

**Date: 8 October 2014**

**Item 11: Internal Audit Quarter 1 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 first quarter of 2014/15, the work in progress and work planned for Q2.

**2 Recommendation**

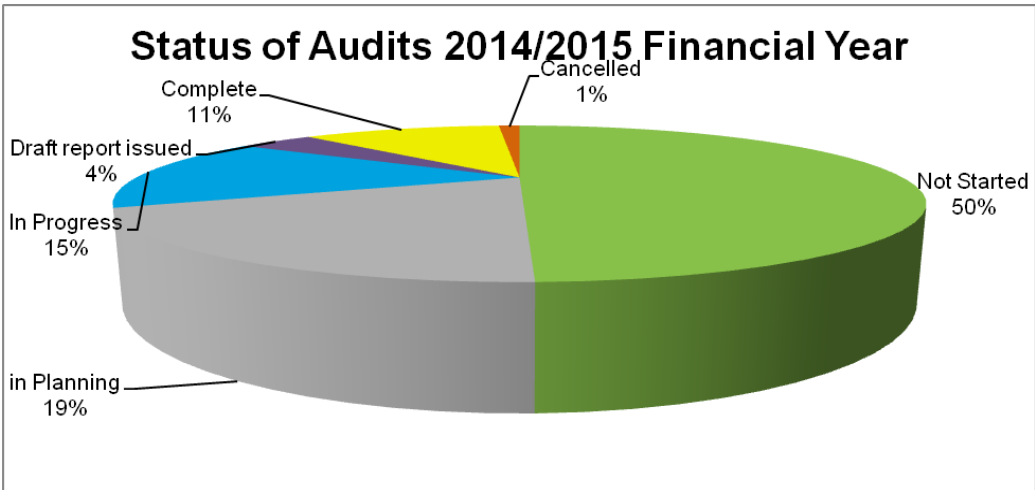
2.1 **The Committee is asked to note the report.**

**3 Background**

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

**4 Work Done**

4.1 The chart below shows progress at the quarter end towards delivery of the 2014/15 audit plan, including work in progress brought forward from 2013/14.



4.2 There were 17 Final Audit Reports (2013/14 Q1: 13) issued during the quarter, including two reports that were 'Well Controlled' and went straight to final. In all cases, appropriate management action had been taken to address the issues raised in the original Interim Audit Report, and the audit was closed. A summary of the report findings is included in Appendix 3 attached.

4.3 The table below shows the number of Interim Audit Reports and other outputs, including advisory/ consultancy reports and memorandums, issued during the quarter, together with comparative figures for the first quarter of 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		
	WC – well controlled AC – adequately controlled RI – requires improvement PC – poorly controlled											
This Quarter	3	4	2	1	10	0	15	5	1	21	6	37
YTD 2013/14	2	6	7	2	17	n/a	n/a	n/a	n/a	25	3	39

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

4.4 Details of the findings from the interim reports issued during the period (except one in relation to the TfL Pension Fund) can be found in Appendix 4. One audit report was issued during the quarter with a 'poorly controlled' conclusion. The audit of Staff Travel concessions in bus operating companies identified a number of priority 1 issues, including the need for greater clarity over the eligibility conditions for bus operator Oyster passes. A comprehensive programme of management actions is being taken forward in liaison with the bus operating companies to address these.

4.5 A summary of the other outputs issued during the quarter, including memorandums and advisory reports, can be found in Appendix 5. The more significant of these include:

- (a) our real time audit of the refranchising of DLR operations and maintenance has found this to be a well managed procurement;
- (b) our real time audit work on the implementation of contactless ticketing noted a thorough and pragmatic approach that demonstrated the characteristics of best practice project management; and
- (c) following completion of a series of audits of revenue protection activities we issued a memorandum setting out some common themes highlighted by these audits with the aim of spreading good practice. It was noted that the ongoing work to integrate the prosecution teams and implement the Mercury system across revenue protection teams should play an important role in improving the efficiency and consistency of revenue protection activities.

4.6 Summaries of the HSE and Technical (HSE&T) Audit reports issued during Quarter 1 are set out in Appendix 6. These reports now include an overall audit conclusion in the same way as Interim Internal Audit Reports. One HSE&T report issued during the quarter had a 'poorly controlled' conclusion. The audit of management of Temporary Approved Non-Compliance (TANC) for signal asset planned maintenance identified a number of issues in relation to the control over and approval of TANCs. Urgent management action is being taken forward to address the issues found.

- 4.7 Work in progress at the end of Quarter 1 is shown in Appendix 1 and work due to start in Quarter 2 is shown in Appendix 2.
- 4.8 Three audits were added to the plan during the quarter:
- (a) a real time audit, requested by management, of the procurement of the Bus Shelters and Stops contract;
  - (b) a review, requested by management, of station control and emergency plans against legislative requirements; and
  - (c) a review of Rail and Underground arrangements to detect and respond to attempted use of ticket machines for money-laundering purposes.
- 4.9 Three audits have also been cancelled or postponed. These are:
- (a) an HSE&T audit of Power Organisational Change, which has been cancelled to avoid duplication with an external 'PAS 55' audit;
  - (b) an HSE&T audit of the Central Line Gearbox Overhaul, which has been postponed to 2015/16 to reflect the timing of the project; and
  - (c) an audit of Planning's interfaces with the Operating Businesses, which has been cancelled since it will be covered by the Horizon Lessons Learned review that is currently in progress, and to which Internal Audit is contributing.

## **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 1.

### **Project assurance**

- 5.2 The TfL Programme Management Office carries out Integrated Assurance Reviews (IARs) of projects as part of the Pathway Project Management Framework. Projects are selected for review following a risk-based assessment, in order to enable the optimum assurance intervention to be planned. All projects with an estimate final cost (EFC) over £50m are reviewed under the same IAR process but with additional input from the Independent Investment Programme Advisory Group (IIPAG).
- 5.3 In Quarter 1, 25 IAR reviews were conducted, with the IIPAG providing oversight and guidance on nine reviews, all of projects with an EFC of over £50m. Issues arising from the reviews are presented to the operating boards with agreed actions, owners and timescales.
- 5.4 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. In 2013/14, fourteen reviews were conducted using Peer review teams, approximately 12 per cent of the total, and this initiative is continuing in 2014/15, with four peer reviews carried out during Quarter 1.

- 5.5 Some of the more significant reviews during Quarter 4 were; an Option IAR of the Wandsworth Gyrotory Improvement; Pre-Tender reviews of the LOTRAIN rolling stock procurement in London Rail and two Sub Surface Railway traction power packages; and Contract Award Reviews of the Northern Line Extension to Battersea and the Central London Cycling Grid.

### **Crossrail Assurance Providers**

- 5.6 In addition to the work carried out by Internal Audit there are a number of other teams providing assurance over delivery of the Crossrail project. The Crossrail Audit Committee receives regular reports on the work of these teams, whose work during Quarter 1 is summarised in the following paragraphs.
- 5.7 Crossrail Compliance Audits – The compliance audit function within Crossrail carries out technical audits of compliance with the Crossrail Management System, and is managed by the Senior Audit Manager – Crossrail. Audits carried out during the quarter covered: Incident Response and Business Continuity Management; Asset Management; and Contractor Self Certification. The latter of these audits was concluded as ‘Poorly Controlled’ as the documented self-certification process was out of date, and not being followed in all cases. Management has taken action to address the issues identified, which are now all closed.
- 5.8 Contractor HSQE Audits – There is a programme of over 150 contractor audits for 2013/14 spread across a range of themes and contracts aimed at providing assurance that contractors have appropriate HSQE systems in place. These audits are also managed by the Senior Audit Manager – Crossrail. Audits carried out during the quarter covered areas such as health and safety management; environmental management; lifting operations; management of catastrophic risk; breaking ground and occupational health. There were no particular trends arising from this work.
- 5.9 Contractor Commercial Reviews – This team carries out commercial assurance reviews of contractors, covering Cost; Contract Management; Risk Management; Commercial Value; Supply Chain and Procurement and Anticipated Final Cost Management and Controls. There are no significant areas of concern arising from this work.

### **Embedded assurance**

- 5.10 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:
- (a) Surface Transport;
  - (b) London Overground; and
  - (c) LU Capital Programmes Directorate.
- 5.11 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, and progress is reported here for the first time. Information from the LU Capital Programmes Directorate, and other areas that may be identified, will be incorporated into reports in due course.

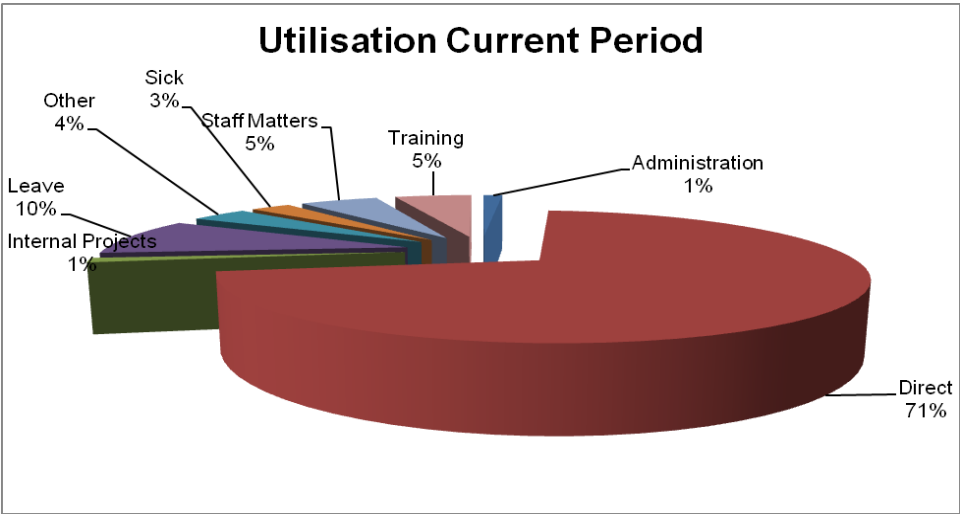
5.12 Surface Transport – No audits were completed by embedded auditors within Surface Transport in Quarter 1.

5.13 London Overground – Two audits were delivered during Quarter 1, in respect of Accident and Incident Investigation Reporting; and Standards Management Procedure. There were no significant findings from either of these audits, with six minor observations raised in total.

**6 Resources**

6.1 During the quarter two Internal Auditors joined the department to fill vacancies that had arisen, and an HSE & Technical Auditor joined the department on a secondment basis to backfill for an outward secondment.

6.2 The department’s utilisation for the year to date is set out in the following chart:



**7 Integrated Assurance / Networking**

7.1 The Assurance Delivery Group (ADG), chaired by General Counsel, continued to meet on a quarterly basis. Current areas of focus include the development of assurance maps for a number of business areas; assurance progress reporting to the operating businesses; ongoing development of TfL’s Control Self Assurance processes; and improving the linkages between assurance and the strategic risk management process.

7.2 We continue to meet regularly with the Head of the TfL PMO to discuss upcoming work and ensure that any potential areas of overlap are properly managed. We are currently working with the PMO on development of an assurance database that will enable relevant managers in the business to easily access copies of audit and project assurance reports and information on upcoming assurance work.

7.3 We are working with the Commercial Directorate on development of a Management Consulting Commercial Category, which aims to promote the use of internal resources (including Internal Audit) to meet some of TfL’s management consultancy needs as an alternative to using external suppliers.

7.4 The Crossrail Integrated Assurance Group (CIAG), which comprises representatives of assurance providers from a range of Crossrail stakeholders, has continued to meet regularly. The CIAG is a useful forum for the sharing of assurance activity, which helps minimise the risk of duplication of effort between assurance providers.

## **8 Customer Feedback**

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

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

Appendix 1: Work in Progress at the end of Quarter 1 2014/15

Appendix 2: Work Planned for Quarter 2 2014/15

Appendix 3: Final Reports Issued in Quarter 1 2014/15

Appendix 4: Interim Reports Issued in Quarter 1 2014/15

Appendix 5: Consultancy Reports and Memoranda Issued in Quarter 1 2014/15

Appendix 6: HSE and Technical Reports Issued in Quarter 1 2014/15

Appendix 7: Customer Feedback Form – Summary of Responses for Quarter 1

### **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 1 2014/15</b>
<b>Audit</b>	<b>Objective</b>
<b>Pan TfL</b>	
<b><i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i></b>	
Horizon Follow Up Review	To provide ongoing support to the Project Horizon follow up review led by the Chief Finance Officer.
<b><i>Disruption to quality of service</i></b>	
Mobile Technology and Portable Devices	To provide assurance on the adequacy and effectiveness of the controls over the provision and use of mobile technology across TfL.
<b><i>Environmental impact of delivering a transport service</i></b>	
Implementation of Environmental Strategy / Initiative	To review the processes and controls around TfL's environmental strategy / objectives.
<b>Rail and Underground</b>	
<b><i>Delivery of capital investment portfolio</i></b>	
Baker Street/Bond Street Tunnels	To ensure Design/Construction change processes are being followed correctly on site, including accurate record keeping for all processes including materials certification through to installation process and sign off.
Signalling Configuration Management	To assess robustness of configuration of signalling control systems to avoid operational and safety critical incidents.
Track Cube Testing Process	To confirm compliance with full testing process, records and action based on results supplied following approved procedures.
Track Partnership Track Installation and Handover	To provide assurance that the installation of new track is undertaken in a manner consistent with expected standards and to ensure the maximum reliability and safety.
Analysis of LU compensation events	To analyse compensation events to better understand the factors driving the occurrence of compensation events and how they are managed in order to determine any potential areas for improving the outcomes for LU projects using NEC3 Option C contracts.

<b>Audit</b>	<b>Objective</b>
Contractor management of labour resources	To provide assurance that the management of employment practices and labour relations by LU contractors complies with contractual obligations, is effective and applied consistently down the supply chain. This audit will be a pilot for further audits on this topic and will focus on the Taylor Woodrow Bam Nuttall Joint Venture contract at Victoria Station.
Procurement of the new DLR Franchise	To ensure that the procurement process employed for Refranchising of Docklands Light Railway Operations and Maintenance is in accordance with approved procedures and EU directives and is open, fair and transparent.
Procurement of the Crossrail Train Operating Concession (CTOC)	To ensure that the procurement processes employed for the CTOC are in accordance with approved procedures and EU directives, and are open, fair and transparent.
Effective use of gate and design reviews in projects	To provide assurance that gate and design reviews are effective and making use of Pathway correctly to contribute to project success.
<b><i>Disruption to quality of service</i></b>	
Tottenham Court Road - Handover Assets	To provide assurance that Taylor Woodrow Bam Nuttall (TWBN) have the appropriate ISO9001 processes to ensure completeness of handover documentation to LU.
TWBN Victoria Station Upgrade Compliance	To provide assurance that TWBN Management Systems meet the requirements of ISO 9001 / 10005 regarding competence, roles and responsibilities, production of documents and sub contractor selection.
AVS Engineering and Maintenance	To provide assurance that the supplier is effectively managing health, safety and quality in keeping with good business practices and LU Standards.
Geomount Ltd	To provide assurance that the supplier is effectively managing health, safety and quality in keeping with good business practices and LU Standards.
Communications Equipment Room (CER) Management	To assess the processes and controls for ensuring risks to safety and reliability are managed in CERs.
<b><i>Security</i></b>	
Security of LU Tenants	To review LU Station tenancies from a security risk management perspective and the process supporting personnel security arrangements in respect of tenants.
<b><i>Major incident - external</i></b>	
Trams Infrastructure safety management (Works, Track, Systems)	To examine the systems and processes in use for ensuring the systematic control of safety risk to Trams employees – risk assessment, controls implementation, monitoring.
Buried Services Management (Victoria and Bond Street)	To assess Victoria and Bond Street Projects' processes for identifying buried services and then ensuring that risk of strikes is minimised.



<b>Audit</b>	<b>Objective</b>
Safety Management Track Asset Performance - BCV	To assess effectiveness of arrangements to ensure that safety risks are controlled via existing documented requirements and that these are effective. Also licensing of safety critical staff and trainers and availability of records in accordance with safety critical at work standard.
Safety Management Track Asset Performance - SSL	To assess effectiveness of arrangements to ensure that safety risks are controlled via existing documented requirements and that these are effective. Also licensing of safety critical staff and trainers and availability of records in accordance with safety critical at work standard.
LU Power Asset Performance - Low Voltage/High Voltage safety rules	To assess compliance and effectiveness with rules to control work on high voltage/low voltage equipment.
London Bridge Station Group HSE Management	To assess compliance with critical elements of the TfL HSE Management System, LU Manager's Handbook, LU Rule Books and the effectiveness of local arrangements.
Baker Street Station Group HSE Management	To assess compliance with critical elements of the TfL HSE Management System, LU Manager's Handbook, LU Rule Books and the effectiveness of local arrangements.
Change Control	To assess London Overground processes for ensuring that changes are assessed for risk with mitigations identified and implemented.
Workload Planning	Assess evidence to determine whether the right resources (time and manpower) exist to undertake tasks. This will be undertaken against the ORR Railway Maturity Model.
<b>Surface Transport</b>	
<b><i>Delivery of capital investment portfolio</i></b>	
Management of the London Highways Alliance Contract (LoHAC)	To review the management of the LoHAC framework and a selection of call off contracts.
Traffic Control Equipment Maintenance and Related Services 2 (TCMS2)	Provide assurance that the decision making process in place for governing the letting and implementation of the TCMS2 contract ensures the objectives of the contract are achieved.
<b><i>Major incident - external</i></b>	
Enforcement and On-Street Operations (EOS) Taxi and Private Hire compliance	To provide assurance and advice to EOS on the TPH Compliance control environment.
<b><i>Financial and Governance Controls</i></b>	
Blue Badge Congestion Charge Discount	Review of controls over the Blue Badge Congestion Charge discount.
<b>Finance</b>	
<b><i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i></b>	

<b>Audit</b>	<b>Objective</b>
Commercial Development Business Plan	To provide assurance that the process for production of the Commercial Development Business Plan is robust and effective.
<b><i>Delivery of capital investment portfolio</i></b>	
Cost Planning and Control of IM Programmes and Projects	To gain assurance that the approach to budgeting and controlling costs on individual programmes and projects is undertaken in a structured and consistent manner within IM that allows the business to make informed decisions on spend and benefits realisation.
Bravo	Application controls audit of the system including user access management, change management, resilience, interfaces with SAP, backup and DR, IT security arrangements, capacity management.
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	Real time audit of the procurement process employed for the Professional Services Framework.
<b><i>Security</i></b>	
Security of Palestra	To provide assurance that the Palestra office building security arrangements and operations reflect the current risk and threats.
Security of Buildings	To provide assurance that head office building security arrangements reflect the current risk and threats.
<b><i>Financial and Governance Controls</i></b>	
Management Accounts	To review the adequacy and effectiveness of the period end management accounting process.
JNP - Payroll Data Integrity	To provide assurance on the processes, procedures and controls that have been implemented to ensure the integrity, availability and confidentiality of the JNP payroll data maintained in the Axiom solution.
Data Interrogations - Purchase to Pay	Undertake a series of data interrogations of the purchase to pay data to confirm that selected key controls operating within and outside of the application are both operational and effective.
<b>Customer Experience, Marketing and Communications</b>	
<b><i>Delivery of capital investment portfolio</i></b>	
Procurement of the Ticketing and Fare Collection Services Contract	Real time audit of the procurement of a new contract (or contracts) for a suite of work packages for the provision of the Oyster ticketing system, in time for the expiry of the existing contract with Cubic.

Audit	Objective
<b>Risk of an Information or Cyber Security incident on key services that support business and/or network operations</b>	
Oyster Data Access	Review of controls over oyster data including access, monitoring, management reporting and training.
<b>HR</b>	
<b>People Strategy</b>	
Equalities and Inclusion	To review effectiveness of controls operating over the Equalities and Inclusion programme and spend.
<b>Crossrail</b>	
Director and Senior Management bonuses.	To review the KPIs and targets on which Director and Senior Management bonuses are paid to ensure that these have been managed in a fair and open way.
Crossrail Complaints Commissioner Accounts	The annual review of Complaints Commissioner accounts for accounting accuracy.
Commercial assurance of the new Systemwide Contracts	To provide assurance that contract administration of the Systemwide Contract, C620, is effective and efficient.
Contract close out	To provide assurance that the management of contract close out by Crossrail is efficient, effective and covers all relevant areas.
Commercial Management of the Ilford Yard Contracts	To provide assurance that commercial management of the Ilford Yard contracts is effective and efficient.
Network Rail Management of Line Closures	To review the effectiveness of Network Rail line closures over Easter and Christmas breaks.
Management of On-Network Undertakings and Assurances	To provide assurance that management of undertakings and assurances by Network Rail and relevant contractors is effective, and that Crossrail undertakes sufficient monitoring and verification to adequately discharge its responsibilities as the nominated undertaker.
<b>London Transport Museum</b>	
LTM Efficiencies	Following on from work carried out in 2012/13, to work with LTM management to review the adequacy, effectiveness and sustainability of specific elements of current LTM efficiencies programme.

<b>Transport for London</b>	<b>Appendix 2</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 Planned - for Quarter 2 2014/15</b>
<b>Audit</b>	<b>Objective</b>
<b>Pan TfL</b>	
<b><i>Delivery of capital investment portfolio</i></b>	
Business cases	To review the use of business cases to provide a sound basis for decision-making, focusing in particular on options appraisals; the extent to which the wider implications of projects (e.g. crime & disorder, fraud risk, social value and equality & inclusion) are compliant with TfL requirements, consistently addressed and captured; and the inclusion of appropriate levels of detail.
<b><i>Risk of an Information or Cyber Security incident on key services that support business and/or network operations</i></b>	
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>Disruption to quality of service</i></b>	
Procurement and Management of Software Licences in TfL	Provide assurance on the effectiveness of the processes and controls involved in the procurement and management of software licences in TfL.
TfL Management System	To review the controls and processes in place for developing and introducing the TfL Management System.
<b>Rail and Underground</b>	
<b><i>Delivery of capital investment portfolio</i></b>	
Management of manufacture and supply of signalling (BCV & SSL) contract	To audit controls over management of the manufacture and supply of signalling (BCV & SSL) contract.
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.

Audit	Objective
Procurement of Provision of Electrical & Mechanical Managed Services	To ensure that the procurement processes employed for the Provision of Electrical & Mechanical Managed Services contract are in accordance with approved procedures and EU directives and are open, fair and transparent.
Transfer of West Anglia services	A review of TfL's preparations for the transfer of West Anglia Services into London Overground, and ensuring any lessons are learned for possible future transfer of LOROL services to another provider.
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).
Bank Project Technical Team	To evaluate the LU technical team's understanding of their safety, verification, co-operation and assurance obligations, their applicability to this project and how, why and where these duties are discharged.
Tottenham Court Road/Bond Street Organisation Change	To assess the effectiveness of the 'One Team' approach in ensuring that key documents and pathway obligations are still met and CDM compliance demonstrated.
<b><i>Disruption to quality of service</i></b>	
Tram Configuration (Bombardier Transportation Services)	To assess robustness of processes for ensuring management of serialised spares, line replaceable units, software versions etc.
Quattro supply of road rail vehicles	To assess systems for ensuring the quality of maintenance of road rail vehicles supplied.
Progress Rail	To assess supplier capability for supplying pre- fabricated points and crossings
Bond Street Costain Laing O'Rourke	To assure the implementation of project documentation to ensure that LU requirements are met.
Signal Points Fitters	To provide assurance that sub contracted staff undergo an effective process for recruitment, training, competence and licensing.
Accord Lifts	To provide assurance that the supplier is effectively managing health, safety and quality in keeping with good business practices and LU Standards.
Maintenance arrangements for LO controlled infrastructure	To assure that assets for which LO is directly responsible for maintenance are maintained adequately and in accordance with procedures and maintenance plans.
Tube Clearances	To assess the governance arrangements for ensuring that clearances of trains from infrastructure is maintained.
Track Ultrasonic Inspections	To confirm appropriate management systems are in place to ensure compliance against Cat 1 Standard S1158.
SSL Track Maintenance	To assure that 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, S1159.
Depot Equipment Maintenance	To assure that assets in depots are owned and maintained.

<b>Audit</b>	<b>Objective</b>
Rolling Stock Calibration process BCV,SSL,JNP	Ensure an effective process is in place to manage and control the calibration of tools to be used on rolling stock, including addition and removal from the asset equipment section of Ellipse.
Bridges and Structures and Deep Tube Tunnels Maintenance Regime	To examine the maintenance regimes for these assets across LU to ensure that the assets remain in a condition not affecting safety and railway operations and prevent later costly interventions.
<b>Security</b>	
Anti Money Laundering (Dyed bank notes) Governance Procedures - LOROL	To review the current procedures supporting the identification of dyed bank notes that have been obtained through crime and the evidence gathering process to support this.
<b>Major incident - external</b>	
LU Track Delivery Unit Work Planning	To assess compliance with CDM Regs, including focus on new activities such as grinding programme and integration of JNP.
Temporary Works (Vauxhall)	To assess the design and installation of temporary work including hoardings to provide assurance of compliance with LU Cat 1 standards and that risk is minimised.
Safety Management Track Asset Performance JNP	To assess effectiveness of arrangements to ensure that safety risks are controlled via existing documented requirements and that these are effective, including licensing of safety critical staff and trainers and availability of records in accordance with safety critical at work standard.
BCV Fleet HSE Management and Safety Critical Licensing	Follow up on last year's audit to ensure actions have been embedded. Also to ensure environmental control is in compliance with ISO 14001 standards and the Management System.
Competence Assurance Management System LU Asset Performance	To review the implementation of the competence management system within LU Asset Performance and to measure its compliance with the Railways and Other Guided Transport Systems (Safety) Regulations 2006 (ROGS).
LU Power Competence	To assess arrangements for ensuring the adequate competency, training and licensing of staff.
<b>Environmental impact of delivering a transport service</b>	
LU AP Waste Management - Power	To assess the effectiveness of arrangements for ensuring that waste is disposed of appropriately in accordance with internal systems, legislative requirements and best industry practice.
Environmental Management through Pathway	To assess the effectiveness of the environmental management content of Pathway as an integrated part of project management.
<b>SurfaceTransport</b>	
<b>Delivery of capital investment portfolio</b>	
Procurement of Bus stops and Shelters	Real Time audit of procurement of Bus Stops, Shelters, Advertising and maintenance contract.
<b>Major incident - external</b>	
Change Control - Surface Transport Organisational Change	An audit of how well the HSE implications of the Surface Integration Programme were identified, assessed and mitigated.
<b>Financial and Governance Controls</b>	
LRS Healthcheck	Healthcheck audit of general financial and business controls at LRS.
LBSL Healthcheck	Healthcheck audit of general financial and business controls at LBSL.

Audit	Objective
<b>Finance</b>	
<b><i>Maintaining a long term strategic, balanced Plan within the constraints of available resources</i></b>	
Accommodation Strategy	To review the controls over the current accommodation strategy with a particular focus on vfm.
Sponsorship	To review controls over sponsorship including conformance with guidelines, governance and process.
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 arrangements for sponsorships	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.
Procurement of Pan-TfL Advertising Services Contract	To provide assurance that the procurement of the Pan-TfL advertising services contract is managed effectively, in accordance with the approved procedures, with appropriate management oversight and governance.
<b><i>Delivery of capital investment portfolio</i></b>	
Run Better Programme	Provide assurance that the transformation projects delivered under the Run Better Programme in the current financial year achieve effective solutions in line with TfL's strategic objectives and business requirements.
Transforming Information Management (TIM)	Provide assurance on the effectiveness of the programme of work, approach and processes involved in defining and implementing the TIM strategy and delivery of the programme objectives.
<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.
Third Party Access to SAP Systems	Provide assurance on the design and effectiveness of the controls that have been implemented to manage third party access (eg contractors, non-employees) to SAP and other systems.
<b><i>Failure of critical IT systems (Applications, Networks and Infrastructure) impacting the delivery of key business operations</i></b>	

<b>Audit</b>	<b>Objective</b>
End User Computing (EUC)	Provide assurance that the outputs delivered under the programme of work on EUC meet the needs of the business, contain appropriate controls and are aligned to industry 'best practice'.
<b>Financial and Governance Controls</b>	
Scorecards	Review controls over scorecards and indicators and provide assurance on accuracy and integrity.
<b>Customer Experience, Marketing and Communications</b>	
<b>Maintaining a long term strategic, balanced Plan within the constraints of available resources</b>	
TfL web hosting arrangements	Provide assurance that the hosting arrangements of TfL web solutions incorporate appropriate logical controls and that data is secured in accordance with relevant legislation and commercial requirements.
<b>HR</b>	
<b>People Strategy</b>	
Staff Travel	Review of process and controls over issue use and recovery of staff travel passes and nominee passes.
<b>Crossrail</b>	
Whole Life Asset Costing	To review how Crossrail is able to demonstrate that it has met the requirements of Whole Life Asset Costing.
Contractor Insurance Claims PAYE and NIC legislation changes	To review the changes in PAYE and NIC legislation that may result in additional costs incurred by contractors being passed through to Crossrail
CDM Compliance - Construction plans and asset maintenance information	To provide assurance that CRL is discharging its H&S CDM duties appropriately, focusing on: <ul style="list-style-type: none"> <li>• the construction plans on new contracts, and</li> <li>• Operation and Maintenance (O&amp;M) manuals and the maintenance of assets.</li> </ul>
Common Safety Methods	To review preparation for compliance with Common Safety Methods.
Fujitsu Service Performance	To review how the revised performance indicators are established and are working, including the Fujitsu service delivery centres, service desk response times, monitoring and reporting processes.
Fujitsu Contract Governance	To review the effectiveness of the commercial management and controls around the Fujitsu contract.
<b>London Transport Museum</b>	
LTM Sponsorship	To review process and controls over sponsorship including conformance with guidelines, governance, accounting and process.
<b>TfL Pension Fund</b>	
Network Resilience	To provide assurance that the strategic upgrade of the network provides improved resilience and that risks introduced by the new technology have been identified and appropriately mitigated.



<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_13_111F	Director of Finance, Rail and Underground	Project Accounting in Rail and Underground	11/10/2013 RI	To provide assurance on the adequacy and effectiveness of controls over the Rail & Underground (R&U) project accounting process for the Investment Programme.	Our Interim Audit Report dated 11 October 2013 entitled Project Accounting in Rail & Underground identified four Priority 1 issues resulting in 13 management actions, and four Priority 2 issues resulting in a further 13 management actions.  We have now carried out a follow up review of the 26 agreed management actions and can confirm that 25 have been satisfactorily addressed. One remains partially addressed, but an appropriate action plan is in place to ensure it is completed in the near future.  Therefore this audit is now closed.	19/05/2014 ACL
<b>Disruption to Quality of Service</b>						
IA_13_629	Chief Operating Officer	Ordering and Management of Safety and Business Critical Stock	28/01/2014 AC	To provide assurance on the extent that new arrangements for ordering safety and business critical stock have been effectively implemented for the Central and Bakerloo lines.	Our Interim Audit Report dated 28 January 2014 entitled Ordering and Management of Safety and Business Critical Stock identified one Priority 2 issue resulting in one management action.  We have carried out a follow-up review and concluded that management has taken satisfactory action to implement all required actions to address the issues. This audit is now closed.	14/05/2014 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
IA_13_628	Chief Operating Officer	LU Management of Serialised Components	<b>31/01/2014 AC</b>	To provide assurance that new arrangements for the management of serialised spares for Fleet, Track and Signals are being effectively implemented for the Central and Bakerloo lines.	Our Interim Audit Report dated 31 January 2014 entitled LU Management of Serialised Components identified one priority 3 issue, which resulted in one management action.  We have carried out a follow-up review and concluded that management has taken satisfactory action to implement the required action..  This audit is now closed.	<b>30/05/2014 ACL</b>
<b>Maintaining a Long Term Strategic, Balanced Plan within the Constraints of Available Resources</b>						
IA_13_114F	Director, London Rail	Revenue Protection – London Tramlink	<b>24/08/2013 AC</b>	To determine the effectiveness and the adequacy of the London Tramlink revenue protection processes.	Our Interim Audit Report dated 29 August 2013 entitled Revenue Protection – London Tramlink identified two Priority 2 issues and one Priority 3 issue resulting in three management actions.  We have now completed a follow-up audit which has confirmed that management has implemented both of the actions relating to the Priority 2 issues.  Whilst the action relating to the Priority 3 issue has only been partially addressed, a plan of action is in place to ensure this will be completed by the end of August 2014.  Therefore the audit is now closed.	<b>08/04/2014 ACL</b>
IA_13_147F	Director, London Rail	Revenue Protection in London Overground	<b>03/12/2013 AC</b>	To determine the effectiveness and the adequacy of the London Overground revenue protection processes.	Our Interim Audit Report dated 3 December 2013 entitled Revenue Protection in London Overground identified two Priority 2 issues resulting in two management actions.  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.	<b>03/04/2014 ACL</b>
IA_13_101	Chief Operating Officer	Revenue Protection – London Underground	<b>12/08/2013 RI</b>	To determine the effectiveness and the adequacy of the LU revenue protection processes.	Our Interim Audit Report dated 12 August 2013, entitled Revenue Protection – London Underground identified the following Priority 1 issues:  <ul style="list-style-type: none"> <li>Controls over documentation of Penalty Fare Notices (PFNs) and Fare Paid receipts should be strengthened.</li> </ul>	<b>14/05/2014 ACL</b>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					<ul style="list-style-type: none"> <li>Controls over Revenue Control Inspectors' (RCIs' ) Job Books, used to record the details of cases, should also be strengthened.</li> <li>Lack of clarity on the processes relating to unpaid PFNs referred by Independent Transport Associates Limited (ITAL - the external firm that collects debt payments for Revenue Control (RC)) to a debt collection agency.</li> <li>There is a lack of guidance for RCIs on security of Job Books and PFN books held at home.</li> </ul> <p>We have now completed a follow-up audit, which has confirmed that all management actions have been satisfactorily addressed. The audit is now closed.</p>	
<b>Surface Transport</b>						
<b>Delivery of Capital Investment Portfolio</b>						
IA_13_601F	Bus Performance Director	Bus Route Contract Procurement Management	<b>20/08/2013 AC</b>	To ensure that the bus contracts procurement and payment process employed by London Bus Services Limited (LBSL) was managed effectively, in accordance with approved procedures.	<p>Our Interim Audit Report dated 20 August 2013 entitled Bus Route Contract Procurement Management identified one Priority 3 issue resulting in one management action.</p> <p>We have carried out a follow-up review and concluded that management has taken satisfactory action to address the issue. This audit is now closed.</p>	<b>27/05/2014 ACL</b>
<b>Major Incident – External</b>						
IA_14_110F	Director of Strategy and Planning	Road Safety Action Plan	<b>18/06/2014 WC</b>	To review the implementation of the Action Plan.	See Interim Audit Report Summary in Appendix 4.	<b>18/06/2014 WC</b>
<b>Financial and Governance Controls</b>						
IA_13_132F	Director of Finance, ST	Risk Management in Surface Transport	<b>27/11/2013 AC</b>	To ensure that an effective risk management process is in operation in ST for identifying, assessing, evaluating, managing and reporting risks.	<p>Our Interim Audit Report dated 27 November 2013 entitled Risk Management in Surface Transport identified four Priority 3 issues resulting in seven agreed management actions.</p> <p>The Priority 3 issues were:</p> <ul style="list-style-type: none"> <li>Absence of H&amp;S participation in the review of ST strategic risks</li> <li>KRCs responsibilities are not documented</li> <li>Inconsistent ARM completion</li> </ul>	<b>09/04/2014 ACL</b>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
					<ul style="list-style-type: none"> <li>ST risk governance arrangements need clarification</li> </ul> <p>We have now carried out a follow up review and can confirm that the seven actions have been satisfactorily addressed. Accordingly this audit is now closed.</p>	
<b>Finance</b>						
<b>Risk of an Information or Cyber Security Incident on Key Services that Support Business and/or Network Operations</b>						
IA_12_407F	Chief Information Officer	Review of Controls over Remote Access	19/07/2013 RI	To provide assurance that external direct access to TfL email through the Internet Access Gateway (IAG) and full network services via the RAS is restricted to authorised users and that the TfL data accessed is appropriately secured.	<p>Our Interim Audit Report dated 19 July 2013 entitled Review of Controls over Remote Access identified two Priority 1 issues concerning the leavers' process and security of the Webmail service.</p> <p>Nine other issues were raised. Five were rated Priority 2 and the remaining four were rated Priority 3.</p> <p>We have now carried out a follow up review of the management actions and found that all have been satisfactorily addressed, except one related to the Webmail service. Action to address this is in progress and we will follow it up later in the year as part of planned work on the Information Security Framework.</p> <p>This audit is therefore closed.</p>	16/06/2014 ACL
<b>Financial and Governance Controls</b>						
IA_13_119F	Chief Finance Officer	Fixed Assets	11/03/2014 AC	To determine the effectiveness and adequacy of controls over TfL's fixed assets.	<p>Our Interim Audit Report dated 11 March 2014 entitled Fixed Assets identified one Priority 2 issue resulting in two management actions and two Priority 3 issues resulting in a further three management actions.</p> <p>We have now carried out a follow up review of the agreed management actions and can confirm that all have been satisfactorily addressed.</p> <p>Therefore this audit is now closed.</p>	10/06/2014 ACL
<b>Customer Experience, Marketing and Communications</b>						
<b>Disruption to Quality of Service</b>						
IA_13_400F	Director of Customer Experience	Oyster Systems IT Security Arrangements	19/06/2014 AC	To review the effectiveness of the IT security arrangements that have been established between Cubic and TfL to provide assurance that the confidentiality, integrity and	<p>Our Interim Audit Report dated 5 June 2013 entitled Oyster Systems IT Security Arrangements identified two priority 2 issues on IT security arrangements of Cubic's subcontractors and information security classification and handling.</p>	18/06/2014 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
				availability of the data is maintained within the Oyster systems.	Two other priority 3 issues were also noted.  We have now carried out a follow up review of the management actions and found that all have been satisfactorily addressed.  The audit is therefore closed.	
<b>General Counsel</b>						
<b>Financial and Governance Controls</b>						
IA_12_137F	General Counsel	Gifts and Hospitality	10/05/2013 RI	To review the effectiveness of the controls in place to manage the recording, authorisation and monitoring of Gifts and Hospitality.	Our Interim Audit Report dated 10 May 2013 entitled Gifts and Hospitality identified one Priority 1 issue and one Priority 2 issue resulting in five management actions.  We have now completed a follow-up audit which has confirmed that management has implemented all but one of the actions.  Whilst one of the actions relating to the Priority 1 issue has only been partially addressed, a plan of action is in place to ensure this will be completed by the end of June 2014.  Therefore the audit is now closed.	14/04/2014 ACL
<b>Crossrail</b>						
IA_13_517F	N/A	Security of Chatham Segment Factory	29/05/2014 WC	To ensure the overall protective security environment at the Chatham Segment Factory site is effectively protected to mitigate security risks and to test whether the mitigations are commensurate with the identified risks.	See Interim Audit Report Summary in Appendix 4.	29/05/2014 WC
IA_13_522F	N/A	Tunnelling and Underground Construction Academy (TUCA)	19/11/2013 RI	To assess the effectiveness of arrangements and controls in place to manage the Tunnelling and Underground and Construction Academy (TUCA).	The Interim Audit Report dated 19 November 2013 identified two Priority 1 issues in relation to setting and monitoring of performance objectives, and development and marketing of TUCA Services.  We have carried out a follow-up review of the status of the agreed management actions and found that all issues have been satisfactorily addressed. This audit is therefore closed.	18/06/2014 ACL

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Summary of Findings	Final Report Issued
<b>London Transport Museum</b>						
IA_12_126F	Director London Transport Museum	London Transport Museum Stock	21/02/2013 RI	The objective of this audit was to review the adequacy and effectiveness of the controls operating over LTM stock.	<p>Our Interim Audit Report dated 21 February 2013 entitled London Transport Museum Stock identified four Priority 1 and four Priority 2 issues resulting in sixteen management actions.</p> <p>We carried out a follow up review and issued a report dated 24 September 2013. The audit was not closed due to seven actions being only partially addressed. A number related to changes to the Purchasing Pricing and Stock Policy. The changes had been made and the policy was being reviewed before presentation to the LTM Trading Board.</p> <p>We also followed up the 2011/12 stock control management actions agreed with KPMG, as noted in their 'Audit highlights memorandum and management letter', 31 May 2013.</p> <p>We have now carried out a second follow up review of the agreed management actions and KPMG actions and can confirm that all of them have now been satisfactorily addressed.</p> <p>Accordingly, this audit is closed.</p>	15/04/2014 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>Surface Transport</b>						
<b>Maintaining a long term strategic, balanced Plan within the constraints of available resources</b>						
IA_13_113	Director of Finance ST	Cycle Hire Financial Controls	11/06/2014 AC	To provide assurance that key controls operate effectively within the Cycle Hire financial systems, and that all monies received by TfL are correctly accounted for.	30/11/2014	<p>Since our previous audit of Cycle Hire Financial Controls in 2011/12, the control environment has generally improved. Walkthroughs and testing of the new operational billing system DBOS, and interviews with staff, found this new system to be effective and fit for purpose.</p> <p>ST Finance has continued to work with Barclays to reduce the number of failed payments, which was an issue raised by the previous audit. An independent consultant specialising in banking payments has confirmed that the three per cent declined payment rate is now within the industry norm.</p> <p>The audit did not identify any Priority 1 issues.</p> <p>One Priority 2 issue was identified. The list of users with access to the CODA and DBOS systems was found to not have been kept up to date. For both systems there was evidence of access rights for leavers not being removed, and in addition, for CODA, two current employees with access were not shown as such on the report.</p>
<b>Major Incident - External</b>						
IA_14_110F	Director of Strategy and Planning	Road Safety Action Plan	18/06/2014 WC	To review the implementation of the Action Plan.	18/06/2014 WC	<p>The audit ascertained that the Action Plan is being implemented. All the relevant parties have been identified, and each is aware of the actions it is responsible for. While some actions have implementation deadlines ranging from 2013 to 2016, a good number are of an open-ended nature.</p> <p>As part of its monitoring function, Delivery Planning holds regular meetings with the representatives of the teams responsible for implementing the actions, to discuss any relevant issues and obtain information on the status of the actions. Fifty four of the actions are</p>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>already being implemented, while the implementation of the remaining two will begin later in 2014. An effective process for tracking the delivery of the actions is in place.</p> <p>The road safety budget for the 10-year period 2013/14 to 2021/22 is over £200M. Effective controls are applied to ensure effective and efficient utilisation, and expenditure within budget.</p> <p>In addition, TfL provides funds to the London boroughs for their Local Implementation Plans (LIPS). The LIPS set out how the boroughs will deliver better transport in their area in the context of the Mayor’s Transport Strategy, and include road safety improvement schemes. The amount available for 2014/15 is £148.8m, out of which almost £55m will be allocated to road safety schemes.</p> <p>An appropriate governance framework is in place, including the Reduced Casualties Steering Group, chaired by the Director of Surface Strategy and Planning, which oversees the implementation of the Action Plan; and the Road Safety Steering Group, chaired by the Deputy Mayor for Transport, with representation from a number of organisations, including the Metropolitan Police, London boroughs, London Ambulance Service etc. One of this group’s main duties is to review and report on progress in implementing road safety policy in London.</p> <p>Terms of reference have been developed for the two groups, and they meet regularly. In accordance with the Action Plan, ST continues to publish reports and information describing the casualty situation in London. This includes the annual Collisions and Casualties on London Roads report, and the Health, Safety and Environment report.</p> <p>The audit did not identify any issues and is therefore now closed.</p>
<b>General Counsel</b>						
<b>Financial and Governance Controls</b>						
IA_13_130	Head of Secretariat	Administration of the Subsidiary Companies of TfL	03/06/2014 AC	To review the effectiveness of processes and controls around the governance and administration of the subsidiary companies of TfL.	30/06/2015	<p>The subsidiary governance framework is fit for purpose and reviewed in line with organisational or regulatory changes. TfL’s subsidiary company structure is documented in a chart, graphically displaying the relationship between TfL and TTL subsidiary companies, including advisory, reporting and decision authority lines.</p> <p>Each subsidiary company has a board of statutory directors, who are otherwise employed by TfL in an executive role, with the exception of LTM where the board consists of nine independent and three TfL</p>



Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>nominated trustees.</p> <p>Compliance with external laws and regulations and with internal TfL policies is demonstrated through comprehensive, accurate records maintained by Secretariat.</p> <p>The audit identified no Priority 1 issues. We have identified one Priority 2 and two Priority 3 issues.</p> <p>The Priority 2 issue relates to the need for a systematic review programme to reduce the number of TfL subsidiary companies.</p>
<b>One HR</b>						
<b>People Strategy</b>						
IA_13_139	HR Director	Viewpoint Staff Survey	11/06/2014 AC	To provide assurance over the delivery of the Viewpoint staff survey and how the results are being used to drive performance improvements within TfL.	30/07/2015	<p>A detailed communication plan (including a post survey plan) was developed and effectively used appropriate communication channels eg staff magazines, Bulletins, briefing packs and payslips, to share key messages with both operational and non-operational staff.</p> <p>Comprehensive information was provided for managers highlighting their roles and responsibilities, and providing guidance on how to interpret the survey results and develop action plans.</p> <p>HRBPs received a one day training session introducing them to the 'Accesspoint' on-line web tool allowing further analysis and comparison of the data/results. The training also provided guidance on how to support the business to develop action plans.</p> <p>A number of local examples of good practice from across the business were also noted.</p> <p>A Viewpoint 2013 lesson learnt document has been produced by the Viewpoint Project Group and ORC International targeting pre, during and post stages of the survey process with key stakeholders. It outlines the key issues and provides recommendations for delivering future surveys. These include:</p> <ul style="list-style-type: none"> <li>• Setting an agreed timetable of key activities at the beginning of the project to avoid delays and possible additional costs.</li> <li>• Assigning a designated person to sign off results communication and timescales to ensure a seamless process.</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>Improving the visibility of action plans to staff demonstrating transparency and that issues are being addressed</li> </ul> <p>Our audit did not identify any Priority 1 issues, but raised two Priority 2 issues:</p> <ul style="list-style-type: none"> <li>Lack of senior management ownership and accountability for action plan delivery.</li> <li>HR Delivery was not represented on the Engagement Survey Project Team.</li> </ul>
<b>Financial and Governance Controls</b>						
IA_13_148	HR Director	Staff Travel (Bus Operating Companies)	18/06/2014 PC	To provide assurance over the eligibility of free BO Oyster pass holders and cancellation of BO Nominee Oyster passes.	31/01/2015	<p>Our audit examined all areas of the scope and site visits and interviews were completed at six Bus Operating Companies (BOCs).</p> <p>The arrangements within Staff Travel for the issue, replacement and cancellation of Oyster passes are well managed and sample testing identified no issues with processing BOC applications or cancellations. There is adequate management oversight of Oyster pass processing including weekly quality audits performed by the Staff Travel Team Leader.</p> <p>We identified some good practices in the BOCs including:</p> <ul style="list-style-type: none"> <li>The use of payroll reports to inform Staff Travel of leavers</li> <li>Recording passes against staff records on HR IT systems</li> <li>Keeping a repository of application forms and other administration documents on the BOC's Intranet</li> </ul> <p>However, there were a number of weaknesses identified with regards to the arrangements in place between Staff Travel and the BOCs, and the delivery of staff travel within the BOCs. We recognise that Staff Travel is limited in their oversight of BOC staff travel administration. Closer working with London Buses may provide an opportunity to increase Staff Travel's oversight of the BOCs.</p> <p>In addition we reviewed 42 Oyster passes withdrawn by ST Revenue Protection Inspectors due to misuse between December 2013 and January 2014 and found that 69 per cent of misuse was by BO and BO Nominee pass holders.</p> <p>We identified five Priority 1 issues and one Priority 2 issue. The Priority 1 issues are:</p> <ul style="list-style-type: none"> <li>There is a lack of clarity over the eligibility conditions for BO Oyster passes.</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>• Weekly leaver notifications are not being consistently administered and there are weaknesses with annual audits of the BOCs.</li> <li>• Review arrangements to ensure the continued entitlement of Nominee pass holders need strengthening.</li> <li>• There are no arrangements for ensuring all BOCs use the same administration documents and version control requires improvement .</li> <li>• Contact and authorised signatory information for some BOCs is out of date.</li> </ul> <p>Staff Travel operations are due to be outsourced to Novacroft in December 2014. A new IT system will replace Intrinsic and all pass applications will be submitted and approved online. We recognise that some of the management actions resulting from this audit will be short term fixes, whilst others will inform the user requirements specification for the new service.</p>
<b>Crossrail</b>						
IA_13_524	Commercial Director, Crossrail	Contractor Incentives	21/05/2014 AC	To provide assurance on the effectiveness of the processes and controls for assessing incentive payments for contractors.	31/08/2014	<p>The incentive proposals both planned and completed were supported by associated documentation setting out the rationale for incentive payments to contractors.</p> <p>There are robust governance arrangements for reviewing and approving incentive payment proposals. All incentive payment proposals are reviewed at the Commercial Sub-Committee (CSC) and the Investment and Change Sub-Committee (ICSC). The decisions from the CSC and ICSC are minuted.</p> <p>Progress of contractors' work against the agreed milestones is monitored by the Project Managers who ensure the work is carried out to the agreed standard and by the agreed milestone dates before releasing the incentive payment.</p> <p>This audit did not identify any Priority 1 issues, but did raise two Priority 2 and three Priority 3 issues.</p> <p>The priority 2 issues related to documentation of computations of incentive amounts, and clarity of conditions associated with incentivisation proposals.</p>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
IA_13_517F	Programme Director , Crossrail	Security of Chatham Segment Factory	29/05/2014 WC	To ensure the overall protective security environment at the Chatham Segment Factory site is effectively protected to mitigate security risks and to test whether the mitigations are commensurate with the identified risks.	29/05/2014 WC	<p>The audit found that effective controls were in place across all areas reviewed, including:</p> <ul style="list-style-type: none"> <li>• Security risk management and asset protection arrangements;</li> <li>• Security policies and procedures;</li> <li>• Control of access; and</li> <li>• Personnel security.</li> </ul> <p>A visit to the site confirmed that the physical security arrangements in place were appropriate and operating effectively.</p> <p>No issues were identified and the audit is now closed.</p>
IA_13_519	IT Director, Crossrail	IT Availability and Capacity	13/06/2014 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.	31/01/2015	<p>A number of examples of good practice were noted, including the following:</p> <ul style="list-style-type: none"> <li>• Fujitsu has established and implemented policies, processes and procedures to manage Crossrail IT capacity and availability. The processes incorporate monitoring systems to identify, investigate and address IT availability, capacity, and performance issues;</li> <li>• Crossrail has established IT user forums that meet periodically to discuss ongoing initiatives, new requirements, and any issues affecting the applications, and contribute to IT service improvements;</li> <li>• A resilient design over the Crossrail IT infrastructure has been implemented by Fujitsu so that when hardware breaks down, arrangements have been made to enable the remaining IT infrastructure to bear the load while the hardware is being fixed. In addition, Fujitsu carries out cyclical health checks across the hardware estate;</li> <li>• Fujitsu incorporates planned downtime in the production schedules and schedules the maintenance activities during periods of low activity or upon agreement with Crossrail, to minimise adverse impact on business processes.</li> </ul> <p>Our audit did not identify any priority 1 issues. However, we noted five priority 2 issues, as follows:</p> <ul style="list-style-type: none"> <li>• Crossrail IT has 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> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<ul style="list-style-type: none"> <li>• Crossrail's arrangements for IT service performance reporting could be improved;</li> <li>• Crossrail and Fujitsu monitor the IT services passively so issues are not identified before they have a major impact on users. We also noted that default rules and alerts still remain to be used within Fujitsu's primary monitoring tool;</li> <li>• Fujitsu has 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 does not cover their resilience.</li> </ul> <p>One priority 3 issue has also been raised.</p>
<b>London Transport Museum</b>						
IA_13_415	Director London Transport Museum	Ticket Selling System	06/06/2014 RI	To provide assurance over the security, availability and resilience of the SR04 ticket selling system.	29/08/2014	<p>User access to the system is managed by the LTM IT Section on instruction from senior operational staff regarding new users, amendments to user access and disabling of user accounts.</p> <p>There are robust resilience and system availability measures in place, with the network configured within two locations, at Covent Garden and Acton Depot. In addition, the network and associated devices are configured to provide a high level of fault tolerant capability to ensure system availability.</p> <p>While there have been no major changes to the SR04 system since its recent implementation, change management processes are available and documented by the LTM IT section to ensure that any changes to the network and systems are managed in a controlled manner.</p> <p>The previous system was decommissioned using processes that allowed for a controlled removal of the old system from the live environment, prior to the installation of the new upgrade and on approval from the Systems Owner.</p> <p>No priority 1 issues were identified</p> <p>However, we identified two priority 2 issues where there is scope to improve and strengthen the controls surrounding the Ticket Selling System, as follows:</p> <ul style="list-style-type: none"> <li>• There is no documented leaver process in place so LTM IT may</li> </ul>

Reference	Responsible Director	Report Title	Interim Report Issued	Original Objective	Follow-up Audit	Summary of Findings
						<p>be unable to disable unused accounts on a timely basis.</p> <ul style="list-style-type: none"> <li>The password management capability does not meet the TfL password standard with regard to password complexity and duration of change.</li> </ul>

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
<b>Rail and Underground</b>					
IA_12_622	Refranchising of Docklands Light Railway Operations and Maintenance	15/04/2014	<b>Memo</b>	To ensure that the procurement process employed for Refranchising of Docklands Light Railway Operations and Maintenance is in accordance with approved procedures and EU directives and is open, fair and transparent.	<p>Using a real time procurement audit approach our findings are reported after each phase of the procurement process, or whenever a significant issue arises.</p> <p>This memorandum reports the situation up to 1 April 2014, being the phase during which the ITT submissions were evaluated and the Best and Final Offer process commenced. Based on our work to date, we are satisfied that effective controls have been applied to the refranchising of the operations and maintenance of DLR to this stage.</p> <p>We will also audit subsequent phases of the BAFO, and plan to issue a further memorandum at the end of the BAFO evaluation stage.</p>
IA_13_006	Review of Security Declarations for LU Contractors	30/04/2014	<b>Memo</b>	To provide assurance that the standardised contract clauses covering security related declarations have been inserted into any new contracts covering works and services provided to LU.	<p>It was found that the clauses were included as standard in LU NEC3 Contracts used for construction and civil engineering projects which require contractors' staff to have direct access onto the network. TfL's major Consultancy and Non-Permanent Labour (NPL) contracts for LU resources also contained the clause.</p> <p>However, for other contract types that could allow contractor staff access to the LU Network, including TfL's standard services contracts, it was found that the clauses were not included as common practice and the relevant declarations were not being made.</p> <p>In addition, the following other issues were identified:</p> <ul style="list-style-type: none"> <li>• There was a lack of expertise on this subject to advise Commercial teams about when the standard clauses</li> </ul>

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
					<p>should be applied, and no mechanism for undertaking compliance assessments;</p> <ul style="list-style-type: none"> <li>• There has been no consideration of the interaction of these declarations with existing arrangements in place to control access to the LU network such as LUCAS;</li> <li>• There have been a number of significant organisational changes in Commercial since the clauses were introduced. Awareness and understanding across new staff and staff with new responsibilities needs to be ensured.</li> </ul>
IA_13_102	Revenue Protection	08/05/2014	<b>Memo</b>	<p>During 2013/14 Internal Audit performed a series of revenue protection audits, covering London Underground (LU), London Tramlink (LT), Docklands Light Railway (DLR), London Overground (LO) and Surface Transport (ST). The objective was to determine the effectiveness and the adequacy of each area's revenue protection processes.</p> <p>The purpose of this memo is to highlight the common themes identified by the audits and share any good practice or other helpful information.</p>	<p>Our portfolio of audits demonstrated that controls over revenue protection are generally effective. This memorandum highlighted some further points for consideration resulting from comparison of the findings from those audits.</p> <p>The ongoing and planned integration of the prosecution teams and implementation of the Mercury system in all the revenue protection teams represents a significant change in revenue protection strategy. This should improve revenue protection efficiency, ensure consistency and lead to economies of scale.</p>



Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
IA_14_823	Desktop Review of Station Congestion Control & Emergency Plans (CCEPs)	20/05/2014	<b>Consultancy</b>	To desktop review a sample of CCEPs, to determine whether they adequately reflect the requirements of the Regulatory Reform (Fire Safety) Order 2005 and Fire Precautions (Sub-Surface Railway stations) England regulations 2009, and also to identify any improvements to the information contained in the CCEPs to adequately reflect the practicalities of undertaking a station evacuation.	The review noted the following: <ul style="list-style-type: none"> <li>• CCEPs for Sub-surface stations meet the requirements of legislation, although improvements could be made so that they are easier to follow and use.</li> <li>• CCEPs for Surface Stations, which do not have minimum staffing levels defined by legislation, are not always clear about what constitutes ‘sufficient’ or ‘adequate’ numbers of staff to implement procedures</li> <li>• There is some variation in the definition of arrangements for evacuation of People of Restricted Mobility, with some stations demonstrating best practice in line with the HM Government Fire Safety Risk Assessment for Transport Facilities and Premises, whilst others are more generic.</li> <li>• Plans do not consider the arrangements for evacuating during engineering hours when contractors may be on the station.</li> </ul>
<b>Customer Experience, Marketing and Communications</b>					
IA_13_136	Real Time Internal Audit Work on the Implementation of Contactless Ticketing in Customer Experience	08/04/2014	<b>Memo</b>	The objective was to work with the Future Ticketing Project team on a real time basis to review the effectiveness of processes and controls being developed and implemented to enable the delivery of the contactless ticketing solution.	The approach to the project is thorough and pragmatic. It demonstrates the characteristics of best practice project management, such as the fortnightly Customer Experience major project launch meeting, project team structure, risk management, and the approach to testing application development.  We are satisfied that opportunities for improvement we raised during the real time audit have been properly considered and addressed.

Reference	Report Title	Date Issued	Report Type	Objective	Summary of Findings
IA_13_104 F	Contact Centre Operations Temporary Agency Staff Payments	29/04/2014	<b>Memo</b>	<p>During 2013, Internal Audit carried out some consultancy work with Customer Experience in respect of implementation of a new application for calculating the pay of Non –permanent Labour (NPL) staff in the Contact Centre.</p> <p>The objective of this work was to assess how the new process is working in practice and the extent to which issues raised at the time of implementation have been addressed.</p>	<p>We found that there are a number of issues that have not yet been fully addressed, including a need to strengthen access and security controls over the system, to expand and update procedural documentation, and to train an additional staff member on the new system to reduce reliance on a single key individual.</p> <p>We plan to review progress during August 2014 to confirm that the outstanding issues have been addressed and are operating effectively.</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>Delivery of capital investment portfolio and contract management</b>				
IA_13_860	Civil Engineering Design Management – Embankment Escalator Replacement Project	<b>02/04/2014 AC</b>	To review the adequacy and effectiveness of civil engineering design management and interface processes.	<p>This audit is one of five covering different civil engineering design management areas.</p> <p>The Civil Engineering Internal Design process in the areas audited complies with specified requirements, except for two issues as noted below:</p> <ul style="list-style-type: none"> <li>• The mechanism to be used to manage proposed design changes during Stage 5 (Delivery) could not be clearly established.</li> <li>• It was not clear during the audit if and how drawings issued for construction were to be updated, and by whom, to reflect the as-built status.</li> </ul>
IA_13_750	Civil Engineering Design Management - Bridges and Structures	<b>02/04/2014 AC</b>	To review the adequacy and effectiveness of civil engineering design management and interface processes.	<p>This audit is one of five covering different civil engineering design management areas.</p> <p>In the areas audited, the Civil Engineering Internal Design process for Bridges and Structures projects complies with specified requirements, is consistently applied and is working well.</p>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				One minor issue was raised as a result of this audit.
IA_13_861	Civil Engineering Design Management - External Design (SWIP - Fairhurst)	<b>02/05/2014 AC</b>	Examination of civil engineering design management and interface processes and procedures	<p>Issues identified were:</p> <ul style="list-style-type: none"> <li>• Some of the baseline drawings prepared by Fairhurst are in Auto CAD (Computer Aided Design) system, and are currently noncompliant.</li> <li>• Increased clarity is required regarding the meaning of “drawn by”, “checked by”, “approved by” and “endorsed by”.</li> <li>• Arrangements for managing proposed design changes that arise during Stage 5 (Delivery) are not clearly defined.</li> </ul>
IA_13_862	Civil Engineering Design Management - Vauxhall Station Capacity Upgrade (VSCU) Project	<b>02/05/2014 AC</b>	Examination of civil engineering design management and interface processes and procedures.	<p>Issues identified were:</p> <ul style="list-style-type: none"> <li>• The Bechtel Contractor Quality Assurance Plan and Design Management Plan create the expectation that a three-stage Prepare / Check / Approve process applies to all Bechtel design deliverables. In practice, this three-stage process is applied to Conceptual Design Statements (CDSs) and Design Check Certificates (DCCs), but is not applied to individual drawings. LU requirements were unclear.</li> <li>• Bechtel has numerous Quality Control Procedures (QCPs) that describe design change processes; however, the processes that would involve LU in the review and acceptance of proposed design changes were also unclear.</li> </ul>
IA_13_863	Civil Engineering Design Management - External Design (SWIP - Pell Frischmann)	<b>02/05/2014 AC</b>	Examination of civil engineering design management and interface processes and procedures	<p>Issues identified were:</p> <ul style="list-style-type: none"> <li>• LU Standards describe a two-stage Author / Approve process for the Contractor, but Pell Frischmann Procedure BP007 describes a three-stage internal Design / Check / Approve process.</li> <li>• Pell Frischmann Procedures do not specify the use of any formal mechanism for proposing design changes to LU, and it was not clear whether LU has contractually specified any formal</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<p>mechanism for proposing and approving any design changes that may arise.</p> <ul style="list-style-type: none"> <li>For the Hammersmith Station Gateline project, the supply of as-built drawings was not included in the Pell Frischmann commercial submission to LU, and it was not clear what arrangements would apply.</li> </ul>
IA_13_768	Implementation of Earth Structures Designs – Clancy Docwra	15/04/2014 AC	To examine the implementation of earth structure designs during the delivery phases of various projects, to determine the degree of compliance with specified requirements and to identify any improvement opportunities.	<p>This audit is one of three undertaken on three different contractors.</p> <p>In the areas audited, LU and Clancy Docwra Limited (CDL) are generally complying with specified requirements. However, there have been significant delays to the programme and increased costs. Communication between LU, CDL and CDL’s designer Sinclair Knight Merz (SKM) has been less effective than it could have been, and it was generally agreed that it would have been beneficial for SKM to have attended the Project Progress Meetings with LU and CDL.</p> <p>A number of issues were raised, the most significant of which were:</p> <ul style="list-style-type: none"> <li>The generic Verification Activity Plan (VAP) is out of date, and a project specific VAP was not made available during the audit.</li> <li>The CDL and LU Construction Inspector signatures on the Inspection Checklists do not directly confirm that the requirements of LU Standards and Specifications and associated acceptance criteria have been met.</li> </ul>
IA_13_865	Implementation of Earth Structures Designs (Cementation Skanska)	01/05/2014 AC	Examine the implementation of earth structure designs during the delivery phases of various projects	<p>Issues identified were:</p> <ul style="list-style-type: none"> <li>There were a number of discrepancies relating to Setting Out Reports, Inspection Records and Pile Installation Check Sheets leading to a lack of clarity that the requirements of LU Standards and Specifications and associated acceptance criteria have been met.</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
				<ul style="list-style-type: none"> <li>There was no evidence that the design change control process had been agreed by LU and Cementation Skanska and documented in an appropriate manner.</li> </ul>
IA_13_866	Implementation of Earth Structures Designs (LU Construction Management Team)	01/05/2014 AC	Examine the implementation of earth structure designs during the delivery phases of various projects	<p>Issues identified were:</p> <ul style="list-style-type: none"> <li>An approved Temporary Works plan has been submitted and approved by competent persons. Experienced Construction Managers are in place to monitor implementation. These Construction Managers have not been formally appointed as Temporary Works Co-ordinators as required by LU Standards and attended the appropriate training course for the role.</li> <li>Overall, assurance was provided that the team has the necessary competencies and people knew their roles and responsibilities. Records demonstrating how competence had been assessed and people roles and responsibilities had not kept pace with some staff moves and so need reviewing.</li> <li>The project has progressed to delivery stage. The document produced at the start of the project defining the project requirements was not linked to the The Gate Management Plan to ensure it was available for future reference</li> <li>Overall, inspection and test plans are in place including acceptance criteria and evidence provided that inspection and tests had occurred as required, The exception was for 'soil nailing', which does not yet have inspection and test arrangements agreed as tests are being undertaken to verify the designs.</li> </ul>
<b>Disruption to quality of service</b>				
IA_13_755	Temporary Approved Non-Compliance (TANC)	16/06/2014 PC	To provide assurance in relation to the delivery of Signals	<p>The status of issued TANCs was adequately recorded with visibility to management via established reporting processes.</p> <p>However, the following significant issues were identified:</p>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
	management for Signal Asset Planned Maintenance		asset maintenance.	<ul style="list-style-type: none"> <li>• There were a number of steps in the process that were not being complied with; assets were found to have expired TANCs or have no TANC where maintenance schedules had not been met.</li> <li>• It was not possible to confirm that TANCs sampled had been written and verified by TANC authorised persons. There is no system for authorisation traceability.</li> <li>• Independent verification of TANCs is not being carried out, only an ad-hoc random sampling.</li> <li>• Planning staff were found to be using uncontrolled TANC management reference documents for TANC mitigation, the closure requirements and maintenance cycle reference.</li> <li>• New or changed signals assets may not be identified in Ellipse within the expected seven day period.</li> </ul>
IA_14_734	Supplier Audit – Otis Ltd Escalator Maintenance	<b>09/05/2014 RI</b>	To provide assurance in relation to Otis Ltd’s compliance to London Underground procedures, Otis Ltd procedures and regulatory requirements regarding the maintenance of escalators.	<p>The audit found that:</p> <ul style="list-style-type: none"> <li>• Escalator maintenance is being managed to the required specification and frequency.</li> <li>• Drugs and alcohol testing is effectively managed.</li> <li>• Local procedures are being developed for the maintenance of escalators and associated processes. This will ensure the procedures are formalised to manage the increase in work as more escalators enter into the maintenance contract.</li> </ul> <p>However, three significant issues were noted:</p> <ul style="list-style-type: none"> <li>• There is no procedure for labelling and quarantining defective materials.</li> <li>• There is no register of equipment requiring calibration, or a procedure to ensure equipment remains in calibration.</li> <li>• Otis failed their Freight Operator Registration Scheme (FORS) audit in May 2013 and have a follow up audit booked for June 2014.</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
IA_13_808	Project Data – JNP Lifts and escalators	<b>16/06/2014 RI</b>	To determine the level of compliance with the Asset Registration procedure to ensure a current and up to date asset register is maintained for JNP lifts and escalators.	<p>Issues identified were:</p> <ul style="list-style-type: none"> <li>• A number of key process steps in the Asset Registration Procedure are not being complied with. This has led to a lack of confidence in the asset data held on Maximo.</li> <li>• Changes to lift and escalator assets which occur during maintenance are not being captured in Maximo.</li> <li>• The Asset Manager is being circumvented by Projects in terms of requesting information on existing assets and supplying information on changes to assets. .</li> <li>• Asset data is being supplied at the end of the project rather than pre-construction as required by the procedure.</li> <li>• The procedure does not reflect current business structure and arrangements.</li> </ul>
IA_13_803	Northern Line Upgrade Configuration Management	<b>27/05/2014 AC</b>	To provide independent assurance over configuration control for Transmission Based Train Control (TBTC) on the Northern Line as part of the recent upgrade.	<p>Issues were identified in relation to:</p> <ul style="list-style-type: none"> <li>• The completeness of part numbers and serial numbers for newly commissioned signalling equipment handed over to maintenance; and,</li> <li>• a number of project documents had not been updated to reflect changes to other documents and changes in process.</li> </ul>
IA_14_762	Hot Weather Preparedness - JNP	<b>16/06/2014 AC</b>	To provide assurance of compliance to Category 1 Standard S1177 – Track – Prevention of Buckling and	<p>Plain Line Site Diagrams detailing the entire track lengths in 10m increments are used by APJNP. This good practice allows plain line sites to be checked for gaps and overlaps remotely.</p> <p>Track registers, including inspection dates and CRTs (Computer Rail Temperatures), are in place. The registers are being updated to reflect changes to track site numbering and track categorisation.</p>



Reference	Report Title	Report Issued	Original Objective	Summary of Findings
			associated procedures and work instructions before the onset of hot weather.	One issue was noted in relation to Track thermometers which are not being calibrated in compliance with S1177.
IA_13_753	Management of Extra Low Loss Conductor Rail	<b>06/05/2014 AC</b>	To confirm appropriate management systems were in place to ensure compliance against the relevant Category 1 Standards for the inspection and maintenance of Extra Low Loss Conductor Rails (ELLCR).	<p>Overall, the location of ELCCR is known and mandatory inspections and maintenance planned and undertaken in accordance with LU standards.</p> <p>Minor issues identified were:</p> <ul style="list-style-type: none"> <li>• There was no evidence of inspection of the vertical gauge of both conductor rails over a distance of 65m in the rear of station platform stop markers across all Lines.</li> <li>• There is a large number of overdue Maintenance Level Targets on the Jubilee line. These represent no safety risk but their reduction would ensure assets are maintained to optimum levels.</li> <li>• There is no mandatory requirement for ultrasonic inspections of ELCCR. Within a TfL Guidance Document there is indication that this should occur every five years or where excessive wear is identified. This has not occurred or been programmed on any Line.</li> </ul>
IA_14_735	Clayton Equipment Limited	<b>14/05/2014 AC</b>	To provide assurance to TfL and London Underground that Clayton Equipment Limited has implemented and is working in compliance with	<p>The findings of the audit were:</p> <ul style="list-style-type: none"> <li>• Clayton Equipment Limited is working in compliance with a Management System that is registered with Lloyd’s and assessed by a UKAS accredited assessor and were maintaining quality processes and records and continually improving the management system.</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
			acceptable business procedures	<ul style="list-style-type: none"> <li>Clayton Equipment Ltd had satisfactorily embedded procedures and processes to manage the delivery of client specified requirements through the design, build and commissioning stages of vehicle delivery.</li> </ul> <p>No Non-Conformances, Business Improvement Actions or Observations were identified.</p>
<b>Major Incident - External</b>				
IA_13_784	Facilities Management – Operational Premises	15/04/2014 RI	To determine whether LU Office Facilities are being inspected in accordance with the requirements of LU Category 1 Standard, Reference Documents and associated LUL Specification Contract.	<p>Inspection activities and frequencies are adequately defined with management generally operating effectively to ensure that these activities are delivered by LU and its contractor (Vinci). There was good performance in relation to reactive faults. A number of monitoring activities (PGIs and Cleaning Inspections) exceed the stated requirements.</p> <p>However, a number of significant issues were also identified:</p> <ul style="list-style-type: none"> <li>LU Management System documentation was found to be under-developed with regard to defining how managers and inspectors should undertake their tasks. Other documents were found not to reflect current organisational arrangements and systems</li> <li>Whilst evidence indicated that LU inspectors have sufficient competence, LU does not define the competence levels of its facilities inspectors or utilise tools to ensure that inspectors refresh training and licences. The Vinci competency matrix which is a contractual requirement was found to be poorly maintained.</li> <li>Some requirements for monitoring activities (Quality Checks and Joint Inspections) are not currently undertaken.</li> <li>A sample of checks found assets not labelled with service information as required</li> <li>Some statutorily required documentation and other information was not available or stored as required within the Technical Library.</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
IA_13_780	JNP Temporary Works	<b>17/04/2015 AC</b>	To provide assurance in relation to the compliance with and overall effectiveness of the JNP processes for temporary works and to ensure that temporary works are being undertaken by competent people.	<p>The audit found that temporary works are being managed in accordance with TLF-716 – Temporary Works Design Statement. The documentation submitted to the Temporary Works Controller in support of the TLF-716 is being effectively managed.</p> <p>The two most significant issues were as follows:</p> <ul style="list-style-type: none"> <li>• P-2-092 – Temporary Works Planning and Execution had not been referenced for guidance on any of the three temporary works audited. The auditees were unaware of the procedure.</li> <li>• Assurance package requirements need to be developed for inclusion in the tender package sent to contractors.</li> </ul>
IA_13_798	JNP Flood Protection (Canning Town and Westminster)	<b>30/05/2014 RI</b>	To provide assurance that COO APJNP maintenance processes are in place to guarantee functionality of flood protection at Canning Town portal and Westminster (Storey’s Gate) flood-gates.	<p>Issues identified were:</p> <ul style="list-style-type: none"> <li>• The Canning Town floodgates did not operate as expected whilst in automatic mode. They did function correctly whilst in manual operational mode.</li> <li>• There is no programme in place to ensure ongoing maintenance and testing of the Canning Town and Westminster flood protection systems.</li> <li>• No date has been set for the testing of the Westminster (Storey’s Gate) flood protection system.</li> </ul>
IA_13_776	Lift Competence Management Assessments	<b>15/05/2014 AC</b>	To assess whether competence assessments of station staff who undertake lift procedures are undertaken in	<p>Issues identified were:</p> <ul style="list-style-type: none"> <li>• The expectation of a ‘simulated’ lift assessment needs clarifying so that it is as real as possible in all cases.</li> <li>• Assessor notes do not include all required information. This is being addressed through a planned upgrade to the CMS SAP system in June 2014.</li> </ul>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
			compliance with Competency Management System (CMS) requirements.	
<b>Environmental Impact of Delivering a Transport Service</b>				
IA_13_858	Compliance with ISO 14001	15/04/2014 RI	To determine the level of compliance of the management systems in place across London Underground (LU) with the requirements of BS EN ISO 14001.	<p>The audit found that all areas of LU have an Environmental Management System (EMS) in place. Overall the structure and the management of the EMSs meet the requirements of the ISO 14001 Standard.</p> <p>There are a large number of processes and documents in place in relation to management of the environment. The Environment Team have an objective for 2014-15 to review and amalgamate the JNP (former Tube Lines) and LU EMSs. Work is already underway on elements of this.</p> <p>A number of significant issues were identified, as follows:</p> <ul style="list-style-type: none"> <li>• The LU HSE Policy does not contain all of the elements required by the ISO Standard.</li> <li>• Environmental objectives and targets for the forthcoming year have been set but are not currently integrated into relevant business areas.</li> <li>• Opportunity exists to enhance training by integrating JNP and LU training courses where practicable.</li> <li>• An evaluation of compliance against non-legal requirements relevant to the organisation needs to be undertaken.</li> <li>• The Environment Team’s role in environmental incident investigations needs to be clarified.</li> </ul> <p>Some more minor issues were also raised.</p>

Reference	Report Title	Report Issued	Original Objective	Summary of Findings
<b>Crossrail</b>				
IA_13_521	Health & Safety Performance Index (HSPI) Reporting	<b>20/05/2014 AC</b>	The audit focused on the processes around the Health and Safety Performance Index (HSPI) including the requirements of the Health and Safety Rating and Recognition Scheme (CR-XRL-Z7-GPD-CR001-50001 rev 6) and recognised industry best practice.	<p>Overall, the HSPI reporting process is effective. However, the audit noted the following:</p> <ul style="list-style-type: none"> <li>• There was inconsistency in level of detail to support KPIs recorded by Principal Contractors (PCs).</li> <li>• The validity of information supplied by the PCs was not independently checked as part of the KPI process.</li> <li>• There is an opportunity for formal training and guidance to be provided to ensure a consistent approach to the assessment, verification and moderation practices in relation to evidence supplied during Gateway Assessments.</li> <li>• A number of the PCs see the KPI process as a duplication of work they have to undertake in their own Health and Safety Management system.</li> </ul>

INTERNAL AUDIT CUSTOMER FEEDBACK FORM SUMMARY OF RESPONSES FOR 2014/15 Quarter 1							
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, <b>and return it to us by email</b> . 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.							
<b>Customer Feedback Forms Sent: Q1 = 49 (Q4=82 )</b>							
<b>Customer Feedback Forms Returned; Q1 = 17 (Q4 = 37)</b>							
	No score given	Very poor	Poor	Satisfactory	Good	Very good	
<b>ASSIGNMENT ASSESSMENT CRITERIA</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Average Score</b>	
<b>PLANNING AND TIMING</b>							<b>4.2 (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)	0 (0)	3 (4)	4 (13)	10 (19)	
The assignment was completed and the report issued within appropriate timescales	0 (0)	1 (0)	2 (2)	3 (3)	1 (11)	10 (21)	
<b>COMMUNICATION</b>							<b>4.3 (4.1)</b>
Communication prior to the assignment was appropriate, including the dates and objectives	0 (0)	0 (0)	0 (1)	2 (8)	6 (8)	9 (20)	
Throughout the assignment I was informed of the work's progress and emerging findings	0 (0)	0 (0)	1 (5)	2 (6)	7 (10)	7 (16)	
<b>CONDUCT</b>							<b>4.3 (4.2)</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 (0)	0 (0)	0 (4)	5 (8)	3 (12)	9 (13)	
The Internal Audit team acted in a constructive, professional and positive manner	0 (0)	0 (0)	0 (0)	3 (6)	4 (8)	10 (23)	
<b>RELEVANT AND USEFUL ADVICE AND ASSURANCE</b>							<b>4.2 (4.1)</b>
A fair summary of assignment findings was presented in the report	1 (0)	0 (0)	0 (1)	3 (7)	6 (14)	7 (15)	
Assignment recommendations were constructive, practical and cost-effective	0 (0)	0 (0)	0 (2)	4 (10)	6 (12)	7 (13)	
My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	0 (1)	0 (0)	0 (1)	5 (8)	6 (11)	6 (16)	
<b>Overall assessment</b>							<b>4.3 (4.2)</b>
Other comments including suggested improvements and areas of good performance:  <i>The Audit has brought the shortfalls in the system to the attention of [relevant staff] and has instigated a review of the procedure which will improve the efficiency of the process.</i>  <i>This was my first internal audit and overall I found it to be a positive experience. The only area I was disappointed about was that in the penultimate review meeting we were told that there were no Severity 1 issues, but when the report was issued there was a Severity 1 included. I felt that this situation could have been better managed in terms of expectations. The Auditor worked well with my team and I was impressed with her diligence and professionalism.</i>  <i>The engagement of the audit went very smoothly and the fact finding was equally done with minimum impact on the team. The disappointing thing was the time taken to get the final report done and the number of revisions we had to do. Where we had thought that items had been removed after agreement they were back in the next draft of the report which caused us extra time when reviewing. On saying that the final report I believe gives a fair reflection.</i>  <i>Some of the recommendations were items that were known issues in TfL and were already being actioned. I don't know if there would be a way of highlighting items such as this in a different way to show that they were known issues before the audit?</i>  <i>Audit team were professional, courteous, and considered our other commitments. Timing was an issue on this review due to project slippage and with the audit being a "real-time" audit the value added was somewhat limited.</i>  <i>The audit achieved its purpose and was undertaken in a competent professional manner. The auditor identified appropriate areas of concern and provided robust assurance confidence to the audit client. No specific areas for improvement in the audit process were identified.</i>							