

**Date: 16 June 2015**

**Item: Internal Audit Quarter 4 Report 2014/15**

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## **This paper will be considered in public**

### **1 Summary**

1.1 The purpose of this report is to inform the Committee of the audit work completed in the fourth quarter (Q4) of 2014/15, the work in progress and work planned for Quarter 1 of 2015/16.

### **2 Recommendation**

2.1 **The Committee is asked to note the report.**

### **3 Background**

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

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

### **4 Work Done**

4.1 There were 23 Final Audit Reports issued during the quarter, including four reports that were 'Well Controlled' or 'Adequately Controlled' and went straight to final. There were two reports, on Access to Oyster Data and Quality of HR Master Data, which we were not able to close as a result of actions being incomplete. We will carry out second follow-up reviews on each during 2015/16 to confirm that the remaining actions have been addressed. A summary of the report findings is included in Appendix 3 attached.

4.2 The table below shows the number of Interim Audit Reports and other outputs, including advisory/ consultancy reports and memorandums, issued during the quarter and in the full year, together with comparative figures for 2013/14.

	Interim Audit Reports					HSE and Technical Audit Reports*					Other Outputs (Advisory Reports/Memos)	Total
	WC	AC	RI	PC	Total	WC	AC	RI	PC	Total		
This Quarter	4	7	11	0	22	4	18	8	0	30	16	68
2014/15	14	27	21	1	63	7	62	27	2	98	43	204
2013/14	5	24	24	5	58	n/a	n/a	n/a	n/a	97	37	192

\* - HSE and Technical Audit Reports did not carry overall conclusions in 2013/14

- 4.3 Details of the findings from the interim reports issued during the quarter (except one in relation to the TfL Pension Fund) can be found in Appendix 4. In all cases, management actions have been agreed to address the issues raised and are being taken forward.
- 4.4 A summary of the other outputs issued during the quarter, including memorandums and advisory reports (excluding one memorandum in relation to the TfL Pension Fund) can be found in Appendix 5. The more significant of these include the following:
- (i) Our review of processes for granting and monitoring of procurement authority found inconsistencies in the effectiveness of the mechanisms in place and highlighted a number of areas where controls required strengthening. There were a number of instances where procurement authority had been exceeded. However, proper financial authority was in place in all cases and we found nothing to suggest any increased fraud risk.
  - (ii) An audit of TfL's appointment and management of Earls Court property advisers, requested by the Audit and Assurance Committee, found that the advisers had been properly appointed in line with TfL procedures. The audit found nothing to suggest any weakness in TfL's scrutiny of the advice received. The report also noted that going forward, TfL's property partnerships would be subject to additional scrutiny by the newly formed Commercial Development Advisory Group comprising independent industry experts.
- 4.5 Summaries of the HSE and Technical (HSE&T) Audit reports issued during Quarter 4 are set out in Appendix 6.
- 4.6 Work in progress at the end of Q4 is shown in Appendix 1 and work due to start in Quarter 1 of 2015/16 is shown in Appendix 2.

## **5 Other Assurance Providers**

5.1 In reaching his overall opinion on the effectiveness of internal control in TfL, the Director of Internal Audit takes account of work carried out by other assurance providers as well as work carried out directly by Internal Audit. The following paragraphs provide a brief summary of work carried out by other assurance providers during Q4.

### **Project assurance**

5.2 The Project Assurance Team carries out Integrated Assurance Reviews (IARs) of projects and programmes as part of the Pathway Project Management Framework. With effect from January 2015, the Team has moved out of the Programme Management Office (PMO) into Finance, with the aim of ensuring its independence from project delivery.

5.3 Projects are selected for review following a risk-based assessment, in order to enable the optimum assurance intervention to be planned. The risk factors that inform the assurance include: novel engineering, team experience, repeatable work, complexity and consents. In this way, reviews of low risk, repeated work, such as highways maintenance, will not be assured to the same depth as a project with novel engineering for the same cost. All projects with an EFC over £50m are reviewed under the same IAR process but with additional input from the Independent Investment Programme Advisory Group (IIPAG).

5.4 In Q4, 38 IAR reviews were conducted, with IIPAG providing oversight and guidance on 19 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.

5.5 The reviews are normally conducted using an External Expert (EE). However, significant effort is being applied to deliver a number of Peer Reviews, where internal review teams carry out the IAR in place of the EE. This initiative promotes knowledge sharing and collaborative working across the project community. Small financial savings are also anticipated. In 2014/15 19 reviews (2013/14: 14 reviews) have been conducted using Peer Review teams, approximately 16 per cent of the total.

5.6 Some of the more significant reviews during Q4 were: a Contract Award IAR of Elephant and Castle Northern Roundabout; an Interim IAR of Hammersmith Flyover; an Interim IAR of Bank Station Capacity Upgrade; a Contract Award IAR of Integrated Stations Programme; and a Contract Award IAR of Victoria Line World Class Capacity.

### **Crossrail Assurance Providers**

5.7 In addition to the work carried out by Internal Audit there are a number of other teams providing assurance over delivery of the Crossrail project. The Crossrail Audit Committee receives regular reports on the work of these teams, whose work during Q4 is summarised in the following paragraphs.

- 5.8 Crossrail Compliance Audits – The compliance audit function within Crossrail carries out technical audits of compliance with the Crossrail Management System, and is managed by the Senior Audit Manager – Crossrail. Nine audit reports were issued during the quarter covering: Occupational Health; Environmental Management by Network Rail; Management of Project Technical Requests; Review of recommendations of the NATM tunnel collapse Heathrow report; Chief Engineer’s Group Communications; Canary Wharf Assurance; Spray Concrete Lining Safety Management; Business Continuity; and Role of Key Advisers. There were no significant issues arising from these audits.
- 5.9 Contractor HSQE Audits - There is a programme of over 150 contractor audits for 2014/15 spread across a range of themes and contracts aimed at providing assurance that contractors have appropriate HSQE systems in place. These audits are also managed by the Senior Audit Manager – Crossrail. Audits carried out during the quarter covered health and safety management; environmental management; occupational health; and quality management. There were no particular trends arising from this work.
- 5.10 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.

### **Embedded assurance**

- 5.11 In addition to HSE and Technical audits carried out by Internal Audit, a number are carried out during the year by staff ‘embedded’ throughout TfL for whom auditing is just a part of their role. At this time, we are aware of audits being carried out in the following areas:
- Surface Transport
  - London Overground
  - LU Capital Programmes Directorate
- 5.12 Embedded audit work in relation to Surface Transport and London Overground was incorporated in the Integrated Assurance Plan for 2014/15 approved by the Audit and Assurance Committee in March 2015, and progress is reported below. Information from the LU Capital Programmes Directorate, and other areas that may be identified, will be incorporated into reports in due course.
- 5.13 Surface Transport – Ten audits were completed by embedded auditors within Surface Transport, consisting of management system audits at three bus operators, two boat operators, and five contractors. There were no significant issues identified.
- 5.14 London Overground – Two audits were completed during Q4 covering the Bombardier Training and Competence Management Regime and FORS (Fleet Operator Recognition Scheme) compliance. Action is being taken to address the issues identified, none of which were significant.

## **6 Customer Feedback**

- 6.1 At the end of every audit, we send out a customer feedback form to the principal auditee(s) requesting their views on the audit process and the report. The form is questionnaire-based so it can be completed easily and quickly. A summary of the responses to the questionnaire, together with comparative figures for the previous quarter, is included as Appendix 7.

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

- Appendix 1 – Work in Progress at the end of Q4 2014/15
- Appendix 2 – Work Planned for Quarter 1 2015/16
- Appendix 3 – Final Reports Issued in Q4 2014/15
- Appendix 4 – Interim Reports Issued in Q4 2014/15
- Appendix 5 – Consultancy Reports and Memoranda Issued in Q4 2014/15
- Appendix 6 – HSE and Technical Reports Issued in Q4 2014/15
- Appendix 7 – Customer Feedback Form – Summary of Responses for Q4

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

Audit reports.

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<b>Transport for London</b>	<b>Appendix 1</b>
<b>Internal Audit plan 2014/15 by directorate</b>	
<b>Approved by the TfL Audit and Assurance Committee 5 March 2014</b>	<b>Work in Progress-as of the end of Quarter 4 2014/15</b>
<b>Audit</b>	<b>Objective</b>
<b>Pan TfL</b>	
<b><i>Delivery of capital investment portfolio</i></b>	
Project management resource planning	To assess the adequacy and effectiveness of the processes for identifying, documenting and forecasting project resource requirements across the investment portfolio.
<b><i>Risk of an Information or Cyber Security incident on key services that support business and/or network operations</i></b>	
PCI DSS Compliance & Assurance	Provide ongoing assurance over PCI DSS compliance through a mix of audit and advisory services.
Cyber Security	Provide assurance on the effectiveness of the processes, procedures and controls that have been established across the organisation to identify and manage the risks associated with cyber security.
<b><i>Industrial relations</i></b>	
Employee relations	To determine the efficiency and effectiveness of the structure and processes in relation to the employee relations framework and machinery
<b><i>Financial and Governance Controls</i></b>	
Project Accounting in ST	To assess the financial management of specific key projects / programmes
TfL Management System	To review the controls and processes in place for developing and introducing the TfL Management System.
<b><i>Rail and Underground</i></b>	
<b><i>Delivery of capital investment portfolio</i></b>	
Procurement of Managed Services contract for the supply of track labour	To ensure that the procurement processes employed for the Managed Services contract for the supply of track labour are in accordance with approved procedures and EU directives and are open, fair and transparent.
LU estimate review and validation process	To provide assurance that the estimate review and validation process within London Underground is carried out effectively.
Asset Registers and Asset Information	To assess effectiveness of processes and practices for ensuring that products are accepted and registered (S1041 and S1011)
REW - Overhaul of Signal Assets and Management of Asset Traceability	To confirm that the overhaul of signal assets has been undertaken and records are in place to demonstrate compliance with Signal Equipment Overhaul (S1202 issue A2) in accordance with the Quality Management System.
Management of Critical Signalling Materials	To assess the effectiveness of systems for the management of signalling materials
Civils Inspection and Test Plans	To assess the overall effectiveness of the Inspection & Test Plan process, using a sample of projects within the Civil Engineering area.
Quality Inspection and Change Control (QICC) Power Assets	To provide assurance by assessing compliance and effectiveness of the QICC process, prior to putting new power equipment into service on the LU system.

Audit	Objective
<b>Risk of an Information or Cyber Security incident on key services that support business and/or network operations</b>	
Review of Supervisory Control and Data Acquisition (SCADA) Systems	To provide assurance on previous vulnerability assessment work ensuring all identified threats and risks have been appropriately mitigated.
<b>Disruption to quality of service</b>	
Mobilisation of the new DLR franchise	To provide assurance over transfer of DLR services to the new franchisee, and TfL's readiness for operations.
Management of Ellipse Data Changes	To confirm that changes to the Ellipse Engineering Asset Management System have been undertaken and records are in place to demonstrate compliance with Ellipse Data & Configuration Change Control (W0090 issue A2).
Lifts and Escalators Maintenance Regimes	To ensure appropriate programming, completion and change control of maintenance regimes by competent people
JNP Track Maintenance	To assure that the inspection and maintenance programme is being managed and to ensure that specific inspection, maintenance and management activities of concern are being undertaken in accordance with S1176, S1158, and S1159.
SSL Track Maintenance	To assure that the inspection and maintenance programme is being managed and to ensure that specific inspection, maintenance and management activities of concern are being undertaken in accordance with S1176, S1158 and S1159.
Management of third party supplied safety critical parts (Rolling Stock)	Audit the processes and provisions in place for ensuring the quality of Rolling Stock safety critical parts.
<b>Major incident - external</b>	
Competence Assurance LU Service Delivery	To provide assurance that the Competence Management System is effective
Change Control Project Works	To assess the effectiveness of revised processes aimed at ensuring that short notice changes to project works, including compensation events, are suitably reviewed for impact on health and safety
Consultancy work - Six Sigma review of the HSE risk assessment process	To provide Consultancy services to the London Underground HSE Directorate: facilitating and supporting the identification of efficiencies to the risk assessment processes.
<b>Environmental impact of delivering a transport service</b>	
Environmental Management through Pathway	To assess the effectiveness of the environmental management content of Pathway as an integrated part of project management.
Short Circuiting Devices (SCDs)	To provide assurance over the correct manufacture, usage and storage of SCDs, and to gain assurance that maintenance and inspection of the equipment is undertaken at the agreed intervals
Depot Health and Safety Management	To seek assurance that key HSE legislation and LU HSE management systems are being complied with in LU depots following a number of recent incidents
Legionella Management	To seek assurance that appropriate arrangements are in place to mitigate against the risk of legionella developing on LU property (in compliance with the regulations)

<b>Audit</b>	<b>Objective</b>
Management of Apprentice Health and Safety	To establish whether there is a documented process or procedure for managing the health and safety of Apprentices at their training and placement locations, and whether this procedure is complied with
<b>Surface Transport</b>	
<b><i>Delivery of capital investment portfolio</i></b>	
Management of the new Taxi and Private Hire (TPH) contract	To review the efficiency and effectiveness of TfL's management of the new TPH contract.
Procurement of Bus Stops and Shelters	To provide assurance that the procurement process employed for the Bus Stops and Shelters contracts is managed effectively, in accordance with approved procedures and EU directives, is open, fair and transparent, and has appropriate management controls and governance.
<b><i>Financial and Governance Controls</i></b>	
Victoria Coach Station (VCS) Healthcheck	Healthcheck audit of general financial and business controls at VCS.

<b>Audit</b>	<b>Objective</b>
<b>Finance</b>	
<b><i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i></b>	
Financial modelling of property developments	A review of the financial models used to forecast potential income from Commercial Development schemes, for use in business planning.
Commercial Development programme management	To provide assurance that the Commercial Development Programme is being managed in an efficient and effective manner, in particular the control and assurance environment.
Procurement of new property development framework PQQ phase	To ensure that the procurement of the framework of property development partners is managed effectively, in accordance with approved procedures and EU directives, and has appropriate management controls and governance.
<b><i>Delivery of capital investment portfolio</i></b>	
Implementation of Category Management	To provide assurance over progress being made in the introduction of Category Management within TfL to deliver savings in procurement.
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 is adequately considered so as to ensure an accurate, robust and measurable change.
Procurement of the Professional Services Framework	To ensure that the procurement process employed for the Professional Services Frameworks is managed effectively, in accordance with approved procedures and EU directives, and is open, fair and transparent.
<b><i>Risk of an Information or Cyber Security incident on key services that support business and/or network operations</i></b>	
Information Security Model (including Framework)	Working with the Chief Information Security Officer (CISO) to provide assurance on the effectiveness of the approach and plan that has been implemented to establish and maintain a formalised and consistent information security model.
<b><i>Failure of critical IT systems (Applications, Networks and Infrastructure) impacting the delivery of key business operations</i></b>	
Business Relationship Management	Provide assurance on the effectiveness of the processes that have been implemented to manage the relationship between the business and IM in a formalised and transparent way that ensures a focus on achieving common and shared goals.
Data Centre Management (including Virtualisation)	Provide assurance on the effectiveness of the controls that have been designed and implemented to organise, manage, support and secure TfL data centres.
<b><i>Financial and Governance Controls</i></b>	
Payroll	To review the control arrangements over TfL payrolls
Strategic Risk Management	To ensure effective risk management strategy and processes are in operation for identifying, assessing, managing & reporting on strategic risk.

<b>Audit</b>	<b>Objective</b>
<b>General Counsel</b>	
<b>Financial and Governance Controls</b>	
Declarations of Interest	To assess processes and controls around declarations of interest including Board level declarations, general staff and IIPAG members.
Review of handling of FOI request	Review of the handling of a recent FOI Request and possible DPA Breach
<b>Customer Experience, Marketing and Communications</b>	
<b>Risk of an Information or Cyber Security incident on key services that support business and/or network operations</b>	
Social Media	Review of process and controls over social media strategy, policies and procedures
<b>HR</b>	
<b>People Strategy</b>	
Graduate Schemes:	To review the controls around TfL Graduate schemes including graduate progression and retention within TfL
Movers / Leavers	To assess the controls and processes in place over movers and leavers
<b>Crossrail</b>	
Network Rail's finance charges	To review the process for allocating Crossrail funds to cover Network Rail finance charges prior to the Transition Date as defined in the PDA.
Network Rail Apportionment of Costs	To review how Network Rail manages the apportionment of costs. This review will include variations of costs against the agreed price and the variation control process itself.
Corporate Procurement Process	To review the Corporate Procurement Process to ensure that the process is being followed across the Project
Incident Reporting & Investigation	A review of compliance with the Incident Reporting & Investigation process, RIDDOR, and accident reporting.
IT infrastructure management	To review the controls and processes being used by Fujitsu to manage the security of the back-end infrastructure components
IT disaster recovery	To review the backup and recovery arrangements for core systems (e.g. SAP and eB).
<b>London Transport Museum</b>	
LT Museum on-line shop	Provide assurance that the on-line access is adequately secured for customers and that access to TfL data is protected
LTM Operation of Heritage Vehicles	To review controls and processes around running of heritage vehicles including impact on operations and liabilities.

Approved by the TfL Audit and Assurance  
Committee 9 March 2015

Work Planned - for Quarter 1 2015/16

Audit	Objective
<b>Pan TfL</b>	
<b>People Risk (inc. Pensions - Industrial Relations)</b>	
Resourcing the Investment Programme (IP)	To review the adequacy of arrangements to satisfy demands for project management resource.
<b>Delivery of capital investment portfolio</b>	
Project cost estimating and budget approval	A review of the processes for the estimating of project costs, and for arriving at an approved budget, including a review of the appropriateness of using P50 estimates for setting project budgets.
Impacts on the IP of shortage of staff with key skills	A review of the efficacy of TfL's arrangements to minimise the negative impact on IP delivery (from end-to-end) of shortages of staff with key skills.
<b>Rail and Underground</b>	
<b>Delivery of capital investment portfolio</b>	
Effective use of Design Reviews in LU	To provide assurance that design reviews are conducted in accordance with Pathway, and that they are effective in contributing to project success.
Fraud Risk in projects and contracts	Review the adequacy and effectiveness of controls in place to manage fraud risk in TfL's projects and contracts and assess against a Fraud risk maturity model.
Management of signal risk registers and associated processes to ensure effective sponsor review/prioritisation of risks	To review the process for the identification, assessment and recording of signalling risks using corporate risk registers. To provide assurance that identified risk controls and actions are assigned, monitored and managed.

SUP Programme Execution Plan Implementation	To provide assurance that revised Programme Execution Plan is being implemented as intended
LU Croxley Link Civil Engineering Design and Co-ordination	To provide assurance regarding the design of the Croxley Rail Link
<b>Disruption to quality of service</b>	
Procurement of the new London Overground concession operator	To provide assurance that the procurement process is being managed effectively and in accordance with approved procedures and EU directives.
DLR - Closeout of Serco contract	To review the process for the formal close out of the contract, including the adjustment and finalisation of monies due.
Trams - Management of fleet maintenance activities	To provide assurance that Interfleet have the appropriate systems in place to safely and effectively deliver the maintenance of the tram fleet to the requirements of the contract (consistent with ISO 55000 / 9001 principles)
LU On track Plant	To seek assurance that the management of this area by suppliers and LU teams is sufficient to enable the LU plant team to switch to a five year check of on track plant by the LU Rolling Stock team
LU Signal Changeover	To provide assurance that signal change out work is undertaken in compliance with the signal Maintenance regime and appropriately recorded
COO Engineering Change Control	Provide assurance that change control is appropriately managed by suppliers (and internal suppliers) so that safety and reliability risk is not imported to LU by change to engineering parts, materials or suppliers.
LU Materials Management	To review the life cycle management of materials within LU COO and provide assurance that there is appropriate management control of quality and quantity at the goods in, stock control, allocation and disposal stages.

## **Major / Catastrophic incident**

Signalling Central HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented
Signalling SSL North HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented
Signalling Piccadilly HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented
Bakerloo Line HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented
Fleet Metropolitan HSE Management (Neasden)	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented
LU Emergency Response Unit HSE Management	To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented
LU Management of Sustainability and Environment in CPD projects	To provide assurance that sustainability and environmental risks within CPD projects are being appropriately managed, consistent with the requirements of environmental legislation and TfL objectives / standards (e.g. Pathway (planning, control and waste management))
Preparedness for Night Tube - Alstom and Thales	Provide assurance that Thales (through Alstom) have the appropriate arrangements in place to be able to deliver the service required for the night tube service
LU Drug and Alcohol Testing	Review the existing policies and procedures against legal requirements and test the implementation / understanding at a sample of locations, covering both LU staff and assurance in respect of contractors.
LU Management of Occupational Health Risks	To provide assurance that occupational health risks are being managed and considered as part of management system requirements in the same way as safety.

## **Financial and Governance Controls**

Pool Cars

To review the management and controls over use of pool cars for operational staff

## **Surface Transport**

### **Delivery of capital investment portfolio**

Dependencies of ST IP on internal suppliers

To review how dependencies of the Surface Transport Investment Programme on deliverables from other parts of TfL (e.g. development of the TfL Portal) are managed for best overall outcome.

London Highways Alliance Contractors (LoHAC) works pipeline

To review the organisation's ability to contract work through LoHAC at adequate levels to achieve anticipated economies of scale

### **Major / Catastrophic incident**

London Bus Operations Ltd HSE Management

To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented

Victoria Coach Station HSE Management

To provide assurance that legislation is being complied with and HSE Management System requirements are understood and implemented

ST Contract Procurement - Safety Evaluation

To provide assurance that contractors are assessed for their safety competence and processes in a consistent manner and proportionate to the risks involved

## **Finance**

### **Maintaining a long term strategic, balanced plan**

Procurement of Property Development Framework.

To ensure that the procurement processes employed for the Property Development Framework are in accordance with approved procedures and EU directives, and are open, fair and transparent.

Project Skyline

To provide assurance that the organisational change within Commercial Development will deliver a function that is fit for purpose.

Procurement of the new advertising contract	To ensure that the procurement processes employed for the advertising contract are in accordance with approved procedures and EU directives, and are open, fair and transparent.
Operation of the Earl's Court joint venture	To provide assurance that the joint venture is operating efficiently and effectively.
Financial modelling of property development schemes	A review of the financial models used to forecast potential income from Commercial Development schemes, for use in business planning.
<b>Financial and Governance Controls</b>	
Completeness of Property Asset Register	A review of the completeness of TfL's property asset register
Bailiffs	To review the processes and controls over the use of bailiffs, covering both value for money and reputational risks.
<b>Planning</b>	
<b>Maintaining a long term strategic, balanced plan</b>	
Transport modelling	A review of transport modelling and forecasts within TfL
<b>Human Resources</b>	
<b>People Risk (inc. Pensions - Industrial Relations)</b>	
Recruitment Processes	To review the policies, procedures, planning, risks and controls around the recruitment and selection process, including volume recruitment.
Managing Attendance	Review of managing attendance process and controls, covering absences including annual leave, sick and special leave.
<b>Crossrail</b>	
Management of the Estimated Cost of Completion (ECC)	A review of ECC, including an analysis of the difference between contractors' and Crossrail's view of schedule and costs.
Crossrail Complaints Commissioner (CC) Accounts	The annual review of CC accounts for accounting accuracy.



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

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Underground and Rail</b>						
<b>Delivery of Capital Investment Portfolio</b>						
IA 12 622	Director of Strategy and Service Development	Refranchising of Docklands Light Railway Operations and Maintenance	<b>10/12/2014 WC/ACL</b>	To ensure that the procurement process employed for the Refranchising of Docklands Light Railway Operations and Maintenance was in accordance with approved procedures and EU directives and was open, fair and transparent.	See Interim Audit Report Summary in Appendix 4	<b>10/12/2014 WC/ACL</b>
IA_14_611	Director of Strategy and Service Development	Transfer of the Contracting Authority for West Anglia Services from the DfT to TfL	<b>14/11/2014 AC</b>	To provide assurance that the project to transfer the Contracting Authority for West Anglia Services from DfT to TfL was being managed in an efficient and effective manner.	Our Interim Audit Report dated 4 November 2014 entitled Transfer of the Contracting Authority for West Anglia Services from the DfT to TfL identified three priority 2 issues, as follows: <ul style="list-style-type: none"> <li>• A key decision log had not been developed.</li> <li>• Formal change control management had not been established for the project</li> <li>• The project had not yet planned to undertake a lessons learned exercise.</li> </ul> We have now carried out a follow up review, and concluded that management has taken satisfactory action to implement the management actions from the Interim Audit Report.	<b>14/01/2015 ACL</b>
<b>Crossrail</b>						
IA_13_632	Director of Strategy and Service Development	Crossrail Train Operating Concession	<b>29/01/2015 WC/ACL</b>	To ensure that the procurement process employed for the Crossrail Train Operating Concession ('the CTOC') is in accordance with approved procedures and EU directives, and is open, fair and transparent.	See Interim Audit Report Summary in Appendix 4	<b>29/01/2015 WC/ACL</b>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Surface Transport</b>						
<b>Delivery of Capital Investment Portfolio</b>						
IA_13_616F	Director of Asset Management	Management of the London Highways Alliance Contract (LoHAC)	20/06/2014 RI	To provide assurance that the contract management structures and processes in place to manage the London Highways Alliance Contracts are efficient and effective.	<p>Our Interim Audit Report dated 20 June 2014 entitled Management of the London Highways Alliance Contract identified two priority 1 issues, three priority 2 issues and one priority 3 issue, resulting in six management actions.</p> <p>We have now completed a follow up audit of the agreed management actions. Except for one action we have concluded that all have been satisfactorily addressed. The exception related to the future role of the Framework Manager. A formal contract notice communicating the identity of the current Framework Manager has not been issued. We have been advised the scope of the role is under review and so a contract variation may be required at a later point to enact any changes.</p> <p>However, we are satisfied that completion of this action is in hand and a further follow up for this audit is not necessary. Consequently this audit is now closed.</p>	25/02/2015 ACL
<b>Financial and Governance Controls</b>						
IA_14_113F	Director of Buses	London Bus Services Limited Healthcheck	16/12/2014 AC	To provide assurance on the adequacy and effectiveness of internal controls in place within London Bus Services Limited in relation to the payments made to bus companies, focussing on key business as usual activities.	<p>Our Interim Internal Audit Report dated 16 December 2014 entitled London Bus Services Limited Healthcheck identified two Priority three issues resulting in two management actions.</p> <p>We have now carried out a follow up review of the agreed management actions and can confirm that both have been satisfactorily addressed. Therefore this audit is now closed.</p>	30/01/2015 ACL
<b>Finance</b>						
<b>Disruption to Quality of Service</b>						
IA_13_402F	Chief Information Officer	Organisation and Management of Firewalls	25/10/2013 PC	To provide assurance that the firewall strategies and policies, and related governance arrangements that have been implemented to manage and control TfL firewall architectures, are cost effective, efficient and fit for purpose.	<p>Our Interim Internal Audit Report dated 25 October 2013 entitled Organisation and Management of Firewalls identified eight priority 1 issues as follows:</p> <ul style="list-style-type: none"> <li>The cost-effectiveness of the enhanced firewall service had been undermined by the lack of a defined process to identify, manage and monitor the firewall changes that increase the annual charge paid by TfL to Fujitsu;</li> </ul>	25/02/2015 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					<ul style="list-style-type: none"> <li>• The roles and responsibilities for IM in-house activities that support the delivery of the enhanced firewall services by Fujitsu had not been defined, assigned and enforced;</li> <li>• Formal IM guidance to cover critical aspects of managing firewalls was not available, including firewall strategy and roadmap, IT architecture and technology standards, firewall security and configuration standards, firewall monitoring, and firewall patch management policy;</li> <li>• A complete and accurate record of firewall assets owned by TfL had not been maintained;</li> <li>• A structured process to monitor firewall performance and proactively manage network capacity had not been implemented;</li> <li>• End-of-life firewalls used for securing critical services had remained in use without plans for their decommissioning and replacement, potentially due to a lack of an agreed standardised end-of-life approach with Fujitsu;</li> <li>• Forty percent of Fujitsu users with sensitive access to TfL firewall management consoles had not been security cleared as required by the Agreement; and</li> <li>• There were no formal TfL disaster recovery plans that cover the testing of TfL firewalls or their backups to ensure a successful recovery in the event of a disaster.</li> </ul> <p>We have completed a follow up and confirmed that management has implemented all the actions agreed in respect of these findings. This audit is now closed.</p>	
IA_13_100F	Chief Information Officer	Mobile Technology	14/07/2014 RI	To provide assurance on the adequacy and effectiveness of the controls in place over the provision and use of mobile technology across TfL.	<p>Our Interim Internal Audit Report dated 14 July 2014 entitled Mobile Technology, identified one Priority 1, four Priority 2 and one Priority 3 issues resulting in 13 agreed management actions.</p> <p>The Priority 1 issue was that TfL made unnecessary monthly tariff charge payments for iPads and iPhones in storage with O<sub>2</sub>.</p> <p>We have now carried out a follow up review and can confirm that 12 actions have been satisfactorily addressed and one Priority 2 action is partially addressed.</p>	04/03/2015 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					<p>We are satisfied that plans are in place to complete the partially addressed action.</p> <p>Accordingly this audit is now closed.</p>	
<b>Maintaining a Long Term Strategic Balanced Plan within the Constraints of Available Resources</b>						
IA_13_125F	Chief Finance Officer	Fares Revenue Reconciliations	20/01/2014 RI	To provide assurance on the adequacy and effectiveness of controls over the completeness and accuracy of fares revenue.	<p>Our Interim Internal Audit Report dated 20 January 2014 entitled Fares Revenue Reconciliations identified one Priority 1 issue, four Priority 2 issues and one Priority 3 issue resulting in 14 management actions.</p> <p>We have now carried out a follow up review of the management actions and can confirm that 12 have been satisfactorily addressed. Two remain partially addressed, but appropriate action plans are in place to ensure they are completed in the near future.</p> <p>Therefore this audit is now closed.</p>	13/02/2015 ACL
<b>Delivery of Capital Investment Portfolio</b>						
IA_14_414F	Chief Information Officer	Run Better Programme	30/09/2014 Memo	To provide assurance that there were adequate arrangements for engaging the stakeholders of the Run Better Programme.	<p>Our memorandum dated 30 September 2014 highlighted a number of areas where improvements could be made in regard to stakeholder engagement, as follows:</p> <ul style="list-style-type: none"> <li>• Slow progress towards achieving business goals</li> <li>• Ineffective reporting and communications</li> <li>• Continued relevance of the programme's objectives and scope</li> <li>• Lack of dedicated programme resource</li> </ul> <p>As a result, a number of management actions were agreed aimed at improving the quality of stakeholder engagement.</p> <p>We have now completed a follow up review and verified that management has implemented all the agreed actions.</p> <p>This audit is now closed.</p>	27/03/2015 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Financial and Governance Controls</b>						
IA_13_105F	Chief Finance Officer	Management Accounts	10/07/2014 AC	To review the adequacy and effectiveness of the period end management accounting process.	<p>Our Interim Internal Audit Report dated 10 July 2014 entitled Management Accounts identified two Priority 2 and four Priority 3 issues resulting in 11 management actions.</p> <p>We have now carried out a follow up review of the management actions and can confirm that seven have been satisfactorily addressed. Two are partially addressed, one has not been addressed, and one is no longer applicable.</p> <p>One of the remaining three actions will be completed by 31 March 2015. Two priority three actions depend on the outcome of a review of the cost of modifying the consolidation system BCS, against the benefit of waiting for the implementation of the new Finance and Planning system that will replace BCS within the next two years.</p> <p>The Audit is now closed.</p>	29/01/2015 ACL
IA_14_422F	Director of Commercial	Mail Room Screening Arrangements	25/11/2014 AC	To assess the effectiveness of the security arrangements in operation and the associated security procedures within TfL mail rooms. This was to ensure all relevant risks have been identified and mitigated.	<p>Our Interim Audit Report dated 25 November 2014 entitled Mail Room Screening Arrangements identified one Priority 2 issue and one Priority 3 issue, resulting in two management actions.</p> <p>We have now carried out a follow up review of the two agreed management actions and can confirm that both have been satisfactorily addressed.</p> <p>Therefore this audit is now closed.</p>	30/01/2015 ACL
<b>Customer Experience, Marketing and Communications</b>						
<b>Risk of an Information or Cyber Security Incident on Key Services that Support Business and/or Network Operations</b>						
IA_14_100F	Director of Customer Experience	Access to Oyster Data	04/07/2014 RI	To provide assurance on the adequacy and effectiveness of internal controls in place for access to Oyster data via the OCTA and OCTAgone systems	<p>Our Interim Internal Audit Report dated 4 July 2014 entitled Access to Oyster Data identified four Priority 1 issues, three Priority 2 issues and one Priority 3 issue, resulting in 17 management actions.</p> <p>The Priority 1 issues were:</p> <ul style="list-style-type: none"> <li>OCTAgone should have already been fully implemented, however, due to various issues and</li> </ul>	18/03/2015 ANC

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					<p>setbacks, OCTA is still being used.</p> <ul style="list-style-type: none"> <li>• No role-based restrictions on system access are currently in place. All employees have varying degrees of access, all of which are open-ended. A number of additional restrictions on accounts should be implemented including giving temporary access for a defined period of time.</li> <li>• There is an absence of monitoring by management of what Oyster data is being accessed by staff. No alerts or triggers are in place to notify management of potential misuse of the system. In addition, there is no reporting to senior management of issues and investigations.</li> <li>• Roles and responsibilities for employees involved with OCTA/OCTAgone are not entirely clear. The lack of clarity and ownership has resulted in key controls not operating effectively. In addition, not all staff have a thorough understanding of the areas for which they are responsible.</li> </ul> <p>Subsequent to the issue of the Interim Report, management has regularly engaged with both Internal Audit and action owners to maintain progress. A meeting was also held with the office of the Information Commissioner to discuss the actions being taken in respect of the OCTA/ OCTAgone system.</p> <p>Deadlines for six of the actions have previously been extended.</p> <p>We have now carried out a follow up review of the management actions and whilst we can confirm that eleven have been completed, six have only been partially addressed.</p> <p>A number of the incomplete actions are linked to the development of the Customer Experience (CE) Admin Database to provide a central, integrated repository for the storage and maintenance of data managed by the CE Business Operations Team. As this is for all CE systems, and not just OCTA/OCTAgone, the work required to complete this is taking longer than expected.</p>	

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					This audit is not closed. The remaining actions will be followed up as they become due according to their revised dates and a second final audit report issued by 30 June 2015.	
<b>One HR</b>						
<b>People Strategy</b>						
IA_12_108F	HR Director	HR Document Management	04/07/2013 PC	To review the effectiveness of controls over HR document management covering both paper and electronic documents	<p>Our Interim Audit Report dated 4 July 2013 entitled HR Document Management, identified four Priority 1 issues and one Priority 2 issue resulting in 16 agreed management actions.</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, as required by the DPA and TFL's Privacy and Data Protection Policy</li> </ul> <p>We have now carried out a follow up review and can confirm that 15 actions have been satisfactorily addressed and one is partially addressed. We are satisfied that activity is being taken to complete the partially addressed action and this will be followed up as part of our 2015 audit 'Pan-TfL HR Documentation'.</p> <p>Accordingly this audit is now closed.</p>	09/03/2015 ACL
<b>Financial and Governance Controls</b>						
IA_13_417	HR Director	Quality of HR Master Data	17/02/2014 RI	To provide assurance on the adequacy and effectiveness of the HR processes and procedures that had been implemented to ensure the integrity, availability and confidentiality of HR	Our Interim Audit Report dated 17 February 2014 entitled Quality of HR Master Data did not identify any priority 1 issues that would indicate material deteriorations in the integrity of HR data or significant control weaknesses. However, it identified three priority 2 issues where HR management could	26/01/2015 ANC

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
				<p>master data.</p> <p>As part of the audit, we sought to obtain assurance on the reliability of HR master and related transactional data through performing a series of SAP data interrogations, as outlined in the scope paragraph</p>	<p>implement further improvements, as follows:</p> <ul style="list-style-type: none"> <li>There was a lack of up-to-date HRS Recruitment guidelines and procedures that give clear instructions to its team members on the internal processes;</li> <li>The field containing the start date and end date of data records was not being consistently used; and</li> <li>The field used to store the employee date of birth in SAP was not being properly used in respect of non-permanent labour.</li> </ul> <p>The report also identified one priority 3 issue.</p> <p>We have carried out a follow-up review and concluded that management has satisfactorily implemented five of the agreed actions, but two of the actions have only been partially addressed despite an extension to the original due date having been agreed.</p> <p>This audit is not closed and we will carry out a further follow-up review in March 2015 to confirm that the outstanding actions have been addressed.</p>	
<b>Crossrail</b>						
IA 14 528	Crossrail	Fraud Assurance Work on Duplicate Invoices, Charging and Vendors.	<b>16/12/2014 AC/ACL</b>	To provide assurance against the risk of overpayments through error or fraud as a result of duplicate invoicing, duplicate charging or the duplication of vendor details.	See Interim Audit Report Summary in Appendix 4	<b>16/12/2014 AC/ACL</b>
IA_14_517	Crossrail	London Underground Assurance of Delivery	<b>03/11/2014 AC</b>	To review the provision of assurance information by LU to support delivery of its part of the Crossrail project.	<p>The Interim Audit Report dated 3 November 2014 identified two Priority 3 issues requiring three management actions to address them.</p> <p>We have carried out a follow up review of the status of the agreed management actions and found that two of the actions have been addressed satisfactorily. The remaining action, to establish an agreed procedure for submitting invoices, has been partially addressed. A procedure has been developed by but needs to be agreed formally by the respective Commercial teams. We are confident the procedure will be agreed by end of February 2015.</p> <p>This audit is therefore closed.</p>	<b>22/01/2015 ACL</b>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
IA_14_504F	Crossrail	Whole Life Costing	21/10/2014 AC	To provide assurance on how effectively Crossrail has met the requirements of Whole Life Costing (WLC)	<p>The Interim Audit Report dated 21 October 2014 identified two Priority 2 issues requiring four management actions to address them.</p> <p>We have carried out a follow up review of the status of the agreed management actions and found that all of the actions have been addressed satisfactorily. This audit is therefore closed.</p>	28/01/2015 ACL
IA_13_519	Crossrail	IT Availability and Capacity	13/06/14 RI	To provide assurance over the effectiveness of controls designed and implemented to ensure adequate maintenance of service availability, efficient management of resources, and optimisation of system performance.	<p>Our Interim Audit Report dated 13 June 2014 entitled 'IT Availability and Capacity' identified five priority 2 issues, as follows:</p> <ul style="list-style-type: none"> <li>• Crossrail IT had not established a process to translate Crossrail business plans into measurable and detailed inputs for the IT capacity plans developed and managed by Fujitsu;</li> <li>• Crossrail's arrangements for IT service performance reporting could have been improved;</li> <li>• Crossrail and Fujitsu monitored the IT services passively so issues were not identified before they had a major impact on users. We also noted that default rules and alerts still remained to be used within Fujitsu's primary monitoring tool;</li> <li>• Fujitsu had not produced a separate Availability Management Plan as required by the EAI contract; and</li> <li>• The programme to incorporate thirteen contractors' remote sites into the corporate network did not cover their resilience.</li> </ul> <p>One priority 3 issue was also raised.</p> <p>We have performed a follow up review and confirmed that management has implemented all the agreed management actions in respect of these findings. This audit is closed.</p>	23/02/2015 ACL
IA_14_513F	Crossrail	Contract Close Out	26/09/2014 AC	To provide assurance that the management of Contract Close Out by Crossrail is efficient, effective and covers all relevant areas.	<p>The Interim Audit Report dated 26 September 2014 identified two Priority 2 issues in relation to the lack of a clear procedure for Corporate close-out, and the Employer's Completion Process (ECP), and two Priority 3 issues.</p>	11/03/2015 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					A follow up review has confirmed that the agreed management actions in respect of these findings have been implemented. This audit is therefore closed.	
IA_14_527F	Crossrail	Security Audit on Contract 610	<b>23/03/2015 WC/ACL</b>	To provide assurance that security arrangements for Contract 610 are sufficient to mitigate the known security risks.	See Interim Audit Report Summary in Appendix 4	<b>23/03/2015 WC/ACL</b>
IA_14_522F	Crossrail	Fujitsu Service Performance	<b>05/12/2014 AC</b>	To assess the effectiveness of the arrangements that have been implemented by Crossrail to ensure that the IT services provided by Fujitsu are sufficient and adequate to Crossrail's needs and to evaluate the adequacy of Fujitsu's service performance in meeting their obligations in delivering the required level of these services as stipulated by the relevant contract.	<p>The Interim Audit Report dated 5 December 2014 identified several good practices in addition to the following Priority 2 issues:</p> <ul style="list-style-type: none"> <li>The monitoring of 'less critical' and unreported service measures should be improved by ensuring adequate analysis of underperformance on 'less critical' and unreported service measures and reviewing the ongoing relevance of these service measures; and</li> <li>The documented procedures for verification of the reported service measures do not include detailed notes that would ensure their consistent application. The figures reported in the Fujitsu monthly service reports may be inaccurate because of ambiguity in categorising or reporting incidents.</li> </ul> <p>A follow up review has confirmed that Crossrail management has implemented all the agreed management actions in respect of these findings. This audit is therefore closed.</p>	<b>30/03/2015 ACL</b>
IA_14_510F	Crossrail	Changes in PAYE and NIC Legislation	<b>23/10/2014 WC</b>	To provide assurance that Crossrail has effective processes and controls for dealing with legislation changes in PAYE and NIC which could result in additional costs being incurred by contractors and these being passed onto Crossrail.	<p>The Interim Audit Report dated 23 October 2014 identified several good practices in addition to one Priority 3 issue relating to the level of self employed staff at contractor level.</p> <p>The follow up review has confirmed that Crossrail management has implemented the agreed management action in respect of this issue. This audit is therefore closed.</p>	<b>31/03/2015 ACL</b>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>Pan TfL</b>						
<b>Environmental Impact of Delivering a Transport Service</b>						
IA_14_102	Director of Transport Strategy and Policy	Implementation of Environmental Strategic Objectives	27/10/2014 AC	To determine the effectiveness of the processes for developing and implementing plans aimed at achieving TfL's strategic environmental goals and targets.	<p>Our Interim Internal Audit Report dated 27 October 2014 entitled Implementation of Environmental Strategic Objectives identified three Priority 2 issues, resulting in seven actions, and one Priority 3 issue, resulting in one action.</p> <p>We have now carried out a follow up review of the agreed management actions and can confirm that they have been satisfactorily implemented.</p> <p>Therefore this audit is now closed.</p>	04/03/2015 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	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
<b>Underground and Rail</b>						
<b>Delivery of Capital Investment Portfolio</b>						
IA_14_606	Commercial Director, R&U	Heathrow PFI Contract	31/03/2015 RI	To review the contract management of the Heathrow PFI contract and ensure that the management controls in place are fit for purpose.	31/08/2015	<p>Our audit found one priority 1 issue.</p> <p>The deduction of payment card commission costs is not managed in line with the contract and may be inaccurate.</p> <p>In addition, we noted two priority 2 issues and one priority 3 issue as follows:</p> <ul style="list-style-type: none"> <li>• HEX Work Instructions for their staff operating T5 have still to be formally signed off by TfL.</li> <li>• The reporting of faults is more onerous and time consuming than it needs to be.</li> <li>• There would be benefit in having a nominated Supplier Relationship Manager in place.</li> </ul>
IA 12 622	Director of Strategy and Service Development	Refranchising of Docklands Light Railway Operations and Maintenance	10/12/2014 WC/ACL	To ensure that the procurement process employed for the Refranchising of Docklands Light Railway Operations and Maintenance was in accordance with approved procedures and EU directives and was open, fair	N/A	<p>Detailed observations and findings were raised in the three Interim Audit Memorandums issued during the audit.</p> <ul style="list-style-type: none"> <li>• Our first memorandum dated 22 March 2013 reported our findings up to the end of the PQQ evaluation phase.</li> <li>• Our second memorandum dated 10 May 2013 reported our findings up to the end of the phase during which the ITT and</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
				and transparent.		<p>franchise agreement were prepared for issue.</p> <ul style="list-style-type: none"> <li>Our third memorandum dated 15 April 2014 reported the situation up to 1 April 2014, being the phase during which the ITT submissions were evaluated and a best and final offer ('BAFO') process commenced.</li> </ul> <p>Since our third memo the BAFO process was concluded and it enabled the clear distinction between bidders which was not evident at the end of the ITT phase.</p> <p>The BAFO process comprised a comprehensive appraisal and evaluation, similar to the ITT process, and a recommendation was made to the Board for the contract to be agreed with Keolis (UK) Ltd and Amey Rail Ltd.</p> <p>No issues were identified and the audit is now closed.</p>
<b>Disruption to Quality of Service</b>						
IA_14_614	Director of Strategy and Service Development	Contract and Asset Management of the East London Line	06/03/2015 RI	To review the efficiency and effectiveness of the management and maintenance of the East London Line infrastructure assets. This audit also reviewed the management of the maintenance contract	30/09/2015	<p>We noted good practice in the following areas:</p> <ul style="list-style-type: none"> <li>Use of templates to capture asset information from the project teams</li> <li>Weekly "one to ones" within the commercial team, and fortnightly commercial team briefs to highlight top three work priorities</li> <li>Commercial Manager's engagement with counterparts within TfL, to enquire about upcoming framework contracts and good practice</li> <li>Asset Knowledge Engineer's involvement in TfL Asset Management User Group, (AMUG)</li> <li>Commitment to improving systems, an example being proposals to equip inspectors with digital tablets with maintenance apps, resulting in speedier fault responses.</li> </ul> <p>Our audit did not identify any priority 1 issues. However, we noted eight priority 2 issues and nine priority 3 issues.</p> <p>The summarised priority 2 issues are as follows:</p> <ul style="list-style-type: none"> <li>Asset bases stored on the Asset Management Information System were found to be incomplete for non-critical asset groups</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> <li>• Competence of Carillion site staff was not being checked by ELL before maintenance work was carried out</li> <li>• ELL relies on Carillion to self certify completion of works</li> <li>• Inspection team for LO were not always specialists in the asset maintenance they were inspecting</li> <li>• Carillion payment applications are based on 'agreed' rates and no reconciliation with actual cost is carried out</li> <li>• Carillion payment applications are not agreed back to maintenance work carried out</li> <li>• Mechanisms to ensure value for money are limited</li> <li>• Risk register did not contain all operational risks associated with maintenance activity</li> </ul>
<b>Crossrail</b>						
IA_13_632	Director of Strategy and Service Development	Crossrail Train Operating Concession	29/01/2015 WC/ACL	To ensure that the procurement process employed for the Crossrail Train Operating Concession ('the CTOC') is in accordance with approved procedures and EU directives, and is open, fair and transparent.	N/A	<p>Detailed observations and findings were set out in our interim memorandum issued on 13 August 2014. This reported our findings on the ITT stage from September 2013 up to July 2014 when the evaluation of the bids concluded and a recommendation to award the contract was made.</p> <p>The recommendation to award the concession contract, valued at £1.4bn before performance adjustments (bonuses and penalties), to MTR Corporation (Crossrail) Limited (MTR) was submitted to the TfL Finance and Policy Committee meeting on 17 July 2014. The Committee accepted this recommendation and the contract award was announced on 18 July 2014.</p> <p>In preparation for commencement of operations by the new operator a strategy for mobilisation has been further developed. As part of the mobilisation strategy individuals have been appointed to manage the process, some of whom were responsible for leading the successful procurement of the operator.</p> <p>There are no issues to report and the audit is now closed.</p>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
<b>Surface Transport</b>						
<b>Delivery of Capital Investment Portfolio</b>						
IA 14 113	Director of Buses	London Bus Services Limited Healthcheck	16/12/2014 AC	To provide assurance on the adequacy and effectiveness of internal controls in place within LBSL in relation to the payments made to bus companies, focussing on key business as usual activities.	21/01/2015	<p>The following areas of good practice were noted:</p> <ul style="list-style-type: none"> <li>A system of self billing is in place which requires bus operators to submit claims for payments they believe are due. Once received, these are reviewed and processed in a timely manner by the Contract Management team. However, as operators have access to iBus there are few errors in claims.</li> <li>The Contract Compliance team store all key documents and correspondence for specific audits electronically within a team folder on OneLondon. This allows any individual in the team the ability to access key information should the need arise, regardless of if they were involved in any work related to that operator.</li> <li>There is a close and effective working relationship between the different teams in the department, and every member of the teams interviewed had a thorough understanding of all the teams and each one's responsibilities.</li> </ul> <p>When fully resourced, the Contract Compliance team consists of eight staff; a manager plus seven auditors. There is currently one Contract Auditor vacancy in the team. In addition, one team member went on secondment in November 2014, as part of a learning and development initiative.</p> <p>There have been difficulties in attracting good calibre candidates in recent recruitment campaigns and a review of the Contract Auditor role was carried out in conjunction with HR. This identified that the Contract Auditors' roles and responsibilities have changed significantly over recent years, for example to take account of new technologies and systems such as iBus. The Contract Auditor post has therefore been changed from Band 2 to Band 3 and a further recruitment campaign will be undertaken in January 2015 once all current staff have been formally notified.</p> <p>In spite of this, Contract Compliance is on schedule to complete the annual audit programme by the end of March 2015. However, the lack of a full team has impacted on their ability to carry out work in other areas, such as staff development and training, and reviewing their audit processes.</p> <p>The audit identified no Priority 1 and 2 issues, and two Priority 3 issues.</p>

Reference	Responsible Director	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_14_625	Director of Commercial Development	Commercial Development: Use of Space at Stations	29/01/2015 RI	To provide assurance that the introduction of secondary revenue commercial enterprises efficiently and effectively maximises income from station space, through initiatives such as Click-and-Collect and Kiosks.	31/12/2015	<p>The following examples of good practice were identified:</p> <ul style="list-style-type: none"> <li>The Retail team proactively identified areas for improvement within the department and sought to address them. Specialists have been appointed and new processes are being developed to ensure appropriate advice is received on technical matters, procurement and project delivery routes.</li> <li>Throughout the course of this audit, key stakeholders provided positive feedback regarding the Retail team members and their communication skills.</li> <li>Several of the issues and observations raised during this audit have been addressed and processes or controls put in place or improved.</li> </ul> <p>The audit identified two Priority 1 issues relating to the process of ensuring compliance with OJEU regulations when procuring kiosks, and the development and communication of strategies and forward plans. Two Priority 2 issues and one Priority 3 issue were also identified.</p>
IA_14_626	Director of Commercial Development	Management of the tender for the new London Cycle Hire Scheme Sponsor	17/03/2015 RI	To provide assurance that the tender for the new Cycle Hire Scheme Sponsor was developed and governed in a structured and controlled manner and likely to provide the optimum benefit and long term strategic development to TfL	28/09/2015	<p>During the audit the following points of good practice were noted:</p> <ul style="list-style-type: none"> <li>The project delivered against the key objective to increase the value of the naming rights contract for LCHS, achieving uplift from £5m p.a. to £6.25m p.a. over the seven-year period of the contract.</li> <li>The contract has been achieved without any claw backs from the Sponsor, something that is not common in naming rights contracts.</li> <li>While not subject to EU procurement rules, TfL have undertaken this tender process following the principles of the EU rules and guidance.</li> <li>TfL have followed the process as set out to all bidders in the tender documentation.</li> <li>Early in the tender process the project team established a governance structure that clearly set out the roles and</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>responsibilities of each team member.</p> <ul style="list-style-type: none"> <li>• Throughout the process the project team sought proactive engagement with internal and external stakeholders on progress and developments with the bidders.</li> <li>• The procurement and delivery strategy for the tender set out a plan for delivery, within the agreed timescales, and how internal and external stakeholders will be managed.</li> <li>• Where necessary the team used external expertise and support to support in-house teams.</li> <li>• The key documentation produced by the project followed accepted industry good practice, and was made available to everyone engaged in the delivery of the new Sponsor.</li> <li>• The project developed a clear contract and commercial management approach for the new Sponsor (post-contract award) that was developed and agreed with LCHS Operations and TfL Marcomms.</li> </ul> <p>However, the audit did identify one Priority 1 issue relating to a need for clearer change control and documentation of decision-making.</p> <p>The audit also identified one Priority 2 issue relating to the need to plan and undertake a formal lessons learned exercise for the project.</p>
IA_14_115	Director of Commercial	Accommodation Strategy	10/03/2015 WC	To review the implementation of the Strategy and determine the extent to which value for money in implementing the strategy is achieved	31/08/2015	<p>The Strategy is appropriate to TfL, and is being implemented by Projects and Accommodation (P&amp;A), with input from the TfL business areas, in a satisfactory manner. We noted a number of areas of good practice as follows:</p> <ul style="list-style-type: none"> <li>• The demand-planning process generally works well, with the business areas providing their current and forecast accommodation requirements over a 10-year period, which P&amp;A uses to develop the 10-Year Accommodation Demand Plan ('the Demand Plan').</li> <li>• Where instances of sudden accommodation demands by business areas occur, usually the result of unforeseen events, P&amp;A is able to respond effectively, and uses such cases as learning opportunities to introduce processes to prevent recurrences.</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> <li>• Disposals are undertaken in accordance with the strategic objective of consolidation into large hub buildings, with the majority of the disposals being buildings whose leases have expired or will expire at a future date.</li> <li>• In order to improve the property portfolio's efficiency, P&amp;A has introduced measures such as Neighbourhood Working, a desk-sharing scheme, in some head office buildings.</li> <li>• To determine the performance of aspects of the TfL property portfolio relative to similar external organisations, TfL takes part in an annual benchmarking exercise, run by an independent external company, Investment Property Databank Limited. The latest report indicates that in respect of a number of key indicators (Total Property Cost per Workstation, Total Property Cost per square metre, Operation Cost per square metre) TfL's costs were favourable, being below the benchmark.</li> <li>• There is an effective process for monitoring of savings achieved against target</li> <li>• There is an appropriate governance regime in place.</li> </ul> <p>The audit did not identify any Priority 1 issues. One Priority 2 issue was identified relating to a failure by one area of the business, on a number of occasions, to provide P&amp;A with quarterly returns detailing any current or forecast changes to their accommodation requirements. However, this issue did not indicate any weakness in the strategy-implementation processes.</p>
<b>Financial and Governance Controls</b>						
IA 14 124	Chief Finance Officer	Supplier Bank Accounts	18/12/2014 RI	To provide assurance over the amendments to and general maintenance of Supplier Bank Accounts (SBAs)	21/07/2015	<p>A number of the recommended actions to address control weaknesses highlighted in an Internal Audit memorandum dated 13 August 2014 are still to be implemented, in particular those relating to the updating of the procedure.</p> <p>However management have initiated, the following positive actions:</p> <ul style="list-style-type: none"> <li>• Implementation of a new control whereby SAP/Oracle reports of changes to SBA details are compared to the log every quarter.</li> <li>• An automated system for SAP is currently being tested, which</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>will automatically generate an email to send to suppliers, notifying them of the 12 week freeze period.</p> <p>The audit identified three Priority 1 and three Priority 2 issues.</p> <p>The Priority 1 issues are:</p> <ul style="list-style-type: none"> <li>The procedure does not reflect current processes. In particular there is no reference to the list of exemptions that can be applied to the 12 week freeze period. Where this is not clear, SBA change requests could be incorrectly processed.</li> <li>Exemptions to the 12 week freeze period are allowable in extenuating circumstances, however they are not always being appropriately authorised by management.</li> <li>The Data Control Bank Details Log is not currently fully effective, with duplicates being recorded and some changes due for processing being missed.</li> </ul>
IA_14_128	Chief Finance Officer	TfL Scorecards	30/01/2015 RI	To review the process and controls over scorecards and indicators and to provide assurance on their accuracy and integrity.	30/04/2016	<p>Our audit covered all of the scope areas, and any not mentioned specifically in the report were found to be operating effectively.</p> <p>We reviewed the TfL scorecard for 2013/14 and a sample of individual scorecards and measures.</p> <p>We noted good practice in R&amp;U and ST who have developed comprehensive and detailed processes for the production and completion of scorecards.</p> <p>All business area scorecards include a broad range of measures aligned to their key business objectives, TfL priorities and Mayoral directives. All scorecards are presented using a standard template. Individual measures are scored using an appropriate measurement in line with the methodology prepared by a subject matter expert. A standard template for recording methodologies is available.</p> <p>Our audit identified one Priority 1 issue relating to inadequate processes for verifying the source data. We also identified one Priority 2 issue and one Priority 3 issue.</p>
IA_14_123	Chief Finance Officer	Accounts Receivable	26/01/2015 AC	To provide assurance on the effectiveness of financial controls over non-fares revenue accounts receivable.	31/03/2015	<p>We identified the following examples of good practice:</p> <ul style="list-style-type: none"> <li>Policies and procedures are well documented. The Credit Policy and the TfL Write Off Policy are comprehensive, yet concisely written. They are reviewed by the Finance Relationship Managers and Group Financial Accounting, published on Source and supported by detailed Work Instructions.</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> <li>The Team Leaders and the majority of the team members responsible for raising invoices and receiving cash are very experienced and ensure a coordinated and consistent approach.</li> <li>The period end management reporting, including both the internal performance monitoring and the analysis reports prepared for the business areas, is well designed.</li> <li>Accounts Receivable raises invoices based on business area requests efficiently and with minimal delay.</li> <li>Monitoring of payments and overdue debt is thorough and proactive.</li> </ul> <p>The audit did not identify any Priority 1 issues, but two Priority 2 issues and five Priority 3 issues were raised. The first Priority 2 issue relates to access to SAP accounts receivable roles and transactions being wider than desirable for maintaining effective control, including segregation of duties. The second addresses the need for improvement in the credit risk assessment process for new customers, and ongoing monitoring of credit risk.</p>
<b>Customer Experience, Marketing and Communications</b>						
<b>Major Incident - Ticketing Systems Failure</b>						
IA_14_425	Director of Customer Experience	Contactless Ticketing	12/03/2015 RI	To review the effectiveness and efficiency of the controls surrounding the Contactless Ticketing back office systems developed by TfL to provide independent assurance that the confidentiality, availability, integrity, and reliability of the data is maintained within these systems.	28/09/2015	<p>We noted the following good practices:</p> <ul style="list-style-type: none"> <li>In July 2013 TfL Customer Experience went through an Intellectual Property Rights (IPR) review, using PA Consulting Group, of the existing documentation held on the Contactless Ticketing systems to assess the available documentation against an ideal set of documents that would be expected to exist for these types of system. The review concluded that the documents provided reasonable coverage of the specification, design, installation, operation and maintenance, with a number of gaps around the interface documents, and gave an overall medium level of confidence. Subsequent to this review, TfL Customer Experience has revised a number of documents related to supporting the software and understanding the interfaces with third party systems.</li> <li>Cubic has well-established operational and incident management procedures covering the Contactless Ticketing production environment to monitor services and manage incidents ensuring that Contactless Ticketing services are available in line with business requirements; and</li> <li>Change management procedures have been defined and closely follow ITIL practices. The Change and Release Manager is actively involved in ensuring that changes in the Contactless Ticketing</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>production environment are adequately controlled by reviewing change requests and attending the weekly TfL and Cubic Change Advisory Board (CAB) meetings.</p> <p>However, we also identified the following priority 1 issues:</p> <ul style="list-style-type: none"> <li>The duties relating to implementation of changes to the back office systems have not been adequately segregated and, as a result, there is a risk of unauthorised or unintentional modification of the back office systems.</li> <li>We identified eight leavers who still had access to the Contactless Ticketing back office systems. A process to review user access rights has not been introduced.</li> </ul> <p>This audit also identified one priority 2 and one priority 3 issue.</p>
<b>Risk of an Information or Cyber Security Incident on Key Services that Support Business and/or Network Operations</b>						
IA_14_424	Marketing Director	Security of TfL Websites	19/01/2015	To provide assurance that the TfL websites incorporated appropriate controls and that related data was secured in accordance with the relevant legislation and commercial requirements.	30/09/2015	<p>The following good practice was identified:</p> <ul style="list-style-type: none"> <li>TfL Online has contracted NCC to provide a managed service for security testing. The managed service is designed to cover all websites under TfL ownership, including those hosted by third parties both within and outside the main TfL domain (ie <a href="http://www.tfl.gov.uk">www.tfl.gov.uk</a>). The frequency and type of testing is dictated by the risk profile of the website.</li> <li>TfL Online has developed the TfL Online Digital toolkit, a range of standards and guidelines for use by staff and suppliers and anyone involved in the creation of websites for TfL. This toolkit covers standards relating to aspects of website commissioning, design, build, testing and launch. The standards relating to legal requirements have been developed in collaboration with Information Governance and the Legal team; and</li> <li>There is good governance around the change management process that includes the Change Approvals Board, Technical Design Authority and Project Board.</li> </ul> <p>During the audit we identified the following Priority 1 issue:</p> <ul style="list-style-type: none"> <li>While TfL Online has effective arrangements in place for vulnerabilities management under the NCC managed service, it does</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						not have the mandate to impose a consistent approach or standards across all TfL websites. Three Priority 2 issues were also noted.
<b>London Transport Museum</b>						
IA_14_143	Museum Director	LTM Fixed Assets	16/01/2015 RI	To determine the effectiveness and adequacy of controls over the LTM's fixed assets.	30/06/2015	One Priority 1 issue was identified, together with one Priority 2 issue and three Priority 3 issues. The Priority 1 issue relates to the procedures for the capitalisation of assets: <ul style="list-style-type: none"> <li>Work in progress (WIP) has not been capitalised in a timely manner in accordance with standards and is not adequately authorised.</li> <li>Significant items of repairs and maintenance have been incorrectly capitalised.</li> </ul> This has resulted in potentially misleading financial statements and inaccurate management information.
<b>One HR</b>						
<b>Security</b>						
IA_14_426	HR Director	Pre Employment Screening (PES) of Non-Permanent Labour	03/03/2015 RI	To review arrangements within TfL for PES activities for NPL.	29/06/2015	The audit noted the following areas of good practice: <ul style="list-style-type: none"> <li>Roles and responsibilities have been defined and assigned. All service providers reviewed have sufficient resources to deliver the PES service for NPL. The PES checks are an integral part of TfL policy, practices and procedures for the recruitment of NPL. The risk associated with personnel security for TfL's positions has been assessed and details can be found in the employment screening matrix guidance and in the Hiring Manager's toolkit.</li> <li>The service providers reviewed have adequate trained personal, tools and reference guidance material available to undertake PES checks. Two of the service providers had attended briefings provided by TfL's Internal Audit Fraud and Security team.</li> <li>Service providers were able to demonstrate compliance with the Data Protection Act. Random checks of a sample of NPL files</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>confirmed that PES checks were being carried out to TfL's requirements.</p> <p>The audit did not identify any Priority 1 issues but did identify three Priority 2 and one Priority 3 issues.</p> <p>The Priority 2 issues were as follows:</p> <ul style="list-style-type: none"> <li>• There is no evidence that HR Recruitment regularly monitors the service providers' performance against the agreed KPIs.</li> <li>• NPL providers reviewed did not have clear parameters regarding time frames for completing PES checks.</li> <li>• Some NPL mainly in operational roles, do not require one to one interviews with the assignment manager and are appointed based on their technical capabilities. Therefore they are not seen face to face.</li> </ul>
<b>Crossrail</b>						
IA 14 511	Crossrail	Tunnelling and Underground Construction Academy (TUCA)	09/12/2014 AC	To assess the effectiveness of arrangements and controls in place to manage the Tunnelling and Underground Construction Academy (TUCA).	30/04/2015	<p>A previous audit of TUCA which was carried out in November 2013 identified issues relating to the management and running of TUCA by National Construction College (NCC). Following this audit a number of actions have been taken to improve the management and performance of TUCA, which have included:</p> <ul style="list-style-type: none"> <li>• Development of a TUCA Strategic Marketing Action Plan which has led to an increase in customer-base and numbers attending courses.</li> <li>• Variations to the contract with NCC to improve business development and performance being formally agreed with Construction Industry Training Board (CITB).</li> <li>• Course certificates now being issued at TUCA and more resources allocated by NCC to issue safety cards on a timely basis.</li> <li>• A TUCA Contract Management Manual has been compiled which sets out the contractual obligations of NCC in the delivery of service</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>and data to Crossrail.</p> <ul style="list-style-type: none"> <li>TUCA Contract Review meetings with NCC are chaired by the Talent &amp; Resources Director.</li> </ul> <p>Work is now in progress to review TUCA documents and transfer them onto eB, a newly-created share point site or the Agreement Management System (AMS) as required. This forms part of the preparations for transition.</p> <p>Work has started to secure TUCA's long term future by exploring alternative models of ownership, governance and operation. A paper has been submitted to the Executive and Investment Committee setting out the potential options for TUCA, and proposed criteria against which they will be evaluated. However, it is a challenge to obtain complete and consistent quality financial information and KPI data from the NCC. The challenge has become more difficult with the organisational restructuring going on at CITB/NCC. This has led to key staff leaving. For example, the NCC Finance Director has recently left the organisation.</p> <p>This audit did not identify any Priority 1 issues, but did identify two Priority 2 and one Priority 3 issues.</p>
IA 14 528	Crossrail	Fraud Assurance Work on Duplicate Invoices, Charging and Vendors.	16/12/2014 AC/ACL	To provide assurance against the risk of overpayments through error or fraud as a result of duplicate invoicing, duplicate charging or the duplication of vendor details.	N/A	<p>The review found no evidence of fraud and no control weaknesses that would enable fraud to be committed.</p> <p>Initial analysis identified three sets of transactions that appeared to be duplicates but closer inspection showed that on each occasion either a reversal had been made or a payment line blocked to prevent any duplication of payment. SAP has a standard inbuilt report RFBNUM10 that identifies duplicate payments. It is recommended that this report be run quarterly to verify no duplicate payments have been made in error.</p> <p>The fraud assurance review did not identify any Priority 1 or Priority 2 issues. One Priority 3 issue was identified regarding gaps found in sequential invoice document numbers.</p>
IA 14 525	Crossrail	Fujitsu Contract Governance	19/12/2014 AC	To assess the effectiveness of the contract governance arrangements that have been implemented by Crossrail on the	31/07/2015	<p>The following are examples of good practice identified during the audit:</p> <ul style="list-style-type: none"> <li>Contract management responsibilities within Crossrail and Fujitsu are clearly established. Commercial risks, issues, and contractual performance are reported and governed through the established SMB</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
				Fujitsu contract.		<p>and VMB boards, with senior management level representation from Crossrail and Fujitsu.</p> <ul style="list-style-type: none"> <li>• Crossrail has successfully undertaken major commercial activities such as settling contractual disputes, enforcing service credits for underperformance, and driving efficiencies in service delivery processes. Crossrail has sought the help of external consultants and taken advice from relevant contacts in Crossrail Procurement and TfL Commercial.</li> <li>• Crossrail achieved reduction in the annual Fujitsu contract costs in 2013 -14 and 2014-15, through termination of certain services and the renegotiation of licenses and maintenance contracts.</li> <li>• Exit plans are in place and a migration strategy for transferring specific IT services covered under the contract is being established.</li> </ul> <p>The audit did not identify any Priority 1 issues but noted one priority 2 issue.</p> <p>Crossrail may be unable to challenge potential over-charges because insufficient detail is provided by Fujitsu to support the invoiced amounts and service credits.</p> <p>Four Priority 3 issues were also identified.</p>
IA_14_508	Crossrail	Fixed Assets	06/03/2015 AC	To provide assurance on the effectiveness and adequacy of controls over Crossrail's fixed assets	30/06/2015	<p>There are procedures covering corporate asset accounting and disposal of fixed assets. These are supported by more detailed SAP user guides.</p> <p>The Finance team is responsible for managing fixed assets. It maintains the fixed asset register which is reviewed on a periodic basis and reconciled to the general ledger. The processes for reviewing assets and updating the fixed asset register are automated and robust. High level review of the fixed asset register is undertaken by the Finance Director and Finance Operations Director as part of the period end financial review which is submitted to TfL.</p> <p>Fixed assets, excluding Assets Under Construction, are reviewed and verified at the year end for impairment. Any resulting changes in value of assets are updated in the fixed asset register.</p> <p>Temporary assets are reviewed as part of contractors' 'Defined Cost' and are the responsibility of the Project Managers.</p>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						This audit did not identify any Priority 1 issues. The audit identified two Priority 2 issues, in relation to classification of AUC and fixed asset procedures and guidance, and one Priority 3 issue.
IA_14_526	Crossrail	Mobile Computing and Accessibility in Crossrail	23/03/2015 AC	To provide assurance that the security of mobile devices used by Crossrail is adequately maintained, ensuring the confidentiality, availability and integrity of the affected information.	31/07/2015	<p>The following areas of good practice were noted in relation to mobile device usage within Crossrail:</p> <ul style="list-style-type: none"> <li>• Policies, standards and guidelines are in place, relating to protection of information carried over and used on mobile devices and other corporate systems.</li> <li>• There is a robust process in place to ensure that only users who have been granted authorisation by their respective senior management team are issued with mobile devices. Mobile devices can only be used on the IT estate once they have been recorded and identified within the mobile device management system (MDM).</li> <li>• The MDM system is used to grant and control access into the corporate email system. The MDM system has capabilities to remotely wipe information from devices once they are reported as lost or stolen. Devices are wiped clean of data on return and before being reissued to a new user.</li> </ul> <p>Currently, a very limited 'proof of concept' (PoC) is being undertaken on 'Bring Your Own Device' (BYOD) to allow users to be able to use personal devices to access corporate systems. The PoC is at a very early stage of development and it is anticipated that if appropriate security controls can be developed and enabled then a wider roll out will be undertaken. Specific timescales for this are unavailable as this is dependent on the PoC.</p> <p>One priority 3 issue was identified.</p>
IA_14_527F	Crossrail	Security Audit on Contract 610	23/03/2015 WC/ACL	To provide assurance that security arrangements for Contract 610 are sufficient to mitigate the known security risks.	N/A	<p>The audit found that effective controls are in place across all scope areas, including the following.</p> <ul style="list-style-type: none"> <li>• Effective risk management arrangements are in place, with security risks documented and implemented according to the C610 Project Security Manual. The Manual has been updated following changes in the project and has been reviewed and accepted by Crossrail Security Manager. Security is an integral part of the project and is regularly reviewed at the Construction Team Meetings. The Crossrail Security Team has a risk-based</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>programme of Security Surveillance which includes regular visits to C610 sites.</p> <ul style="list-style-type: none"> <li>• The contractor, ATC, has security policies and procedures applicable to the site and a clear security organisational structure with assigned roles and responsibilities.</li> <li>• ATC has appointed Servest Security, a specialist security contractor. The security guards observed and interviewed were knowledgeable and acted professionally.</li> <li>• The ATC Incident Management Plan clearly describes the roles and responsibilities and arrangements in place for dealing with incidents. All security incidents are reported using the Electronic Incident Management System (RIVO) and Crossrail Public Helpdesk.</li> <li>• Effective site access controls are in place.</li> <li>• The sites visited were at the setting-up phase of the project and were found to have adequately physical security for the current level of activity. Ultimately, the project will have multiple access points to control and manage both personnel and movement of trains. This will require enhanced security controls.</li> <li>• Appropriate arrangements for pre-employment screening are in place. All security officers employed hold current Security Industry Authority (SIA) licences. All personnel attend a mandatory site specific induction which has sufficient security awareness input.</li> </ul> <p>No issues were identified, and the audit is closed.</p>

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Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
<b>Rail and Underground</b>					
IA_14_825	Commercial Centre of Excellence (CCoE) - Procurement Operations Team (POT) – Applications Function (Consultancy)	22/01/2015	<b>Consultancy Report</b>	To assist the Procurement Operations Team (Applications function) in improving the consistency of outputs by facilitating the identification of problem areas, root causes and proposed solutions within the end-to-end process	<p>The Applications function team within Commercial Procurement processes documentation and communications from the relevant parties (eg Commercial Leads, Clients, Suppliers) throughout the procurement stages from 'client requirements' to 'contract award'.</p> <p>Due to reported problems within the Applications process Internal Audit were requested to help identify the underlying issues using assurance principles and achieve process improvements in conjunction with the Commercial teams. This was achieved by applying process improvement methodologies including Six Sigma.</p> <p>The root causes were identified and an action plan produced to implement the actions and ultimately an agreed modified clearly-defined process (including cross-team roles and responsibilities) ready for publication within the TfL Management System for compliance, consistency and continuous improvements.</p> <p>The revised process is more efficient, and should increase confidence of stakeholders in managing Calls for Tender by the Applications team.</p>
IA_14_615	Operation of Rail & Underground Programme Boards	10/02/2015	<b>Memo</b>	The audit objective was to review the operation of the R&U Programme Boards to identify best practice, lessons learned and continuous improvement.	<p>Overall, the recommendations and actions from the April 2014 programme board review have been implemented and improvements have been achieved. Interviews with a sample of board members, chairs and secretaries demonstrated that programme boards are valued and have a key role in directing the successful delivery of R&amp;U programmes.</p> <p>A number of further areas for improvement have been identified; primarily regarding greater consistency of RUB member attendance across the various boards, while also reducing the presence of extraneous non-members. Additional benefits may be gained from revising risk reporting templates, establishing a forum for sharing best practice and driving collaborative board member behaviour.</p> <p>A number of recommendations have been made and these have been accepted by management. The agreed management actions will be followed up as they fall due and a final audit memorandum will be issued by 30 June 2015 to ensure the management actions have been implemented and are operating effectively.</p>
<b>Surface Transport</b>					
IA_14_617	Surface Transport Investment Programme	10/12/2014	<b>Memo</b>	To review how the identified action owners in the 2013 Investment Programme Deliverability Review report have responded to the recommendations,	We are satisfied that Surface Transport has made good progress in completing the recommendations made in the original report, and that work is progressing

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Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
	Deliverability Review			and what actions have been undertaken to address them.	<p>on the partially complete recommendations.</p> <p>Since completion of the fieldwork and following feedback on the findings from Internal Audit, Surface Transport Board on 2 December 2014 discussed the status of the recommendations highlighted in this memorandum. With regards to the recommendation that has not yet been started, Surface Transport Board has recognised the importance and need for a Surface-wide Land Acquisition Plan and has assigned responsibility to the Director of Projects and Programmes to resolve.</p>
IA_14_636	Procurement of the Bus Shelters and Stops Contract	17/02/2015	<b>Memo</b>	To review, on a real-time basis the effectiveness of controls over the procurement of the Stops and Shelters contracts.	<p>Each of the scope items reviewed during this phase of the audit was found to be adequately managed.</p> <p>Overall, we are satisfied that the risks and controls in procuring the Stops and Shelters contracts are being managed appropriately at this stage and we have not identified any issues. We will continue with this real-time audit with the review of the BAFO and Contract Mobilisation phases of the contracts. Further memoranda will be issued at appropriate times during the programme.</p>
IA_14_150	Surface Transport Recruitment Campaign	25/02/2015	<b>Memo</b>	The objective of the audit was to review the adequacy and effectiveness of the process and controls over the Surface Transport Projects and Programmes Directorate recruitment exercise carried out since January 2014.	<p>Weaknesses in planning at the beginning of the recruitment campaign led to roles and responsibilities not being fully understood. This is a root cause of several of the other issues identified.</p> <p>There is a need for better engagement between ST HR, HR Recruitment and the business at a senior level both at the planning stage and during the campaign. Lessons need to be learnt to improve the ongoing management of issues arising during recruitment exercises of this nature.</p> <p>The use of agencies needs to be better managed to ensure that value for money is achieved and effective communication is maintained in order to achieve the desired results.</p> <p>The issues identified will be taken into consideration during the audit of the full TfL permanent recruitment process, due to be carried out in 2015/16.</p>
<b>Finance</b>					
IA_14_149	Procurement Authority and Associated Controls	18/12/2014	<b>Consultancy Report</b>	To review the process and control arrangements for granting and monitoring Procurement Authority (PA).	There are two separate approaches to managing expenditure against PA in use in TfL, through the use of Outline Agreements or through use of a single purchase order for the full value of the contract against which invoices are

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Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
				<p>This was the second stage of an audit following earlier specific work relating to non-compliance with TfL Standing Orders.</p>	<p>charged.</p> <p>On the whole, there is monitoring of expenditure incurred under contracts against PA, in order to ensure that the PA is not exceeded. Where it becomes clear that it will be insufficient, additional PA is obtained. However, we found that monitoring is not consistently done, mainly as a result of a lack of clarity over responsibilities between Commercial Services and the business areas it supports.</p> <p>Testing did not identify any contracts whose expenditure had exceeded its PA. However, a separate ongoing review of IM contracts has identified some. It is important to note that these breaches of PA do not suggest any breach of Financial Authority, and individual items of spend were still required to go through appropriate approvals on SAP. We have seen nothing to suggest any increase in fraud risk as a result of these breaches of PA.</p> <p>The review identified four Priority 1 issues as follows:</p> <ul style="list-style-type: none"> <li>• The SAP facilities for identifying contracts' expenditure and monitoring this against PA are not always used.</li> <li>• In some cases where Outline Agreements (OAs) are used, the correct procedure is not followed, thereby limiting their effectiveness in monitoring PA. Also, SAP has been configured in a manner that limits the effectiveness of OAs.</li> <li>• Monitoring of expenditure against PA does not happen in some cases, mainly as a result of a lack of clarity on whose responsibility it is.</li> <li>• The Standing Orders were breached in a number of contracts, by failure to obtain PA for qualifying transactions, and officers inadvertently granting PA above the limits imposed by the Standing Orders.</li> </ul>
IA_14_626	Management of the tender for the new London Cycle Hire Scheme Sponsor (Phase 2)	22/01/2015	<b>Memo</b>	<p>To provide assurance that the tender for the new Cycle Hire Scheme sponsor is being developed and governed in a controlled manner and likely to provide optimum benefit to TfL.</p>	<p>This audit has been carried out on a real time basis. We did not identify any issues up to the end of the Best and Final Offer Stage and the process was well managed.</p> <p>Subsequently, a decision was taken to introduce an additional "Last and Final Offer" phase into the tender process. It is recognised that this additional phase creates an opportunity to increase the financial value of the preferred bid. However, it also gives rise to some additional risks to TfL, including the following:</p> <ul style="list-style-type: none"> <li>• There is an increased risk of challenge to the bidding process from the unsuccessful bidders.</li> <li>• The delay this brings to the process could lead to bidders deciding to</li> </ul>

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					<p>withdraw from the process.</p> <p>The rationale for the decision to introduce this additional phase should be clearly documented.</p>
IA_14_415	Transforming IM Programme Real-Time Audit	27/02/2015	<b>Memo</b>	The objective of this audit was to provide assurance on the effectiveness of the programme of work, approach and processes involved in defining and implementing the IM sourcing strategy and delivery of the TIM objectives.	<p>We found that the management and realisation of the Transforming IM Programme benefits could be improved by defining the baselines and targets to track the benefits for each measure, defining the owners of the strategic and financial benefits and ensuring that financial benefits are measured against agreed start dates.</p> <p>The IM Business Partners have not been involved in the stakeholder engagement plan or in reviewing this document for the Transforming IM Programme. Even though this is not required by Pathway methodology, the effectiveness of the engagement plan might benefit from the knowledge of business partners.</p> <p>Following a revision of the business case and the scope for the Transforming IM Programme in January 2015, a new Programme Manager has been assigned who will define the projects' structure based on the latest versions of the business case and the PEP. The TIM risk register includes risks related to 'resourcing' and 'losing key staff with delivery momentum lost, leading to slippage'.</p>
IA_14_417	Standardisation of Third Party Access to SAP	10/02/2015	<b>Memo</b>	The objective of this real time audit was to provide assurance on the design and effectiveness of the controls that were being implemented to manage third party access to SAP.	<p>We supported the SAP Data Management and SAP Security &amp; Authorisations teams in the improvement of the process of managing third party access to SAP. We believe that the documents that have been produced and the process that has been designed provide an adequate control environment for the management of third party access to SAP. Suggestions that have been given during the assignment have been addressed on a timely basis.</p> <p>The following activities are still outstanding: Communication of the new process, once the documents have been formally approved; and Amendment of existing SAP records.</p> <p>We have agreed with the SAP DMT team leader that they will be responsible for the completion of all the activities above by 31 March 2015.</p>
IA_14_637	Engagement with Earls Court property advisors	10/03/2015	<b>Memo</b>	<p>Following a management request, this audit provides assurance over the appointment of the Earls Court property advisors and the review and scrutiny of their work by TfL management.</p> <p>The audit focussed on the procurement process for selecting and appointing property advisors for the Earls Court project, and TfL's management of this contract, including the scrutiny and challenge</p>	<p>The procurement of development consultants to advise on the Earls Court project appears to have been in line with TfL procedures. While the documentation is incomplete, an existing framework of providers was used as the basis for the procurement and there is some evidence of a systematic evaluation and selection process.</p> <p>C&amp;W provided advice to the TfL Earls Court project team over the five years taken to agree the joint venture structure and heads of terms with Capco. During this time, they worked with experienced TfL senior managers and other</p>

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Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
				<p>of the resulting property valuations.</p> <p>The audit did not review or comment upon the validity of the assumptions, or methods used to determine the ownership stakes in the joint venture company.</p>	<p>external advisors to review in detail the financial model, inputs and assumptions used as the basis of negotiations with Capco.</p> <p>There is no documentary evidence to illustrate this process and therefore we cannot conclude on the effectiveness of TfL management's scrutiny and challenge of C&amp;W's advice. Conversely, we have seen nothing that would suggest that TfL's management of the engagement was inadequate or that they failed to obtain appropriate advice to enable them to achieve a fair and equitable outcome for TfL.</p> <p>In addition, since the formation of the Earls Court Partnership, TfL has established a Commercial Development Advisory Group, to provide independent assurance and advice in relation to the commercial development programme. Going forward, the strategies, plans and delivery of TfL's property partnerships will be subject to additional scrutiny by external industry experts.</p>
IA_14_418	End User Computing	27/03/2015	<b>Memo</b>	The objective of this real time audit was to provide assurance that security of mobile devices is considered as part of the overall Mobile Technology Programme to ensure that the confidentiality, availability and integrity of information is maintained.	<p>We identified the following findings:</p> <p>As of the date of this memo, there is no overall framework that underpins the security requirements for the deployment and use of mobile technology within TfL. Whilst the Information Security Controls Framework (ISCF) document sets out the security requirements and standards for IM, the ISCF makes only high level references to mobile technology.</p> <p>The EUC Mobile Technology Strategy makes reference to the need for policies to be developed to guide the use of mobile services so that TfL's data and information security needs can be met. Currently a number of documents have been drafted detailing security principles with regards to mobile use, but these have not been published and are therefore not operational and available to all TfL staff.</p>
<b>Customer Experience, Marketing and Communications/London Transport Museum</b>					
IA_14_131	Preparation for the 2016 Mayoral Election	16/01/2015	<b>Memo</b>	The objective of the audit was to assess the adequacy of TfL's preparations for the 2016 mayoral election.	We are satisfied with the programme of activities planned for the 2016 mayoral election, as well as the proposed governance structure. The process has started early enough, which gives those involved ample time to plan effectively.
IA_13_104F	Contact Centre Operations Temporary Agency Staff Payments	23/02/2015	<b>Memo</b>	In 2013 Internal Audit was requested to work with management as part of the development process of the Contact Centre Operations Temporary Agency Staff Payments system in order to provide assurance that there was effective control over payments, and that the system was working effectively. We have conducted a number of reviews and participated in project meetings to discuss modifications to the system. The findings from our initial review were reported in a	<p>Since we carried out our original audit work in 2013 there have been significant changes including the new NPL contract with Hays, new legal judgments and requirements, and the future development and introduction of a new dot net based system. The limited remaining time of the present applications, may mean further modifications to address some actions are not cost effective.</p> <p>Of the original nineteen actions, eleven have now been satisfactorily addressed, six partially addressed and two not addressed. A new system is being introduced and once it has been developed and implemented we will carry out a fresh review to ensure it is operating effectively and efficiently. This</p>

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Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
				<p>memorandum issued on 24 October 2013 and resulted in 19 agreed management actions to address eight issues.</p> <p>We carried out a first follow up review of the status of the agreed management actions and issued an audit memorandum on 29 April 2014. We have now conducted a second follow up review to determine whether outstanding actions have been implemented.</p>	will take place during 2015/16.
<b>Crossrail</b>					
IA_14_502	Resource Management and Organisational Change	22/01/2015	<b>Memo</b>	The objective of this review was to provide assurance on the effectiveness of planning for implementing the proposed new organisational structure.	<p>The strategy and planning undertaken for implementing the proposed new organisational structure from 1 April 2015 appears to be effective.</p> <p>We recommended that a post implementation review is carried out by the Executive Committee, because there are likely to be further changes to the organisational structure as the Project progresses. This would provide feedback on the effectiveness of the organisational change implementation and any lessons learned could be applied to further proposed changes.</p>
IA_14_506	Fraud Prevention, deterrence and detection work undertaken during 2014/15	31/03/2015	<b>Memo</b>	The purpose of the memorandum was to summarise the work done by the Internal Audit Fraud Team (IAFT) at Crossrail during 2014/15.	<p>The work done is summarised under the following headings:</p> <ul style="list-style-type: none"> <li>• Activities of the Fraud Risk Assurance Group (FRAG);</li> <li>• Fraud risk communications, including: <ul style="list-style-type: none"> <li>– Fraud risk workshops;</li> <li>– Fraud awareness presentations to Tier 1 contractors;</li> <li>– Fraud awareness presentations at internal away days;</li> </ul> </li> <li>• Contractor finance officer fraud workshops;</li> <li>• Data analytics audit work; and</li> <li>• Fraud investigations.</li> </ul> <p>The use of FRAG to co-ordinate the fraud prevention effort is considered to be effective and value-adding. Working with Tier 1 contractors will help Crossrail manage the fraud risk collectively. The IAFT have developed a Crossrail fraud communications plan for 2015/16, and will continue to assist FRAG in the task of fraud prevention and investigation.</p>

<b>Finals</b>
WC= Well Controlled
AC= Adequately Controlled
RI= Requires Improvement
PC= Poorly Controlled

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
<b>Rail and Underground</b>				
<b>Disruption to quality of service</b>				
IA_14_742	Hayley Rail Limited	12/12/2014 RI	To provide assurance that Hayley Rail has implemented and is continuing to maintain an acceptable regime for the supply of maintenance replacement consumable fixing and fastening products for bogie repair and overhaul works, compliant with LU's contract objectives.	<p>Hayley Rail has established formal management system procedures and controls to ensure that fixing and fastening products to the correct specification and quality are procured, and that stock and customer supply are effectively managed. This includes adequate processes for in house quality and assurance management, customer liaison and the management of complaints, product return and the effective resolution of poor quality performance.</p> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>The systems for product purchase specification references, re-stocking order by the Hayley Group and customer supply order history were found to be effectively controlled by the IT based '5xe' business and stock management system</li> <li>The quality control of parts selection and 'kit tray' assembly was seen to be effectively controlled, including a visual assurance control check of all kit trays before being sealed and held in Hayley stock.</li> </ul> <p>One Priority 1 issue and one Priority 2 issue were noted:</p> <ul style="list-style-type: none"> <li>Changes to material or supporting information initiated within LU is not being communicated to Hayley Rail who are responsible for products supplied under the Vendor Managed Inventory (VMI) contract. LU needs to partner Hayley Rail in establishing an effective procedure to communicate change requirements and confirmation that change has been implemented.</li> <li>The employee training record summary sheets were last updated in March 2011.</li> </ul>
IA_14_769	Management System for the Overhaul of Central Line VRS Compressors	14/01/2015 RI	To provide assurance regarding the competence of the people involved with the compressor overhaul, the processes used for carrying out the overhaul work, and the quality of the completed overhauled compressor.	<p>Areas of Effective Control were:</p> <ul style="list-style-type: none"> <li>Three key areas of the audit: Receipt and Despatch, Inspection and Test, and Control of Non-Conformances were found to be effectively controlled.</li> </ul> <p>High Priority Issues:</p> <ul style="list-style-type: none"> <li>A Vernier Height gauge was found to be un-calibrated in the Goods Inwards Inspection department, and it was not</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<p>marked as such or segregated from use.</p> <ul style="list-style-type: none"> <li>• The specified condemning limit for the Crankshaft main bearing journal diameter is 44.80mm in the work instruction. This contradicts the condemning limit of 45.00mm, specified in the inspection report form.</li> <li>• The Piston diameter was measured using a Vernier Caliper, that could not measure accurately the dimensions specified in ten thousands of an inch or in micrometers.</li> <li>• The width of the ring grooves on the Piston was checked using a Go and No-Go gauge, but the result was recorded as an estimated measured value instead of Pass or Fail.</li> <li>• There is a discrepancy between the specified minimum resistance value of 100MΩ in the work instruction and the specified and used minimum value of 100Ω in the Inspection report for the Megger tested armature and field windings.</li> <li>• The specified compressor motor speed of 2050 rpm could not be achieved during the final test. The maximum speed achieved was 1700rpm</li> <li>• The training records reviewed during this audit showed that most of the staff in the motor shop have not been trained using the new work instruction (W7450).</li> </ul>
IA_13_859	Management of Rolling Stock Information	21/01/2015 RI	To establish whether Engineering Document Control, Change Control and Control of Records are carried out as specified in the relevant LU Standards, to ensure the correct documents and issue are always available at the point of use for maintenance work.	<p>The findings of the audit were:</p> <ul style="list-style-type: none"> <li>• The management of engineering document control, change control and control of records is more effective in some of the depots than others.</li> <li>• There was no Configuration Management System and Illustrated Parts List for the 09TS, at Northumberland Park Depot. There was no Change to Rolling Stock (CRS) that authorised the modification to the Negative Shoe gear Drop Lead Bracket.</li> <li>• There was no documented Configuration Management System for the 96 TS, at Stratford Market Depot. The Hardware and Software for configured items on the train and in the spare parts store did not match the electronically listed version.</li> <li>• There was no documented Procedure on how modified 96TS, components should be managed and controlled to avoid the mix up of modified and unmodified components in the spare parts store and on the train.</li> <li>• Red Line drawings are still being used for maintenance work on the 96 TS, with no time limit to when the drawing will be updated to capture the changes.</li> <li>• There was no CRS that authorised the change in material for the Trailing End on the 72 TS at Railway Engineering Work (REW).</li> <li>• There was no evidence of regular update of the Process Instructions for the 09TS. There was also no evidence of a programme for regular reviews of the Process Instructions for the 96TS. However, the Process Instructions are currently being reviewed and updated by the system and standard team.</li> <li>• There was no evidence to indicate how often the Illustrated Parts List for 96 TS is reviewed and updated.</li> </ul>
IA_14_775	Track Drainage Inspection and Maintenance	02/02/2015 RI	To examine the civil engineering track drainage processes, ensure that appropriate	Evidence was available that inspection and maintenance is being undertaken and recorded. There are significant issues that need addressing regarding reporting and records and further opportunities for improvement.

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
			inspection and maintenance regimes are produced and implemented across LU in accordance with the Management System requirements, Standards, Technical Specifications and Procedures.	<p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• The maintenance schedules are produced in consultation with stakeholders and are informed by previous inspection results and known condition of the assets</li> <li>• The various elements of the maintenance schedule are being delivered</li> <li>• Corrective maintenance is undertaken in response to identified defects</li> <li>• The competencies of staff and contractors is defined and evidence of competence seen</li> </ul> <p>Priority 1 Issues</p> <ul style="list-style-type: none"> <li>• There were some gaps in the required information to be recorded as part of the Asset Condition Assessment (ACA). The annual Asset Condition Report (ACR) was not produced by BCV/SSL or JNP for 2013/14. The necessary information is being compiled to enable this to happen for 2014/15.</li> <li>• Whilst evidence was seen that inspection and maintenance activities are being undertaken, this information is not being included in the corporate Asset Registers. Information is generally kept in local excel spreadsheets</li> <li>• The required use of CCTV assessment for pipework and drainage channels had not been happening in BCV/SSL until recently. The backlog will take some time to be corrected. Other surveys and inspections of the assets are undertaken</li> <li>• There is no formalised maintenance strategy in place for gravity drainage system assets to ensure the maintenance schedule for this asset remains risk based</li> </ul> <p>Priority 2 issues</p> <ul style="list-style-type: none"> <li>• Those undertaking competency assessments are not formally qualified A1 vocational skills assessors. They do have the necessary skills, knowledge and experience but need to attend an NVQ 4 day course to validate this.</li> <li>• The process for re-scheduling or carrying over non-completed activities would benefit from formalising</li> </ul>
IA_14_766	BCV Track Maintenance	03/03/2015 RI	To assess compliance with LU Category 1 standards in relation to a sample of track inspections, maintenance and management activities.	<p>Good Practice</p> <p>The management of corrugation of the rail head is performed well by Central Line tube section through use and review of the electronic trace.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• Locations and types of switches and cast crossings were known and documented</li> <li>• The recalibration of switch inspection gauges is adequately managed</li> <li>• Adequate arrangements were in place to operate and manage the inspection programme</li> <li>• Rail joint inspections were being managed effectively</li> </ul> <p>Priority 1 Issues</p> <ul style="list-style-type: none"> <li>• On the Bakerloo &amp; Victoria lines arrangements have not been implemented to ensure that those visually inspecting switches remain competent and hold a relevant competence certificate</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> <li>• Some faults are not being correctly categorised to Safety Standard level because two or more defects in one location are not being linked as required</li> </ul> <p>Priority 2 and 3 issues</p> <ul style="list-style-type: none"> <li>• Track Recording Vehicle results are received by the track management teams three to four weeks after they are obtained. This means there is a potential delay in addressing any issues. Data is received from the Automated Track Monitoring System together with track inspections.</li> <li>• Unique ID numbers for temporary rail clamps in use across the lines are not provided and the recording of locations and duration of use can be improved to ensure that this can be evidenced. The Central Line has produced a draft procedure to improve this</li> <li>• There is inconsistency regarding information received, used and acted upon to maintain track geometry. Commonality of approach could be developed on receiving and using reports, track quality charts and electronic tracing</li> </ul>
IA 14 720	Northern Line Maintenance Assurance	18/12/2014 AC	To determine the effectiveness of the assurance arrangements put in place by Alstom for Northern line maintenance.	<p>Northern line maintenance assurance arrangements were found to be effectively managed with the exception of the surveillance plan.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• Implementation of the Project Quality Plan detailing the maintenance assurance arrangements.</li> <li>• Ensuring the assurance arrangements are evidence based.</li> <li>• Maintenance of the asset register for new and existing assets.</li> <li>• Adherence to the maintenance schedule.</li> <li>• Completion of reactive maintenance.</li> <li>• Risk assessment of overdue or failed maintenance.</li> <li>• Monitoring of employees' competences.</li> <li>• Management of subcontractors.</li> </ul> <p>Priority 2 and 3 issues</p> <ul style="list-style-type: none"> <li>• Surveillance of door maintenance had not been completed since period six.</li> <li>• Surveillance of the Platform Train Interface (PTI) CCTV do not include the maintenance requirements.</li> <li>• The Project Quality Plan detailing the maintenance assurance arrangements has not been submitted to AP JNP for approval.</li> </ul>
IA_14_728	MJ Quinn Ltd Competence and resource Management	07/01/2015 AC	To provide assurance in relation to the provision of competent and sufficient resources to meet the maintenance requirements MJ Quinn provide to London Underground JNP with regards	<p>The following areas were found to be effectively controlled:</p> <ul style="list-style-type: none"> <li>• Management of works</li> <li>• Competence, training and awareness</li> <li>• Planning to meet timescales and requirements</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
			to Station Systems and Fire Assets.	<ul style="list-style-type: none"> <li>• Purchasing (resources)</li> <li>• Control of service provision</li> <li>• Control of monitoring and measuring devices</li> <li>• Measuring, analysis and improvement of performance</li> <li>• The management of tooling and plant</li> </ul> <p>Priority 2 and 3 issues</p> <ul style="list-style-type: none"> <li>• Records with regards to the holders of Grade 1 Fire Engineer certification were inconsistent between MJ Quinn and Asset Performance JNP.</li> <li>• The MJ Quinn procedure detailing the means and recording of an individual's proof of right to work in the UK lacked clarity and could be misinterpreted.</li> </ul>
IA_14_729	Supplier Assurance for lift design installation and maintenance services Accord Lift Services Limited	07/01/2015 WC	To provide TfL assurance that Accord Lift Services Limited has implemented and is maintaining a satisfactory quality management regime to support the delivery of its commercial services. That Accord can meet the requirement of lift installation projects and lift maintenance contract works.	<p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• Accord site maintenance operatives use a PDA (personal digital assistant) mini tablet computer to manage scheduled maintenance task allocation, access to technical details and task completed evidence and reporting; including access to site safety, method instruction and asset history.</li> <li>• Accord has implemented and is continuing to develop a comprehensive electronic business management system.</li> </ul> <p>Priority 3 issues</p> <ul style="list-style-type: none"> <li>• A contract price change document for Mornington Crescent had been signed 'PP' on behalf of the LU Contracts Engineer. The signature was not clear and the name did not include a printed version or date.</li> <li>• The Covent Garden lift replacement project design file stated that concessions were expected against Construction Design Management (CDM) and 95% design check requirements. No evidence was on file that these concessions had been granted or current status clarified.</li> </ul>
IA_14_719	Supplier Audit Quattro Plant Ltd	22/01/2015 WC	To provide TfL assurance that Quattro Rail has implemented and is continuing to maintain a satisfactory quality management regime to support the commercial leasing of road rail vehicles (RRVs) and the associated support services in accordance with TfL contract requirements.	<p>Good Practice</p> <ul style="list-style-type: none"> <li>• The high level maintenance instruction document included technical reference to the use of torque wrench and torque settings and is additional to maintenance obligations identified in standard RIS-1530-PLT.</li> </ul> <p>Areas of effective control</p> <ul style="list-style-type: none"> <li>• Quattro Rail was found to be working in compliance with a fully documented quality management system compliant with the requirements of ISO 9001:2008.</li> <li>• The management system included clear policy statements and compliance processes to ensure that employees working on railway infrastructure comply with mainline railway and TfL competences, licensing and alcohol and drug policies.</li> </ul>
IA_14_796	District Line Service Control, HSE Management	07/01/2015 AC	To assess compliance and effectiveness of critical elements of the TfL HSE Management System, LU Managers	<p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• Workplace Risk Assessments are being undertaken and reviewed as required</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
			Handbook, LU Rule Books and the effectiveness of local arrangements	<ul style="list-style-type: none"> <li>• Emergency plans are current and control measures for foreseeable emergencies are in place</li> <li>• Competence including safety critical licensing is managed and monitored to ensure staff meet licensing requirements</li> <li>• Safety System checks and Planned General Inspections (PGIs) are being completed to programme and action tracked to completion.</li> </ul> <p>Priority 2 and 3 issues</p> <ul style="list-style-type: none"> <li>• Employees identified as DSE users under the Display Screen Equipment Regulations have not been assessed since 2008/9. There is champion manager for this but they are yet to attend the relevant training course to administer the assessments through the TfL online system, Workstation Plus. Although relatively low risk this is a legislative non-compliance.</li> <li>• Signal operators' change of duties from the authorised shift plan is recorded via Mutual Changeover Forms ensuring an auditable trail and input into SAP. Service Controllers' change of duties is common and whilst these are controlled by the Service Manager and noted on the Duty Sheet they are not recorded on a Daily Variation Sheet as required by LU to ensure an auditable trail.</li> <li>• The latest Tier 1 minutes and current TfL HSE Policy were not displayed on health and safety notice boards as required</li> <li>• Fire Drills/ evacuations and debriefs are not being recorded on the designated form (F0047) for buildings not in LU stations</li> </ul>
IA_14_804	Service Control Local Training and Familiarisation	12/01/2015 WC	To assess the effectiveness of systems ensuring Service Control staff are familiar with line specific knowledge and procedures.	<p>The recommendations from the formal investigation carried out in 2013 following an incident were evidenced to have been completed and complied with.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• Familiarisation of infrequently used locations or assets is now being completed across all Service Control teams.</li> <li>• Local Continuous Development Programmes (CDPs) are either in place or due to commence in January 2015. The scenarios in place cover incidents that have occurred within the local areas and address the issues raised within the formal investigation.</li> <li>• Weekly radio communication monitoring is conducted across the lines to ensure correct protocol is followed.</li> </ul>
IA_14_795	Harrow on the Hill Group HSE Management	12/01/2015 AC	To assess compliance with critical elements of the TfL HSE Management System, LU Managers Handbook, LU Rule Books and the effectiveness of local arrangements.	<p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• Workplace and Customer Risk Assessments are being undertaken and reviewed as required.</li> <li>• Emergency plans are current and control measures for foreseeable emergencies are in place, including checks and measures to maximise security</li> <li>• Competence including safety critical licensing is managed and monitored to ensure staff meet licensing requirements</li> <li>• The management team is undertaking pro-active monitoring effectively via systems checks, Planned General Inspections, and station checks.</li> <li>• Incident trends are monitored and individual incidents investigated in line with corporate procedures</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<p>Priority 1 Issues</p> <ul style="list-style-type: none"> <li>Tenants are neither familiarised nor signing in as visitors with the Station Supervisor as required.</li> </ul> <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> <li>Only 52% of DSE assessments have been completed on the group.</li> <li>The H&amp;S notice boards were poorly maintained at both stations with a number of out of date documents including the TfL policy and Tier 1 minutes.</li> <li>There is out of date emergency equipment and first aid boxes are not maintained at Harrow on the Hill, although all checks are completed as required.</li> <li>Hazardous waste is collected from the stations. There is no process to keep waste transfer or consignment notices.</li> </ul>
IA_14_810	Principal Contractor's Duties in Station Works Improvement Programme	19/01/2015 AC	To examine the systems and processes in use for ensuring the systematic control of safety risks where the Stations Works Improvement Programme (SWIP) fulfils the role of Principal Contractor under the Construction (Design and Management) (CDM) Regulations.	<p>Legislative compliance was demonstrated as well as evidence of continual improvement through development of SWIP specific systems and processes.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>The selection of contractors ensures they are competent</li> <li>Contractors are provided with adequate induction, information and training</li> <li>Arrangements for communication and co-ordination are effective</li> <li>A Construction Phase Plan is produced for each project and is subject to suitable review</li> <li>Information for the Health and Safety File is obtained</li> <li>On site it was found Site Rules are produced and enforced, welfare facilities provided and security maintained</li> <li>All Safe Systems of Work (SSoWs) are reviewed by a SWIP Construction Manager</li> <li>For the activities seen, an effective SSoW had been produced and implemented</li> <li>Monitoring activities are programmed and undertaken and have a risk basis to them. All actions from monitoring and incidents are tracked to completion</li> </ul> <p>Priority 2 and 3 Issues</p> <ul style="list-style-type: none"> <li>The project completes the Pathway CDM Competency Matrix as required. It has been identified through other audits the completion of this matrix does not provide evidence of defined competencies and a gap analysis as required by the Pathway Product Quality Criteria. A management action to review this Product has been agreed. In the meantime this can be recorded in project documents</li> <li>The process by which it is decided whether a SSoW should be reviewed by a HSE Manager needs better definition</li> <li>Monitoring activities are programmed based on risk. The Construction Phase Plan would benefit from an additional paragraph describing how this is done.</li> <li>To improve document control, the use of revision numbers and document control boxes on documents needs to</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				be consistently applied
IA_14_744	Assurance Audit of Wabtec Rail Limited	11/02/2015 AC	To provide the 1992 Tube Stock Overhaul Project Programme and TfL assurance that Wabtec Rail Limited has implemented and is continuing to maintain an acceptable quality management regime for the engineering repair and overhaul of rail vehicle parts and equipment, including the volume repair of equipment for LU rail vehicle refurbishment and upgrade projects.	<p>Wabtec was found to be working in compliance with an established quality system supported by a manual and a comprehensive suite of quality assurance procedures. The audit focused on the procedures and processes that support the delivery of train cab and passenger saloon heating, ventilation and air conditioning equipment repair. No system, technical or competence shortcoming was noted.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• Wabtec was found to be maintaining an effective management system that included management of non-compliances and audit actions. Past non-compliances identified by the BSI external auditor and Wabtec’s internal audit process was seen to have been well managed.</li> <li>• The control and availability of technical and method instruction documentation at the location of equipment repair was found to be effective.</li> <li>• The store and supply of consumable parts and repair items was found to be well managed and a clear bin location and part identification system used.</li> </ul> <p>Priority 2 issue</p> <ul style="list-style-type: none"> <li>• It was found that technical instruction documentation TI-14-012 for equipment repair and test had been approved by a Wabtec senior manager. The Wabtec document approval process for TI-14-012 did not include signed agreement by a LU representative responsible for the asset involved.</li> </ul>
IA_14_743	Track Welding Supplier – Vital Rail	13/02/2015 AC	To provide assurance of Vital Rail’s compliance to London Underground (LU) standards, Vital Rail procedures and Regulatory requirements regarding rail welding.	<p>Alumino-thermic track welding is being effectively managed by Vital Rail with the exception of the priority 2 issues identified below.</p> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>• The Integrated Management System (IMS) including document and change control.</li> <li>• The Competence Management System.</li> <li>• Pre-employment, during employment and unannounced drugs and alcohol testing.</li> <li>• The reporting of incidents and tracking of actions.</li> <li>• The control of employees’ eligibility to work in the UK.</li> <li>• The calibration and maintenance of equipment.</li> <li>• The control of equipment and materials stored in the warehouse and in the welding teams’ vans.</li> </ul> <p>Priority 2 issues</p> <ul style="list-style-type: none"> <li>• The Drugs and Alcohol Policy had not undergone an annual review and referenced out of date standards.</li> <li>• Risk assessments are not being reviewed post incident.</li> <li>• The Vital Rail internal audit schedule did not cover all required areas. A Non-Conformance tracker could not be evidenced.</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> <li>• A schedule for surveillance audits, and the tracking of findings, has not been developed.</li> <li>• 'No Smoking' signs had not been displayed in the warehouse.</li> </ul>
IA_14_745	Track Welding Supplier – Renown Rail Welding	13/02/2015 AC	To provide assurance of Renown Rail Welding's compliance to London Underground (LU) standards, Renown Rail Welding's procedures and regulatory requirements regarding rail welding.	<p>Track welding is being effectively managed by Renown Rail Welding with the exception of the priority 2 issues identified below.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• The Quality Management System (QMS) including document and change control.</li> <li>• The Competence Management System.</li> <li>• The control and monitoring of drugs and alcohol.</li> <li>• The reporting of incidents and tracking of actions.</li> <li>• The control of employee's eligibility to work in the UK.</li> <li>• The calibration and maintenance of equipment.</li> <li>• The control of equipment and materials stored in the welding teams' vans.</li> </ul> <p>Priority 2 issues</p> <ul style="list-style-type: none"> <li>• There was no process to ensure employees with expired competences could not be assigned to welding teams.</li> <li>• Risk assessments are not being reviewed post incident.</li> <li>• A schedule for surveillance audits, and the tracking of findings, has not been developed.</li> <li>• Non Destructive Test (NDT) aerosols were not kept in a locked and labelled container.</li> <li>• There was no record of a visit by the local fire brigade.</li> </ul> <p>The supplier will need to establish a Drugs and Alcohol Medical Screening Programme prior to commencing work on LU assets.</p>
IA_14_746	Hayley Rail Limited (Halesowen)	25/02/2015 AC	To provide TfL and LU Commercial the assurance that Hayley Rail Limited at Halesowen has implemented and is continuing to maintain an acceptable regime for the supply of janitorial and consumable products, safety wear and engineering hand tools and equipment compliant with LU's contract requirements.	<p>Satisfactory evidence was sampled to confirm that Hayley Rail had established formal management system procedures and controls to ensure products within their scope of service are procured against the correct specification, customer requirement and that management of customer supply is effective.</p> <p>The Hayley Rail HR Office located at Halesowen provided satisfactory evidence to verify that management of the company training records system had been improved since the previous audit.</p> <p>The audit confirmed application of the Hayley Group management system; product stock management procedures and processes for their warehouse and distribution centre operation.</p> <p>Priority 3 issue</p> <p>Some LU orders for items of engineering equipment did not specify the manufacturer, in breach of LU's requirement for branded products and tooling.</p>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
IA_14_751	Emergency Response (Signalling)	27/02/2015 AC	To evaluate levels of assurance in relation to the management of responses to signalling incidents.	<p>The potential for strengthening controls was identified, however overall processes were robust and met LU Standards</p> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>• Both SSL/BCV and JNP have effective systems in place for the recording, allocation and monitoring of Emergency Response activities</li> <li>• Records resulting from Emergency Response activities were thorough and resulting reports were detailed and available.</li> <li>• Regular scheduled checks were being undertaken by both SSL/BCV and JNP on the Lean Stores across the network.</li> </ul> <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> <li>• JNP Standards and Work Instructions referenced within other JNP documents for incident and fault management were not available on Insite or elsewhere.</li> <li>• The emergency "on call" roster ensures 24 hour coverage, but has six long term vacancies with no plan for them to be filled with suitable competent and experienced individuals. The emergency "on call" roster issued on 21 January 2015 shows one Duty Senior Signal Engineer (DSSE) and two JNP Duty Signal Managers (DSMs) as "on call" for 14 consecutive days to cover shifts that should be allocated to three of the vacant positions.</li> <li>• Fully completed Accountable Person Assessment records were only available for three of the four DSSEs on the emergency "on call" roster.</li> <li>• The Work Instruction (W0531 – Signals – emergency on call roster) does not detail the format, location or individual / department responsible for the management and storage of the Accountable Person Assessment records and evidence from the experience and competence assessment.</li> </ul>
<b>Delivery of Capital Investment Portfolio</b>				
IA_14_709	Change to Rolling Stock	23/03/2015 RI	To establish whether there is a process in place for controlling changes to rolling stock (CRSs) and to determine whether all changes to rolling stock are managed, recorded, approved and implemented in a consistent and systematic manner.	<p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• CRSs are agreed and approved at the appropriate level of management</li> <li>• CRSs are controlled, administered and implemented effectively by the Rolling Stock Engineering Manager's team</li> </ul> <p>Priority 1 Issues</p> <ul style="list-style-type: none"> <li>• A,B &amp; C forms are not consistently completed for CRSs and the CRS process does not prevent CRSs being processed where this key information is missing</li> <li>• It was not possible to determine figures for fleet modifications not started or completed within the expected timescales, because the start and completion dates are not stated on the CRS</li> <li>• There is currently no process in place for monitoring the progress of CRSs, to ensure they are issued in a timely manner</li> </ul> <p>Priority 2 issues</p> <ul style="list-style-type: none"> <li>• There was no provision in the CRS register to record the date approved CRSs were received by the CRS Facilitator</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> <li>There was no evidence of a documented work instruction that defines how the CRS Facilitator should manage the CRS process</li> <li>There was no record to indicate CRS numbers allocated and not used within a 6 month period are reviewed to confirm whether they are still active or not.</li> <li>There was no evidence of the completed and reviewed Design and Maintenance checklists for the CRSs.</li> </ul>
IA_14_830	London Overground Capacity Improvement Programme Willesden Project Principal Contractor's Health and Safety Arrangements	25/03/2015 AC	To examine the systems and processes the Principal Contractor (PC) has in place for ensuring risks associated with the work activity are being suitably managed.	<p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>Roles and responsibilities for those involved in the Work Package Plan (WPP) and Task Briefing processes are clearly defined.</li> <li>There are effective management processes in place for evaluating and monitoring the competencies of the Contractor's Responsible Engineers (CREs).</li> <li>The required WPPs have been identified, prepared, checked and approved.</li> <li>Addendums are being prepared and approved by the contractor where there are changes to methodology and risk control measures laid out in the WPP.</li> <li>Task Briefing Sheets (TBSs) have been undertaken for site activities and records demonstrated they had been briefed to operatives.</li> <li>The briefing given to operatives before start of work on site was clear, succinct and covered the relevant requirements.</li> <li>Site visits demonstrated that overall, safety is being suitably managed on site.</li> </ul> <p>Priority 2 issues</p> <ul style="list-style-type: none"> <li>Health and safety inspections are not being carried out as per the frequencies laid out in the Construction Phase Plan (CPP) or the project inspection register.</li> <li>The arrangements for full activity risk assessments could not be evidenced.</li> <li>Discrepancies were found in the arrangements in place for checking and approving TBSs.</li> <li>TBSs are not being routinely updated following change to WPPs.</li> <li>Changes to TBSs on site were not being consistently captured within the 'Revised Risk Assessment' appendix or approved by the CRE.</li> </ul>
<b>Major Incident - External</b>				
IA_14_781	Health and Safety Management	12/12/2014 AC	To examine the systems and processes in use for ensuring the systematic control of safety risks where the Track Delivery Unit (TDU) fulfils the role of Principal Contractor under the	<p>Areas of improvement were identified, some of which are already being addressed. For the areas sampled it is concluded that TDU meets the requirements of the Principal Contractor duties under the CDM Regulations.</p> <p>Good Practice</p> <ul style="list-style-type: none"> <li>Use of an electronic system in JNP for managing safety tours and inspections including allocation, tracking and close out of actions. This allows for greater efficiencies across the business area.</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
			<p>Construction (Design and Management) (CDM) Regulations.</p>	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities for all TDU work streams undertaking the Principal Contractor role have been clearly defined and allocated.</li> <li>• Workplace risk assessments have been completed for all activities.</li> <li>• Methods statements are in place detailing controls required.</li> <li>• Control measures were seen to be implemented on site.</li> </ul> <p>Issues</p> <ul style="list-style-type: none"> <li>• The process for briefing operatives on safe systems of work requires improvement to ensure operatives receive appropriate health and safety information through the use of Task Briefing Sheets. Records need to be kept.</li> <li>• Safety tours and inspections are being undertaken. However, with the exception of JNP, they are not being undertaken to the planned programme. This weakens assurance that control systems are working as planned.</li> <li>• Competencies required by the project team have not been identified. This impedes the ability to conduct effective gap analysis. .</li> <li>• Elements of the risk assessment process do not meet the full requirements of the TfL Management System.</li> </ul>
IA_14_811	Principal Contractor's Duties in Station Upgrade Programme	16/02/2015 AC	<p>To assess compliance with Principal Contractor duties within the Station Upgrade Programme, as defined by the Construction Design and Management (CDM) Regulations. The audit also examined STAKE processes relating to the Station Stabilisation Programme (SSP).</p>	<p>Good Practice</p> <ul style="list-style-type: none"> <li>• The Collaborative Planning system has proven effective, appropriate and easy to understand and the STAKE arrangements are compliant with CDM</li> </ul> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• The selection of contractors ensures they are competent and they are provided with adequate induction, information and training</li> <li>• Arrangements for communication and co-ordination are effective</li> <li>• A Construction Phase Plan is produced for each project and is subject to suitable review</li> <li>• Information is obtained for the Health and Safety File</li> <li>• On site it was found Site Rules are produced and enforced, welfare facilities provided and security maintained</li> <li>• All Safe Systems of Work (SSoW) are reviewed by a Site Construction Manager and for the activities seen, an effective SSoW had been produced, recorded and implemented</li> <li>• Monitoring activities are programmed and undertaken and are risk based</li> </ul> <p>Priority 2 and 3 Issues</p> <ul style="list-style-type: none"> <li>• The project completes the Pathway CDM Competency Matrix, but this does not provide evidence of a gap analysis as required by the Pathway Product Quality Criteria.</li> <li>• The process by which it is decided whether a SSoW should be reviewed by a HSE Manager would benefit from further definition</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> <li>Appendix A of the Project Execution Plan, which records who is responsible for ensuring CDM duties are complied with, is not completed.</li> </ul>
IA_14_828	Control of LU Rule Book Changes	06/03/2015 AC	<p>To provide assurance that improvements to the management system in relation to communication of Operational Standards Notices (OSN'S) have been implemented and are effective.</p> <p>A previous audit (13 736) found that OSNs were not communicated effectively and the management system did not define how this should be done</p>	<p>Good Practice</p> <ul style="list-style-type: none"> <li>A process has been implemented by the Oxford Circus Group ensuring team talks, safety bulletins and OSNs are signed for thereby providing an audit trail. This was not evidenced in any other group.</li> </ul> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>All staff sampled were aware of recently issued OSNs and could confidently describe the change and how it effects their role.</li> <li>OSNs are clearly displayed or located at all the areas sampled. Staff also know where they are on the LU Intranet</li> <li>Train Operators do not sign for OSNs. However they are required to check the Late Notice Boards where OSNs are posted as part of the booking on for duty process. This is assured via the Competence Management System.</li> <li>Where new equipment is provided, Station Supervisors have completed training on the new equipment provided and an auditable trail was evidenced.</li> </ul> <p>Priority 2 issue</p> <ul style="list-style-type: none"> <li>There is no auditable trail to show all staff receive and understand an OSN as required by the Management System, although it is likely that most staff will see an OSN through them being available at their locations and staff awareness of the need to check them. The risk is higher for station staff (where no training is required) for a number of reasons including geographically diverse locations and OSNs not all being relevant to them</li> </ul>
IA_14_778	Signal Sighting in London Overground	16/03/2015 WC	To provide assurance in relation to the process of Signal Sighting on TfL London Overground Managed Infrastructure.	<p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>The individuals undertaking roles with regards to the Signal Sighting Committee (SSC) were suitably competent and experienced in that type of work.</li> <li>Fully detailed, correctly completed and signed Signal Sighting Forms (SSFs) were readily available to provide assurance that the documented process in place had been adhered to</li> <li>Additional evidence was available to provide assurance that other requirements and processes associated with signal sighting activities had been adhered to</li> <li>A document register was utilised by the Signal Sighting Committee Chairman (SSCC) to track and record updates to SSFs and their issue to the London Overground (LO) Project Team.</li> <li>The LO Project Team maintained a document register to track and record updated SSF received from the SSC.</li> </ul>
IA_14_780	Possession Planning and Management	31/03/2015 AC	To assess the effectiveness of systems & processes for possession planning for ensuring that safety risks to staff and the operational railway are controlled.	<p>Possession planning and management is largely being undertaken and recorded in accordance with the requirements of the Rule Book. All the recommendations provided in the Formal Investigation Reports (FIRs) were confirmed as complete.</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>Standards, instruction, guidance and templates have been significantly improved and are clear</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> <li>• Competence, Roles and Responsibilities are clear, understood and implemented</li> <li>• Timescales, notice periods and lockdowns are clear and adhered to for weekend possessions</li> <li>• The planning process for weekend possessions is defined and adhered to ensuring that any risks are mitigated and arrangements are clear</li> <li>• There is a defined process for checking possession plans to avoid errors and omissions</li> <li>• There is a defined change control process for possession plans that is largely adhered to</li> <li>• Possession Plans are communicated to all relevant persons</li> <li>• The process for taking and handing back a possession is clear and adhered to</li> </ul> <p>Priority 1 Issue</p> <ul style="list-style-type: none"> <li>• Rule Book 14 is designed to regulate the planning of typical weekend possessions. Mid week possessions are increasing and the type of work is becoming more complex and intrusive. Not all the controls in Rule Book 14 are consistently applied for these possessions regarding lock downs and planning meetings which may increase the risk of errors or omissions</li> </ul> <p>Priority 2 and 3 Issues</p> <ul style="list-style-type: none"> <li>• The LU Rule Book requires a possession for where vehicles that are not trains are stabled in sidings or signalled depots. This is not current practice and so arrangements need reviewing to align policy with practice.</li> <li>• The Possession Risk Assessment available at one of the sites visited had not been reviewed since 2007.</li> <li>• Deviations to possession plans are required to be approved by the Engineer in Charge/Planner in consultation with others. This happens for mainline possessions but in depots the Engineer in Charge/Planner is not involved. These arrangements would benefit from review to align policy with practice.</li> </ul>
<b>Environment Impact of delivering a transport service</b>				
IA_14_815	Waste Management in LU COO Asset and Operational Support	12/12/2014 AC	To provide assurance in relation to arrangements for the management of waste to ensure that legal compliance is achieved through the implementation of management system requirements.	<p>The process of Waste Management in LU COO Asset and Operational Support is adequately controlled with the exception of an overdue review of the Waste Management System for Railway Engineering Workshops (REW)</p> <p>Areas of Effective Control</p> <ul style="list-style-type: none"> <li>• The TfL Waste Management system met the requirements of waste management regulations.</li> <li>• Management system documents describe the waste management roles and responsibilities and employees were aware of these. Management controls are in place to prevent asbestos exposure to employee, contractors or the public. Asbestos waste is stored in a designated area prior to collection.</li> <li>• Only licensed contractors are used for the removal of waste.</li> <li>• Waste transfer notes and consignment notes are accurately completed and readily available for inspection.</li> <li>• As per the Management System requirements, transfer notes are kept for two years and hazardous waste consignment notes are kept for three years.</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> <li>• Coloured bins and lockable containers are utilised to assist in storing and segregating waste.</li> <li>• Emergency preparedness and site drainage plans are in place.</li> <li>• Chemicals and fuels are stored in an appropriate location.</li> <li>• There are safeguards in place to ensure any oil spillages are dealt with adequately, and appropriate spill kits are located near all risk areas.</li> </ul> <p>Issues</p> <ul style="list-style-type: none"> <li>• Waste Management documents at REW were in Metronet templates. These documents should be reviewed and updated.</li> <li>• System Checks, which include assurance against environmental requirements, are not undertaken.</li> </ul>
<b>Surface Transport</b>				
<b>Major Incident - External</b>				
IA_14_819	Embedment of HSE Management Systems in Dial-a-ride (DaR)	16/01/2015 RI	To examine the effectiveness of the embedment of the health and safety requirements of the TfL Management System and Surface Transport/DaR procedures to ensure that the health and safety risks arising from activities are controlled effectively.	<p>A new TfL wide Health, Safety and Environment Management System (HSEMS) was launched in April 2014. The Surface Transport (ST) Safety Team have begun to introduce documentation to support the requirements of the TfL HSEMS. DaR has a suite of procedures in its own HSEMS, which have been in place since July 2010.</p> <p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>• Comprehensive processes are in place for the management of risk from driving on TfL business.</li> <li>• Effective arrangements are in place for the management of planned general inspections.</li> </ul> <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> <li>• The full requirements of the TfL HSEMS are not being met to ensure risk assessments are suitable and sufficient. A large suite of risk assessments are in place but do not cover all activities. The format and methodology used do not fully meet requirements.</li> <li>• Manual handling assessments are not being completed in accordance with management system requirements to support compliance with legislation and ensure the control of risk.</li> <li>• Written schemes of examination and safe systems of work for pressure systems are not in place as required under legislation.</li> </ul> <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> <li>• Not all statutory examinations for lifting equipment are carried out at the correct frequency.</li> <li>• The majority of over 7-day reportable incidents received during the audit had not been notified to the Health and Safety Executive within the required timeframe.</li> <li>• Incident investigations are not being carried out in line with DaR procedures</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
IA_14_820	Embedment of HSE Management Systems in London River Services	16/02/2015 AC	To examine the effectiveness of the embedment of the HSE requirements of the TfL Management System and Surface Transport procedures to ensure that the health and safety risks arising from activities are controlled effectively.	<p>Areas of Effective Control:</p> <ul style="list-style-type: none"> <li>• Workplace risk assessments and topic specific risk assessments have been carried out. Documentation and the review of assessments are well controlled.</li> <li>• Arrangements for the communication of risk assessments are effective.</li> <li>• Control measures from risk assessments are being implemented in practice.</li> <li>• HSE planned general inspections (PGIs) and Senior Manager HSE Tours are being carried out to schedule.</li> <li>• Risk assessments/method statements (RAMS) are being provided for contracted project works undertaken.</li> <li>• There was evidence of an effective working relationship with the Surface Transport Safety Team which benefits health and safety management in LRS.</li> </ul> <p>Priority 2 and 3 issues:</p> <ul style="list-style-type: none"> <li>• Arrangements for the tracking of actions identified in risk assessments, PGIs and Senior Manager HSE tours had not been used for the latest actions identified from these processes.</li> <li>• Occupational hygiene monitoring is not being carried out for hazardous substances with a workplace exposure limit.</li> <li>• Pre-appointment checks of contractors' HSE competence could not be evidenced.</li> <li>• Risk assessments/method statements (RAMS) have not been provided for general maintenance works, and reviews of RAMS could not be evidenced.</li> <li>• There is a lack of formal arrangements for the monitoring of contractors' performance.</li> </ul>

<b>Finance</b>				
<b>Delivery of Capital Investment Portfolio</b>				
IA_14_702	Process for learning lessons from past projects	25/03/2015 RI	To follow up on agreed improvement actions that were documented in previous Audit Report 12/13-903 dated 22 February 2013 entitled Application of Lessons Learned from VLU and JLU Programmes, and to evaluate the effectiveness and ease of use of the newly developed Lessons Learned process.	<p>The TfL Knowledge Management team has made a strong start in building the new Lessons Learned process, and the audit findings from the previous audit have therefore been implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended.</p> <p>Although the new Lessons Learned process is generally well regarded by the project teams, there is a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended.</p> <p>minimise costs and avoid delays. Actions to address these issues have been implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended. There is therefore a risk that the new Lessons Learned process will not be fully implemented as intended.</p> <p>Good Practice:</p> <ul style="list-style-type: none"> <li>• The London Underground (LU) New Tube for London (NTfL) team have implemented the new Lessons Learned process and ensure that lessons learned be readily input and copied into Project Workspaces.</li> <li>• Surface Transport (ST) Projects and Programmes Directorate (PPD) have implemented the new Lessons Learned process for 63 of its projects.</li> <li>• Several NTfL business areas have searched for relevant lessons learned and implemented actions.</li> </ul> <p>Priority 1 Issues:</p> <ul style="list-style-type: none"> <li>• The majority of the project teams reviewed are not implementing the new Lessons Learned process.</li> <li>• The ever increasing amount of data in the Lessons Learned database is not being reviewed.</li> </ul> <p>Priority 2 Issues:</p> <ul style="list-style-type: none"> <li>• A number of further improvement suggestions have been documented.</li> </ul>
<b>Crossrail</b>				
IA 14 518	CDM Compliance - Construction plans and asset maintenance information	11/11/2014 ACL	To assess Compliance with the Construction Design and Management (CDM) Regulations 2007 and associated approved Code of Practice with regards the Construction phase plan.	<p>The audit identified that:</p> <ul style="list-style-type: none"> <li>• There was good collaboration and exchange of information between the project teams and the audit team.</li> <li>• The Construction Phase Plans are regularly reviewed and updated against the CDM Regulations 2007 appendix 3.</li> <li>• Two projects did not maintain a running commentary of the changes to the Construction Phase Plan.</li> <li>• Changes from the previous version of the Construction Phase Plan were not always clearly identified.</li> <li>• One Construction Phase Plan consisted of over 450 pages, many of which were not relevant to the project.</li> </ul>

**INTERNAL AUDIT CUSTOMER FEEDBACK FORM**  
**SUMMARY OF RESPONSES FOR 2014/15**  
**Quarter 4**

We send a customer feedback form to our principal auditee at the conclusion of each audit. This table sets out the questions asked and the responses, including a selection of the freeform comments that we have received.

**Customer Feedback Forms Sent: Q4 = 81 (Q3=57 )**

**Customer Feedback Forms Returned: Q4 = 39 (Q3 = 26)**

	No score given	Very poor	Poor	Satisfactory	Good	Very good	
<b>ASSIGNMENT ASSESSMENT CRITERIA</b>	1	2	3	4	5		<b>Average Score</b>
<b>PLANNING AND TIMING</b>							<b>4.5(4.4)</b>
The assignment timing was agreed with me and there was appropriate consideration of my other commitments as the work progressed	0(1)	0(0)	1(0)	2(2)	14(10)	22(13)	
The assignment was completed and the report issued within appropriate timescales	0(0)	0(0)	1(0)	2(3)	13(9)	23(14)	
<b>COMMUNICATION</b>							<b>4.4(4.3)</b>
Communication prior to the assignment was appropriate, including the dates and objectives	0(1)	0(0)	0(0)	2(3)	15(8)	22(14)	
Throughout the assignment I was informed of the work's progress and emerging findings	0(1)	0(0)	0(1)	7(4)	10(8)	22(12)	
<b>CONDUCT</b>							<b>4.5(4.4)</b>
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(1)	0(0)	0(2)	3(1)	17(12)	19(10)	
The Internal Audit team acted in a constructive, professional and positive manner	0(0)	0(0)	0(0)	1(3)	14(6)	24(17)	
<b>RELEVANT AND USEFUL ADVICE AND ASSURANCE</b>							<b>4.4(4.4)</b>
A fair summary of assignment findings was presented in the report	0(0)	1(0)	0(0)	5(3)	10(10)	23(13)	
Assignment recommendations were constructive, practical and cost-effective	0(0)	0(0)	0(1)	7(3)	12(7)	20(15)	
My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	0(1)	0(0)	0(0)	6(4)	14(9)	19(12)	
<b>Overall assessment</b>							<b>4.4(4.3)</b>

Other comments including suggested improvements and areas of good performance:

*This was a very well conducted audit [in] a difficult area*

*Another well conducted audit. The recommended action plan was agreed between [all interested parties]*

*It felt that there was a bit of a delay before the final report was issued but nothing of real concern. The Auditor took time to understand what we were doing and how we intended to do it attending some of our internal sessions and so was fully briefed and aware of the process.*

*I was kept informed of the audit's progress and emerging findings throughout the assignment by the auditor. Very professional constructive audit*

*Very happy with the audit and that significant improvement from the previous year have been seen*

*This was a piece of consultancy rather than an audit and a trial to use internal resource rather than external consultants. I feel external consultants would have had more urgency and managed TfL more to complete the work in a shorter timescale.*

*Surprisingly, a high level knowledge in what is a small and specialist area. And they were informative, highlighting issues I was completely unaware of and had not been briefed upon before.*