Internal audit reports issued in Q4 2022/23 **Appendix 2**

- There were 11 reports (excluding Elizabeth line and TTL Properties Limited) issued during the quarter.

Enterprise Risk	Directorate	Ref	Audit title	Summary of Finding	Conclusion
ER01 Inability to deliver safety objectives and obligations	Insights and Direction	22 026	Implementation of the Digital Safety Health and Environment (SHE) System	Implementation of the new SHE Management System has been managed effectively by the project team who have maintained robust review processes throughout.	Memo
ER04 Significant security incident	Chief Operating Officer	22 031	Safety and Security of Staff in Stations	We found that generally controls were adequately designed and operating effectively. However controls relating to body worn video cameras and ongoing training of staff in conflict management were not widely implemented.	Requires Improvement
ER04 Significant security incident	Technology & Data	22 032	Third-Parties with OneLondon Access	During Phase 1 of the audit, we found some weaknesses in the management of third-party access to OneLondon. Principally these relate to the absence of a defined quality assurance process and weaknesses in the recording and evidencing of the due diligence. There were also weaknesses in the monitoring of third-party GDPR training. We will build on these findings during Phase 2 of the audit within the 2023/24 Internal Audit Plan.	Memo
ER05 Procurement including supply chain	Procurement & Commercial (P&C)	22 034	Management of the relationship with Critical (key) suppliers by P&C	The audit found the process for managing relationships with key suppliers could be improved. As the process is still being developed, a follow-up audit in 9-12 months' time was recommended.	Memo
ER07 Financial resilience	Chief Finance Officer	22 007	Benefits Realisation for the 'Fit for the Future – Stations' Programme	The Fit for the Future Stations programme has delivered ongoing financial benefits to TfL through reducing the operating costs of London Underground stations. The financial benefits have not been as large as initially planned because savings were scaled back following consultation with the trade unions. However, a majority of the original predicted savings have been achieved, and now the one-off costs have been absorbed, the Fit for the Future Stations staffing model will financially benefit TfL into the future.	Adequately Controlled

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Enterprise Risk	Directorate	Ref	Audit title	Summary of Finding	Conclusion
ER07 Financial resilience	Procurement & Commercial (P&C)	22 022	Controls over non-competitive transactions (SSRs) below £100,000	It is apparent that the P&C team have made progress in improving the control environment for single source procurements. We found that the procurement guidance is adequate and readily available to staff. There were no issues identified with delegated budgetary and procurement authorities and no evidence of disaggregation being applied. However, one issue was identified where a repeat purchase was made without a procurement exercise.	Requires Improvement
ER07 Financial resilience	Buses	22 011	Invoicing of Third Parties at Victoria Coach Station	Despite the outdated system currently in use for creating third party invoices for coach operators, Victoria Coach Station has robust processes in place to manage third party invoicing. There is good segregation of duties and detailed cross checking. The current process manuals require updating and, in some instances, local procedures need to be created.	Adequately Controlled
ER07 Financial resilience	Business Services	22 038	Accounts Payable (AP)	There are controls for managing most of the key risks associated with AP processes. The introduction of SAP Ariba has strengthened the controls relating to the registration and maintenance of suppliers. It also provides an opportunity to review and strengthen AP processes. The only high-risk issue the audit identified is the possession by some AP and master data management staff of SAP permissions that breach segregation of duties controls. We have recommended that mitigating controls are put in place in accordance with SAP procedures.	Adequately Controlled
ER10 Governance and controls suitability	Chief People Officer	22 016	Executive Recruitment	Executive level recruitment systems for recording candidate entry, assessment and selection decisions are established, and regularly manage high levels of candidate applications. However, administrative practice has significantly moved away from the guidance set out in the Hiring Mangers Toolkit and now needs a comprehensive review to ensure continued alignment with agreed corporate recruitment policies. High staff turnover has resulted in the inconsistent completion of supporting documentation and this needs to improve to ensure selection decisions are transparent and fully supported.	Poorly Controlled

Transport for London Audit and Assurance Committee

Enterprise Risk	Directorate	Ref	Audit title	Summary of Finding	Conclusion
ER10 Governance and controls suitability	Rail & Sponsored Services	22 010	Integration of Woolwich Ferry	Delays in agreeing an implementing a strategy and operational model have hampered the integration of the Woolwich ferry operations.	Requires Improvement
ER10 Governance and controls suitability	Information Governance	22 042	Information Management and Transfer - Hardcopy Documents	Following the closure of its Canning Town storage facility in 2019 and main transfer of documentation, Crossrail Limited did not agree arrangements for the transfer of hardcopy documentation needed for continuing operations to TfL. With TfL steer, human resource, legal, commercial and finance documentation is now being identified for transfer to TfL Deep Store, however central CRL transfer planning and co-ordination is absent. This increases TfL's exposure to gaps in information transfer, and the risk of corporate loss of memory.	Requires Improvement