supplier's capability to meet LU requirements effectively and safely with regards to competency, fatigue management, drugs and alcohol and Immigration compliance.	<p>Schweerbau demonstrated a good understanding of the standards required for effectively managing competence, training, safety critical licensing, internal audit, incidents, working time directive and fatigue management.</p> <p>Schweerbau have a comprehensive Competence Management system in place to ensure that only competent staff are assigned to work on Asset Performance (AP) JNP assets.</p> <p>Effective processes are in place covering all scope areas and only one observation was noted.</p>
13_703	LOCIP Design Management for Silwood Sidings	12/07/2013	To identify and assess the effectiveness of the London Overground Management System arrangements	<p>Five Business Improvement Actions were identified and agreed:</p> <ul style="list-style-type: none"> <li>• LOCIP procedures are being developed and used outside of the LO Management System - this arrangement needs formal authorisation.</li> </ul>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
			relating to design management and assurance for the Silwood Sidings part of the London Overground Capacity Improvement Programme (LOCIP), and to identify any improvement opportunities.	<ul style="list-style-type: none"> <li>• LOCIP and TfL Pathway teams are to consider making improvements to Engineering and Design Products, based on LOCIP Pathway Product Management Plans experience.</li> <li>• Programme and Project Execution Plans (PEPs) are to be prepared at both Programme level and Project levels.</li> <li>• The use of “Safe by Design” techniques and hazard warning triangles is to be fully embedded within the next three months.</li> <li>• Design deliverables are to be agreed and provided at a much earlier stage in the project life cycle.</li> </ul>
<b>Disruption to quality of service</b>				
13_720	Power Services Contract-Management of logs	22/07/2013	To evaluate the adequacy and effectiveness of controls undertaken by Powerlink in the management of various Logs in compliance with Power Supply Contract Schedule	<p>The audit found that the procedures and processes supporting the management of the various logs appeared satisfactory. The procedures were comprehensive and well documented, and adequately managed in practice. From the evidence presented to the auditors it appears that Powerlink has appropriate systems in place and compliance was largely achieved.</p> <p>There were no significant findings and hence no CARs. The audit made three observations to add value to Powerlink’s management system which relating to ensuring review of Work Instructions is completed within the stipulated timescale, updating Work Instructions in line with Powerlink Policy and ensuring the Telephone Failures Log is up to date.</p>
13_805	Trans Plant Safety Certificate	14/08/2013	To assess Trans Plant’s competency management system with regard to safety critical licensing, training management.	<p>There has been a demonstrable improvement in management principles at Trans Plant since the incidents of safety critical licences expiring during 2012. All safety critical licences at Trans Plant are within date.</p> <p>An action plan was put in place to address the competency management issues from 2012. This needs to be monitored through to full implementation.</p> <p>Trans Plant management and the Training department at Lillie Bridge now hold periodic meetings leading to improved scheduling of training and training packages being based on manufacturing standards.</p> <p>There are systems in place at Trans Plant for ensuring that all matters relating to the Safety Certificate are managed effectively, and communicated to the Office of Rail Regulation, relevant LU staff and other interested parties, as appropriate.</p> <p>Trans Plant is developing a new safety critical licence and competence spreadsheet, which will simplify the existing system to co-ordinate all safety critical licence information and associated training needs.</p> <p>Effective systems are in place for the management of internal and external audits, including the close out of actions arising from them.</p>
13_715	DLR – Handover of Assets	28/06/2013	To assess the effectiveness of arrangements for the Handover (HO) and Hand back (HB) of Assets from Operational use to-and-from upgrades / projects executed by DLR, Serco Docklands (SD) or a Primary Works Contractor (PWC).	<p>The audit found generally good familiarisation and use of processes and templates (Certificates and Checklists) as defined within the Asset Handover and Handback Procedure (from the Working on the Railway Manual).</p> <p>One non-conformance within the ‘West Route Track Renewals’ project was raised due to not producing the necessary HB and Final Completion certificates not having been produced.</p> <p>Six Observations were also noted within the projects sampled mainly relating to partial / insufficient completion of certificates for HOs &amp; HBs.</p> <p>In all, the audit found that although the processes and relevant templates &amp; documentation are generally used by the Project Managers and related parties; there is room for ensuring that all documentation is fully completed and</p>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
				<p>approvals undertaken in a timely manner.</p>
13_705	Stress restoration	10/07/2013	<p>To confirm that appropriate action is taken with regard to stress restoration and rail joint removal following the removal of rail defects from track</p>	<p>This audit focussed on whether track maintenance staff are complying with the Hot Weather management requirements, following removal of rail defects.</p> <p>In total five non-conformances were identified:</p> <ul style="list-style-type: none"> <li>• There was no evidence that the Critical Rail Temperature (CRT) calculations were checked by the Track Technical Manager (TTM) or Track Infrastructure Manager's (TIM's) delegated representative on Central Line, to give assurance that the calculations and derived CRT value are correct.</li> <li>• The site files for Continuous Welded Rail (CWR) on Central Line are added to the CWR database, but there was no evidence of information being recorded in Ellipse, to act as a back up for the CWR database in case of loss of data.</li> <li>• It was found that CRT was not recalculated after the disturbance work at some locations on SSL North, particularly after the disturbance work at Rayners Lane. This could lead to incorrect CRT being used.</li> <li>• The Stress Free Temperatures (SFT) original and achieved values were not included in the Stress Restoration Certificate for Wimbledon Park (SSL South), making this a stress unknown site and, therefore, impossible to calculate the CRT.</li> <li>• The Stress Restoration Certificates for renewed defective rails at Moor Park and Chalfont &amp; Latimer were not checked by the Track Technical Assistance or Engineer in technical control, to confirm acceptance of details in the certificate.</li> </ul> <p>One improvement opportunity and one good practice were also identified across the three asset areas.</p>
<b>Major Incident - External</b>				
13_718	Project Pre-construction Information- Bond Street Upgrade	23/07/2013	<p>To assess the effectiveness of processes for identification and communication of pre-construction information</p>	<p>The audit found that the provision of pre-construction information by LU is undertaken in a controlled manner. However two areas for improvement and one area of concern were identified. These were:</p> <ul style="list-style-type: none"> <li>• Of the 5 LU auditees, only one made any reference to the Project Management Framework (PMF) which details and controls the processes and duties required for compliance to the Construction, Design and Management (CDM) 2007 Regulations. This has the potential, although small, for activities to be duplicated or missed resulting in failure to meet the legislative requirements.</li> <li>• The CDM roles spreadsheet required by the PMF had not been completed resulting in lack of clarity within the London Underground project team with regards to the roles of 'Client' and 'CDM-Co-ordinator'</li> <li>• There was an on-going problem with designs not being ready in sufficient time for adequate planning of construction activities which could result in failure to meet the project mile stones / program.</li> </ul> <p>With regards to the contractor CoLOR (a joint venture between Costain and Laing O'Rourke), it was demonstrated that a system was in place for the passing on of the pre-construction information provided by LU, however one area for improvement was identified.</p> <ul style="list-style-type: none"> <li>• There was no formal process in place for the provision of some pre-construction information between CoLOR and a sub-contractor where the sub-contractor did not have access to A-Site (the project document management system) or where future work activities may be affected by site conditions. This could result in failure to meet the project milestones / program or there could be an increase in the risk to health and safety.</li> </ul>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
13-832	Hendon Central Group-Handbook Compliance	02/08/2013	To assess the compliance with key requirements of the managers' handbooks, mainly on Health, Safety & Environment	<p>The audit sampled compliance at Edgware and Chalk Farm Stations and Hendon Central management and administration offices.</p> <p>A general observation was that there was no formal handover from the previous Centurion as per the Manager's Handbook, which would have assisted the new GSM. However, it is noted that the new GSM has begun to implement key systems; in particular a programme of system checks has been developed and commenced.</p> <p>The key sections for improvement are: Risk Assessment, Monitoring, Performance &amp; Competence Management and Ticketing and Revenue</p> <p>Overall the group was rated 'B' Adequately Controlled – This means controls were generally operating satisfactorily, but where minor strengthening of processes or procedures should be addressed.</p>
13_833	Metropolitan Line-Handbook Compliance	15/08/2013	To assess the compliance with key requirements of the managers' handbooks, mainly on Health, Safety & Environment	<p>The audit sampled compliance at Harrow on the Hill Signal Cabin, the Train Movement Room at Neasden Depot and management and administration offices at Baker Street.</p> <p>A general observation was that although there was a handover from the previous Manager, it did not cover all prescribed items under the Manager's Handbook.</p> <p>The key sections for improvement are Risk Assessment, Organising and managing your team, Finance and Payroll and Centurion Administrator.</p> <p>Overall the group was rated 'C' (Requires Improvement) indicating that there are a number of significant issues noted which mean that the controls are generally not present or effective, and action needs to be taken to adequately improve them.</p>
13_840	Wembley Central Safety Handbook Compliance	06/09/2013	To assess the compliance with key requirements of the managers' handbooks, mainly on Health, Safety & Environment	<p>The audit sampled compliance at Queens Park, Harlesden and Wembley Central Stations and Premier House management and administration offices.</p> <p>A general observation was that there was no formal handover in May from the previous Centurion as per the Managers Handbook, which would have assisted the GSM. However, it is noted that the GSM has implemented key systems; in particular a programme of system checks.</p> <p>The key sections for improvement are: Risk Assessment, Emergency Arrangements and Stations operations</p> <p>Overall the group was rated 'B' Adequately Controlled – This means controls were generally operating satisfactorily, but where minor strengthening of processes or procedures should be addressed.</p>
12_808	LU Asbestos Management	05/07/2013	To verify the effective establishment of systems and procedures to comply with asbestos legislation and LU standards. The audit considered activities within District, Bakerloo and Circle lines' rolling stock maintenance and depot premises including equipment and plant	<p>The main issues identified were:</p> <ul style="list-style-type: none"> <li>• Whilst there are documented procedures in place designed to ensure that, where asbestos is present, the asbestos register is kept current, the flow of information from project works does not always happen. Better guidance should be provided to Project Teams by strengthening the contents of Pathway.</li> <li>• Improvement is required in the delivery of refresher training in accordance with legislative requirements. There is work in progress on this to produce and deliver an internal certified course.</li> </ul> <p>Other opportunities for improvement are:</p>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> <li>Ownership of the LU Asbestos Standard is with the Principal Premises Engineer. However asbestos is present in other assets and so the ownership by someone who can take a more strategic view would be beneficial.</li> <li>There has been some backlog in the processing of information by the Asbestos Control Unit. A plan to recover this and to prevent future recurrence will ensure that the asbestos register is kept as current as possible.</li> <li>Within Rolling Stock Depot environments there are work instructions which comply with legislation. However, some of this instruction could be simplified to ensure staff know what to do.</li> <li>Due to organisational changes the LU Asbestos Standard needs updating.</li> </ul>
12_313	Points and Crossings Renewal and Upgrade Special Conditions and Concession Management	01/07/2013	To provide assurance that concessions against technical standards associated with new Point & Crossings installations are being managed effectively in line with LU's Management System.	<p>The audit found that the processes established for preparation and delivery of concessions are compliant with LU Standards and ensure that the risks are considered appropriately.</p> <p>However, it was also found that immaturity and inconsistencies of supporting systems and processes mean that management control post concession approval is not sufficient to provide assurance that agreed conditions have been implemented.</p> <p>The audit found that once concessions are approved, gaining assurance that conditions are implemented is not routinely undertaken by management. Discussions indicated recognition of a need to develop and document a systematic process, including responsibilities and information flows, to ensure that the outputs stated in the relevant LU Category 1 Standard are systematically achieved. The process should include:</p> <ul style="list-style-type: none"> <li>The use of a consistent and effective IM tool to record and track conditions which are visible to those who require assurance. At present several IM tools are used.</li> <li>Clarity regarding responsibility for confirming the implementation of each specific condition.</li> </ul>
13_719	LU Capital Programmes Safe Systems of Work	17/07/2013	To review the production, review and communication of Safe Systems of Work (SSOW) against PMF and local guidance and to identify improvement opportunities.	<p>Positive findings were that:</p> <ul style="list-style-type: none"> <li>All the contractors sampled have local processes and templates in place to produce a comprehensive SSOW;</li> <li>There are good levels of collaboration and communication evident between the contractors and the LU Project Team to ensure SSOW are reviewed and discussed to ensure all risks are included with mitigations in place;</li> <li>A programme of works are shared between the contractors and LU Project team to ensure sufficient timeframes are followed to have the SSOW in place in time for the site work to commence;</li> <li>Track Partnership conducts audits on SSOW once work on site has commenced to ensure the workforce are following the SSOW on site.</li> </ul> <p>The most significant area for improvement relates to the format of the documents used to communicate the SSOW to the workforce. Track Delivery Unit (TDU) has to comply with PMF and use the briefing templates. At present, the site person in charge (SPC) is briefing straight from the method statement. As part of the best practice Safe Method of Work (SMOW) there is a briefing template for contractors to use. Whilst this is not compulsory, not all contractors are aware of it and so improvements in its communication are possible.</p>
13_717	Rolling Stock Depot Safety Management	04/09/2013	To examine the extent to which safety risks in Rolling Stock Depots are being systematically managed, utilising key elements of the ORR Railway Safety Maturity Model as a benchmark.	<p>The audit sampled four depots: Northfields and Stratford (JNP); Northumberland Park (BCV) and Neasden (SSL).</p> <ul style="list-style-type: none"> <li>Risk Assessment and Management- awareness of the requirements for risk assessments is recognised and understood at all levels, although understanding and implementation of the hierarchy of controls can be improved. Risk Assessment and Management across depots is at Level 1. (Ad-hoc)</li> <li>Safe Systems of Work – The audit found that safe systems of work for train maintenance activities are in place across all depots and are documented as Process Instructions or Vehicle Maintenance Instructions. Systems of Work is at Level 2 (Managed)</li> <li>Pro-Active Monitoring Arrangements – All depots have some form of monitoring in place however there are gaps between management system requirements and practice. Generally there was inconsistency regarding how monitoring is</li> </ul>

Reference	Report Title	Final Report Issued	Original Objective	Summary of Findings
				<p>completed and how effectively actions were raised and tracked to completion. Pro-Active Monitoring is at Level 2. (Managed)</p> <ul style="list-style-type: none"> <li>• Corrective Action - There is no consistent and homogeneous method for capturing local corrective actions. These arise from: risk assessments, pro-active monitoring activities, H&amp;S Tier 1 meetings etc. Corrective Action is at Level 2 (Managed)</li> </ul> <p>Overall, there are significant improvements that can be made to link risk assessment to systems of work and then monitoring to ensure the systems control risk ALARP and are followed. Two Non Compliances, Eight Business Improvement Actions and one observation were raised during the audit.</p>
<b>Surface Transport</b>				
<b>Delivery of capital investment portfolio and contract management</b>				
13_816	Cycle Hire Scheme	23/08/2013	To identify and recommend, through the use of audit techniques, business improvements to the Cycle Hire Scheme.	<p>This work was carried out on a consultancy basis at the request of management to assist with development of business improvements for the Cycle Hire Scheme. The business improvements detailed in the report were categorised under the following headings.</p> <ul style="list-style-type: none"> <li>• Communication – Improvement opportunities were identified regarding communication between TfL and Serco, and also internally within Serco. Meetings held between Serco and TfL are effective and good working relationships exist, particularly at the working level.</li> <li>• Data - The availability of data produced by the Click software system to assist in determining areas of improvement is not publicised. The use of six sigma techniques should be considered to analyse the available data and determine the most effective areas for improvement.</li> <li>• Process Improvement - Opportunities were identified in the areas of distribution, mobile operatives and maintenance.</li> <li>• Change Control – Change control processes exist, these should be more effectively communicated.</li> <li>• Click Software - The distribution drivers and mobile operatives have a lack of confidence in the Click software system that controls their day to day work.</li> <li>• Benchmarking - Benchmarking of other Cycle Hire Schemes for specific issues and the benchmarking of companies who run similar processes, for example controlling the workload of mobile employees, is recommended.</li> <li>• Employee Involvement - Serco employees are enthusiastic about the Cycle Hire Scheme. Serco should utilise this through increased employee involvement.</li> </ul> <p>There were 52 Business Improvements recommended and eight Good Practices identified as a result of this audit.</p>

**INTERNAL AUDIT CUSTOMER FEEDBACK FORM  
SUMMARY OF RESPONSES FOR 2013/2014  
QUARTER 2**

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 conducted an assignment in your area and would be grateful if you could complete this customer feedback questionnaire, **and return it to us by email**. This will help us identify ways in which we can improve our service to the business.

Please select the rating for our performance ranging from 1 (very poor) to 5 (very good) for the areas below. An additional 'Comments' section is provided for you if you wish to make any specific comments on what went well or could be improved, and on your overall opinion of the assignment conduct and usefulness.

Your feedback will be shared with the audit team, and also summarised on a quarterly basis for the Audit Committee. We may contact you to discuss your feedback if we feel that gaining a better understanding of it would be beneficial.

**Customer Feedback Forms Sent Q2 = 28 (Q1 = 19)**

**Customer Feedback Forms Returned Q2 = 19 (Q1 = 12)**

		No score given	Very poor	Poor	Satisfactory	Good	Very good	Average Score
<b>ASSIGNMENT ASSESSMENT CRITERIA</b>		1	2	3	4	5		
<b>PLANNING AND TIMING</b>								<b>3.9 (4.3)</b>
1)	The assignment timing was agreed with me and there was appropriate consideration of my other commitments as the work progressed	0 (0)	0 (0)	3 (0)	1 (1)	9 (5)	6 (6)	
2)	The assignment was completed and the report issued within appropriate timescales	0 (0)	0 (0)	1 (1)	5 (2)	8 (4)	5 (5)	
<b>COMMUNICATION</b>								<b>3.8 (4.0)</b>
3)	Communication prior to the assignment was appropriate, including the dates and objectives	0 (0)	0 (0)	0 (0)	4 (3)	10 (4)	5 (5)	
4)	Throughout the assignment I was informed of the work's progress and emerging findings	0 (1)	0 (0)	1 (1)	9 (2)	5 (6)	4 (3)	
<b>CONDUCT</b>								<b>3.9 (3.9)</b>
5)	The Internal Audit team demonstrated a good understanding of the business area under review and associated risks, or took time to build knowledge and understanding as the work progressed	0 (0)	1 (0)	1 (2)	7 (2)	5 (6)	5 (2)	
6)	The Internal Audit team acted in a constructive, professional and positive manner	0 (0)	0 (0)	1 (1)	0 (1)	11 (6)	7 (4)	
<b>RELEVANT AND USEFUL ADVICE AND ASSURANCE</b>								<b>4.1 (3.8)</b>
7)	A fair summary of assignment findings was presented in the report	0 (0)	0 (0)	0 (2)	3 (2)	11 (4)	5 (4)	
8)	Assignment recommendations were constructive, practical and cost-effective	0 (0)	0 (0)	1 (2)	2 (1)	11 (7)	5 (2)	
9)	My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	1 (0)	0 (0)	2 (1)	1 (2)	11 (6)	4 (3)	
<b>Overall assessment</b>								<b>3.9 (4.0)</b>

**Other comments including suggested improvements and areas of good performance:**

*"The pre-audit brief and scope discussion was helpful, and was encouraged by the open and honest approach. It was helpful that the Auditor was able to spend time at the business, and experiencing the service as seen by the passenger. Discussions on audit findings were always constructive, but robust. Overall recommendations of use to the business."*

*"Some of the suggested actions were very expensive for the level of risk, however the auditor was open to discussion and revision. He built good relationships with the team which I felt helped achieve the audit's objectives. Just a minor point but when the audit findings were fed back - it would have been helpful to have invited the managers directly accountable for the area as well so that they could hear the findings first hand."*

*"There seemed to be a significant gap between the expectations of the Audit and (Auditee) teams, as far as what the audit was going to cover. That aside, I thought the audit was conducted in a positive way, and my team seemed to be comfortable with the process as well. The report was fair and the recommendations were as well."*

*"I found the auditor to be helpful and knowledgeable in most area that I wanted audited. She was not as knowledgeable on the finance side. I was however pleased with the fact that when I showed her a report that had been produced for me by another department, she was able to go and check the report out with the auditor for her understanding and feedback to me some additional information. "*

*"Good Performance: Overall, the audit was delivered well. The auditor and my team worked together to ensure that interviews and assessment of evidence went smoothly.*

*Area for improvement: Although a draft report was issued to all involved, the findings of the report and recommendations were not discussed face-to-face with the relevant interviewees before the final report was issued."*

*"The audit was carried out during a period of flux due to changes to the strategic risk process. As a result, the findings were already known issues that needed to be fixed. Future audits should be carried out giving consideration for new processes to be embedded - this will help highlight gaps in new processes/procedures."*