

Date: 7 December 2012

Item 7: Internal Audit Quarter 2 Report 2012/13

This paper will be considered in public

1 Summary

1.1 The purpose of this report is to inform the Committee of the audit work completed in the second quarter of 2012/13, the work in progress and work planned for Quarter 3 of 2012/13.

2 Recommendation

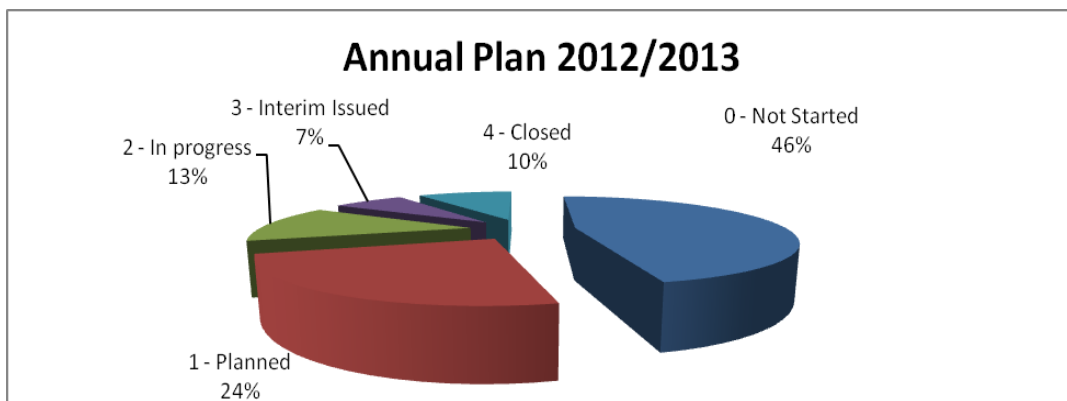
2.1 **The Committee is recommended to note the report.**

3 Background

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

4 Work Done

4.1 The chart below shows progress at the quarter end towards delivery of the 2012/13 audit plan, including work in progress brought forward from 2011/12.



- 4.2 There have been 15 Final Audit Reports issued during the quarter. One of the Final Audit Reports, in respect of The Provision of Reasonable Adjustments for Disabled Staff, was not closed as four of the agreed management actions had only been partially implemented. We will carry out a second follow up review by 31 January 2013 to confirm that the remaining actions have been addressed. A summary of the report findings (excluding one relating to the TfL Pension Fund), is attached as Appendix 3.
- 4.3 The table below shows the number of Interim Audit Reports and other outputs, including advisory/ consultancy reports and memorandums, issued during the quarter, together with comparative figures for the prior year to date.

	Interim Audit Reports					Other Outputs (Advisory Reports/ Memos)	Total
	WC	AC	RI	PC	Total		
This Quarter	0	2	9	0	11	8	19
Year to date	1	6	11	0	18	14	32
Year to date 2011/12	8	10	18	1	37	8	45

- 4.4 The number of reports issued in the year to date is some way below the number issued in the same period last year. This reflects the significantly reduced volume of audit work in the run up to, and during, the Games 2012 period. A reduced output during this period had been predicted, and the Integrated Assurance Plan for 2012/13 had taken this into account.
- 4.5 Details of the findings from the interim reports issued during the period can be found in Appendix 4.
- 4.6 A summary of the other outputs issued during the quarter, including memorandums and advisory reports, can be found in Appendix 5. This included a memorandum setting out the findings from our Peer Review of the LU and Tube Lines Audit functions. The focus of the review was on ascertaining the extent to which the audit functions complied with the common assurance principles set out in the TfL Integrated Assurance Framework. Overall, there was a high level of compliance, giving assurance that reliance can be placed on these functions for the purposes of integrated assurance delivery. The review identified some areas where there was potential for further improvement, and these are being taken forward.

- 4.7 One piece of work was added to the plan during the quarter at the request of management. This was to review the proposed standards and working practices of the new cost assurance function that is being established in LU, with the aim of ensuring that these are suitable to enable reliance to be placed on the assurance provided.
- 4.8 Work in progress at the end of Quarter two is shown in Appendix 1 and work due to start in the third quarter of 2012/13 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 Quarter 2.

LU HSE Audit

- 5.2 Audit activity was reduced during Quarter 2 to help the organisation to focus on preparations for the Games 2012 and for the team to contribute to customer service delivery.
- 5.3 Twenty two audits have been completed to date with a further 18 in progress, in line with the plan.
- 5.4 Significant pieces of work included the following:
- (a) Audit activity on LU security arrangements governing access to sensitive signal equipment identified that defined management systems exist and are generally followed. However, improvement is required in relation to traceability of those accessing these areas and control of keys. The LU Signals Engineer has agreed an action plan in response.
 - (b) A review of LU Contingency planning identified a number of significant opportunities to improve usability, communication and testing. A report for the Reliability, Accessibility, Maintainability and Safety (RAMS) Board will recommend an improvement programme to enable plans to contribute towards improved reliability.
 - (c) An audit of the maintenance of LU rolling stock inter-car barriers was carried out. Improvements have already been implemented and further work has been agreed to embed the revised arrangements.
 - (d) An audit of Civil Engineering projects' adherence to the LU Project Management Framework found that there was general compliance. However, there was a need for improvement in the Asset Performance Directorate's involvement in early stages of projects. An action plan has been agreed in response.

Tube Lines Audit

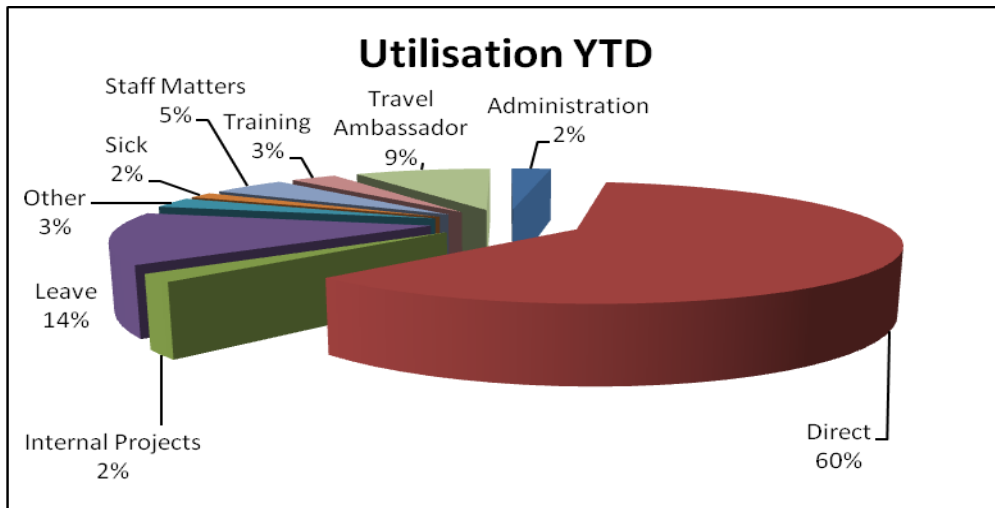
- 5.5 During the quarter, nine audit reports were issued. Four of these were in respect of various aspects of Games preparation planning. Other audits covered: Handover and handback of track between projects and operations; Planning and management of possessions; Academic sponsorships and season ticket loans; Follow up of TfL financial controls audit actions, including BACS (Bankers' Automated Clearing Services) controls; and Brake actuator overhaul for the Jubilee Line fleet.
- 5.6 Five Corrective Action Requests (CARs) and Seven Business Improvement Actions (BIAs) were raised against findings in these audits. In all cases, there will be follow up to ensure that appropriate action has been taken by management to address the CARs and BIAs raised.

CGAP Reviews/IIPAG

- 5.7 Investment Programme projects with a total cost over £5m are subject to the Corporate Gateway Approval Process (CGAP). The CGAP reviews are managed by the Assurance Team as part of the TfL Programme Management Office (PMO). The assurance reports are considered alongside the project's authority request at the operating business boards with the operating Managing Director and the Managing Director, Finance in attendance.
- 5.8 In quarter 2, which was impacted by the Olympics when fewer operating board meetings were held, 15 reviews were conducted. The Independent Investment Programme Management Group (IIPAG) provided oversight and guidance on three 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.
- 5.9 Some of the more significant reviews during quarter 2 were Gate E reviews of Cycle Hire Phase 1 and the replacement of extra low loss conductor rail for the Surface Upgrade Programme. Gate D+ reviews were completed for Cycle Hire Phase 2, SCOOT and Surface Systems Relocation. Gate B reviews were held for Vauxhall Station Capacity and for Chancery Lane and Finsbury Park Station improvement projects.

6 Resources

- 6.1 A recruitment process to fill an Internal Auditor vacancy was successfully concluded. The successful candidate took up his post in November.
- 6.2 The department's utilisation for the year to date is set out in the following chart:



7 Benchmarking and Networking

- 7.1 The Assurance Delivery Group (ADG), chaired by General Counsel, has held a further meeting. The group continues to focus on taking integrated assurance forward to the next stage, and is leading on the development of effective assurance mapping for selected business areas, and on mechanisms for reporting on progress with delivery of the Integrated Assurance Plan. The ADG has also started the process for developing the 2013/14 Integrated Assurance Plan.
- 7.2 We continue to move forward with plans for the transfer of the LU HSE audit team into Internal Audit, and it is now intended that this will take place with effect from 1 January 2013. Recruitment is underway for an HSE Audit Manager to lead the team within Internal Audit, since the current manager of that team will be remaining in LU to work on development of the TfL management system. The recruitment is being carried out jointly by Internal Audit and the HSE Audit team.
- 7.3 During Quarter 2 Internal Audit demonstrated its commitment to delivery of the Olympic and Paralympics Games, with many members of the department volunteering to carry out customer facing duties as Travel Ambassadors. In addition the Security Audit team worked in liaison with the Centre for Protection of National Infrastructure (CPNI) and acted as the main point of contact for corporate security issues outside of the operational environment. This included disseminating real time threat and risk updates received via CPNI and communicating intelligence and assessed threat levels to the TfL Games Leadership Team and wider TfL stakeholders. In addition they monitored social media activity, investigating and then communicating potential suspicious online activity direct to the business owner. The team received specific praise for their work during the Games 2012 from the Metropolitan Police Service for its support with the Cross-sector Safety and Security Communications project.

- 7.4 We continue to meet regularly with the Head of the TfL PMO to discuss upcoming work and ensure that any potential areas of overlap are properly managed. During the quarter, we have carried out a desktop review of the extent to which Project Assurance complies with the common assurance principles set out in TfL's Integrated Assurance Framework. The results of this work, which was a precursor to a fuller peer review of project assurance activities later this year, were presented to the ADG. Overall, we found that Project Assurance complies in full with most of the principles and largely complies with the rest.
- 7.5 The Crossrail Integrated Assurance Group (CIAG), which comprises representatives of assurance providers from a range of Crossrail stakeholders, has continued to meet during the quarter. The CIAG is a useful forum for the sharing of assurance activity, which helps minimise the risk of duplication of effort between assurance providers.
- 7.6 KPMG have now completed their review of TfL Internal Audit effectiveness. A separate paper setting out KPMG's findings is included on this meeting agenda.

8 Customer Feedback

- 8.1 At the end of every audit, we send out a customer feedback form to the principal auditee(s) requesting their view on the audit process and the report. The form is questionnaire-based so it can be completed easily and quickly. A copy of the questionnaire and the feedback for the quarter is included as Appendix 6.
- 8.2 Several of the feedback ratings during the quarter were below 'satisfactory'. In each of these cases, the Director of Internal Audit has followed up with the auditee in order to understand the concerns highlighted in the feedback form. We are satisfied that the ratings generally reflect particular circumstances of certain audits rather than any underlying performance issues. However, we will continue to keep this under review.

List of appendices to this report:

- Appendix 1 – Work in Progress at the end of Quarter 2 2012/13
- Appendix 2 – Work Planned at the end of Quarter 2 2012/13
- Appendix 3 – Final Reports Issued in Quarter 2 2012/13
- Appendix 4 – Interim Reports Issued in Quarter 2 2012/13
- Appendix 5 – Advisory Reports and Memorandums Issued in Quarter 2 2012/13
- Appendix 6 – Customer Feedback Form – Summary of Responses for Quarter 2

List of Background Papers:

Audit reports.

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Transport for London		Appendix 1
Internal Audit plan 2011/13 by directorate		
Approved by the TfL Audit Committee 7 March 2012		Work in Progress at the end of Quarter 2 2012/13
Work Item	Risk Category	Outline scope
Pan TfL		
Embedding of change		
Business Continuity	External Threats	Review of business continuity arrangements in non-operational areas of the business following the organisation changes arising from Horizon.
Efficiencies delivery		
Outsourcing of support services	Supplier chain management	To ensure that the procurement processes employed for the market testing of support services are managed effectively, in accordance with approved procedures and EU directives and open, fair and transparent.
Project delivery & contract management		
Document Management Systems Improvement Programme	Operations, facilities & systems	To provide assurance that the programme to improve TfL's document management systems is being managed in an efficient and effective manner.
Facilities management contracts.	Supplier chain management	To review the effectiveness of contract management and administration controls and processes for delivering facilities management services.
Fraud Risk in Projects and Contracts	Financial, funding & fraud	Review of the effectiveness of fraud prevention & detection controls within projects against a fraud risk maturity model, continuing work began in 2011/12.
Delivery of Business Driven IM Projects	Project Delivery	Review of the controls that have been implemented by IM to effectively manage the lifecycle of IM projects, including the development of a business case with outlined costs and benefits and the monitoring of benefits realised from the delivery of IM projects.
Core Financial Processes		
Management Accounting	Financial Funding and Fraud	Reviews of controls over management accounting.
IM Governance		
SAP Change Control/Crisis Management	Operations, Facilities and Systems	Review of the effectiveness of the change management processes that have been implemented at Northgate by Axon, including the policies, processes and procedures that have been designed and put into place to ensure effective crisis recovery and replacement of equipment at the end of its life.

Work Item	Risk Category	Outline scope
Other		
Review of SCADA systems pan TfL	External Threat	To review the process and supporting mitigation against cyber attack and security breaches within procured SCADA systems.
Surface Transport		
Project delivery & contract management		
Procurement controls within ST to avoid conflicts of interest	Financial, funding & fraud	Investigation of controls designed to avoid conflicts of interest in procurement, following fraud investigation in this area.
Finance		
Project delivery & contract management		
SAP Procure to Pay	Operations, Facilities & Systems	Review of business process and application development / upgrade.
Core Financial Processes		
PCI DSS Compliance Pre assessment	Financial funding & Fraud	The work will be specifically conducted prior to the External PCI DSS QSA visit and assessment to ensure that all appropriate arrangements and mitigation are in place and commensurate with PCI DSS.
IM Governance		
SAP Password Sharing	Information, Comms & Knowledge	Effectiveness of controls that have been implemented to prevent the sharing of passwords within the SAP environment and controls over the use of substitutes
Delegated authorities	Financial, Funding & Fraud	Compliance with TfL Standing Orders in view of Project Horizon organizational changes
Security of Back-up media and offsite storage	Financial funding & Fraud	To review the current security arrangements and offsite storage for back-up media.
Security and resilience of data centres,	Financial funding & Fraud	To review the current security arrangements including resilience controls at two data centres.
General Counsel		
Other		
Transparency Agenda	Legal Compliance & Regulation	Review controls over arrangements for publishing on TfL's website details of transactions over £500, contracts, senior staff salaries and expenses
Employment Tribunal Processes	People & Skills	Review TfL's processes for managing employment tribunals brought against it.
Annual Health, Safety and Environment Assurance Letters	Health Safety & Environment	The audit will review the operation of TfL's Annual Assurance Letters process including examination of accuracy and rigour of self assessment returns.

Work Item	Risk Category	Outline scope
One HR		
IM Governance		
Taleo Recruitment System	Operations, Facilities & Systems	Review the effectiveness of controls that have been designed and implemented to ensure integrity, availability and security of the data maintained and managed by the Taleo application.
Other		
Non Permanent Labour	People & Skills	Review the effectiveness of the controls in place over non permanent labour (agency workers and contractors)
Crossrail		
Insurance arrangements		Review of management of Crossrail insurance arrangements with contractors and the interface with Industry Partners.
Procurement of Rolling Stock		Review effectiveness of processes followed during the preliminary stages (e.g. ITT) of the procurement of rolling stock including HSQE requirements.
Consultant Invoice Management		To review processes for checking invoices submitted by consultants prior to approval.
London Transport Museum		
LTM Efficiencies review		Consultancy work around the planning and delivery of LTM's programme of efficiencies focusing on providing assurance that these are real and sustainable.
TfL Pension Fund		
Review of Compendia / SAP Interface (Real Time Audit)	Information, Comms & Knowledge	Review the effectiveness of interface controls between Compendia and SAP.

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Transport for London		Appendix 2
Internal Audit plan 2011/13 by directorate		
Approved by the TfL Audit Committee 7 March 2012		Work Planned at the end of Quarter 2
Work Item	Risk Category	Outline scope
Pan TfL		
Efficiencies delivery		
Estates Management	Operations, Facilities & Systems	Review of the arrangements and controls over the management of the TfL property estate.
Project delivery & contract management		
Programme management of the Commercial Capability Programme	Supplier chain management	Review the programme management of the Commercial Capability Programme.
Quality of procurement-related data in SAP	Information, comms & knowledge	A review of the quality of procurement-related SAP data, such as classification of spend and detailed description of spend.
Management of performance risk in contracts	Supplier chain management	A review of a sample of contracts for controls over poor contractor performance.
IM Governance		
IM Operating Model [Service Management]	Operations, Facilities and Systems	Real time review of work streams that cover distinct aspects of the operating model to be implemented by IM in the delivery of services, including the definition of IM service models, management of IM service catalogues and management of IM configuration.
Run Better Programme	Strategy & Leadership	A real time review of the governance processes that have been established to make effective business decisions regarding TfL enterprise resource planning system(s), including the methodologies that have been implemented by IM to work with the business in the identification of strategic objectives and key operational processes and the technology that would be required to enable their delivery.
Service Level Agreements (SLAs) and Operating Level Agreements (OLAs)	Operations, Facilities and Systems	Real time review of the governance and management processes that have been implemented by IM in the definition and agreement of SLAs and OLAs.

Work Item	Risk Category	Outline scope
Core Financial Processes		
General ledger management	Financial Funding and Fraud	Review of controls over the General Ledger.
Business expenses/purchasing cards	Financial Funding and Fraud	Review to ensure that controls over business expenses, including purchasing cards, continue to be properly enforced.
Underground and Rail		
Project delivery & contract management		
Establishment of cost assurance function in LU	Supplier chain management	To collaboratively assess standards and working practices in order to place reliance on the assurance being provided. This will include the sharing of any best practice and identification of opportunities to improve the consistency of assurance delivery.
Core Financial Processes		
Emirates Airline Revenue	Delivery Partnerships	Review of financial controls in place over revenue collection for the Emirates Airline.
Other		
Security Advice and Assurance - Palestra Co Location project	External Threat	Real time assurance on current state of planning and design considerations for security mitigations and operations.
Security assurance of Emirates Airline	External threat	Review of the security arrangements in place over the Emirates Airline.
Tube Lines		
IM Governance		
General IT Controls	Information, Comms & Knowledge	Effectiveness of general IT controls including user access, change control, resilience and BCP/DR.
Post Implementation Review of Oracle Upgrade	Operations, Facilities & Systems	Review the effectiveness of the Oracle upgrade implementation.
Surface Transport		
Efficiencies delivery		
ST Efficiencies Delivery	Financial Funding and Fraud	Audit of the delivery of ST's programme of efficiencies focusing on providing assurance that these are real and sustainable.
Project delivery & contract management		
Performance management within ST - Congestion Charging	Strategy & leadership	Advisory work requested by management, following on from the 'Performance Review of Streets' carried out in 2011/1, focus upon Congestion Charging & Enforcement.

Work Item	Risk Category	Outline scope
Performance management within ST - Taxi and Private Hire	Strategy & leadership	Advisory work requested by management, following on from the 'Performance Review of Streets' carried out in 2011/1, focus upon Taxi and Private Hire.
Core Financial Processes		
Financial Controls over payments to contractors on major projects	Financial Funding and Fraud	A detailed review of controls over payments to contractors for a sample of major projects.
Traffic Directorate - Review of Development Application Controls	Operations, Facilities & Systems	Review the effectiveness of development controls, compliance with TfL standards and alignment with business strategy.
Other		
Taxi and Private Hire (T&PH) - controlled stationery	Operations, Facilities & Systems	Review of process and controls over the security and issuing of T&PH controlled stationery.
Finance		
Other		
Commercial development	Financial, funding & fraud	Review of the strategies undertaken by the new Commercial Development directorate to increase TfL's income from secondary revenue streams.
IM Governance		
Security of Record Management Storage facility	Information, Communications and Knowledge	To review the security arrangements in place at Crown Records Management, TfL's outsourced Record Management storage facility.
Marketing and Communications		
Project delivery & contract management		
Development / Upgrade of the Customer Relationship Management system	Operations, Facilities & Systems	Review the effectiveness of the development / upgrade process for the Customer Relationship Management System.
One HR		
Other		
Voluntary Severance	People & Skills	Review of processes and controls over the voluntary severance process including compromise agreements.

Work Item	Risk Category	Outline scope
Crossrail		
Security Design and Implementation Management		Review of the effectiveness of security design and implementation management.
Commercial Reliance		Review the management of commercial agreements and assess the delivery of assurance by industry partners, including the proposed Network Rail Commercial Assurance Plan; and the interface with London Underground.
Management of catastrophic risk		Review effectiveness of strategy to manage catastrophic risk in Central Section and any specific risk responses.
Resource Allocation		Review of the allocation and management of resources / workforce mix, including confirming that this is in line with the Business Plan for 2012/13 and the set objectives.
Payroll controls		Review of how Crossrail ensures that PAYE is calculated correctly by its external payroll provider, ADP.
IM Contract - Fujitsu		Review of management of the Fujitsu contract through the Fujitsu Deliverables Matrix.
Over Site Development (OSD)		Review controls in place aimed at maximising the benefits of OSD.
London Transport Museum		
LTM Stock		Review of process and controls over LTM stock including follow up of issues raised by KPMG in their year end audit.
LTM Board Effectiveness		High level review of work carried out to embed the recommendations from the Board Effectiveness Review carried out in 2011.
TfL Pension Fund		
Auto enrolment and introduction of NEST		Review of the effectiveness of controls over the auto-enrolment process and NEST.

Interim
AC= Adequately Controlled
RI= Requires Improvement
PC= Poorly Controlled
WC= Well Controlled

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued
Pan TfL					
Games Delivery					
IA_12_619F	Games Transport Operations Funding	21/06/2012 AC	To provide assurance that TfL has appropriate processes in place to enable recovery of incremental costs that have been incurred specifically for the Games, and that these processes are being followed.	Our Interim Audit Report dated 21 June 2012 entitled Games Operations Funding identified one non-significant but still important issue regarding adequate staff resources. We have carried out a follow up review and found that all agreed actions have been satisfactorily addressed. This audit is now closed.	25/07/2012 ACL
Underground and Rail (including Tube Lines)					
Efficiencies Delivery					
IA_11_106F	LU's Efficiencies Delivery Programme	11/10/2011 AC	To review LU's Efficiencies Delivery Programme in order to obtain assurance that the planned efficiency savings were real, sustainable and being accurately reported.	Our Interim Audit Report dated 11 October 2011 entitled LU's Efficiencies Delivery Programme did not identify any significant issues but did raise four other issues. We have now carried out a follow up review of the agreed management actions and found that they have been satisfactorily addressed. Accordingly, this audit is now closed.	27/07/2012 ACL
Project and Contract Management					
IA_11_618F	LOROL Contract Management	29/11/2011 AC	To review the effectiveness of the contract management structures and processes in place to control delivery of the London Overground 'LOROL' Concession Agreement.	Our Interim Audit Report dated 29 November 2011 entitled LOROL Contract Management identified no significant issues and three other non-significant but still important issues. 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. We noted some minor discrepancies between the correspondence log and correspondence file. Management needs to take care that the file and the log are regularly and carefully reconciled to ensure that this control continues to be effective in the future. This audit is now closed.	29/06/2012 ACL

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued
IA_11_603	Management of Compensation Events	26/07/2012 AC/ACL	The audit included a sample of contracts in which we considered the operation of controls in place to manage compensation events. The audit considered the operation of these controls over the life of the contracts, and identified the factors that influence the occurrence of compensation events.	See Interim Audit Report Summary in Appendix 4.	26/07/2012 AC/ACL
IA_11_627F	Bond Street Contract Management	25/11/2011 AC	To ensure that the contract management structures and processes in place to manage the main works contract let for the Bond Street Station Project were efficient and effective.	Our Interim Audit Report dated 25 November 2011 entitled 'Bond Street Contract Management' identified one non-significant but still important issue, concerning document control and storage. 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. This audit is now closed.	29/06/2012 ACL
Surface Transport					
Project and Contract Management					
IA_10_210F	Management of Risk within Project and Programme Schedule, ST	20/05/2011 RI	To review whether appropriate allowance for timescale uncertainty due to project risks is made within project schedules.	Our Interim Audit Report dated 20 May 2011 entitled Management of Risk within Project and Programme Schedules, ST, identified one significant issue and two other issues. The significant issue was that there was no formal guidance on schedule risk management. We have carried out a follow up review and found that four of the 11 agreed actions have been satisfactorily addressed. The other seven have been only partially addressed. Completion of the outstanding actions is dependent upon implementation of a new pan-TfL project management methodology and associated system, the project for which we will be auditing later in 2012/13. This audit is now closed, and we will follow up completion of the remaining actions as part of our audit of the pan-TfL project management methodology this year.	03/07/2012 ACL
Finance					
Core Financial Processes					
IA_11_119F	Purchase Order Release	05/04/2012 AC	To determine the adequacy and effectiveness of the FSC purchase order release processes and controls.	Our Interim Audit Report dated 5 April 2012 entitled Purchase Order Release identified no significant findings but raised two other issues. We have now carried out a follow up review and can confirm that management has satisfactorily addressed all the agreed actions made in respect of these findings. The audit is therefore now closed.	27/06/2012 ACL

Reference	Report Title	Interim Report Issued	Original Objective	Summary of Interim Findings	Final Report Issued
IA_11_144F	Supplier Bank Accounts	02/02/2012 RI	To provide assurance over control of amendments to, and general maintenance of, Supplier Bank Accounts (SBAs).	<p>Our Interim Audit Report dated 2 February 2012 and entitled Supplier Bank Accounts identified one significant issue relating to the application of the SBA procedures at the FSC, which resulted in two management actions. We found instances where bank account details had been changed based on information provided on an invoice rather than a letter from the supplier. In these cases the required checks had not been undertaken to verify the authenticity of the request, although in all cases the changes were valid.</p> <p>The audit also identified two other issues, leading to a further six management actions.</p> <p>We have now carried out a follow up review of the agreed management actions and found that they have all been satisfactorily addressed, with the exception of one which is partially addressed. The partially addressed action relates to the full implementation of the Oracle upgrade in Tube Lines which has been delayed to the end of July 2012. However, the upgrade functional specifications for the maintenance of, and changes to, bank accounts, as well as full audit trail and monitoring reports, have been developed and approved. Accordingly, this audit is now closed.</p>	12/07/2012 ACL
Project and Contract Management					
IA_10_226F	Corporate Gateway Approval Process	31/05/2011 RI	<p>To provide assurance in relation to TfL strategic risk concerning project delivery, and in particular over whether the Corporate Gateway Approval Process (CGAP) was being conducted in an effective and efficient manner.</p> <p>This audit was carried out concurrently and collaboratively with an Investment Programme Office (IPMO) review of the CGAP the output from which was presented to the Project Review Group in September and October 2010. Resources and information were shared to optimise both, and emerging findings from the audit were made available to inform the IPMO review.</p>	<p>Our Interim Audit Report dated 31 May 2011 entitled 'Corporate Gateway Approval Process' found that the CGAP was generally regarded as a significant improvement upon previous Investment Programme governance review and approval arrangements, and that such a robust process is required to ensure consistent implementation of those arrangements. Furthermore, the Investment Programme Management Office (IPMO) was performing an internal review of the CGAP system with a view to improving it.</p> <p>A number of significant issues were identified during the audit, as follows:</p> <ul style="list-style-type: none"> • Requirements for data confidentiality should be reinforced with external experts, and the controls applied by individual EEs should be tested. • Gate review forward planning by projects and early engagement between project teams and assurers should be reviewed and improved. • The IPMO should consider increasing the use of TfL resources and expertise instead of using external consultants, so as to improve the cost effectiveness of the process, in line with the recommendations within the guidance on Source on the use of external suppliers under the Engineering & Project Management Framework (EPMF). <p>We have carried out a follow up review and concluded that 13 of the 15 agreed actions have been satisfactorily addressed. The remaining two have been partially addressed and new dates have been agreed for their completion. We will be auditing the TfL PMO later this year, at which point we will check again the status of these actions.</p> <p>This audit is now closed.</p>	29/06/2012 ACL

IA_10_313F	Risk Mitigation Workstreams for TfL Strategic Risk – Ineffective Contract Management	25/01/2011 RI	<p>To ensure that the organisation and governance of the risk mitigation workstreams for the TfL strategic risk: Ineffective contract management, was efficient and effective.</p>	<p>Our Interim Audit Report dated 25 January 2011 entitled Risk Mitigation Workstreams for TfL Strategic Risk – Ineffective Contract Management identified the following significant issues:</p> <ul style="list-style-type: none"> • For some of the mitigation actions, the action owners were not appropriate, and the descriptions of the mitigation actions were not clear. • The process of monitoring the progress of the mitigation actions and the communication of the mitigation actions to action owners was not effective. <p>The audit also identified one less significant, but still important, issue, which also resulted in a number of management actions.</p> <p>Since the Interim Audit Report was written, there has been significant change to relevant organisational structures, strategic risk management procedures and direction of commercial policy within TfL. Group Procurement within TfL Corporate has been replaced by a new directorate, TfL Commercial. Also the Corporate Risk and Governance team was disbanded and replaced by interim arrangements based around the senior risk managers for Corporate, Rail and Underground, and Surface Transport. More permanent arrangements are now being established.</p> <p>We have now carried out a follow up review – taking account of the developing strategic risk management arrangements – and can confirm that management has sufficiently implemented three out of the six agreed management actions. For the management actions relating to the Pan TfL strategic risk management process, we concluded that these been only partially addressed as new risk management arrangements are yet to be fully implemented. Our internal audit plan for this year contains further audit work on strategic risk management within TfL, and we will review the status of these actions again then.</p> <p>This audit is now closed.</p>	11/07/2012 ACL
London Transport Museum					
IA_11_137F	LTM Skills and Knowledge Management	19/10/2011 RI	<p>To review the adequacy and effectiveness of the controls in relation to skills and knowledge management in operation at the London Transport Museum (LTM).</p> <p>The audit reviewed the arrangements in place to ensure that LTM staff maintain the necessary skills and knowledge to enable them to perform their roles effectively.</p>	<p>Our Interim Audit Report dated 19 October 2011 entitled LTM Skills & Knowledge Management identified two significant issues which resulted in six management actions:</p> <ul style="list-style-type: none"> • no clear allocation of HR responsibilities and • no formal structured succession planning arrangements to ensure the existing levels of key skills are maintained <p>Two other issues were raised which resulted in a further seven actions.</p> <p>We have now carried out a follow up review of the agreed management actions, and found that eight have been satisfactorily addressed. Six actions remain partially addressed, but all have action plans in place to ensure they are completed in the near future.</p> <p>Accordingly, this audit is now closed.</p>	13/07/2012 ACL

Crossrail					
IA_11_519F	Contingency Management	23/05/2012 AC	To provide assurance that contingency funds are being managed effectively.	<p>Our Interim Audit Report dated 23 May 2012, entitled Contingency Management, identified no significant issues. One other issue was reported in the Detailed Findings – other issues section of the report.</p> <p>We have carried out a follow up review of the status of the agreed management action and found that it has been satisfactorily addressed. This audit is therefore closed.</p>	25/07/2012 ACL
One HR					
IA_10_146F	Use of TfL Pool Cars	08/11/2011 RI	To review the adequacy of the controls in place governing the use of TfL pool cars and to provide assurance that the policy is being adhered to.	<p>Our Interim Audit Report dated 8 November 2011 entitled Use of TfL Pool Cars identified four significant issues which resulted in eight management actions:</p> <ul style="list-style-type: none"> Governance arrangements for Pool Cars were not clearly defined. There was no TfL-wide policy on the use of pool cars and individual policies were used by LU, Tube Lines and Surface Transport. Compliance with the eligibility requirements had been devolved to individual line managers within the business with mixed results and existing policies did not provide sufficient guidance for staff. There was no standard form in use across TfL for recording of journey details. Log sheets were not completed and checked consistently and the required information was not being gathered. Arrangements for determining employee tax liability were not consistent and some employees had not received the required information. <p>Three other issues were raised which resulted in a further five actions.</p> <p>We have now completed a follow-up review of the agreed management actions and found that 11 have been satisfactorily addressed. Two actions remain partially addressed, but both have action plans in place to ensure they are completed in the near future. Accordingly, this audit is now closed.</p>	31/07/2012 ACL

IA_10_122F	The Provision of Reasonable Adjustments (RAs) for Disabled Staff	20/06/2011 RI	To review the effectiveness of the arrangements in place across TfL to ensure that RAs are made where appropriate, for both newly recruited and current disabled staff.	<p>Our Interim Audit Report dated 20 June 2011 entitled 'The Provision of Reasonable Adjustments for Disabled Staff' identified the following significant issues:</p> <ul style="list-style-type: none"> • Weaknesses in the communication of the RA policy and procedures; • RA records did not accurately reflect the full extent of RA provision across TfL; and • No requirement for LMs and key support staff to receive RA training. <p>These resulted in 11 management actions. Two other issues were raised, resulting in a further eight actions. We have now carried out a follow up review of the status of the agreed management actions.</p> <p>The original planned date for this follow up was extended from 31 January 2012 to 30 April 2012 due to HR transition following Project Horizon. Organisational and HR change has been taken into account during the follow up and is reflected further in the Status of Agreed Actions.</p> <p>We found that management has satisfactorily implemented 14 actions, partially implemented four and one is no longer applicable.</p> <p>The four actions that have only been partially implemented are as follows:</p> <ul style="list-style-type: none"> • The RA 'Frequently Asked Questions' (FAQ) will be updated to address the weaknesses identified by internal audit; • The SAP RA process will be updated in line with the findings of the process review. This will also include consideration of capturing historical RA information and use of the SAP RA Database to proactively monitor RA delivery; • The SAP RA report will be updated to capture leaver details to allow the accurate reporting of current RAs; and • Equality and Inclusion will raise RA training requirements for new LMs, LMs of staff requiring RAs, and DSEs with One HR. <p>Accordingly, this audit is not closed. We will carry out a second follow up review by 31 January 2013 to confirm that the remaining actions have been addressed.</p>	28/06/2012 ANC
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Interim
AC= Adequately Controlled
RI= Requires Improvement
PC= Poorly Controlled
WC= Well Controlled

Reference	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Interim Findings
Underground and Rail (including Tube Lines)					
Core Financial Processes					
IA_11_108	Financial Controls over payments to contractors on major projects	27/06/2012 RI	To review the effectiveness of the controls operating over payments made to LU's contractors on its major projects and contracts.	30/09/2012	On each of the contracts reviewed as part of the main fieldwork section of this review, the degree of scrutiny the LU team applied to the Applications for Payment received from the contractors was commendable. Appropriate controls were in place in all cases and established processes were diligently applied to ensure that the amounts submitted for payment by the contractors were fully validated before payment was released. No significant issues were identified during this review, but the report did raise some other issues.

Project and Contract Management				
IA_11_603	Management of Compensation Events	26/07/2012 AC/ACL	To review how Rail and Underground manage compensation events and the effectiveness of those arrangements.	<p>We identified two issues but in both cases management were previously aware of them, and were already implementing solutions to prevent similar issues occurring again. The two issues are:</p> <ul style="list-style-type: none"> • There had been weaknesses in the management of the One Person Operation (OPO) contract and at the time of our audit fieldwork there were around 1200 outstanding Compensation Event claims. Management has already taken steps to resolve the outstanding issues by appointing a new Contract Manager who will lead negotiations to agree a Deed of Variation to settle the outstanding claims and terminate the contract in favour of a new contract to be put in place following a tender process. • There is inconsistency between projects over the document and contract management systems that are used. Of the five contracts sampled for this audit three were using Asite and two were using another contract management system called CCM. Again this issue has already been addressed by management and instructions have been issued for all new contracts to use Asite as the contract management tool of choice. <p>As management have already taken steps to manage and mitigate the risks arising from both of these, they have not been included as issues within this report. However, we intend to carry out a contract administration audit of the new OPO contract within 6-12 months of the new contract commencing, to confirm satisfactory arrangement are in place. There were no other issues identified in any of the projects looked at as part of this review.</p> <p>In addition to the actions that Rail & Underground Commercial Management are taking to address these issues, we have also noted two further recommendations for consideration by management on a TfL-wide basis:</p> <ul style="list-style-type: none"> • Instructions for the use of a single contract management system, such as Asite, should be widened to include the whole of TfL. (We note that Asite was procured for the GLA group, so is readily available for use across TfL.) • A mechanism should be created to allow contract managers to share knowledge and experience across the various teams. This could be achieved, for example, by creation of a SharePoint site or through 'away day' type meetings for Contract Managers across TfL. <p>We intend to discuss with the Director, Commercial and the Commercial Director, Rail & Underground how these recommendations might be taken forward.</p>
Finance				
IM Governance				
IA_11_400	IM Data Security Framework	29/06/2012 RI	To provide assurance that information security within TfL has been clearly defined through an effective framework of policies, procedures and guidelines that provide the foundations to enable TfL data to be kept secure.	<p>IM has designed and implemented a number of security policies, standards and principles that comprise the Framework. This framework sets the overall tone at the top and outlines the significance of information security to TfL management.</p> <p>However, the audit noted two significant issues:</p> <ul style="list-style-type: none"> • The Information Services Security Policy is overdue for management review and some of the associated policies and standards have either not been formally approved, are out-of-date, or have ownership that may need to be reviewed. There are also some policy areas for which no standards or procedures have been established. • An employee security awareness programme required to successfully deploy the Framework has not been established.

IA_11_413	IM Performance Management	<p>23/08/2012 RI</p>	<p>To provide assurance over the effectiveness of the arrangements that have been put in place to manage IM Performance.</p>	<p>11/01/2013</p>	<p>The Performance and Compliance team has used Information Technology Infrastructure Library (ITIL), the internally developed Common Information Management Methodology (CIMM) based on Prince 2, and International Organisation for Standardisation (ISO) guidance to define and manage IM operations based on internationally recognised standards and best practices, and thereby drive improved performance, delivery of business value and increased control over IM activities.</p> <p>The Performance and Compliance team are responsible for the ongoing review of the performance reporting pack, through a continuous process of engagement with the business, to ensure that it meets the requirements of the Information Management Leadership Team (IMLT) and the TfL senior business managers as represented through the Information Management Steering Group (IMSG).</p> <p>Instances of poor performance where targets have not been achieved are managed through the establishment of service improvement plans that identify the cause of the underachievement and remedial action to address them.</p> <p>The majority of performance reports generated for the IMLT and IMSG are based on data captured in the BMC Remedy application that is used as the IM service request portal for TfL. Currently there is a project underway to upgrade the BMC Remedy application that will enable improvements in the reporting of IM service management information.</p> <p>We identified two significant issues as a result of our audit work:</p> <ul style="list-style-type: none"> • A significant amount of manual intervention is required to manipulate, analyse and summarise the performance data that is presented to the IMLT and IMSG; and • The procedures and methodologies for the production of performance indicators relevant to IM are not fully documented.
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General Counsel				
Other				
IA_12_110	Freedom of Information (FOI)	15/08/2012 RI	To review the adequacy and effectiveness of the controls for TfL's compliance with the FOI Act.	<p>Internal procedures for managing FOI requests have been developed by the Information Governance team:</p> <ul style="list-style-type: none"> • The Freedom of Information Request procedure provides an overview and guidance for the CMT in handling requests • The Internal Review procedure for dealing with complaints outlines the mechanism for the investigation of complaints related to the handling of requests <p>Both documents are fit for purpose, sufficiently detailed and compliant with the FOIA and ICO guidance.</p> <p>Despite receiving well over 2,000 FOI requests each year, on average, one of the highest numbers received by any public body, TfL's level of compliance with FOIA timescales is in line with ICO guidelines,</p> <p>We have found areas of good practice:</p> <ul style="list-style-type: none"> • General information on the FOIA is published on Source for the benefit of all TfL employees • IG has established a network of FOI stakeholders across TfL who can be used as key contacts by CMT for gathering information when handling requests covered by the FOIA and the EIR • A knowledge bank of sample responses has been created by the CMT to assist in recurring enquiries which is stored in the IG shared drive • Internal reviews and ICO investigations into complaints about non-compliance are actively managed and often resolved informally • Since taking over FOI management for all TfL business areas, a considerable improvement has been made to the maintenance of comprehensive and accessible records <p>Two significant issues were identified during this audit.</p> <ul style="list-style-type: none"> • There can be delays in responding to requests considered 'sensitive' as a result of their inherent complexity and the necessary additional layers of approval prior to information release to the requester. • There are inconsistencies in recording and reporting of statistics and performance data on FOI requests.

IA_11_002	Information Security Classification, Marking and Handling Standard	13/09/2012 RI	The objective of this audit was to review the effectiveness of the implementation of the Standard across TfL.	31/01/2013	<p>Both the Information and Records Management and Information Security IS Policies and the Standard were found to have been written and developed in line with industry accepted best practice and with stakeholder consultation by the Information Governance Team (IG), which is responsible for developing and managing the Policy and related standards, procedures and guidance.</p> <p>In addition, both communication and training were also found to have been provided by IG during the launch phase, with awareness sessions held in the form of staff workshops and presentations. A TfL Information Risk and Security Network and Records Management Stakeholder Network have been established and are used as a means to continue to promote and support the Policy and Standards and relevant information governance procedures and guidance.</p> <p>However, we did identify three significant issues as follows:</p> <ul style="list-style-type: none"> • The implementation of the Standard by the business has been inconsistent. • There is no formal mechanism in place to monitor the effectiveness of the Standard and the extent of compliance with it. • Many of the current IM systems are not fully capable of meeting the security and handling requirements associated with the security classification of information processed or stored on them.
Marketing and Communications					
IM Governance					
IA_11_016	Security of TfL Websites	20/07/2012 RI	This audit focused on the management, configuration and physical security of the TfL websites, including the associated servers and third party service providers.	31/10/2012	<p>The audit identified four significant issues as follows:</p> <ul style="list-style-type: none"> • There is no central point of contact within TfL for providing the necessary authorisation, control and ongoing monitoring of the “.tfl.gov.uk” domain name. • A small sample of websites were scanned by the IM Security Team using the web application security scanning tool, and in each case the scan highlighted a number of issues requiring further management investigation and remediation, much of which was completed by the end of the audit. • Contracts for provision of websites are negotiated without the assistance and input of TfL IM security subject matter experts. • Incident management processes for third party website suppliers should be documented and maintained. This should include responsibilities for the identification and reporting; evidence collection and analysis; containment; and remediation of security events.
Crossrail					
IA_11_507	Construction Quality Management and Self Certification	27/06/2012 RI	To provide assurance on the establishment and monitoring of quality management policies and standards in respect of construction work.	30/09/2012	<p>The following examples of good practice were identified:</p> <ul style="list-style-type: none"> • A set of documented plans for both construction and quality, has been developed for use on all the projects. The plans set out clear guidance to the Project Managers and Project Field Engineers on their role and responsibilities in relation to good quality management. These plans cover the introduction of effective Quality Management Systems, monitoring, surveillance and verification procedures in detail. • A project wide ‘Right First Time’ campaign has been introduced. The campaign focuses on the reduction of rework and actively involves contractors by encouraging them to view all defects as avoidable. The campaign also promotes the capture of lessons learned and encourages competition through a quality award scheme.

					<p>Notwithstanding the above good practice, the following significant issues were identified:</p> <ul style="list-style-type: none"> • Contractor Quality Management Systems were not fully in place on two of the four contracts sampled and use of remedies was inconsistent. • There could be a shortage of quality assurance resources available to the project teams to directly intervene in the delivery of a contractors' quality management system where the contractor is unable or unwilling to do so. This resource constraint may influence the decision to step-in.
IA_11_512	Project Delivery Partner (PDP) Contract Performance	30/07/2012 RI	This audit reviewed the effectiveness of controls to manage the delivery of services arising from the PDP contract.	31/10/2012	<p>The PDP contract has been varied to reflect the organisational changes via a Supplemental Agreement and the 3rd Service Delivery Plan. As a result of these changes, the PDP is no longer responsible for delivery of the Project. Instead its role is to provide support to Crossrail in delivering the Project. Consequently, the risk to the PDP associated with obligations to provide outputs has been reduced and is now very largely retained by Crossrail. However, the changes did not substantially affect the commercial value of the contract.</p> <p>The following areas of good practice were identified during the review:</p> <ul style="list-style-type: none"> • Crossrail and the PDP objectives are now aligned • Personal objectives are aligned with those of Crossrail for all members of the integrated team irrespective of the employing company <p>The audit identified two significant issues:</p> <ul style="list-style-type: none"> • There is a need to review charge rates in light of the reduction in PDP's level of risk exposure, and; • Control over the deployment of personnel resources appears to be being devolved to Area Directors with insufficient oversight by Crossrail management. <p>Two less significant issues were also identified.</p>
IA_11_515	Fujitsu Contract Audit	07/08/2012 RI	To assess the integrity of the information provided by Fujitsu to support the "Enhanced As Is" Services (EAI) contract in relation to the performance and service delivery targets.	31/10/2012	<p>The SOM service measures were base-lined in March 2012 and recorded in the SIP. Fujitsu has agreed actions to show how it intends to deliver against each service measure. Establishing and agreeing service measures represents good practice on the part of both Crossrail and Fujitsu. Fujitsu is required, every period, to provide documented evidence for each service measure and has three months from 4 April 2012 to ensure that this evidence is recorded in a proscribed SharePoint folder. If this is not possible, there is a defined process to redefine or agree an alternative measure with Crossrail.</p> <p>One significant issue was identified.</p> <p>Documented evidence is currently being provided to support some of the service measures as required by the Service Obligations Matrix. However, for the areas that have been the subject of this review, the information provided as evidence is mostly partial and in some areas not available. Therefore, timely evidence is not currently being provided to support service provider activities in relation to agreed service levels.</p>
IA_12_501	Trend and Change Control	12/09/2012 AC	To provide assurance that the Trend and Change Control process is robust and is being applied consistently.	12/12/2012	<p>The audit found effective controls in place at all stages of the Trend and Change Process, including the initiation of potential trends/changes, the review and assessment process, authorisation, implementation and monitoring.</p>

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Interim Findings
IA_11_632	Planned Internal Audit Work on Games Assurance Letters – Games Transport Operations	28/06/2012	Memo	<p>This was one of a series of audits aimed at providing assurance that TfL's Games Assurance Letters process provided a robust mechanism to assess the state of TfL's preparedness for the Games.</p> <p>This audit was specifically focused on the extent to which IPMO's review of Games Transport Operations cost estimates provided effective and reliable assurance.</p>	<p>There was a lack of documentary evidence, supporting the cost reviews carried out by the IPMO, although it was acknowledged that the requirement for that assurance has diminished significantly. We noted that management must assure itself that costings for other aspects of Games Transport Operations are sound, and that responsibility for monitoring Rail and Underground and Surface Transport costs sits, as per BAU, within the respective Finance structures, with the TfL Games team maintaining an oversight role on the overall ODA finance assistance to TfL.</p>
IA_11_104	TfL Employee Recognition Scheme – Make A Difference	29/06/2012	Memo	<p>To provide real time assurance that robust control processes and governance arrangements were established for TfL's new employee recognition scheme, Make a Difference.</p>	<p>We were satisfied that the issues raised by Internal Audit during the development and design of Make a Difference had been properly considered and addressed. The scheme has been automated on SAP making the process more efficient than predecessor schemes and allowing better availability of management information to monitor spend and usage. There was a good communication and engagement strategy to ensure the key principles of the scheme are understood by both management and staff allowing it to be successfully rolled out across the organisation.</p>
IA_11_625	Category Management in TfL	12/07/2012	Memo	<p>To review whether the policy and processes being developed for category management and related implementation plans are appropriate and likely to be effective.</p>	<p>We found that the milestones for Wave 1 Category Management had been reached. However, the implementation of Category Management was still at a very early stage following the creation of a Centre of Excellence team within the Commercial department. Development of new processes and a Category Management toolkit was required to facilitate this new commercial model. This work was continuing. In addition, there were resourcing challenges beyond the control of the Commercial team. Reorganisation as a part of Horizon had not managed to fill all roles in this area, leaving some significant vacancies. Although some of these have now been filled, the result has been that progress has been delayed by several months.</p>
IA_11_420	Review of Logical Access Controls	19/07/2012	Memo	<p>To provide assurance in advance of the Games that issues raised earlier in the year over the security, availability and resilience of key Surface Transport applications had been addressed on a timely basis and were operating effectively..</p>	<p>We established that those management actions scheduled to be completed by the end of June had been implemented and that they addressed the issues raised.</p>

IA_11_110	Peer Review of TfL, LU and Tube Lines Audit Functions	25/07/2012	Memo	In order to prepare for the provision of integrated assurance across TfL, Internal Audit led a peer review of TfL, LU and Tube Lines Audit functions. The review team, made up of representatives from all three areas, adopted a collaborative approach to assess standards and working practices in order to place reliance on the assurance being provided. This included the sharing of good practice and the identification of opportunities to improve the consistency of audit delivery.	<p>All the audit teams followed methodologies which are aligned with appropriate professional standards and there were clear synergies between the LU and Tube Lines Audit processes.</p> <p>The review highlighted areas needing further consideration in order to increase the reliance which can be placed on audit work as part of integrated assurance delivery.</p> <p>The application of the improvement actions will be expedited by the proposed movement of the LU HSE Audit function under the leadership of the Director of IA.</p>
IA_12_111	Transparency Agenda	1/8/2012	Memo	The objective of the audit was to assess TfL's response to the Government's transparency agenda. The work was carried out in two phases, with phase 1 focusing on the arrangements TfL has established for reporting data and phase 2 to test the accuracy of the data being published. The purpose of the memorandum was to bring to management's attention the findings from phase 1, to enable timely action to be taken to address these.	<p>We are satisfied with the action TfL is taking to ensure compliance with the DCLG's Code of Recommended Practice. There are also appropriate arrangements for monitoring and maintenance of the Transparency information on an ongoing basis, after the Transparency Portal becomes operational and the Steering Group disbands.</p> <p>We did, however, note a number of areas where there was scope for further improvement to ensure full compliance with the Code.</p>
IA_11_609	Supplier Relationship Management (SRM) in TfL	07/08/2012	Memo	To assess whether the policy and processes applied across TfL to manage relationships with its key suppliers (critical and strategic suppliers), are effective and efficient, and if appropriate to make recommendations for improvement.	<p>The SRM team are making progress and have achieved all of their milestones thus far. However, the workstream is at an early stage and there are some challenges to be met as the work progresses further. We intend to conduct an audit of SRM as part of the 2013/14 audit plan to assess progress.</p> <p>The SRM team have developed a maturity model to measure progress towards embedding SRM within TfL and their assessment may be a useful starting point for any future audit.</p>
IA_11_631	Management of Archives and Records Service Contracts	14/08/2012	Memo	To assess the adequacy of the process used to renew record storage and archiving contracts and the effectiveness of current contract management arrangements following the transfer of responsibility for this area to Information Governance.	<p>We found the following areas of good practice:</p> <ul style="list-style-type: none"> • System reports in relation to the Crown contract were detailed and provided a good audit trail of system use and associated costs. • Costs for service provision were being driven down both before and during our review. • Overall, compliance with contract obligations, and the quality of the services provided by Crown and Deepstore were considered to be good, and providers co-operative and efficient. <p>We identified a number of issues that Information Governance should take into account in their plans for future provision of these services. The main contract with Crown expires in November 2015 and will need to be re-tendered. It is recommended that before then, Information Governance conduct a survey of a representative sample of large and small scale business users, to determine their actual business needs. Outputs from the survey, can then be used to determine what services TfL require, and what will provide the best value for money.</p>

**INTERNAL AUDIT CUSTOMER FEEDBACK FORM
SUMMARY OF RESPONSES FOR 2012/13
QUARTER 2**

Understanding our customers' needs and expectations and ensuring we are meeting them is an important part of the continuous improvement we strive for in Internal Audit. We have recently conducted an assignment in your area and would be grateful if you could complete this customer feedback questionnaire, **and return it to us by email**. This will help us identify ways in which we can improve our service to the business.

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

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

Customer Feedback Forms Sent: Q2= 18 (Q1 = 7)

Customer Feedback Forms Returned: Q2 = 10 (Q1 = 3)

		No score given	Very poor	Poor	Satisfactory	Good	Very good	
ASSIGNMENT ASSESSMENT CRITERIA		1	2	3	4	5	Average Score	
PLANNING AND TIMING								3.5
1)	The assignment timing was agreed with me and there was appropriate consideration of my other commitments as the work progressed	0 (0)	0 (0)	0 (0)	1 (1)	9 (0)	0 (2)	
2)	The assignment was completed and the report issued within appropriate timescales	1 (1)	1 (0)	2 (0)	2 (0)	4 (2)	0 (0)	
COMMUNICATION								3.5
3)	Communication prior to the assignment was appropriate, including the dates and objectives	0 (0)	0 (0)	0 (0)	3 (0)	5 (1)	2 (2)	
4)	Throughout the assignment I was informed of the work's progress and emerging findings	0 (0)	1 (0)	1 (0)	5 (1)	2 (1)	1 (1)	
CONDUCT								3.3
5)	The Internal Audit team demonstrated a good understanding of the business area under review and associated risks, or took time to build knowledge and understanding as the work progressed	0 (0)	0 (0)	3 (0)	3 (0)	2 (1)	2 (2)	
6)	The Internal Audit team acted in a constructive, professional and positive manner	0 (0)	0 (0)	0 (0)	2 (0)	5 (1)	3 (2)	
RELEVANT AND USEFUL ADVICE AND ASSURANCE								3.3
7)	A fair summary of assignment findings was presented in the report	0 (0)	0 (0)	1 (0)	5 (0)	3 (0)	1 (3)	
8)	Assignment recommendations were constructive, practical and cost-effective	1 (0)	1 (0)	0 (0)	5 (0)	2 (1)	1 (2)	
9)	My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	0 (0)	1 (0)	2 (0)	2 (0)	4 (0)	1 (3)	
Overall assessment								3.4

Other comments including suggested improvements and areas of good performance:

The assignment was generally well managed. The report left some challenging actions that are Pan-TfL and going forward it would be helpful if the audit team could assist with the communication to the wider business. The communication could be improved prior to the assignment, for example the scope being in more detail. Although I was informed regarding the progress, the actions only came to light at the end.

The final report could have been more explicit in how things might need to change at an organisational level across TfL rather than focussed on [this department]

The audit was carried out very professionally but I feel that sometimes audit are more politically correct with the audit results and should be more forceful with their views and make sure there is no ambiguity in the language.

I thought it took a long time for the audit team to grasp some of the complexities of [the area under review], and the way in which TfL manages it - there were still basic factual errors in the final draft of the Audit Report which I had corrected previously.

"The consultancy review approach was valuable and appreciated, particularly by staff in the target area, and the practicality and value of the recommendations was welcomed."