**TRANSPORT FOR LONDON**

**AUDIT COMMITTEE**

**SUBJECT:** **FINAL INTERNAL AUDIT REPORTS – QUARTER 1 2009/10**

**DATE:** **29 SEPTEMBER 2009**

## 1    PURPOSE AND DECISION REQUIRED

1.1    The purpose of this paper is to inform the Audit Committee of the final audit reports issued in the first quarter of 2009/10. The Committee is requested to note the content of this report.

## 2    BACKGROUND

2.1    We issued 30 final reports in the quarter including five interim reports that were concluded 'well controlled' and immediately closed as there were no management actions to complete. This also includes four final reports that were not closed.

## 3    RECOMMENDATION

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

## 4    CONTACT

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| Reference | Report Title | Report Title | Interim Report Issued | Original Objective | Final Report Issued |
|---|---|---|---|---|---|
| Availability and use of funding | IA_08_103F | Financial Services Centre (FSC) Physical controls over physical Payment Processes | 21/01/2009 | To review the effectiveness of FSC controls operating over physical payment processes. | 07/04/2009 |
| Availability and use of funding | IA_08_171F | Metronet - Employee Travel and Personal Expenses | 27/04/2009 | To review the adequacy of the policies, procedures and key controls surrounding employee travel and personal expenses. | 12/09/2008 |
| Availability and use of funding | IA_08_106F | North London Delivery of Business Benefits | 02/06/2009 (WC) | To determine the extent to which the benefits expected from TfL's operation of the North London Railway are being delivered. | 02/06/2009 (WC) |
| Availability and use of funding | IA_08_102F | Financial Services Centre (FSC) Delivery of Expected Benefits | 04/06/2009 (WC) | To review the extent to which FSC has achieved its intended objectives and benefits since it was set up in September 2004. | 04/06/2009 (WC) |
| Availability and use of funding | IA_08_172F | Metronet Company Credit and Purchasing | 12/09/2009 | The objective of the audit was to review the adequacy of the policies, procedures and key controls surrounding company credit and purchasing cards. | 13/05/2009 |
| Project delivery | IA_08_251F | CGAP A406 Bounds Green | 12/01/2009 | To provide assurance, in relation to the TfL strategic risk relating to project delivery, that the A406 NCR Bounds Green to Green Lane project was being managed in an effective and efficient manner. The output from the audit was used in support of the Corporate Gateway Approval Process (CGAP) leading to the project's submission for Gate C Approval. | 05/05/2009 AUDIT NOT CLOSED |
| Project delivery | IA_08_252F | NLRIP Agreement Review | 20/02/2009 | To provide assurance, in relation to the TfL strategic risk relating to project delivery, that the North London Rail Investment Programme (NLRIP) is being managed in an effective and efficient manner. The initial output from the audit was used in support of the Corporate Gateway approval Process (CGAP) leading to the project's submission for Gate D approval. | 12/05/2009 |
| Project delivery | IA_08_210F | Accuracy of Olympics Reporting | 13/02/2009 | To review the arrangements in place to ensure effective and accurate reporting of TfL Investment projects for the Olympics. | 22/05/2009 |
| Project delivery | IA_08_234F | Intelligent Speed Adaption | 10/02/2009 | To provide assurance in relation to TfL strategic risks relating to project delivery, that Intelligent Speed Adaptation (ISA) was being managed in an effective and efficient manner | 14/05/2009 |
| Project delivery | IA_08_254F | Legible London | 06/03/2009 | To provide assurance in relation to the TfL strategic risk relating to project delivery, that the Legible London project was being managed in an effective and efficient manner. | 04/06/2009 |
| Project delivery | IA_08_250F | Cycle Hire Scheme | 16/02/2009 | To provide assurance in relation to TfL strategic risk relating to project delivery, that the CHS project was being managed in an effective and efficient manner. | 19/06/2009 |

| Reference | Report Title | Report Title | Interim Report Issued | Original Objective | Final Report Issued |
|---|---|---|---|---|---|
| Major safety or other internal event | IA_08_005F | Security of Palestra | 16/01/2009 | To assess the effectiveness of the physical security controls operating at Palestra to ensure that all relevant risks have been identified and mitigated. | 21/04/2009 |
| Effective contract management | IA_08_319F | PPP Non ISC Payments | 04/02/2008 | To review the controls in place to provide assurance that the management of Non-Infrastructure Service Charge (Non-ISC) payments is effective and consistent with contractual obligations. | 06/04/2009 |
| Effective contract management | IA_08_321F | PPP Track Replacement Delivery: JNP Network | 12/03/2009 | This audit reviewed the contract management processes used to control works associated with track replacements on the JNP network. | 01/06/2009 |
| Effective contract management | IA_08_326F | HRS Performance Measurement & Target-Setting | 13/01/2009 | To review the adequacy of the HRS Performance Measurement and Target-Setting processes. | 08/06/2009 |
| Quality and quantity of people | IA_07_132F | Leadership Capability Programme | 17/07/2008 | To review the effectiveness of the implementation of the Leadership capability programme within the TfL Group. | 07/04/2009 AUDIT NOT CLOSED |
| Quality and quantity of people | IA_08_120F | Pre-Employment Screening | 09/12/2008 | The interim audit reviewed the effectiveness of the pre-employment screening of new recruits within TfL. | 07/04/2009 AUDIT NOT CLOSED |
| Quality and quantity of people | IA_08_127F | HRS Performance Measurement & Target-Setting | 13/01/2009 | To review the adequacy of the HRS Performance Measurement and Target-Setting processes. | 08/06/2009 |
| Resilience to major external event | IA_08_035F | Road Network Resilience Inspections | 30/04/2009 (WC) | To assess the effectiveness of the RNM Vulnerable Structures risk assessment and resilience mitigation process. | 30/04/2009 (WC) |
| Governance | IA_08_129F | Compensation Payments | 28/11/2008 | To review the effectiveness of TfL's controls over compensation payments that are made to TfL staff through compromise agreements or other means. | 29/05/2009 |
| Governance | IA_08_174F | Gifts, Hospitality and Vested Interests | 12/09/2008 | To review the adequacy of the policies, procedures and key controls surrounding gifts, hospitality and vested interests. | 11/06/2009 |

| Reference | Report Title | Report Title | Interim Report Issued | Original Objective | Final Report Issued |
|---|---|---|---|---|---|
| IM systems and strategy | IA_08_428F | Managing IM Change from Capita to IBM | **22/04/2009 (WC)** | Phase one of our audit was conducted:<br>- to provide assurance that the high-level governance of the IM elements of the project were subject to adequate management controls; and<br>- to determine any areas of the transfer project that would benefit from further analysis in a secondary phase. This phase was conducted in December 2008, when the project was approaching Milestone 6 (MS6), the finalisation of the detailed design.<br>From our audit, which was conducted in real-time, Data Migration was identified as the area of focus for phase two. We had been made aware that the migration of data and the 'cutover weekend' were areas of management focus and that they had routinely featured as a London Road User Charging (LRUC) Scheme Key Risk. For phase two of our audit we therefore reviewed the Data Migration element of the LRUC transfer project to identify that the appropriate governance structures were in place. As part of this, we evaluated the process by which the operational effectiveness and efficiency of the Data Migration elements are managed. | **22/04/2009 (WC)** |
| IM systems and strategy | IA_08_422F | Security and Resilience of Transit Sites | **30/10/2008** | To provide assurance that the risks to the logical, physical and environmental security of the main communication network Transit Sites at Broadway and Baker Street are being suitably addressed. In addition, the review examined whether sufficient arrangements for the resilience of the facilities are in place and that they meet the requirements of the business. | **28/05/2009** |
| IM systems and strategy | IA_08_431F | London Rail Implementation of SharePoint | **04/06/2009 (WC)** | To provide assurance that the plans to implement SharePoint for document management within London Rail are being devised and managed appropriately to offer long term benefit to the business. | **04/06/2009 (WC)** |
| IM systems and strategy | IA_08_448F | Transfer of Congestion Charge Data | **16/03/2009** | To provide assurance that information is only released by TfL to authorised statutory authorities; that the relationship and responsibilities for the transfer of data are clear and defined between TfL and each relevant party, and that the processes surrounding the release and transmission are efficient, effective and adhered to by all relevant personnel, whether that transfer be in response to a single request or in bulk. | **19/06/2009** |
| IM systems and strategy | IA_08_425F | AIMS Application Audit | **06/01/2009** | To review the controls surrounding the AIMS application, including an examination of logical security controls plus measures in place to ensure system data quality and availability.  This was to provide assurance on the functionality, confidentiality, integrity and availability of the system. | **24/06/2009** |
| None Applicable | IA_07_228F | Smarter Travel Unit | **09/09/2008** | The audit covered all components of good practice in programme management, focusing on how the components of the programme are delivered, and in particular how the delivery channels are selected and controlled and benefits evaluated. | **07/04/2009 AUDIT NOT CLOSED** |
| Project delivery | IA_07_212F | Interchanges Programme | **07/08/2008** | To provide assurance in relation to the Project Delivery strategic risk by reviewing whether the Interchanges Programme was being managed in an effective and efficient manner. | **07/04/2009** |
| Availability and use of funding | IA_08_152/F | Banking and Payments | **23/01/2009** | This audit assignment reviewed the effectiveness of the processes in place over the Pension Fund's banking and payments process. | **21/04/2009** |