

Agenda

Meeting: Audit and Assurance Committee

Date: Wednesday 21 September 2022

Time: 10:00am

**Place: Conference Rooms 1 and 2,
Ground Floor, Palestra, 197
Blackfriars Road, London, SE1
8NJ**

Members

Mark Phillips (Chair)

Anurag Gupta (Vice-Chair)

Kay Carberry CBE

Dr Mee Ling Ng OBE

Copies of the papers and any attachments are available on [tfl.gov.uk How We Are Governed](https://tfl.gov.uk/How-We-Are-Governed).

This meeting will be open to the public and webcast live on [TfL YouTube channel](#), except for where exempt information is being discussed as noted on the agenda.

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Further Information

If you have questions, would like further information about the meeting or require special facilities please contact:

Sue Riley, Secretariat Officer; Email: sueriley@tfl.gov.uk.

For media enquiries please contact the TfL Press Office; telephone: 0343 222 4141; email: PressOffice@tfl.gov.uk

Howard Carter, General Counsel
Monday 12 September 2022

**Agenda
Audit and Assurance Committee
Wednesday 21 September 2022**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interests

General Counsel

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

Members must not take part in any discussion or decision on such a matter and, depending on the nature of the interest, may be asked to leave the room during the discussion.

3 Minutes of the Meeting of the Committee held on 6 June 2022 (Pages 1 - 8)

General Counsel

The Committee is asked to approve the minutes of the meeting of the Committee held on 6 June 2022 and authorise the Chair to sign them.

4 Matters Arising, Actions List and Use of Delegated Authority (Pages 9 - 12)

General Counsel

The Committee is asked to note the updated actions list and Use of Delegated Authority.

External Audit Items

5 TfL Annual Report and Statement of Accounts for the Year Ended 31 March 2022 - To Follow

Chief Finance Officer

The Committee is asked to note the changes to the Annual Report and approve TfL's Statement of Accounts for the Year Ended 31 March 2022.

6 Annual Audit Letter - To Follow

Chief Finance Officer

The Committee is asked to note the paper and the supplementary paper on Part 2 of the agenda.

Audit, Risk and Assurance Items

7 Risk and Assurance Quarter 1 Report 2022/23 (Pages 13 - 56)

Director of Risk and Assurance

The Committee is asked to note the report and the exempt supplementary information on Part 2 of the agenda.

8 Independent Investment Programme Advisory Group Quarterly Report (Pages 57 - 70)

General Counsel

The Committee is asked to note the Independent Investment Programme Advisory Group's Quarterly Report and the management response and approve the IIPAG Work Programme for 2022.

9 Elizabeth Line Programme Assurance Quarter 1 Report 2022/23 (Pages 71 - 78)

Director of Risk and Assurance

The Committee is asked to note the report.

Accounting and Governance

10 Finance Control Environment Trend Indicators (Pages 79 - 84)

Chief Finance Officer

The Committee is asked to note the dashboard at Appendix 1.

11 Freedom of Information Update (Pages 85 - 94)

General Counsel

The Committee is asked to note the paper.

12 Effectiveness Review of External Auditors (Pages 95 - 98)

Chief Finance Officer

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.

13 Enterprise Risk Update - Significant Security Incident (ER4)
(Pages 99 - 100)

Director of Security, Policing and Enforcement

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.

14 Register of Gifts and Hospitality for Members and Senior Staff (Pages 101 - 106)

General Counsel

The Committee is asked to note the paper.

15 Members' Suggestions for Future Discussion Items (Pages 107 - 110)

General Counsel

The Committee is asked to note the forward plan and is invited to raise any suggestions for future discussion items for the forward plan and for informal briefings.

16 Any Other Business the Chair Considers Urgent

The Chair will state the reason for urgency of any item taken.

17 Date of Next Meeting

Wednesday, 30 November 2022 at 10.00am.

18 Exclusion of Press and Public

The Committee is recommended to agree to exclude the press and public from the meeting, in accordance with paragraphs 3, 5 & 7 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business.

Agenda Part 2

19 Annual Audit Letter - To Follow

Exempt supplementary information relating to the item on Part 1.

20 Risk and Assurance Quarter 1 Report 2022/23 (Pages 111 - 126)

Exempt supplementary information relating to the item on Part 1.

21 Effectiveness Review of External Auditors (Pages 127 - 132)

Exempt supplementary information relating to the item on Part 1.

**22 Enterprise Risk Update - Significant Security Incident (ER4)
(Pages 133 - 148)**

Exempt supplementary information relating to the item on Part 1.

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Transport for London

Minutes of the Audit and Assurance Committee

**Via Microsoft Teams,
10.00am, Monday 6 June 2022**

Members

Mark Phillips	Chair
Anurag Gupta	Vice-Chair
Julian Bell	Member
Kay Carberry CBE	Member
Dr Mee Ling Ng OBE	Member

Executive Committee

Howard Carter	General Counsel
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Staff

Patrick Doig	Group Finance Director and statutory Chief Finance Officer
Jill Elliott	Head of Internal Audit
Philip Hewson	Head of Governance and Assurance (Minute Reference 34/06/22)
Lorraine Humphrey	Director of Risk and Assurance
Richard Mullings	Head of Counter-Fraud and Corruption
James Norris	Interim Head of Project Assurance
Jonathan Patrick	Chief Procurement Officer (Minute Reference 34/06/22)
Chris Tann	Interim Head of Financial Accounting and Tax
Mike Shirbon	Head of Quality, Safety and Security Assurance
Sue Riley	Secretariat

Also In Attendance

Janet Dawson	Partner, Ernst & Young
Caroline Mullings	Partner, Ernst & Young
Joanne White	Independent Investment Programme Advisory Group Member
Philip Young	Partner, Ernst & Young

18/06/22 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting and Chris Tann, the interim Head of Financial Accounting and Tax, replacing Rachel Shaw. This meeting was being held via Teams only due to the travel disruption.

The Chair agreed to take Item 5 Annual Report 2021/22, Item 6 TfL Statement of Accounts for Year Ended 31 March 2022 and Item 7 EY Report to those Charged with Governance, which were marked to follow on the agenda, as late items, as information in the papers was being verified and finalised at the time of publication.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with TfL staff after the meeting. No matters were raised.

Following the meeting Members were scheduled to meet with EY for the annual informal meeting.

19/06/22 Declarations of Interest

Julian Bell had established a management consultancy company and was no longer a strategic advisor for the Built Environment Communications Group and had stood down as a councillor for the London Borough of Ealing. He would continue to represent London Councils on the Board until his term of office expired.

Members confirmed that their declarations of interests, as published on tfl.gov.uk, were up to date and there were no interests to declare that related specifically to items on the agenda.

20/06/22 Minutes of the Meeting of the Committee held on 16 March 2022

The Chair, in consultation with the Committee, approved the minutes of the meeting held on 16 March 2022.

21/06/22 Matters Arising and Actions List

Howard Carter introduced the paper, which set out progress against actions agreed at previous meetings of the Committee.

The Chair reported that following the publication of the papers for the meeting, a Chair's Action on the assurance process for the outturn of the TfL Scorecard was approved, following consultation with Members. The use of delegated authority would be reported to the next meeting.

The Committee noted the Actions List.

22/06/22 Annual Report 2021/22

This item was published as a late urgent item on 31 May 2022 as information in the report was not available when the papers for the meeting were published.

Patrick Doig introduced the Annual Report 2021/22.

2021/22 had been a pivotal year marking TfL and London's recovery from the coronavirus pandemic, continuing to draw customers back onto the network. Journeys were currently at 70 per cent of pre-pandemic ridership, and almost double the total number of passenger journeys compared to 2020/21.

Despite the challenges, TfL had delivered significant milestones, including the opening of two new Tube stations; launched a network wide campaign aimed at tackling sexual harassment on public transport; a trial of e-scooters; 12 additional step-free stations; and the establishment of a property company, TTL Properties Limited.

Highlights in 2022/23 included the opening of the Elizabeth line and the launching of consultation on the proposals to expand the Ultra Low Emission Zone across London.

The Committee welcomed the report as clear and concise and particularly the focus on individual stories and thanked all staff involved in its production.

The Committee noted the Annual Report and the delegation to the Chief Customer and Strategy Officer to make any adjustments prior to submission to the Board.

23/06/22 TfL Statement of Accounts for the Year Ended 31 March 2022

This item was published as a late urgent item on 31 May 2022 as information in the report was not available when the papers for the meeting were published.

Patrick Doig and Chris Tann introduced TfL's Statement of Accounts for the Year Ended 31 March 2022.

The results for 2021/22 demonstrated that TfL was moving towards financial sustainability through management action and tight control of costs. However, TfL continued to face a number of significant external risks with funding uncertainty, rising inflation and the cost of living rises.

The coronavirus pandemic resulted in a significant impact on TfL's income. In 2020/21 passenger income fell to £1.6bn from £4.8bn the previous year. In 2020/21, the first full year of the pandemic, TfL received £2.4bn from the Government and borrowed an additional £0.6bn, when the most severe travel restrictions were in place. £500m of cash reserves was also used.

Fares income had doubled from £1.6bn in 2020/21 to £3.2bn in 2021/22, reflecting the changing Government restrictions and guidance throughout the year as the pandemic evolved and the changes in travel patterns.

The expansion of the Ultra Low Emission Zone saw income rise from £77m in 2020/21 to £226m in 2021/22 and was expected to reduce nitrogen oxides emissions from road transport by 30 per cent.

TfL had continued to maintain careful cost controls which meant, on a like-for-like basis, costs had only increased by 0.9 per cent, despite rising inflation. The level of Government support in 2021/22 had reduced to around £1.7bn, compared to the c£3bn the previous year.

As a requirement of the Government funding, TfL continued to use its cash reserves and run these at an average of £1.2bn rather than this being an absolute minimum. Usable cash reserves were just under £1.3bn at year-end.

The budget for 2022/23 was based on a total of £1.2bn Government support compared to £1.7bn in 2021/22. A further £0.9bn of extraordinary Government funding was required for 2022/23. While journeys had been steadily rising, the budget assumed prudent levels of growth over the coming year with London Underground forecast to achieve up to 80 per cent of pre-pandemic demand in the autumn and buses up to approximately 85 per cent.

The macroeconomy posed a threat due to slowing economic growth and rising costs and these significant risks highlighted the importance of securing a Government funding deal post 24 June 2022, to provide further extraordinary funding in 2022/23 and to continue to mitigate the significant revenue risks faced.

Until a longer-term financing package was agreed, a material level of uncertainty remained and this was reflected in the Statement of Accounts.

Members sought clarification on Material Uncertainty if TfL did not reach an agreed financial settlement with the Department for Transport by 24 June 2022, when the current financial arrangement expired. Government funding of £1.2bn was assumed within the accounts, which would allow TfL to continue to operate as a going concern. Additional long-term capital funding which would allow TfL to deliver projects currently impaired had not been included in the accounts.

If negotiations ran past the 24 June 2022 date, there was still time before the Board meeting of 27 July 2022 where the final Statement of Accounts needed to be approved.

The Committee thanked staff for their hard work and professionalism in drafting the Statement of Accounts in continuing challenging circumstances.

Members noted the impact of cost controls on TfL's supply chain and the need for caution when considering any fare increases, within the context of the cost of living crisis and the impact on poorer communities and other equality implications.

Any performance related pay, as agreed by the Remuneration Committee, would only be awarded once TfL met the current funding arrangements agreed with the Government.

RSM was providing EY with external third party assurance on the Pension Fund evaluation.

EY were still assessing whether weaknesses identified in previous audits on TfL's Procurement and Commercial Improvement Programme had been addressed sufficiently and that work would be concluded shortly.

Any uncorrected misstatements would be reported to the Committee prior to approval by the Board.

The Committee noted the draft Statement of Accounts and the delegation to the Chief Finance Officer to make any adjustments arising from the ongoing audit work prior to submission to the Board.

24/06/22 EY Report to Those Charged with Governance

This item was published as a late urgent item on 31 May 2022 as information in the report was not available when the papers for the meeting were published.

Janet Dawson, Caroline Mulley and Philip Young presented the report setting out the key risks addressed by EY during the course of their audit of the Statement of Accounts for the Transport of London Group for the year ended 31 March 2022.

The risk of improper capitalisation of costs was highlighted but no major issues had been identified during the course of the audit.

There was a difference in accounting opinion regarding the annual re-evaluation of property assets, which included rolling stock leases and the interpretation of IFRS16.

The Committee noted the report.

25/06/22 EY Letter on Independence and Objectivity

Janet Dawson presented the annual report on EY's independence and objectivity, taking into account guidance including the National Audit Office's Code of Audit Practice.

The Committee noted the paper.

26/06/22 EY Report on Audit and Non-Audit Fees for Six Months Ended 31 March 2022

Janet Dawson introduced the report on fees billed by EY for non-audit services.

The Committee noted the report.

27/06/22 Annual Audit Fee 2022/23

Janet Dawson introduced the annual audit fee proposed by EY for the audit of the Corporation and Group Financial Statements for the year ending 31 March 2023.

The Chair thanked EY for their collaborative approach in the production of the accounts for 2022.

The Committee noted the paper.

28/06/22 Risk and Assurance Quarter 4 Report 2021/22

Lorraine Humphrey introduced the report setting out work completed by the Risk and Assurance Directorate during Quarter 4 of 2021/22, work in progress and planned activities. Jill Elliott, Richard Mullings, James Norris and Mike Shirbon were also present.

Outcomes of the recently held Enterprise Risk informal meeting with the Executive Committee and Board would be submitted to the next Committee meeting for updated Enterprise Risks and the Enterprise Risk Framework. The work on risk appetite would be submitted to the December meeting.

There continued to be a focus on the effective and efficient closing out of Management Actions/Recommendations.

Paragraph 3.5 of the report was corrected from £250,000 to £25,500.

Confidence in Tier 1 contractors ability to comply with their contractual obligations and through their supply chain was discussed and it was agreed this was an area that needed additional scrutiny.

The Committee noted the report and the exempt supplementary information on Part 2 of the agenda.

29/06/22 Risk and Assurance Annual Report 2021/22

Lorraine Humphrey introduced the Annual Report of the Risk and Assurance Directorate.

Jill Elliott explained her audit opinion. Some weaknesses across the organisation in relation to record keeping had been identified, which was attributed to hybrid working, the coronavirus pandemic and resources.

Internal Audit continued to monitor the improvements in the procurement process.

It was agreed that Enterprise Risk 1 (Major safety, health or environmental incident or crisis) audits would be shared with the Chair of the Safety, Sustainability and Human Resources Panel. **[Action: Lorraine Humphrey]**

Future reports would include more detailed information in areas that Require Improvement. **[Action: Lorraine Humphrey]**

The Committee noted the report.

30/06/22 Independent Investment Programme Advisory Group Quarterly Report

Lorraine Humphrey introduced the Independent Investment Programme Advisory Group's Quarterly Report for June 2022. Joanne White was also in attendance.

The Committee noted the Independent Investment Programme Advisory Group Quarterly Report, the management response and the exempt supplementary information on Part 2 of the agenda.

31/06/22 Elizabeth Line Programme Assurance Quarter 4 Report 2021/22

Lorraine Humphrey presented the overview of programme assurance activity in relation to the Elizabeth line during Quarter 4 of 2021/22.

The final Project Representative report was being submitted to the next Elizabeth Line Committee meeting. Focus was now on the challenges relating to Stages 5b- and 5c which would deliver through running and 24 trains per hour service.

The Committee noted the paper.

32/06/22 Review of Governance and the Annual Governance Statement for Year Ended 31 March 2022

Howard Carter presented the review of compliance with the TfL Code of Governance in 2021/22.

The Committee approved the Annual Governance Statement, as set out in Appendix 1 of the paper, for signing by the Chair of TfL and the Commissioner, for inclusion in the 2021/22 Annual Report and Accounts and noted the progress against the 2021/22 improvement plan, as set out in Appendix 2 and the plan for 2022/23, as set out in Appendix 3 of the paper.

33/06/22 Legal Compliance Report (1 October 2021 – 31 March 2022)

Howard Carter introduced the summary provided by each TfL Directorate for the Legal Compliance Report for the period 1 October 2021 to 31 March 2022.

The Committee noted the report.

34/06/22 Finance Control Environment Trend Indicators

Patrick Doig introduced the quarterly report on Financial Control Environment Trend Indicators. Jonathan Patrick and Philip Hewson were also present for this item.

The Committee noted the paper.

35/06/22 Register of Gifts and Hospitality for Members and Senior Staff

Howard Carter presented the quarterly update on the register of gifts and hospitality for Board Members and senior staff.

The Committee noted the paper.

36/06/22 Members' Suggestions for Future Discussion Items

Howard Carter presented the current forward plan for the Committee.

The Committee noted the forward plan.

37/06/22 Any Other Business the Chair Considers Urgent

There was no urgent business.

38/06/22 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Wednesday 21 September 2022 at 10am.

39/06/22 Exclusion of Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraphs 3, 5 and 7 of Schedule 12A to the Local Government Act 1972 (as amended), when it considered the exempt information in relation to the items on: Risk and Assurance Quarter 4 Report 2021/22; and Independent Investment Programme Advisory Group Quarterly Report.

The meeting closed at 12.40pm.

Chair: _____

Date: _____

Audit and Assurance Committee



Date: 21 September 2022

Item: Matters Arising, Actions List and Use of Delegated Authority

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Committee of progress against actions agreed at previous meetings and any use of delegated authority via Chair's Action since the last meeting on 6 June 2022.
- 1.2 There has been one use of Chair's Action since the last meeting, in relation to the TfL Scorecard 2021/22.

2 Recommendation

- 2.1 **The Committee is asked to note the Actions List and the Use of Chair's Action.**

3 Use of Chair's Action

- 3.1 Under Standing Order 113, in situations of urgency, the Board delegates to each of the Committee Chairs of any Committee or Panel the exercise of any functions of TfL on its behalf, including the appointment of Members to Committees and Panels. Any use of Chair's Action is reported to the next ordinary meeting.

TfL Scorecard 2021/22

- 3.2 On 25 May 2022, the Committee received a paper seeking Chair's Action in relation to the TfL Scorecard 2021/22 outturn assurance process. The scorecard is one of the key tools to ensure that the Business Plan is achieved. It focuses on the critical success factors for the year; keeping TfL on track to deliver the plans and provides an objective method for measuring success.
- 3.3 On 27 May 2022, the Chair, following consultation with available Members, noted the paper and signed off the end of year results against the 2021/22 scorecards.
- 3.4 The use of Chair's Action was considered appropriate as the Committee's agreement and any comments on the Review are required to confirm the content of the Annual Report.

List of appendices to this report:

Appendix 1: Actions List

List of Background Papers:

Minutes of previous meetings of the Audit and Assurance Committee
Chair's Action paper issued on 25 May 2022.

Contact Officer: Howard Carter, General Counsel

Email: HowardCarter@tfl.gov.uk

Audit and Assurance Committee Actions List (to be reported to the meeting on 21 September 2022)

Actions from the meeting held on 6 June 2022

Minute No.	Item/Description	Action By	Target Date	Status/Note
29/06/22 (1)	Risk and Assurance Annual Report Enterprise Risk 1 (Major safety, health or environmental incident or crisis) audits to be shared with the Chair of the Safety, Sustainability and Human Resources Panel.	Lorraine Humphrey	Following the meeting.	Ongoing.
29/06/22 (2)	Future reports to include more detailed information in areas that Require Improvement.	Jill Elliot	21 September 2022 meeting.	Further detail included in the report on the agenda. Complete.

Actions from previous meetings: None

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Audit and Assurance Committee

Date: 21 September 2022

Item: Risk and Assurance Quarter 1 Report 2022/23

This paper will be considered in public

1 Summary

- 1.1 The purpose of this report is to inform the Committee of the work completed by the Risk and Assurance Directorate during Quarter 1 of 2022/23 (1 April 2022 to 25 June 2022) (Q1), the work in progress and planned to start, and other information about the Directorate's activities.
- 1.2 A paper is included on Part 2 of the agenda, which contains supplementary information that is exempt from publication by virtue of paragraphs 3 and 7 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business and financial affairs of TfL that is commercially sensitive and likely to prejudice TfL's commercial position; and information relating to ongoing fraud and criminal investigations and the disclosure of this information is likely to prejudice the prevention or detection of crime and the apprehension or prosecution of offenders. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the report and the exempt supplementary information on Part 2 of the agenda.**

3 Director Update

- 3.1 This is the first quarterly report for financial year 2022/23 to the Committee highlighting the activities of five of the six teams making up the Risk and Assurance Directorate, namely: Enterprise Risk; Internal Audit; Quality, Safety and Security Assurance; Project Assurance; and Counter-fraud and Corruption. Detailed Elizabeth line assurance work is covered elsewhere on the agenda.
- 3.2 Following discussions with the Board and Executive Committee at the risk briefing session on 4 May 2022, the Enterprise Risk Management Framework has been updated to reflect the Vision and Values roadmaps. The Level 0 risks have also been updated and there are now 10 Enterprise Risks which have been approved by the Executive Committee, details of which are set out in section 4.3 below. Work on risk appetite has started and will be presented to the Executive Committee in October 2022. Improvements to Level 1 processes are also ongoing and will help the business manage their risks more effectively.
- 3.3 Work has begun on developing the Integrated Assurance Framework for TTL Properties Limited (TTLP). A paper was submitted to the 30 June 2022 Land and

Property Committee (LPC) setting out how this would be undertaken for second and third line assurance activities. An Integrated Assurance and Audit schedule will be produced for approval at the next LPC meeting. A paper summarising TTLP assurance activity will also be submitted to this Committee and will include details of any changes to the assurance schedule.

- 3.4 Last year we responded to the Department for Business, Energy and Industrial Strategy's (BEIS) consultation on restoring trust in audit and corporate governance. Following the consultation BEIS published its response to the White Paper on 31 May 2022 with much of the focus on increasing the quality and effectiveness of external/statutory audit and audit market reforms aimed at professional services firms. Some proposals could also affect the role and work of internal auditors. However, there is no detailed timetable for implementation of the plans or introducing legislation. The action TfL needs to take depends on whether TfL Group is classified as a Public Interest Entity which is not yet clear. Once our status is known we can address the specifics of the reforms. We anticipate that this may involve some re-packaging of what we currently do and the possible introduction of new processes and procedures. We will keep the Committee informed on this matter as it progresses.
- 3.5 In Project Assurance reviews during Q1, availability of staff resources is still the theme that arises routinely as the primary risk to project delivery. The Project Assurance team continues to focus attention on reviewing the strength of business cases and their ability to demonstrate good value for money and the impact of improvement initiatives to improve business case quality.
- 3.6 The Counter-fraud and Corruption team continues to refer offenders for prosecution. In June 2022 a TfL customer pleaded guilty at Westminster Magistrates' Court to making over 800 fraudulent claims for delayed trains contrary to section 1 of the Fraud Act 2006. He had exploited weaknesses in TfL's Oyster online system to claim two refunds a day over an 18-month period to April 2020. He was sentenced to 26 weeks' imprisonment, suspended for 12 months, electronically tagged and ordered to pay compensation to TfL of the full £3,035 value of the claims. Following identification of the fraud in May 2020, customers have been required to contact Customer Services if they wish to make a claim in respect of a delay to a journey with a magnetic ticket, thus reducing the opportunity to submit fraudulent claims.
- 3.7 In July 2022 a tenth suspect in the 16+ Zip Oyster fraud case was found guilty of conspiracy to defraud TfL by a jury at Isleworth Crown Court. He received a 12-month prison sentence, suspended for 18 months, 150 hours of unpaid work and was ordered to pay TfL £1,000 in compensation.

4 Enterprise Risk Management

4.1 The following Level 0 Enterprise Risks reviews were facilitated by the team in Q1:

- (a) Major safety, health or environmental incident or crisis (ER1);
- (b) Attraction, retention and wellbeing of our employees (ER2);
- (c) Major security incident (ER4);
- (d) Supply chain disruption (ER5);
- (e) Asset condition unable to support TfL outcomes (ER12); and
- (f) Governance and controls suitability (ER13).

4.2 A list of the existing Level 0 risks is included in Appendix 1.

4.3 As mentioned above, the new 10 Enterprise Risks are:

- (a) Inability to deliver safety objectives and obligations (ER1);
- (b) Attraction, retention, wellbeing and health of our employees (ER2);
- (c) Environment including climate adaptation (ER3);
- (d) Significant security incident (ER4);
- (e) Procurement including supply chain (ER5);
- (f) Deterioration of operational performance (ER6);
- (g) Financial resilience (ER7);
- (h) Delivery of TfL key investment programmes and projects (ER8);
- (i) Changes in customer demand (ER9); and
- (j) Governance and controls suitability (ER10).

4.4 The original set of risks were either retained, amended or reassigned to Level 1 or closed as appropriate. Workshops will be carried out to develop the new and amended risks so papers can be prepared and presented to Executive Committee and the relevant Panels and Committees during the next 12 months.

5 Audit and Assurance

5.1 In TfL, assurance is delivered in accordance with the ‘three lines of defence’ model:

- First line of defence – control and monitoring arrangements carried out by the functions responsible for managing the risks/controls;
- Second line of defence – typically assurance reviews, audit and inspection regimes carried out by teams separate from those responsible for managing the risks/controls, but reporting through the TfL management hierarchy;
- Third line of defence – fully independent audit and review activities, typically with a strategic focus, and reporting to the Executive Committee, this Committee and other Committees and Panels.

5.2 Figure 1 below indicates the assurance activity for Q1 by team/group mapped against the Enterprise Risks (if a risk is not listed this means that no work has been completed against it during the year so far).

Figure 1 – Assurance activity mapped to Enterprise Risk



Internal Audit

5.3 Internal Audit provide third line assurance through independent, objective and evidence-based audits. A full list of audit reports issued in Q1 is at Appendix 2, audits in progress at Appendix 3, work planned to start in Quarter 2 of 2022/23 (26 June 2022 to 17 September 2022) (Q2) at Appendix 4, and details of changes to the audit plan at Appendix 5. The Internal Audit Q1 summary is included as Appendix 6. Appendices 2 to 4 exclude Elizabeth line audits, details of which are included in the Elizabeth Line Programme Assurance Q1 Report elsewhere on the agenda.

5.4 The Internal Audit Q1 summary, included as Appendix 6, includes highlights from work completed during the quarter. It also provides an overview of the delivery of the audit plan, a summary of the reports issued, conclusions and information on overdue audit actions.

- 5.5 Nine audit reviews were completed in Q1. Five audit reports and four memos were issued (details are set out in Appendix 2). The business has accepted the findings for all audits and is working to close them out in agreed timescales. Of the five audit reports issued, three were rated as 'Adequately Controlled' and two rated as 'Requires Improvement'.
- 5.6 The 'Requires Improvement' audits were both in the Technology and Data area. The actions from the Software Licence Management audit have been accepted but resources need to be found to ensure the actions can be implemented.
- 5.7 The review of Cubic User Access Management controls found that the contractor has taken steps to define procedures and controls in relation to access over the Central System (CS). The contractor does not pro-actively monitor logs of potentially sensitive activity by privileged accounts, which not only administer access but amend transactions. TfL and the contractor have agreed to establish mechanisms for actively monitoring privileged user activity and the review process of the CS by the end of September 2022. We also found that the contractor does not periodically validate user access levels on the CS to ensure that individuals have a level of access which is in line with their job roles. An internal review of Cubic end user access will be established and the results of user access reviews will be documented and reported to TfL as part of the monthly service update/touchpoint meetings.
- 5.8 The 2021/22 end year carry-over of 13 audits has now been reduced to five, with all but one now going through internal review and draft report preparation. The one still in fieldwork is on hold and the implications of this have been discussed with the business area.
- 5.9 There were two changes to the audit plan (excluding Elizabeth line) in Q1: one new audit was added to the plan and one deferral. Details are set out in Appendix 5.

Mayoral Directions

- 5.10 The Mayor is permitted to issue to TfL general directions as to the manner in which TfL is to exercise its functions, or specific directions as to the exercise of its functions (or not to exercise a power specified in the direction). Directions are also often made in relation to the implementation of matters in respect of which the Mayor delegates statutory powers to TfL.
- 5.11 The Mayor makes Mayoral Directions through Mayoral Decisions, which are published on the [GLA's Decisions Database](#). A summary of current Mayoral Directions to TfL is maintained on the [How we are governed](#) page on our website. Mayoral Directions to TfL are reported to the relevant Board Committees for discussion as soon as possible after they are received by TfL or published. Mayoral Directions are also reported to this Committee so it can consider if the annual audit plan has appropriate audit resource to provide assurance on TfL's work in implementing Mayoral Directions.
- 5.12 There has been one direction that was issued in May 2022 after the preparation of the last Committee meeting papers:

- (a) The Mayor is proposing to revise his Transport Strategy (MTS) to provide for the role of road user charging in addressing the triple challenges of toxic air pollution, the climate emergency and congestion and, as a first step, the potential London-wide expansion of the Ultra Low Emission Zone. The Mayor directed TfL to draft the revised MTS text; arrange for an integrated impact assessment to be produced; and consult the public and stakeholders on his behalf. In addition, the Mayor issued supplementary guidance to TfL as to the consultation. The consultation ran from 20 May to 29 July 2022 (MD2987).

Management Actions

- 5.13 The team monitors the completion of all Internal Audit management actions and confirms whether management has adequately addressed them. We report by Directorate on the percentage of actions closed on time over the past six periods. Appendix 6 provides additional information relating to action management trends over the last six periods as well as information on overdue actions at the end of Q1. There were 75 actions closed in Q1 compared with 66 last quarter. Progress towards closing out actions is discussed with stakeholders regularly and there are valid reasons for those that are overdue. The Director of Risk and Assurance also discusses overdue actions with Chief Officers in her quarterly meetings with them.

Internal Audit Plan Phase 2

- 5.14 The audit plan has been updated for the work we intend to carry out in the second six months of 2022/23. This is attached as Appendix 7. Also included is an indicative plan for the first six months of 2023/24. This is subject to regular review and provides the level of flexibility to meet any changes to the organisation's assurance needs. The 'bubble diagram' at the end of the appendix provides an overview of all our proposed activity over the next 18 months. The detailed plan also shows the areas where there will be second line of defence audit or review activity carried out by other assurance teams, both within Risk and Assurance and the Independent Investment Programme Advisory Group (IIPAG).
- 5.15 The plan has been produced through our evaluation of business risk and activity and our interaction with the business. We have also used intelligence gathered through our work across TfL. The starting point for the plan is a review of TfL Enterprise Risks and that key controls that have been identified to address these risks. At the time of audit planning a revision of the Level 0 risks was underway so we have aligned our plan to the current Level 0 risks. We will review the risk profile of the plan when the new risks are launched across TfL. We also focus our work on significant areas of business change and areas where we have found significant issues in the past.
- 5.16 The plan is built in three layers which are risk driven, core and business led. As TfL is still working through a period of change it is crucial that the control environment and key controls are sound and operating as intended. As a result, the second half of the plan is mainly risk and core driven. This will provide the Head of Internal Audit with the necessary coverage to make an evidence-based opinion on the operation of internal control, risk and governance at financial year end.

5.17 Finally, the plan is based on current staff levels within the Internal Audit team. The rolling audit plan was introduced to reduce the number of changes to the plan and limit the carry over at year end. At the end of Q1 there are three changes rather than the 11 in Q1 last year. As a result of these process changes we continue to have a plan that is deliverable within our current resources and prioritised in terms of risk, business need and assurance over key controls.

Quality, Safety and Security Assurance (QSSA)

5.18 The QSSA team carries out second line of defence audits, primarily in relation to health and safety and engineering management system compliance, and compliance with Payment Card Industry Data Security Standards. Audit reports issued by the team follow a similar system of audit conclusions and priority ratings for issues as the Internal Audit team.

5.19 A summary of work carried out by QSSA in Q1 is included as Appendix 8.

5.20 A total of 10 second line QSSA audits were delivered in Q1, this is 17 per cent of the six-month programme for Q1-Q2 and is therefore behind the target of 50 per cent for Q1. However, early data from the first few weeks of Q2 shows progress increased to 43 per cent and therefore recovery is underway. Of the 10 issued audits in Q1, six were 'integrated systems' audits of London Underground Operational and Maintenance teams assessing compliance with a range of management system requirements and are not given an audit conclusion. The remaining four audits were all concluded as 'Adequately Controlled' with good levels of compliance and minor issues and actions agreed. The audits covered: 'Management of Network and Information System Regulations Compliance'; 'DLR Rolling Stock Door System Maintenance'; 'Signals Authority to Work Certificates Process'; and 'Hammersmith Service Control Centre Maintenance and Control of Software Configuration'.

5.21 No audits were cancelled or deferred in Q1.

5.22 Over the last six periods there has been a steadily increasing trend of actions closed on time. Equally there has been a marginal increase in the number of actions granted extensions (this has increased from 13 per cent to 15 per cent over the past six months) extensions are only granted in compliance with our procedure. As of Q1 there are currently 56 overdue actions, down from 68 in the last quarter, out of a total of 105 open actions which is a positive step. It is noted that the actions from three audits in four different areas of TfL make up 50 per cent of the total number of overdue actions. Actionees receive routine reminders from the Audit team and overdue actions are included within reports to the Executive Committee and individual Chief Officer reports which the Director of Risk and Assurance discusses with them at her quarterly meetings.

Project Assurance

5.23 The Project Assurance team carries out assurance reviews of projects and programmes across TfL's Investment Programme, with individual projects selected for review following a risk-based assessment. Generally, projects with an Estimated Final Cost over £50m are also subject to (third line) input from IIPAG. However, IIPAG's agreed work-bank is determined by the project's risk profile, which includes some projects less than £50m, and not all sub-programmes are

reviewed. The IIPAG Quarterly Report is included elsewhere on the agenda. Reports from Project Assurance reviews are considered alongside the Authority request at the sub-programme board or operating business board depending on the size of the project.

- 5.24 The Project Assurance team also conducts reviews of the sub-programmes to inform annual requests for Authority at the Programmes and Investment Committee.
- 5.25 Project Assurance reviews do not carry an overall conclusion in the same way as audit reports, however, issues raised may be designated as critical issues. The Project Assurance team follows up on all recommendations to ensure they have been addressed and reports on those that are overdue to the Programmes and Investment Committee.
- 5.26 Four sub-programme reviews were undertaken during Q1, with IIPAG involved in three of these. In the same timeframe 12 project assurance reviews were undertaken, with IIPAG involved in four of these. These reviews gave rise to 50 recommendations being made by Project Assurance of which two were critical issues relating to funding. IIPAG made 13 recommendations none of which were critical.
- 5.27 A summary of the work completed by Project Assurance in Q1 is included as Appendix 9.

Customer Feedback

- 5.28 QSSA issued eight customer feedback questionnaires in Q1, seven of which were returned (87.5 per cent) with an average score of 92.9 per cent satisfied. Internal Audit issued seven questionnaires of which three were returned (43 per cent). Satisfaction rates are 88 per cent with no 'poor' or 'very poor' ratings. A summary of all customer feedback forms is included as Appendix 10.
- 5.29 A thorough review of the Customer Feedback Form (CFF) process has been completed, with a number of improvements identified. This includes closer alignment of the questions and rating method, follow up process when CFFs are not returned and improved ownership of the process. Once implemented, these improvements will be monitored to see if the response rate does increase.

6 Counter-fraud and Corruption

- 6.1 The Counter-fraud and Corruption team carries out investigations in all cases of suspected and alleged fraud. They also carry out a proactive programme of fraud awareness, prevention and detection activities designed to minimise TfL's exposure to fraud risk.
- 6.2 A summary of the team's activities during Q1, including information on significant closed fraud investigations, is included as Appendix 11.
- 6.3 Of the three cases closed in Q1, one resulted in the dismissal of a TfL contractor and another was referred to law enforcement with a bus company employee's contract also being terminated. The third case identified no fraud but was referred to Internal Audit, who identified a number of recommendations for control

improvements in the area concerned which have been accepted and are being implemented.

- 6.4 The team continues to raise awareness of fraud and corruption across TfL through targeted sessions and presentations. During Q1, members of the team supported colleagues in Taxi and Private Hire (TPH) with a review of the counter-fraud measures introduced at the TPH candidate assessment centre as a result of an identified 'imposter' fraud in 2021.
- 6.5 Details of significant new and ongoing fraud investigations during Q1 are included in the paper on Part 2 of the agenda.

7 Resources

- 7.1 At the end of Q1 the Directorate was carrying eight vacancies: four in Internal Audit, one in Project Assurance, one in QSSA, one in Enterprise Risk and one in Counter-fraud and Corruption.
- 7.2 In line with the TfL position on only critical recruitment going ahead at this time, we have been reviewing impacts and submitting requests to start recruitment on a case by case basis as necessary. As such we are now in the process of actively recruiting three of these roles with other approvals being sought in Q2.
- 7.3 IIPAG recruitment for the main group and TTLP sub-group has begun and appointments will be made in the autumn.

8 Control Environment Trend Indicators

- 8.1 The Q1 indicators are included as Appendix 12.

List of appendices to this report:

- Appendix 1: L0 Risks
- Appendix 2: Internal Audit reports issued in Q1 2022/23
- Appendix 3: Work in Progress at the end of Q1 2022/23
- Appendix 4: Work planned for Q1 2022/23
- Appendix 5: Cancelled/ deferred/new audits from 2022/23 audit plan
- Appendix 6: Internal Audit Q1 summary
- Appendix 7: Internal Audit Plan Part 2 – October 2022 to March 2023
- Appendix 8: Quality, Safety and Security Assurance Q1 summary
- Appendix 9: Project Assurance Q1 summary
- Appendix 10: Customer Feedback Q1 summary
- Appendix 11: Counter-Fraud and Corruption Q1 summary
- Appendix 12: Control Environment Trend Indicators

Exempt supplementary information is contained in a paper on Part 2 of the agenda.

List of Background Papers:

None

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Level 0 Tfl Enterprise Risks : J July 2022				
Risk No.	Risk	Owner	Manager(s)	Mayor's Transport Strategy (MTS)/ Corporate Strategy (CS)
ER1	Major safety, health or environmental incident or crisis	Chief Safety, Health and Environment Officer	Head of Insights & Direction; Head of Corporate Environment; Head of Occupational Health & Wellbeing; Head of Transport Strategy & Planning	MTS: Healthy streets and healthy people
ER2	Attraction, retention and wellbeing of our employees	Chief People Officer	Head of Strategic Planning and Governance; Head of Occupational Health & Wellbeing	CS: People and stakeholders
ER3	Major service disruption	Chief Operating Officer	Director of Network Management; Director of Bus Operations; Director of Rail and Sponsored Services; Director of LU Asset Performance & Capital Delivery; Director of People and Cultural Change	MTS: A good public transport experience
ER4	Major security incident	Chief Customer and Strategy Officer	Chief Technology Officer & Director of Strategy; Director Compliance Policing & On-Street; Chief Operating Officer	MTS: Healthy streets and healthy people
ER5	Supply chain disruption	Chief Capital Officer	Chief Procurement Officer	MTS: A good public transport experience
ER6	Loss of stakeholder trust	Director of Communications and Corporate Affairs	Group Finance Director; Director of Legal	CS: People and stakeholders
ER7	Financial sustainability	Group Finance Director	TBC	CS: Finance
ER8	Delivery of key projects and programmes	Chief Capital Officer	Director of Project & Programme Delivery; Delivery Director, LU Director of Asset Performance and Capital Delivery, Director of PMO	MTS: A good public transport experience
ER9	Changes in customer demand	Chief Customer and Strategy Officer	Chief Technology Officer & Director of Strategy; Director of City Planning; Director of Public Transport Service Planning	CS: Finance
ER10	Inability to support new ways of working	Chief People Officer	Head of Business Partnering	MTS: A good public transport experience

Level 0 TfL Enterprise Risks

Risk No.	Risk	Owner	Manager(s)	Mayor's Transport Strategy / Corporate Strategy
ERI1	Disparity leading to unequal or unfair outcomes	Director of Diversity, Inclusion and Talent	Chief Safety, Health & Environment Officer; Chief Technology Officer & Director of Strategy; Director of City Planning	CS: People and stakeholders
ERI2	Asset condition unable to support TfL outcomes	Chief Capital Officer	Director of TfL Engineering & TfL Asset Strategy	MTS: A good public transport experience
ERI3	Governance and controls suitability	General Counsel	Director of Legal	MTS: All MTS themes
ERI4	Opening of the Elizabeth Line	TfL Commissioner	Chief Operating Officer; Operations Business Manager	MTS: A good public transport experience

Transport for London Audit and Assurance Committee

Internal audit reports issued in Q1 2022/23

Appendix 2

- There were nine reports issued during the quarter

Enterprise risk	Directorate	Ref	Audit title	Summary of Findings	Conclusion	H	M	L
ER4 Major security incident	Chief Customer and Strategy Officer	2I 012	Cubic User Access Management Controls	Activities performed by privileged users in the central system cannot be actively reviewed by authorised management due to the audit logging functionality being switched off, with no documented rationale as to why this is the case.	Requires Improvement	1	1	3
ER4 Major security incident	Chief Customer and Strategy Officer	2I 017	Software License Management (SLM)	There was no clearly mandated strategic or operational owner for SLM. The SLM governance framework needs improvement. There are opportunities to improve internal control in SLM and Software Asset Management.	Requires Improvement	2	5	0
ER04 Major security incident	Chief Customer and Strategy Officer	2I 016	Security of Bring Your Own Device (BYOD)	A number of primary controls are in place to manage the TfL BYOD operating environment. In particular, centralised BYOD management controls, documented policies, procedures and standards, end user awareness mechanisms and security. Whilst there are a number of opportunities for controls improvement, these centred on the need to update supporting documentation rather than fundamental controls design weaknesses or non-compliance.	Adequately Controlled	0	3	0
ER10 Inability to support new ways of working	Chief Finance Officer	2I 038	SAP Business Planning Consolidation (BPC) Tool	This review has highlighted two medium risk findings related to maintenance of business case documentation throughout the lifecycle of implementation, and benefits realisation tracking throughout the lifecycle of the implementation and beyond. One low risk finding related to the communication of and linking between the Responsible, Accountable, Consulted and Informed (RACI) matrix and Role and Responsibility schedules.	Adequately Controlled	0	2	1

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Enterprise risk	Directorate	Ref	Audit title	Summary of Findings	Conclusion	H	M	L
ER7 Financial sustainability	Chief Customer and Strategy Officer	21 029	London Transport Museum (LTM) Security of Valuable Collections	The majority of controls tested by the audit were adequately designed and operating effectively. The most significant issue identified is the roof leaks regularly experienced at the museum in Covent Garden and the Acton Depot. This is as a result of the age and condition of the buildings. As a result of financial constraints, it is not possible to implement the most effective solution – replacing the roofs. LTM management is aware of this problem, which is a high-risk one on the LTM risk register, with mitigating actions planned to reduce it to low risk. Its inclusion on the risk register should ensure monitoring by senior management and the LTM's Audit and Risk Committee.	Adequately Controlled	0	0	3
ER7 Financial sustainability	Chief Customer and Strategy Officer	21 027	Commercial Development (CD) Financial Sustainability Plan	The programme has evolved from the Commercial Development Financial Sustainability Plan into the TTL Properties Limited (TTLP) Programme charged with transitioning into TTLP, a separate property company wholly owned by TfL. The purpose and objectives of the original planned audit were revised with the agreement of the auditee. The programme has faced some difficulties including an absence of key staff but has maintained progress to ensure there are no significant delays to key milestones. The first phase of asset transfer from TfL to TTLP has been completed. Governance arrangements are progressing with the formation of the Land and Property Committee and with key documents in development or approval stage.	Memo	1	0	0
ER7 Financial sustainability	Chief Finance Officer	21 068	Arts Council England-funded projects: The Cultural Recovery Fund (Part 3)	On the basis of the work carried out, we confirmed that the statement, in all material respects, accurately reflects the LTM's expenditure up to 31 March 2022.	Memo	0	0	0

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Enterprise risk	Directorate	Ref	Audit title	Summary of Findings	Conclusion	H	M	L
ER7 Financial sustainability	Chief Finance Officer	21 070	TfL Scorecard	There were no issues raised. Based on the audit work performed on a sample of measures, the 2021/22 TfL Scorecard results are accurately reported and are a fair reflection of the organisation's performance during the 2021/22 financial year.	Memo	0	0	0
ER7 Financial sustainability	Chief Customer and Strategy Officer	22 009	ACE-funded projects: Designation Development Fund ("Making a Poster")	On the basis of the work carried out, we confirmed that the statement accurately reflects the LTM's expenditure up to 31 May 2022.	Memo	0	0	0

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Work in progress at the end of Q1 2022/23

Appendix 3

- There were 12 audits in progress at the end of the quarter

Enterprise risk	Directorate	Ref	Audit title	Objective	Status
ER4 Major security incident	Chief Customer and Strategy Officer	21 014	Data Loss Prevention (DLP)	To assess the adequacy and effectiveness of DLP controls in relation to personal, sensitive and confidential data.	Reporting
ER10 Inability to support new ways of working	Chief Operating Officer, Chief Customer and Strategy Officer	21 019	Information Technology (IT) Disaster Recovery and Operational Resilience	To provide assurance over TfL's ability to withstand and recover from disruptive IT events.	Reporting
ER8 Delivery of key projects and programmes	Chief Capital Officer	21 036	Benefits Realisation	To provide assurance that controls in place to deliver programme benefits are adequate and effective.	Draft Report Issued
ER10 Inability to support new ways of working	Chief Customer and Strategy Officer	21 039	Office Estates Hub Disposal Strategy	To provide assurance that the controls around the Office Estates Hub Disposal Strategy are adequate and effective in delivering the benefits set out in the Office Estates Strategy.	Draft Report Issued
ER7 Financial sustainability	Chief Customer and Strategy Officer	21 057	Effectiveness of the due diligence process for new tenants	To provide assurance on the adequacy and effectiveness of Commercial Development's due diligence process for new retail tenants including financial vetting.	Fieldwork
ERI Failure to prevent SHE incident or meet commitment	Chief Safety Health & Environment Officer	22 001	Digital Assurance - Procurement of Digital Monitoring and Assurance System	To provide assurance on the adequacy and effectiveness of key controls for the implementation of Digital safety, health and environment (SHE) Assurance - procurement of Digital Monitoring and Assurance System.	Draft Report Issued
ER3 Major service disruption	Chief Safety Health & Environment Officer	22 002	Climate Adaptation - Data Management	To review the adequacy and effectiveness over key controls for identifying and improving data and systems to support adaptation activities.	Fieldwork
ER3 Major service disruption	Chief Safety Health & Environment Officer	22 003	Climate Adaptation - Reporting	To review the key controls over collaborating, communicating and reporting on adaptation across TfL and with external stakeholders and experts.	Fieldwork
ERI4 Opening of the Elizabeth Line	Chief Finance Officer	22 012	Cost verification - Engie	To certify that spend is accurate and appropriate.	Fieldwork

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Enterprise risk	Directorate	Ref	Audit title	Objective	Status
ER7 Financial sustainability	Chief People Officer	22 013	Group Saving Portfolio tracking process	To provide assurance over the adequacy and effectiveness of the new group savings portfolio process.	Draft Report Issued
ER14 Opening of the Elizabeth Line	Chief Operating Officer	22 015	Complaints Commissioners Accounts 21/22	To provide assurance on the accuracy of the Crossrail Complaints Commissioners accounts for financial year 2021/22.	Fieldwork
ER4 Major security incident	Chief Customer and Strategy Officer	22 023	Review of Datacentres	Provide assurance on the adequacy and effectiveness of access and environmental controls to datacentres.	Draft Report Issued

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Work planned to start in Q2 2022/23

Appendix 4

- There are 13 audits planned to start during the next quarter

Enterprise risk	Directorate	Ref	Audit title	Objective
ER7 Financial sustainability	Chief Finance Officer	22 007	Benefits Realisation of Transformational Activities	To provide assurance that benefits from transformational activities have been realised.
ER2 Attraction, retention and wellbeing of our employees	Chief Customer and Strategy Officer	22 006*	Staff and Contractor Vetting in T&D	To provide assurance on the adequacy and effectiveness of vetting controls for Technology and Data (T&D) staff and contractors with elevated privileges. These are users granted the ability to do more than standard users of IT systems. An example is the right given to system administrators.
ER7 Financial sustainability	Chief Operating Officer	22 011	Invoicing of Third Parties at Victoria Coach Station	To provide assurance over the adequacy and effectiveness of controls of third-party invoice approvals.
ERI4 Opening of the Elizabeth Line	Chief Operating Officer	22 014*	Crossrail Act Obligations	To provide assurance that obligations in the Crossrail Act have been met.
ERI3 Governance and controls suitability	Chief People Officer	22 016*	Executive Recruitment	To provide assurance on the adequacy and effectiveness of controls in place for executive recruitment.
ERI3 Governance and controls suitability	General Counsel	22 017*	Taxi and Private Hire (TPH) Controls for the Licensing Process (Private Hire Driver Assessment)	To provide assurance on the effectiveness of the Licensing (driver assessment) process.
ERI4 Opening of the Elizabeth Line	Chief Operating Officer	22 018*	Complaints Commissioners Accounts 22/23	To provide assurance on the accuracy of the Crossrail Complaints Commissioners accounts for financial year 2022/23.
ER7 Financial sustainability	Chief Capital Officer	22 021*	Use of Consultants and Professional Services	To provide assurance on the adequacy and effectiveness of controls in place for the use of consultants.
ER7 Financial sustainability	Chief Capital Officer	22 022	Management of Single Sourcing Requests (SSRs) below £100,000	To provide assurance on the adequacy and effectiveness of the process for approving SSRs for low value (less than £100,000). Ensure that the process complies with the procurement policy and procedures.
ER7 Financial sustainability	Chief Finance Officer	22 024	Property Transfer accounting	Adequacy and effectiveness of the Property transfer accounting process (between Finance and TTL Properties Limited).

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Enterprise risk	Directorate	Ref	Audit title	Objective
ER7 Financial sustainability	Chief Finance Officer	22 025*	Assets Under Construction (AUC) Accounting Process	Adequacy and effectiveness of the AUC accounting process.
ERI Failure to prevent SHE incident or meet commitment	Chief Safety Health and Environment Officer	22 026 *	Implementation of the Digital Safety Health and Environment System (WP I&3)	To provide assurance on the adequacy and effectiveness of the controls in place for contract award and implementation of the digital Safety, Health and Environment (SHE) monitoring and assurance system.
ERI2 Asset condition unable to support TfL outcomes	Chief Operating Officer	22 027 *	Obsolescence of Critical Operational Systems	To provide assurance that adequate controls are in place to prevent critical operational systems becoming obsolete.

* Audits that have started since the end of Q1.

Transport for London Audit and Assurance Committee

Changes to the 2022/23 audit plan

Appendix 5

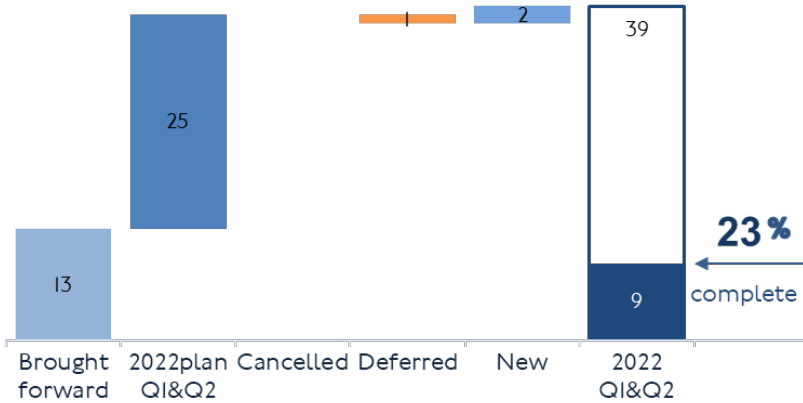
- There were two changes to the plan since the last Committee: one new and one deferral

Ref	Audit Title	Status	Audit Comments
22 026	Implementation of the Digital Safety Health and Environment System (Work Packages 1 & 3)	New	To provide assurance on the adequacy and effectiveness of the controls in place for contract award and implementation of the digital Safety, Health and Environment monitoring and assurance system.
22 019	Medical Assistance Programme Governance	Deferred	Audit deferred to Quarter 1 of financial year 2023/24 due to the business currently dealing with a health surveillance issue flagged by the Health and Safety Executive.

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Appendix 6: Internal Audit Q1 Summary

Audit plan for Q1&Q2 2022/23 in Q1



There were 13 audits carried over from the 2021/22 Audit Plan, we finalised eight of these in Q1 with five in progress at the end of the quarter. We have made a good start to the first half of the 2022/23 Audit Plan with a number of audits in the reporting phase at the end of Q1. We have started the process to recruit two new TIS auditors and reduce our reliance on co-source.

While we find that key controls are generally in place and working as intended we continue to identify weaknesses in record keeping and clarity of roles and responsibilities.

Reports

9

Issued In Q1

38

Issued In the Last 4 Quarters

Audit ratings by Directorate - last 4 Quarters

	Poorly Controlled	Requires Improvement	Adequately Controlled	Well Controlled	Memo/ Consultancy
Chief Capital Officer		1	1		
Chief Customer and Strategy Officer		4	2		7
Chief Finance Officer		3	1	1	2
Chief Operating Officer					1
Chief People Officer			2		
Chief SHE Officer					2
Comms & Corp. Affairs			1		
Crossrail		2	1		3
General Counsel		1			1
Pan TfL		2			
Total	0.0%	34.2%	21.1%	2.6%	42.1%

Action Management

Open Audit Actions - Overall TfL Performance (6-Period trend)

Measure	No.	%	6-period rolling trend	Count	Status
No. Actions Closed on time	12	22%		52	Overdue
No. Actions Extended	40	48%		181	Open

By Directorate

Directorate	Overdue Actions To Date	Closed on time (6-period)	Legend
Chief Capital Officer		11%	0-30 days (Green)
Chief Customer and Strategy Officer		18%	31-60 days (Yellow)
Chief Finance Officer		23%	61-100 days (Brown)
Chief Operating Officer		0%	100+ days (Red)
Chief People Officer		0%	
Comms & Corp. Affairs			
Crossrail		17%	
General Counsel		0%	

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Detailed TfL 2022-23 Internal Audit Plan – September 2022 to March 2023 (Phase 2)

Enterprise Risk 1	Major Health, Safety or Environmental Incident or Crisis		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Climate Adaptation Risk Assessments (Risk driven)	Why now?	This is the final audit in the series of Climate Adaptation audits. This is a high-risk area which if not addressed now may lead to assets being degraded /inoperable. This audit will support the aims of the Green Roadmap in preparing for climate change and lessening its impacts as well as embedding environmental considerations in all decision making.	Lilli Matsou Chief Safety, Health and Environment Officer
	Audit objective	To review the plan and scope for climate risk assessments, thresholds, and measures, including the impact of reduced options on safety, service and financial sustainability.	
Quality, Security and Safety Assurance will deliver a portfolio of engagements at the second line relating to safety assurance in addition to the SHE and Engineering assurance teams.			
Enterprise Risk 2	Protecting the Wellbeing of our Employees		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Diversity and Inclusion Strategy (Business led)	Why now?	As a public body TfL needs to respond positively to the Public Sector Equality Duty (PSED). This part of the Equality Act 2010 requires public bodies and organisations that carry out public functions to consider everyone's needs when doing so. This covers all activities that TfL is required to carry out as well as those it is allowed to carry out. Equality Impact Assessments (EqlAs) are a tool to ensure that the PSED duties have been met. Failure to comply may result in legal action or the need to revisit decisions leading to unnecessary cost and reputational damage	Gareth Powell Chief Customer and Strategy Officer
	Audit Objective	To provide assurance on the adequacy and effectiveness of key controls in the implementation of EqlAs within TfL	

Enterprise Risk 3	Major Service Disruption		Overall Control Rating Adequately Controlled
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Engineering Resource Model - interaction between delivery lead and business (Risk driven)	Why now?	<p>The first single TfL Engineering Directorate was created in September 2018 and brought together 1,400 engineers from 22 disparate departments. This was a significant change in how engineering resource was delivered within TfL and was intended to maximise the use of TfL's Engineering resource to work in a more cohesive, efficient and innovative way. Engineering would work more like a consultancy or professional services organisation. This would require the business areas who require this resource to plan and request the required skills, experience and knowledge to deliver their projects.</p> <p>In 2021, Internal Audit reviewed the process within Engineering to agree the type and amount of resource needed between delivery leads and capability leads. Engineering delivery leads work directly with the business to understand and define the demand for resource. Delivery leads discuss resource demand requests with the capability leads who allocate and provide the personnel.</p> <p>This audit will look at the interaction with the business and the delivery leads within Engineering to agree resourcing requirements needed.</p>	Isabel Coman Director TfL Engineering Asset Strategy
	Audit Objective	To assess the adequacy of the processes and controls in place for planning and communication between Engineering Delivery Leads and the business.	
Enterprise Risk 4	Major Security Incident		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Third Parties with OneLondon Access (Risk driven)	Why now?	<p>This is an area that has not been audited before, covering cyber security risks relating to data breaches and ransomware that may cause economic loss, regulatory issues and damage to reputation. In addition, issues have been noted whereby access removal of accounts pertaining to third parties are not always conformed with.</p>	Shashi Verma Chief Technology Officer
	Audit Objective	To provide assurance on the adequacy and effectiveness of the joiners, movers and leavers controls to third parties.	

Deletion of SAP data (Risk driven)	Why now?	Under General Data Protection Regulation (GDPR), data controllers and processors are obliged to return or delete all personal data after the end of services, or on expiry of a contract or agreement, unless it's necessary to retain the data by law. GDPR breaches result on average in fines £1-5m. System Applications and Products (SAP) is managed by Technology and Data (T&D), but its data is managed and owned by parties other than T&D. There is a potential exposure to GDPR.	Howard Carter General Counsel
	Audit Objective	To determine the extent of compliance of SAP record keeping in line with GDPR requirements.	
Safety and Security of Controls Rooms and Stations (Risk driven)	Why now?	In recent years, Customer Service Assistants on the London Underground (LU) network have seen an increase in abuse against them. In addition, there have been examples of members of the public trying to force entry into control rooms located on stations. There is a much-heightened risk of a major security incident if they were to gain entry.	Nick Dent Director of Customer Operations - LU
	Audit Objective	To provide assurance on the adequacy and effectiveness of the arrangements for the physical security of control rooms and any other restricted areas.	
Quality, Security and Safety Assurance will deliver a portfolio of compliance and consultancy engagements at the second line relating to the Payment Card Industry Data Security Standard			
Enterprise Risk 5	Supply Chain Disruption		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Management of Critical (key) suppliers by P&C (Risk driven)	Why now?	It is that TfL has effective processes in place to identify and appropriately manage supply chain disruption which could result in an increase in TfL's costs, delays to project delivery and interruptions to the operating business.	Patrick Doig Group Finance Director
	Audit Objectives	To provide assurance on the development of the key supplier management process to improve the security of suppliers.	
Enterprise Risk 7	Financial Sustainability		Overall Control Rating Adequately Controlled
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client

LTM Financial Controls (Core work)	Why now?	There are core areas of the business which are audited on a cyclical basis. These tend to be key financial, people and procurement controls. We last audited this area two years ago when it was rated as Requires Improvement.	Sam Mullins Director and CEO London Transport Museum
	Audit objective	To determine the adequacy and effectiveness of the LTM's key financial controls.	
Arts Council England (ACE) - funded projects: MEND DCMS grant (Core work)	Why now?	As per the London Transport Museum's (LTM) Audit and Risk Committee, availability of corporate funding significantly impacts budget. Certification of grants from the ACE are a priority for LTM.	Sam Mullins Director and CEO London Transport Museum
	Audit objective	To certify costs in respect of funding for the Museum Estate and Development Fund (MEND) Department for Digital, Culture, Media and Sport (DCMS) grant.	
Accounting and Cash Management processes TTL Properties Limited (TTLP) (Risk driven)	Why now?	Important to have assurance that accounting and cash management process are effective, and any control weaknesses identified and strengthened quickly near start-up of the TTLP business.	Graeme Craig TTLP/CFO TTLP
	Audit objective	To provide assurance the accounting and cash management processes for TTLP are adequate and effective.	
Accounts Payable (Core work)	Why now?	There are core areas of the business which are audited on a cyclical basis. These tend to be key financial, people and procurement controls. The last time this area was audited it was rated as Requires Improvement.	Maureen Jackson Director of Business Services
	Audit objective	To provide assurance on the adequacy and effectiveness of the accounts payable process.	
Accounts Receivable (Core work)	Why now?	There are core areas of the business which are audited on a cyclical basis. These tend to be key financial, people and procurement controls. The last time this area was audited it was rated as Requires Improvement.	Maureen Jackson Director of Business Services
	Audit Objective	To provide assurance on the adequacy and effectiveness of the accounts receivable process.	
LU Payroll (Core work)	Why now?	This is one of several cyclical payroll related audits. LU accounts for the majority of TfL employees, and with such a critical eye on TfL finances, it is imperative adequate controls are in place to manage employee payments over and above salaries.	Rachel McLean CFO Crossrail and Finance Director, TfL Operations
	Audit Objective	To provide assurance on the adequacy and effectiveness of payroll controls in LU for overtime, allowances, higher duty pay and expenses.	
Enterprise Risk 8	Delivery of TfL key investment programmes and projects		Overall Control Rating

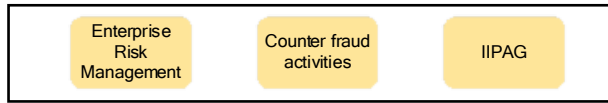
			Requires Improvement
<p>Project Assurance will deliver a portfolio of assurance reviews at the second line of defence, in addition to work undertaken by SHE and PMO teams</p> <p>IIPAG will deliver a portfolio of assurance reviews at the third line of defence</p>			
Enterprise Risk 12	Asset condition unable to support TfL outcomes		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Impact of Extreme Weather (Risk driven)	Why now?	The past 12 months have tested TfL's ability to respond to adverse weather. Recent examples include flooding and extreme heat. Evidence suggests these extreme weather events are becoming more regular and will continue to impact our assets and the service we provide. It is vital we are adequately prepared to deal with these now, and in the future.	Glynn Barton Director of Network Management & Resilience
	Audit objective	To provide assurance on the adequacy and effectiveness of controls in place to deal with the impact of extreme weather.	
<p>Quality, Security and Safety will deliver a portfolio of assurance reviews at the second line of defence, in addition to work by the Engineering Maintenance Assurance team</p>			
Enterprise Risk 13	Governance and Controls Suitability		Overall Control Rating Adequately Controlled
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Information Management and Transfer – Hardcopy Documents (Risk driven)	Why now?	As Crossrail staff continue to leave the organisation, there is an increased risk that information will not be transitioned across to TfL in a timely manner. This is the second of a two-part review (the first part looked at electronic data and was reported in Q1 2022/23 as Requires Improvement).	Richard Bevins Head Information Governance
	Audit objective	To provide assurance on the adequacy and effectiveness of controls transferring hardcopy documents from Crossrail to TfL.	
Movers and Leavers (Core work)	Why now?	This was last audited in 2017 with a rating of Requires Improvement. This is one of the core audits that is conducted on a cyclical basis and is due for a review.	Maureen Jackson Director of Business Services

		<p>The audit will build on any issues raised by the external auditors and will review any improvements that have been implemented as a result of their findings.</p> <p>It is essential that this process is managed effectively to reduce the risk of unauthorised access to TfL systems when personnel leave the organisation or move jobs.</p>	
	Audit objective	To provide assurance on the adequacy and effectiveness of the joiners, movers and leavers process.	
<p>Compliance with new Pensions Code of Practice</p> <p>(Business led)</p>	Why now?	<p>A consultation on the new code of practice was launched by the Pensions Regulator between March and May 2021. This change will combine the previous 15 codes of practice into a single code.</p> <p>Although the code has not yet been introduced the business would like to ensure that we are compliant ahead of the introduction of the new code</p>	Stephen Field Director of Compensation & Benefits
	Audit objective	To provide assurance on the adequacy and effectiveness over key controls for management of the pension fund in line with the new code of practice	
Enterprise Risk 14	Opening of the Elizabeth Line		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
<p>Elizabeth line Transition from a Capital Programme to BAU</p> <p>(Risk driven)</p>	Why now?	<p>Since the opening of the central section, TfL's Rail for London directorate has been accountable for the running of the railway. Whilst elements of the Elizabeth line are still being run as a capital programme, it has started transitioning into a business as usual (BAU) operation within TfL, with a managed demobilisation of Crossrail Limited. This transition includes support functions across TfL. There is a risk the transition to BAU may not be effectively managed, adversely impacting service levels and stakeholder confidence.</p>	Howard Smith Director, Elizabeth line
	Audit Objective	To provide assurance on the effectiveness of the Elizabeth line's transition from a capital programme to a BAU operation.	

Phase 2 October 2022 - March 2023

Phase 1 April 2023 - September 2023

Phase 2 April 2023 - September 2023

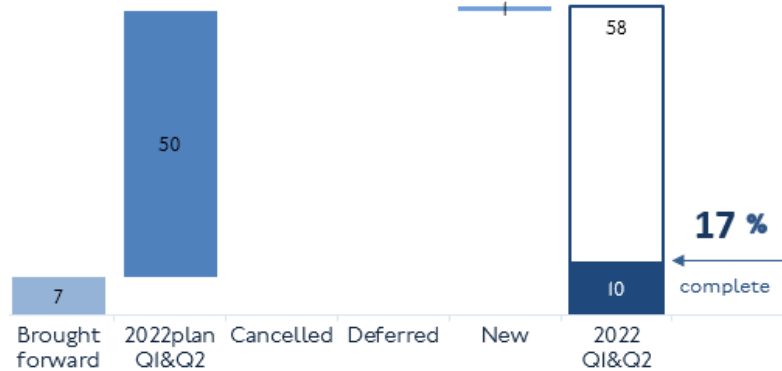


	Phase 2 October 2022 - March 2023				Phase 1 April 2023 - September 2023				Phase 2 April 2023 - September 2023					
Core work	Movers and leavers	ACE funded projects MEND DCMS	LU payroll	Accounting and cash mgt at TTLP	Gifts and hospitality	Declaration of interests	Talent Management	Accounts receivable	Freedom of Information process	Group Treasury	Key financial control TBC	Key procurement controls TBC	Core work	
	Accounts payable	LTM financial controls	Accounts Receivable		Grant certifications	TfL scorecard	Freedom of Information	SSR over £100k follow up Core	Major incidents and protests	Key HR controls TBC				Risk-driven
Risk-driven	Climate adaptation - risk assessment	Safety/security control rooms/stations	Management of critical suppliers	Impact of extreme weather	Total FM contract	Change management in R&SS	Supply chain security	Asset management capability	Data disclosure unit for body worn cameras	Commercial Development Appraisal model	Risk management in projects	Contract management	Risk-driven	
	3 rd parties with OneLondon access	Deletion of SAP data	Elizabeth line transition to BAU	Information Management and Transfer	Inventory Management	Management of Network Drives	Corporate archives	Contract variations follow up	Legacy technology PSTN	CUBIC - systems availability	CUBIC - systems performance	CUBIC software changes		Business-led
	Engineering resource model	Assurance Mapping	Quality, Safety & Security Assurance		Climate mitigation	Whistleblowing	Property transfer accounting	Quality, Safety & Security Assurance	TTLP sustainability plans	Management of PCIP Phase 2	LU Asset management system	Quality, Safety & Security Assurance		
TfL Pensions compliance with new code of practice	Diversity & Inclusion strategy	Quality, Safety & Security Assurance	Project Assurance	Medical Assistance programme	Engineering recharge hours	Land & Property Board governance	Quality, Safety & Security Assurance	London River Services - financial health check	TPH Bailiff contract for debt recovery	Quality, Safety & Security Assurance	Project Assurance	Business-led		
				Construction Industry Scheme	Project Assurance			Appraisal model TTLP					Business-led	
	Key	Internal Audit	T&D Audit	Quality, Safety & Security Assurance	Project Assurance									

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Appendix 8: Quality Safety Security Assurance Audit Q1 Summary

Six monthly Audit plan, as of Q1 2022/23



Key Highlights

Ten audits were completed in Q1 2022/23. This is slightly behind target, but is already being recovered in Q2.

Six Integrated Systems audits were completed in Q1, these are not rated. Four topic audits were completed and were all concluded as 'adequately controlled' with improvement actions where necessary.

The increasing trend of actions being closed on time has started to plateau from 68 to 40%. There has been a small increase in the number of actions granted an extension from 13-15%. The number of overdue actions has decreased from 68 to 56.

Audit ratings by Chief Officer - last 4 Quarters

	Poorly Controlled	Requires Improvement	Adequately Controlled	Well Controlled	Not Rated
Chief Capital Officer	1	2	1		
Chief Customer and Strategy Officer	1		13	1	1
Chief Operating Officer	1	12	20	3	27
Pan TFL					1
Total	3.6%	16.7%	40.5%	4.8%	34.5%

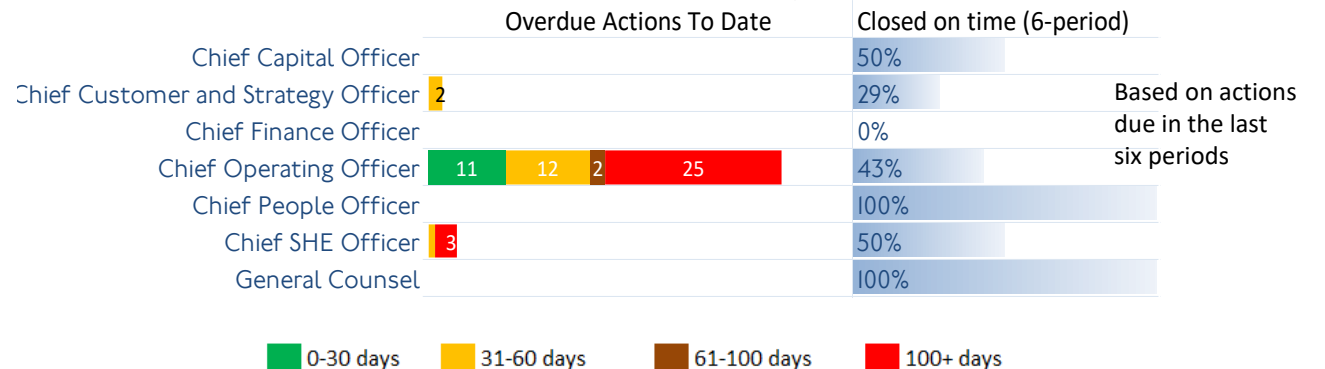
Audit Rating By Enterprise Risk – last 4 Quarters



Action Management

Open Audit Actions - Overall Tfl Performance (6-Period trend)

Measure	No.	%	6-period rolling trend	Count	Status
No. Actions Closed on time	41	40%		56	Overdue
No. Actions Extended	16	15%		105	Open



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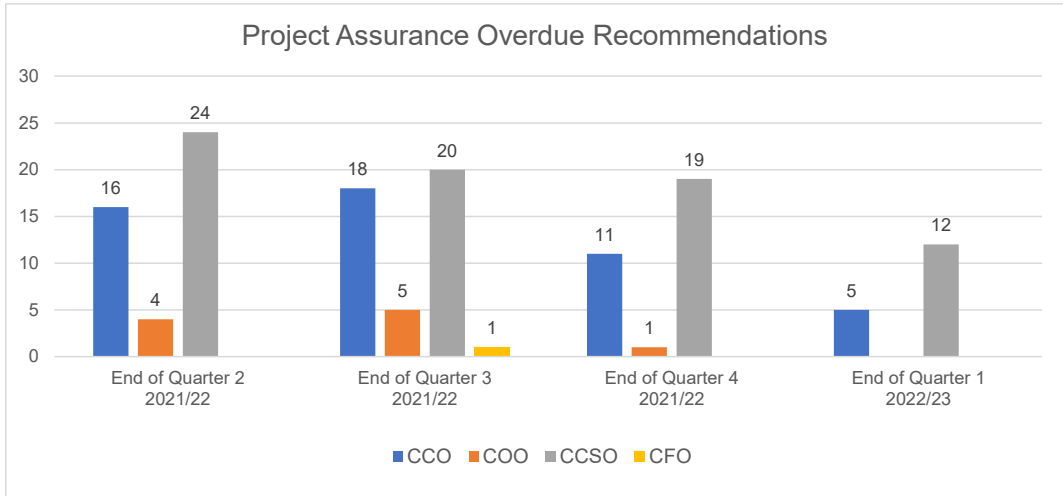
Sub-Programme Reviews Undertaken in Q1

	Recommendation (Critical Issues)	Commentary
Surface Technology	3 (0)	The sub-programme is well governed. Over programming (24%) is in place for 2022/23 and levers have been identified to slow delivery if required but the review team has limited confidence that in-year spend will be achieved based on performance to date and resourcing challenges. Availability of appropriately skilled and experienced resource is an ongoing issue across most areas and existing staff are working at capacity. Resourcing additional projects will require live projects to be stopped or slowed down. Delivery spend will almost double in 2023/24 which will be challenging to achieve.
Public Transport	5 (0)	This sub-programme which comprises renewals and enhancements programmes for a variety of TfL modes, is generally well managed and continues to improve. A robust process for the asset State of Good Repair condition assessments has been developed. This is based on an assessment of how well an asset, given its current “health”, can perform its required function to the appropriate standard and the current health is understood and mapped. The component programmes have different operating models and there may be an opportunity for greater synergy to be achieved from grouping together as a sub-programme.
LU Renewals Infrastructure	4 (0)	The sub-programme has a budget of £600m for 2022/23 for essential works and is working on a ‘Managed Decline’ basis with overall asset condition continuing to deteriorate further as a consequence. Gaps in the Asset Condition Registers are known and understood with initial funding provided to address data maturity issues. No immediate concerns with sub-programme management and delivery.

	Recommendation (Critical Issues)	Commentary
Four Lines Modernisation	4 (1)	The sub-programme has been subject to delays against its original programme and the delivery plan for remaining works (mainly signalling workstream) is still to be agreed. Given the complexity of elements of the remaining scope e.g. signal releases for Neasden and Harrow-on-the-Hill, further schedule delays are possible with associated cost impact. The critical issue related to funding.

Open and Overdue Recommendations

The following graph shows the number of overdue Project Assurance recommendations at the end of each of the last four quarters. The data shows the business area that the recommendations relate to; CCO being Chief Capital Officer, COO Chief Operating Officer, CCSO Chief Customer and Strategy Officer and CFO Chief Finance Officer.

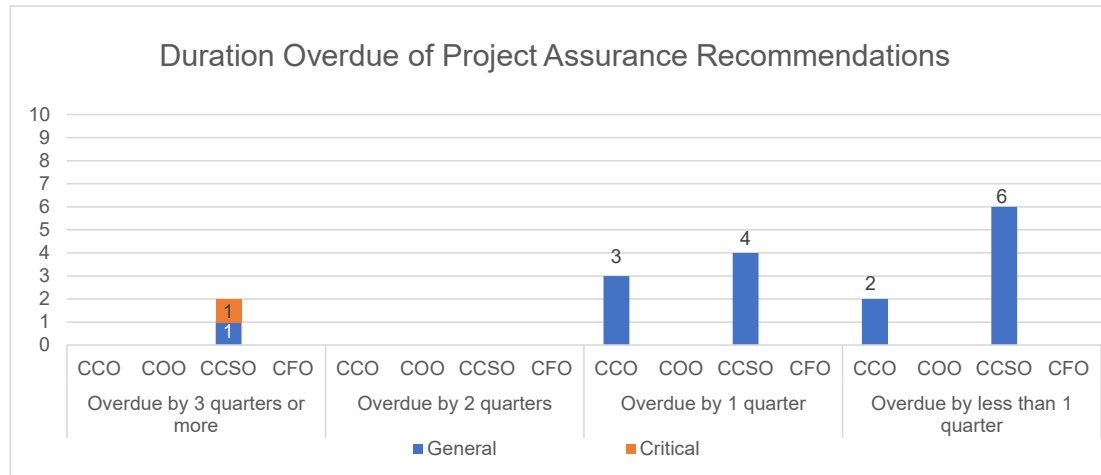


At the end of Q1 there were 65 open recommendations, with 17 of these overdue against their completion date. This is a reduction from 31 overdue at the end of the previous quarter. The overdue recommendations are reported to and discussed at the portfolio boards and investment review meetings to ensure that there is awareness and scrutiny at senior

level.

The recommendations overdue at the end of Q1 include one critical issue. This relates to the Central line Signalling and Control Life Extension Project and the need to ensure that the business case demonstrates value for money for all elements of the scope. The delay in addressing this critical issue is due to resource issues, this has been raised and discussed with the senior managers in the business area concerned.

The following graph shows the length of time that the overdue Project Assurance recommendations have been overdue by. The information shows critical issues and general recommendations and the Chief Officer area that the recommendation relates to.



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Transport for London Audit and Assurance Committee

Customer Feedback Form Summary in Q1 2022/23

Appendix 10

Internal Audit has issued seven questionnaires, three returned (42.8%) ▲ , average score of 87.8% ▼

Quality, Safety and Security Assurance has issued eight questionnaires, seven returned (87.5%) ▲ , average score of 92.9% ▼

Internal Audit Customer Feedback Summary	Average Score	Very Good	Good	Satisfactory	Poor	Very Poor
1) The assignment timing was agreed with me and there was appropriate consideration of my other commitments as the work progressed	86.7%	1	2	0	0	0
2) The assignment was completed, and report issued within appropriate timescales	93.3%	2	1	0	0	0
3) Communication prior to the assignment was appropriate, including the dates and objectives	86.7%	1	2	0	0	0
4) Throughout the assignment I was kept informed of the work's progress and emerging findings	90.0%	1	1	0	0	0
5) The Internal Audit team demonstrated a good understanding of the business area under review and associated risks, or took time to build knowledge and understanding as the work progressed	86.7%	1	2	0	0	0
6) The Internal Audit Team acted in a constructive professional and positive manner	93.3%	2	1	0	0	0
7) A fair summary of assignment findings was presented in the report	80.0%	1	1	1	0	0
8) Assignment recommendations were constructive, practical and cost-effective	80.0%	1	1	1	0	0
9) My concerns were adequately addressed, and the review was beneficial to my area of responsibility and operations	93.3%	2	1	0	0	0
Total	87.8%	12	12	2	0	0

Quality, Safety and Security Assurance Customer Feedback	Average Score	Satisfied	Dissatisfied	Not Applicable
Accuracy of the findings	85.7%	6	1	0
Communication with us during the audit	100.0%	7	0	0
Effectiveness of the management actions	100.0%	6	0	0
Our professional manner	100.0%	7	0	0
Our receptiveness to your concerns	100.0%	7	0	0
Our understanding of your area	85.7%	6	1	0
Scheduling of the audit	85.7%	6	1	0
Time taken to receive the final report	85.7%	6	1	0
Total	92.9%	51	4	0

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Appendix II: Counter-fraud and Corruption Q1 Summary

Fraud investigation

During Q1, six new cases were opened (2021/22 Q1: six new cases) and three cases were closed. The six new cases included an attempted cheque fraud, an allegation of a Contact Centre employee issuing fraudulent refunds and the suspected theft and sale of limited-edition Elizabeth line Oyster cards. Two financial investigations were conducted involving two subjects and six bank accounts. No Suspicious Activity Report checks were undertaken. The Counter-fraud and Corruption (CFC) team also undertook investigations into 92 miscellaneous referrals during the quarter.

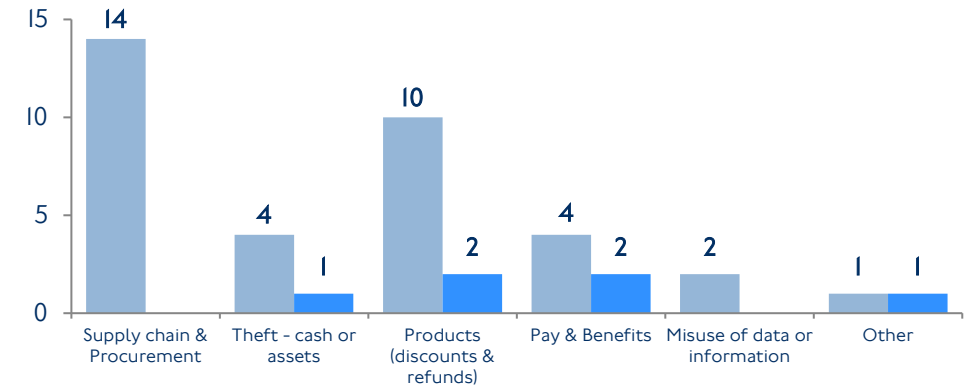
Fraud prevention

- Members of the CFC team accompanied Taxi and Private Hire (TPH) and NSL (Marstons) to all six vehicle inspection sites to deliver fraud awareness training to the inspectors. Observations and suggested improvements to intelligence gathering processes will be presented to TPH senior management.

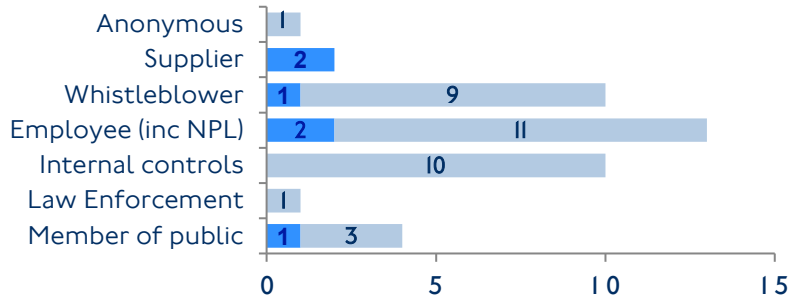
Cases by Chief Office

Investigations	B/F	New	Closed	C/F
Operations	25	3	3	25
Customer & Strategy	6	2	0	8
People	1	0	0	1
General Counsel	3	1	0	4
Capital	0	0	0	0
Finance	0	0	0	0
Total	35	6	3	38

Cases by type New and Brought Forward



Cases by source New and Brought Forward



Significant closed cases

None.

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Control Environment Indicators

Audit indicators – rolling average (4 Quarters)

Audit indicators – rolling average									
	Q1 21/22	Q2 21/22	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Trend
Poorly Controlled	2.5%	2.1%	2.4%	2.3%	0.0%				
Requires Improvement or Poorly Controlled	50.0%	43.8%	36.6%	37.2%	31.7%				

Technology

Technology									
	Q1 21/22	Q2 21/22	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Trend
Internal system availability	99.87%	99.81%	99.60%	99.96%	99.87%				

Information Governance *

	Q1 21/22	Q2 21/22	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Trend
Number FOI requests	539	659	736	698	682				
On time FOI responses	100.0%	100.0%	99.9%	99.9%	100.0%				

* Notes: Change of reporting, Information Governance report on number of Freedom of Information (FOI) requests received from previously rolling total of four quarters to current quarter only, data has been backdated to be consistent.

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Audit and Assurance Committee



Date: 21 September 2022

Item: Independent Investment Programme Advisory Group Quarterly Report

This paper will be considered in public

1 Summary

1.1 This paper presents the Independent Investment Programme Advisory Group (IIPAG) Quarterly Report for September 2022. It describes the work undertaken since the last report presented to the Committee in June 2022.

2 Recommendation

2.1 **The Committee is asked to note the Independent Investment Programme Advisory Group’s Quarterly Report and the management response set out below and approve the IIPAG Work Programme for 2022/23.**

3 IIPAG Quarterly Report

3.1 Under its Terms of Reference, IIPAG is required to produce quarterly reports of its advice on strategic and systemic issues, logs of progress on actions and recommendations and the effectiveness of the first and second lines of project and programme assurance.

3.2 IIPAG’s Quarterly Report for September 2022 is included as Appendix 1 to this paper.

3.3 Figure 1 sets out the status of the IIPAG recommendations at the end of each of the last three quarters. None of the IIPAG recommendations currently overdue relate to critical issues.

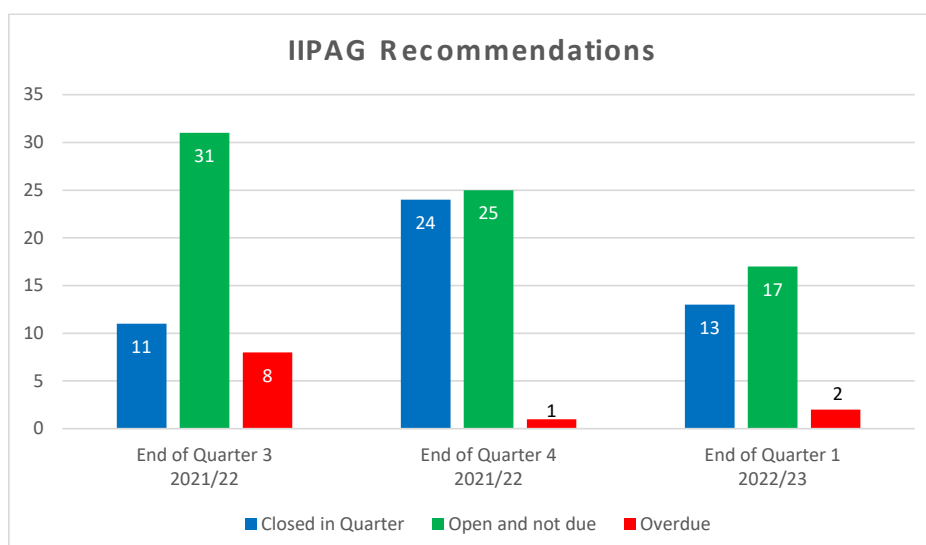


Figure 1: Status of IIPAG Recommendations

- 3.4 There were no new unagreed or critical IIPAG recommendations made during Quarter 1 of 2022/23 (1 April 2022 to 25 June 2022).

4 Management Response to IIPAG Quarterly Report

Key Performance Indicators for Renewals Projects

- 4.1 It is recognised that there are opportunities for improved project, programme and portfolio reporting across renewals programmes to provide consistency with enhancement projects, but also recognising the differences required to provide an accurate picture of the time, cost and quality performance of renewals projects.
- 4.2 We agree with IIPAG's recommendation to consider key performance indicators. Relevant metrics to be tracked are currently under review to ensure a common approach is taken. This is an area the TfL Programme Management Office is currently reviewing across all reporting to enable the right information to be in the right place to enable the right decisions to be made.

Asset Information in TfL – Part 2: Asset Data and Asset Management

- 4.3 We welcome IIPAG's report on Asset Information in TfL. Work is underway to address a number of known data gaps and a prioritised list of data needs has been developed. The priority list will be refined to feed into funding prioritisation to be undertaken in October 2022. It is recognised that it will take several years to fully close all data gaps, however this prioritised approach will, subject to funding, enable critical data gaps to be closed more rapidly.
- 4.4 A strategy and plan are in place to develop, and continually refine, modelling capability for all asset types. The first suite of validated models for all assets is due in September 2022.
- 4.5 We have a target to have asset management competences defined and asset management training active by the end of the 2022/23 financial year. In addition, there will be competence activities specific to asset data and asset information, including defining a common approach to data roles and responsibilities for TfL asset data, which will align to recognised good industry practice. We are also developing a programme that includes a people development workstream with the aim of developing the digital skills and capabilities of TfL staff.

5 IIPAG Work Programme for 2022/23

- 5.1 IIPAG's proposed work programme is provided as Appendix 2.

List of appendices to this report:

Appendix 1: Independent Investment Programme Advisory Group - Quarterly Report to Audit and Assurance Committee September 2022

Appendix 2: IIPAG Workplan

List of Background Papers:

None

Contact Officer: Howard Carter, General Counsel
Email: HowardCarter@tfl.gov.uk

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Independent Investment Programme Advisory Group – Quarterly Report to Audit and Assurance Committee September 2022

1. Introduction

- 1.1. This report to the Committee describes IIPAG's activities from late May to July 2022. We made one new strategic recommendation, that a set of Key Performance Indicators should be developed to track the performance of projects within renewals programmes. We also report the findings of the second part of our cross-cutting review of Asset Information.

2. IIPAG Activity

- 2.1. We have undertaken the following sub-programme and project reviews in preparation for meeting of 20 July 2022 of the Programmes and Investment Committee (PIC)
- Surface Technology
 - LU Infrastructure Renewals
 - Public Transport
 - East London Line HIF
 - Road User Charging
- 2.2. We continue to engage in continuous assurance of the 4LM programme. We also undertook a review of the Central Line Improvement Programme which was being considered through Executive governance. The accompanying covering paper from Project Assurance describes management progress in implementing IIPAG's recommendations from sub-programme and project reviews.
- 2.3. We have undertaken several reviews of renewals programmes recently – London Underground Infrastructure Renewals and Public Transport in this period, and Surface Assets for May 2022 PIC. For all of these sub programmes we have observed some difficulty in getting a good picture of performance. These are multi-year programmes consisting of a large number of small projects. The programme EFCs change as the years covered change, and the composition of annual spend changes, with most programmes reporting slippage. EFCs therefore do not provide a clear picture of cost performance. Similarly, while certain milestones are tracked, they do not give a full picture of schedule performance across the programmes.
- 2.4. We have therefore recommended that a set of Key Performance Indicators should be developed for renewals programmes. Performance against these metrics would be reported to PIC and other governance bodies. They could also help teams to understand their performance better and to target improvements. This recommendation was supported by PIC at its July meeting. Metrics might include for example:
- The % of projects that are delivered within their original estimated cost/original estimate +10% etc.
 - The % of projects delivered on time/3 months early or late etc.
 - Unit costs

- Metrics representing quality/outputs compared with forecast
- 2.5. Whilst some tailoring of metrics to particular types of assets may be necessary, there would be advantage in having a common approach with common metrics as far as possible, to allow comparisons across programmes.

3. Progress with Cross-Cutting Work

3.1. Asset Information Part 2

In May 2022 we completed the second part of a cross cutting study into asset information and asset management within TfL, covering the quality of the asset data available and its completeness. We found that there are significant variations across TfL in the quality of core asset data, such as inventory and condition. In LU only six out of thirteen asset categories are considered to have high quality and easily accessible core data, and of those two are high quality only in part. The picture for Surface assets is better, since good quality core data exists for their key highways assets such as carriageways and structures, although gaps also exist in other more minor asset categories. Work is underway to rectify these gaps in data and this should be a priority, since without good quality core asset data other 'higher order' asset management processes are impossible.

3.2. Capability for asset modelling is very limited in TfL and we think this is an area in which investment is urgently required. This would enhance TfL's ability to demonstrate a robust case for renewals funding.

3.3. The amalgamation of the Asset Strategy teams in Surface and LU and its subsequent reorganisation under the Capital business stream has been a positive development; improvements and a clear sense of direction are showing through. Management of assets across TfL depends on the effectiveness of the 'Guiding Mind' – the collaborative process involving Asset Strategy, Asset Operations and Engineering. Improving asset management competencies across the three disciplines forming the Guiding Mind would help to increase its effectiveness.

3.4. Other cross cutting work

We are currently preparing for our regular reviews of TfL Benchmarking and First and Second Lines of Defence.

4. IIPAG Work Programme for 2022/23

4.1. Given the uncertainties surrounding TfL's finances, and the possible impact on the Investment Programme, we did not submit a detailed work programme to this Committee for approval at the beginning of this financial year. We have now reviewed the position, and our proposed work programme is provided at Appendix 2.

5. IIPAG Membership

5.1. We are pleased that Enrique Fernandez-Pino has joined IIPAG, bringing strong expertise in technology projects, including as Chief Information Officer of Go Ahead Group. TfL is currently recruiting for additional IIPAG members following two resignations.

Contact Officer: Alison Munro, Chair of IIPAG

AlisonMunro1@tfl.gov.uk

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IIPAG WORKPLAN 2022/23 – APPENDIX 2

August 2022

1. Introduction

IIPAG's purpose is to provide independent assurance to the TfL Board and Executive on the investment programme, as well as advice to TfL management to support continuous improvement. We provide third line assurance of the investment programme in the following ways:

- Annual sub-programme reviews
- Targeted reviews for individual projects generally over £50m, or otherwise high risk. These are either at key stage gates or annually
- On-going scrutiny of the projects which hold the highest risk for TfL, such as 4LM
- Cross-cutting reviews of strategic and systemic issues.

We report quarterly to TfL's Programmes and Investment Board Sub Committee (PIC) and the Audit and Assurance Committee (AAC), covering our activities and any new systemic issues that we observe.

During 2020/21, following the transfer of Crossrail to TfL, the remit of IIPAG was expanded to include Crossrail and the Elizabeth Line. We established a new IIPAG Crossrail Sub-Group for this purpose, with its own Chair who reports to the Chair of IIPAG. The workplan for Crossrail activities is reported on a six-monthly basis to the Elizabeth Line Committee and is not covered here.

2. Resources

IIPAG's budget for 2022/23 allows for around 340 days' work. There is a separate budget for Crossrail activities.

The main IIPAG consists of five to six permanent members with a broad range of relevant expertise. This year we have boosted this with the appointment of a new member with expertise in technology. Following the resignation of two IIPAG members TfL is currently undertaking a recruitment exercise for new members. We also have the ability to bring in specialist expertise on an ad-hoc basis if needed.

3. Sub-programme and Project Reviews

In our March 2022 report to AAC we noted the continuing uncertainties affecting TfL's finances and the possible implications for the Investment Programme. Accordingly, we did

INDEPENDENT INVESTMENT PROGRAMME ADVISORY GROUP

not submit a detailed work programme for 2022/23. We noted that we did not expect any significant changes in the risk-based list of sub-programmes and projects that had been identified for IIPAG involvement in 2021/22.

We have now reviewed the position, and this expectation has been confirmed. The list of sub-programmes and projects to be subject to IIPAG assurance in 2022/23 is included as an appendix to this note. The list is kept under review in the light of any changes in risks.

4. Cross-cutting Reviews

Our work on strategic and cross-cutting themes provides an opportunity for us to support TfL's continuous improvement. The topics for our cross-cutting work reflect issues that we have identified in reviews, and suggestions from TfL Board Members. We have found that the proportion of our time for cross-cutting work has increased over the past two years, so we are expecting to allocate 140 days for cross-cutting work in 2022/3.

We will seek to ensure that our work is complementary to the work of others in the organisation, including Internal Audit. In some cases we may limit our output to informal advice and continuous assurance, while in other cases we will produce reports for TfL management, PIC and AAC Committee as appropriate.

So far this year we have completed reports on:

- TfL's approach to risk
- Project Management Office (PMO) Progress Report
- Asset Information Part 2
- Procurement and Supply Chain Improvement Programme Progress Report.

We are currently undertaking our annual reviews of:

- Effectiveness of Lines of Defence 1&2
- TfL Benchmarking

In addition, we propose to undertake the following cross-cutting reviews and assurance in 2022/3:

- Investment Governance (through continuous assurance)
- Progress on aspects of vfm (including equity considerations and non-monetised benefits)
- Effectiveness of Pathway Gates
- Delivery of renewals
- Commercial and management relationship with Network Rail (if/when there is a suitable case study)
- Deep dive of a project over its life, to learn lessons (tbc).

We will consult TfL management on the scope of reviews in advance.

INDEPENDENT INVESTMENT PROGRAMME ADVISORY GROUP

5. Other work

In addition to reviews and cross-cutting work, IIPAG representatives attend PIC, AAC and the executive Investment Group. IIPAG members meet on a monthly basis with Project Assurance to share experience and identify any common themes, and to plan upcoming work. We also receive briefings and information to provide broader context for our work.

6. Summary of Workplan

In summary, IIPAG expects to allocate its resources broadly as follows:

	Planned days
Sub-programme and targeted reviews	140
Cross-cutting work	140
Other	60
Total	340

IIPAG Workplan – Sub Programme and Project Reviews 2022/23

Silvertown Tunnel

- Sub Programme Review December 2022 PIC

Healthy Streets

- Sub Programme Review PIC Chairs Action May 22 (complete)
- Sub Programme Review December 2022 PIC
- Old Street (completed)
- Catford
- Vauxhall Cross
- Cycle Route 34 (ex CS10)
- Cycling Future Routes 5

Piccadilly Line Upgrade

- Sub Programme Review October 22 PIC

DLR Rolling Stock Replacement

- Sub Programme Review October 2022 PIC

4 Lines Modernisation

- Sub Programme Review July 22 PIC (complete)
- Sub Programme Review Dec 22 PIC

Surface Assets

- Sub Programme Review May 22 PIC (complete)
- Blackwall Tunnel Southbound Refurbishment x2
- Brent Cross
- Westway
- Gallows Corner
- Victoria Coach Station Modernisation
- London River Service Piers

London Underground Technology

- Sub Programme Review May 2022 PIC (complete)

Public Transport

- Sub Programme Review July 2022 PIC (complete)
- Tram Fleet Replacement
- East London Line HIF (complete)

London Underground Infrastructure Renewals

- Sub Programme Review July 2022 PIC (complete)

Major Stations

- Bank Station Capacity Upgrade
- Elephant and Castle Station

Air Quality and Environment

- Road User Charging

Tech and Data

INDEPENDENT INVESTMENT PROGRAMME ADVISORY GROUP

- Tech and Data Sub Programme Review
- Hina - New Reader
- Proteus
- Oval

London Underground Train Systems (New Sub Programme comprising London Underground Track, London Underground Fleet and London Underground Signalling and Controls)

- Sub Programme Review October 2022 PIC
- London Underground Fleet Sub Programme Review October 2022 PIC (feeding into London Underground Train Systems)
- London Underground Track and Drainage Sub Programme Review October 2022 PIC (feeding into London Underground Train Systems)
- London Underground Signalling and Control (date TBC but not for October 2022 PIC – however is part of London Underground Train Systems).
- Bakerloo RVAR (Fleet)
- Central Line Programme Lift (complete)

- Working Timetable 58 (Briefing from Assurance Review Manager and IIPAG to confirm involvement – not an October 2022 PIC review)
- Northern Line Train Management System and Audio-Visual (Briefing from Assurance Review Manager and IIPAG to confirm involvement – not an October 2022 PIC review)

Alison Munro

Chair, IIPAG

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Audit and Assurance Committee

Date: 21 September 2022

Item: Elizabeth Line Programme Assurance Quarter 1 Report
2022/23

This paper will be considered in public

1 Summary

1.1 This paper provides an overview of programme assurance activity in relation to the Elizabeth line during Quarter 1 of 2022/23 (1 April 2022 to 25 June 2022) (Q4).

2 Recommendation

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

3 Background

3.1 The Elizabeth Line Integrated Assurance Framework (IAF) is based on a Three Lines of Defence (3LoD) model comprising:

- (a) Line 1 – Management functions of Crossrail, Rail for London (Infrastructure) Limited and key interfaces;
- (b) Line 2 – Project and Programme Assurance Elizabeth Line (PPA-EL); and
- (c) Line 3 – TfL Internal Audit and a sub-group of the Independent Investment Programme Advisory Group (IIPAG-EL).

3.2 This paper reports specifically on Line 2 (PPA-EL), Line 3 (Internal Audit) and Line 3 (IIPAG-EL) assurance progress.

3.3 The teams meet periodically with a panel of advisers to ensure that assurance is carried out by the right team, at the right time and to avoid duplication and minimise overlap of effort.

4 Line of Defence 2 (LoD2) Assurance

4.1 The train fleet and overall system continue to perform well in the Central Operating Section of the Elizabeth line. Additional train and signalling software upgrades and other interventions are providing further operational reliability improvements, in advance of the next significant stage of programme delivery, namely Stage 5b minus towards the latter part of the year.

4.2 Work has continued on a continuous assurance basis with formal reporting via the LoD2 Periodic Assurance Review (PAR) Reports. Of particular focus has been the overall system and fleet reliability and availability, the quality of the

service response to issues arising during service operation as well as the status of continued works and team readiness in preparation for Stage 5b minus and beyond.

- 4.3 Since the last meeting of the Committee, LoD2 PAR Reports have provided input to the periodic Integrated Assurance Report to the Elizabeth Line Delivery Group and papers submitted to the Elizabeth Line Committee.
- 4.4 Regarding cost to complete, although potential new cost pressures are being prudently recognised in the Anticipated Final Crossrail Direct Cost (AFCDC) as they arise, the Programme continues to maintain provision and contingency budgets. Following the recent Cost to Go reviews with the Commissioner, actions are ongoing across all areas to identify opportunities to reduce the AFCDC and minimise funding requirements beyond the £825m.
- 4.5 The project has made significant progress since the last report, key progress highlights include:
- (a) successful T minus 16-week Gateway review confirming readiness to proceed to Stage 5b minus on 6 November 2022;
 - (b) continued strong reliability performance since entry into Revenue Service;
 - (c) excellent team working across the Operations teams, leading to strong service recovery and implementation of lessons learnt from the handling of incidents; and
 - (d) software upgrades to signalling and fleet software enhancing performance further.
- 4.6 Key indicators of maintenance performance continue to be monitored to provide greater clarity around the average fault identification and diagnosis interval and the overall fault-to-fix cycle time. Experience during early Revenue Service is helping to shape the improvements required in terms of response and fix times and root cause analysis to support a 22/24 trains per hour (tph) service. An Access Improvement Programme has also been established with a focus on optimising the maintenance window, through increasing the deployment of automation to improve the efficiency of the maintenance workload and resource allocation. Progress improvements are being monitored on a week-by-week basis.
- 4.7 Both fleet and system performance reliability and availability are on a positive trajectory towards meeting the desired performance targets expected for Stage 5b minus.

5 Line of Defence 3 (LOD3 – TfL Internal Audit) Assurance

- 5.1 This section covers the Internal Audit activities that were agreed in the Integrated Audit and Assurance schedule shared at the last meeting.

- 5.2 In Q1 we issued one report, we have two in progress and there are three audits planned to commence in Quarter 2 of 2022/23 (26 June 2022 to 17 September 2022) (Q2).

Audit Delivery

- 5.3 Summary information of the report issued in Q1 is set out below.
- 5.4 The Information Management and Transfer audit was rated as 'Requires Improvement'. Two high priority issues and one medium priority issue were raised. The high priority issues relate to the transfer of systems and information identified as part of the 2017 IT Transition Strategy not being managed as a formal programme, and governance arrangements for monitoring the programme of information transfer not being in place. Management actions for all issues have been agreed and are in the process of being addressed.
- 5.5 Audits in progress at the end of Q1 are included as Appendix 1, and work planned to start in Q2 is included as Appendix 2.

Management Actions

- 5.6 The team monitors the implementation of all Internal Audit management actions and confirms whether they have been adequately addressed before closing them. There are no overdue actions at the end of Q1.

Changes to the Audit Plan

- 5.7 TfL Internal Audit regularly review and update the audit elements of the Integrated Audit and Assurance Audit Plan throughout the year, in liaison with management, to reflect changing business priorities. No changes to the plan have been made in Q1.

6 Line of Defence 3 (LoD 3 – IIPAG-EL) Assurance

- 6.1 The terms of reference of the IIPAG-EL sub-group require the group to provide a 'look ahead' of its proposed areas of interest and work. The areas of interest highlighted as part of the revised Integrated Audit and Assurance Schedule in February 2022 continues to apply. We also support the 'continuous assurance' process established by LoD2. This schedule is maintained and reviewed within the Elizabeth Line Programme Assurance Group which is co-ordinated by LoD2.
- 6.2 Since the introduction of Stage 3b Revenue Service, LoD3 has focused its attention on the preparations for the enhanced service level of Stage 5b minus, and the Stage 5c full 24tph service. The overall assessment by LoD3 is that the overall assurance framework has continued to operate effectively over the last quarter.

List of Appendices:

Appendix 1: Line 3 (TfL Internal Audit) Work in progress at the end of Q1 2022/23

Appendix 2: Line 3 (TfL Internal Audit) Work due to start in Q2 2022/23

List of Background Papers:

None

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Audit and Assurance Committee

Work in progress at the end of Q1 2022/23

Appendix 1

- There were two audits in progress at the end of the quarter

Enterprise risk	Directorate	Ref	Audit title	Objective	Current Status
ER7 Financial Sustainability	Crossrail	22 012	Cost verification – Engie	To certify that payments to Engie are accurate and appropriate.	In Progress
ER7 Financial Sustainability	Crossrail	22 015	Crossrail Complaints Commissioners Accounts 21/22	To provide assurance on the accuracy of the Crossrail Complaints Commissioner’s Accounts for 2021/22.	In Progress

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Audit and Assurance Committee

Work planned to start in Q2 2022/23

Appendix 2

- There are three audits planned to start during the next quarter

Enterprise risk	Directorate	Ref	Audit title	Objective
ER14 Opening of the Elizabeth Line	Crossrail	22 014	Crossrail Act Obligations	To provide assurance that obligations in the Crossrail Act 2008 have been met.
ER7 Financial Sustainability	Crossrail	22 018	Crossrail Complaints Commissioners Accounts 22/23	To provide assurance on the accuracy of the Crossrail Complaints Commissioner’s Accounts for 2022/23.
ER12 Asset Condition unable to Support TfL Outcomes	Rail for London (Infrastructure) Limited	22 027	Obsolescence of Critical Operational Systems	To provide assurance that adequate controls are in place to prevent critical operational systems becoming obsolete.

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Audit and Assurance Committee

Date: 21 September 2022

Item: Finance Control Environment Trend Indicators

This paper will be considered in public

1 Summary

1.1 This paper provides a report to the Committee on TfL's Financial Control Environment Trend Indicators

2 Recommendation

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

3 Background

3.1 This paper reports on the quarter 1 Financial Control Indicators, that informs the Committee as to the control environment across TfL's Finance, Business Services and Procurement functions.

List of appendices to this report:

Appendix 1: Financial Indicators Dashboard

List of Background Papers:

None

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**TfL Audit & Assurance
Committee
Performance Metrics
Quarter 1, 2022/23**

21 September 2022



Forecasting Accuracy

Q1, 2022/23

It is important to track forecast variance as a mechanism for monitoring and managing forecast quality. It also focusses management attention on underlying performance, allowing them to make timely decisions and interventions based on a realistic understanding of performance and gap to targets.

By continuing to track these measures management can rigorously evaluate the financial impact of planning decisions, offering the opportunity to change direction if decisions have not had the desired result or if new opportunities present themselves.

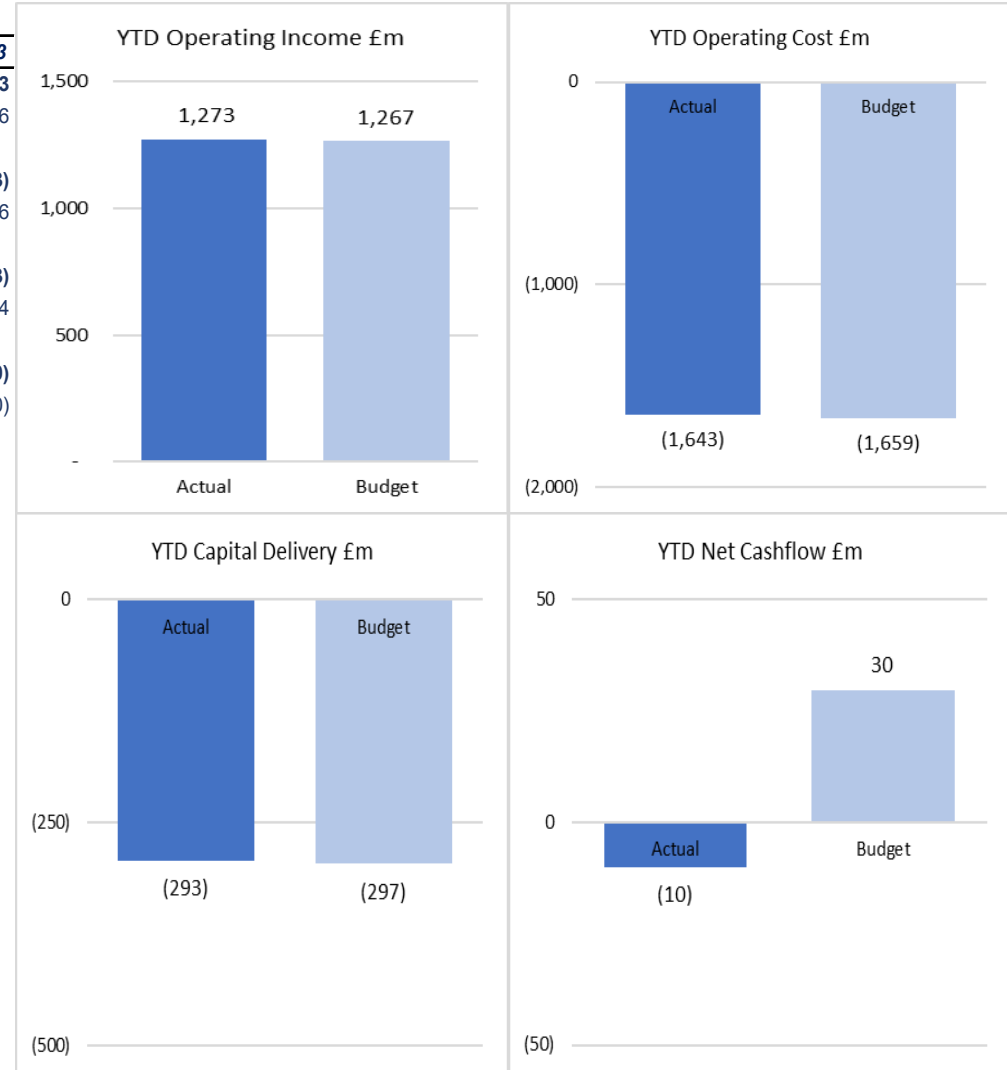
Given our variances are all circa 1% we conclude that this control is operating effectively.

Quarterly Forecasting Accuracy*

£m	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Operating Income	899	1,169	1,480	1,273
Variance to reported Budget	(101)	(70)	(194)	6
Operating Cost	(1,494)	(1,481)	(2,016)	(1,643)
Variance to reported Budget	(7)	80	(321)	16
Capital Delivery**	(288)	(288)	(522)	(293)
Variance to reported Budget	(16)	71	(49)	4
Net Cashflow	74	(115)	(321)	(10)
Variance to reported Budget	59	56	(12)	(40)

YTD Forecasting Accuracy - Q1 2022/23

£m	YTD
Operating Income	
Actual	1,273
Budget	1,267
Operating Cost	
Actual	(1,643)
Budget	(1,659)
Capital Delivery	
Actual	(293)
Budget	(297)
Net Cashflow	
Actual	(10)
Budget	30



* Reported Budget - 2021/22 Revised Budget for Q2-Q4 2022 and the 2022/23 Budget for Q1 2023

** Total TfL capital expenditure excludes amounts relating to Crossrail and TTLP

Processing payments

Q1, 22/23

Open items indicate the extent to which the balance on your accounts are accurate thus allowing for the actual reconciling items on the account to be revealed. Reconciling the accounts is a particularly important activity because it is an opportunity to check for fraudulent activity and to prevent financial statement errors.

Value of open items > 30 days on the bank reconciliation has decreased to £220k. Overall, open items in Q1 with the items less than 30 days open stands at £15.5m. The volume of open items in the last two quarters have increased due to resource constraints. This is being addressed.

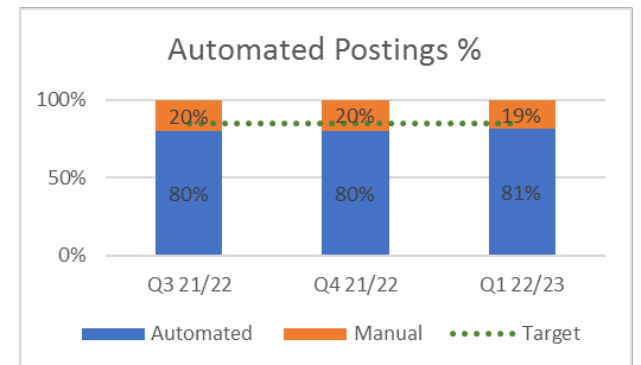
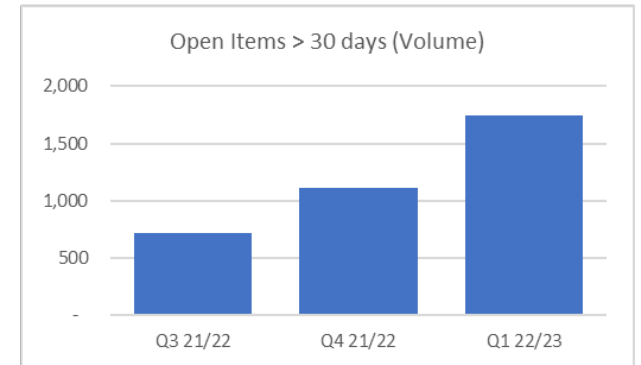
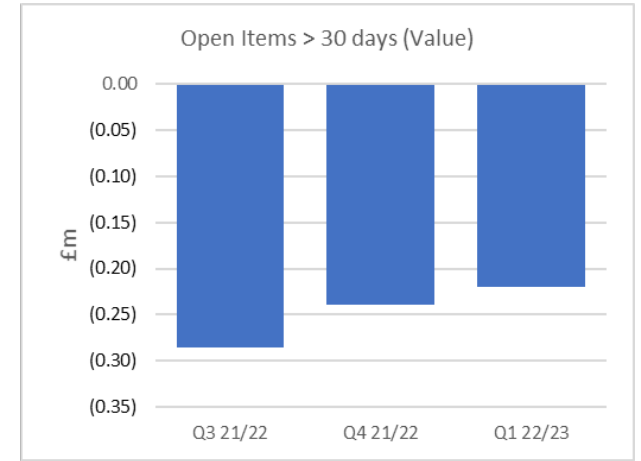
Automated Postings % measures the proportion of transactions which are automatically reconciled in SAP (accounting software). Manually checking and matching transactions and preparing / posting journals is time consuming and increases the risk of error and inconsistency.

The volume of manual postings remains consistent at present fluctuating around 20% with Q1 actually improving slightly at 19%

The KPI target of 80% for automated postings has been increased to 85% 2022/23 as Business services seeks to find further process efficiencies

Quarterly Figures

£m	Q2 21/22	Q3 21/22	Q4 21/22	Q1 22/23
Open Items < 30 days (£m Value)	(11.0)	(2.1)	(31.0)	(15.5)
Open Items > 30 days (£m Value)	(0.09)	(0.29)	(0.24)	(0.22)
Open Items < 30 days (Volume)	1,816	1,600	1,227	2,182
Open Items > 30 days (Volume)	817	722	1,110	1,744
Automated Postings %				
Automated	9,280	9,834	12,690	10,785
Manual	1,652	1,965	2,499	2,004
Automated	82%	80%	80%	81%
Manual	18%	20%	20%	19%
Target	85%	85%	85%	85%



Procurement Activity

Q1, 22/23

There continues to be some variances period on period with the KPIs. These are highlighted below:

Benefits Delivery:

- Floor of £50m in benefits and target of £85m has been set for P&C for FY22/23. £28.5m of benefits have been validated in the first 4 periods.

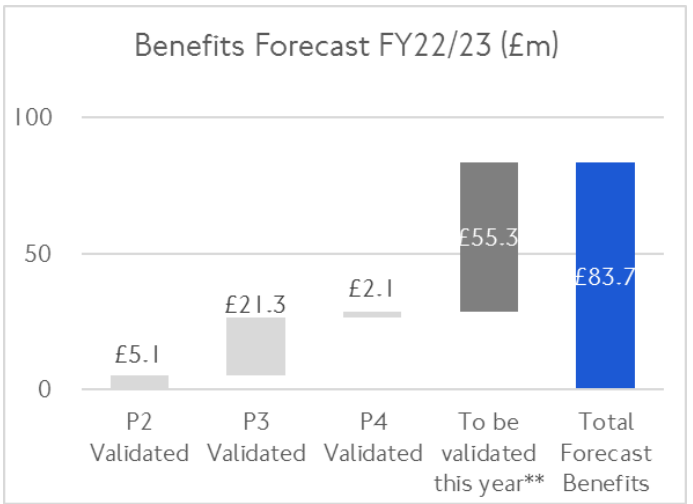
Direct Awards by Value and Volume:

- The highest value item in the first 4 periods was £10m relating to Canary Wharf response costs for escalator maintenance

Retrospective spend:

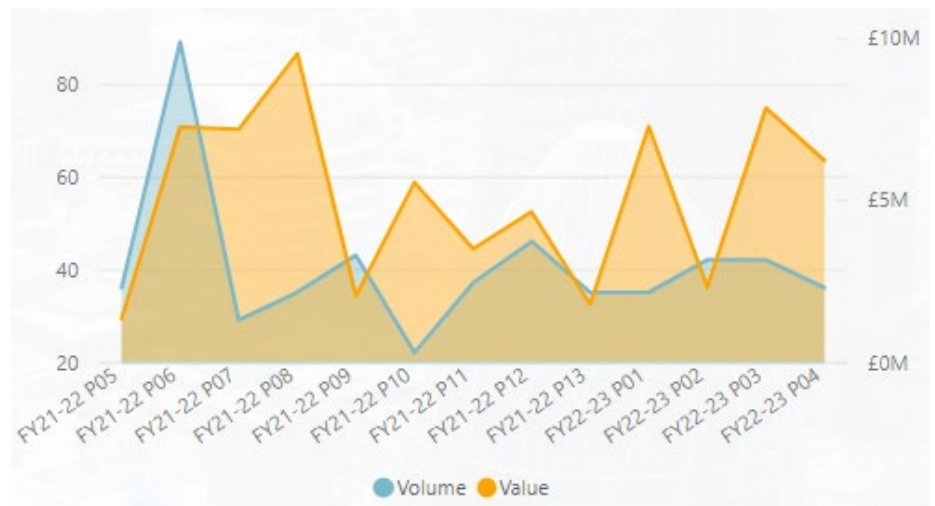
- Highest value amount in Q1 was £4.2m against a PO uplift for the Thales ATC contract
- The Procurement and Commercial improvement programme will introduce enhanced controls through the introduction of SAP Ariba which will drive down this type of spend.

Benefit Delivery

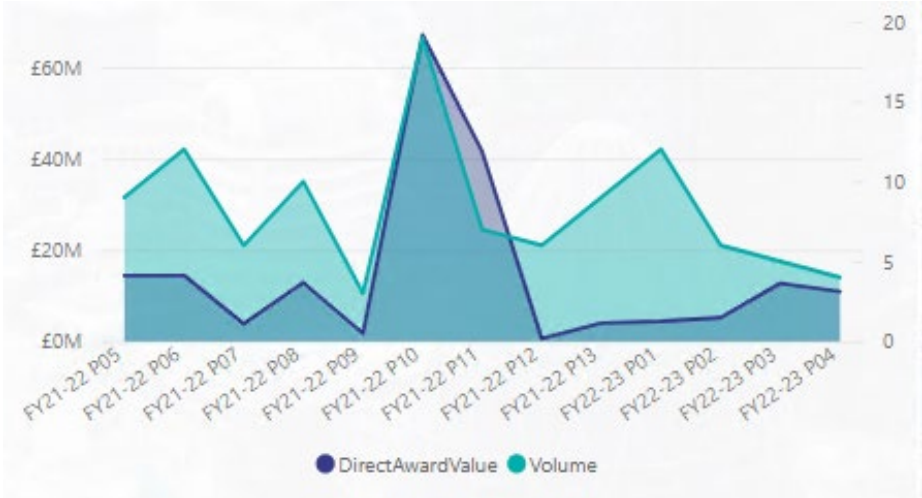


**adjusted to 75% confidence level

Retrospective spend



Direct Awards



Audit and Assurance Committee



Date: 21 September 2022

Item: Freedom of Information Update

This paper will be considered in public

1 Summary

1.1 The Freedom of Information (FOI) Act 2000 provides public access to information held by public authorities. The Environmental Information Regulations 2004 (EIR) provide a similar right of access to information which relates to the environment. This legislation is overseen by the Information Commissioner's Office (ICO), the independent regulator enforcing the effective processing of requests by public authorities. This paper provides an overview of our performance in processing FOI and EIR requests in 2021/22, as well as 2022/23 to date.

2 Recommendation

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

3 Background

3.1 The ICO currently expects public authorities to achieve a good level of compliance by replying to at least 95 per cent of all FOI and EIR requests within the statutory deadline (usually 20 working days – the deadline can be extended for FOI requests in the event more time is required to assess whether the public interest favours using an exemption, to withhold information, or for complex EIR requests). TfL has exceeded this target annually since meeting it for the first time in 2017/18.

4 Current Performance

4.1 In 2021/22 TfL replied to 2,769 requests within the statutory deadline from a total of 2,771 received. This provides a response rate of 99.93 per cent of replies being given within the statutory deadline. This figure is just 0.02 per cent below the highest percentage of requests replied to on time within a financial year by TfL since the FOI Act and EIR came fully into force in 2005.

4.2 Despite the impact the coronavirus pandemic has had on all areas of TfL, we have been able to respond within the statutory deadline to 6,260 (99.95 per cent) of the 6,263 FOI/EIR requests we have received since April 2020 to 12 September 2022.

4.3 Appendix 1 provides the response rate broken down by period since 2018/19, as well as the periods within 2022/23 for which we have complete figures so far.

- 4.4 Appendix 2 shows the number of FOI and EIR requests received in each period since 2019/20, along with a breakdown of cases categorised as complex and non-complex. Requests are classed as 'complex' when they have potential to be of wider interest or significance.
- 4.5 Around 73 per cent of all FOI and EIR requests are responded to in full, with 11 per cent relying on a partial exemption and 16 per cent being refused in full due to an applicable exemption. The most common reasons for refusals are because the information is or will be published (27 per cent of all exemptions) or because the time needed to respond to the request exceeds the applicable limit of 18 hours (25 per cent of all exemptions). A further 7.6 per cent of all exemptions apply to protect the personal data of individuals.

5 Freedom of Information Caseload

- 5.1 FOI requests are made about the full range of TfL's responsibilities, and perhaps the most striking aspect of the caseload is its variety. In 2021/22 examples of notable clusters of requests included those around the introduction of the expanded Ultra Low Emission Zone in particular, advertising, cycling infrastructure, Streetspace Programmes and Lower Traffic Neighbourhoods, face covering policy and enforcement and audio announcements used across our services, which are of regular interest to enthusiasts.
- 5.2 Following the significant (30 per cent) drop in request volumes during the height of the pandemic in 2020/21, we have seen a steady increase in volume which has now led to a return to pre-pandemic volumes in 2022/23.
- 5.3 The overall number of requests received in 2021/22 showed a 25 per cent increase on the preceding year (2,771 compared to 2,203). 2021/22 saw an average of 213 FOI and EIR requests per period compared with an average of 169 over the previous year. Each of the 13 periods in 2021/22 saw higher volumes than their corresponding 2020/21 equivalent.
- 5.4 Current volumes in 2022/23 (an average of 231 requests have been received per period) are 21.5 per cent higher than those from the first five periods of 2021/22 and only three per cent below the average figure (of 238) for the first five periods of 2019/20, marking a virtual return to pre-pandemic request volumes. Current request volumes put us on track to exceed 3,000 requests in a year for the first time since 2019/20. Despite the increase in volumes and the continued pressure on TfL we continue to respond to all of these requests within the statutory deadline, having responded on time to 100 per cent of the 1,093 requests we have processed this financial year, up to 12 September 2022.
- 5.5 Appendix 3 directly compares the difference in volumes both cumulatively and by period across the first five periods of 2019/20 to 2022/23.
- 5.6 Replies to all requests received in 2021/22 were published on the TfL website, which supports TfL's Transparency Strategy, and we have been able to answer over a quarter of our requests by simply referring to previously published replies, other information published on the website or by explaining that the information requested is due to be published in the near future.

6 Reviews and Appeals

- 6.1 The progress made in achieving a consistently high response rate across all areas of TfL has required a sustained effort and we maintain a commitment and focus across the organisation on access to information legislation to keep this going.
- 6.2 Should a requester be unhappy with a response to their FOI or EIR request, they have the right to request an internal review into the handling of their request. As a result of the performance highlighted above, and despite the additional pressures the pandemic placed on TfL, we have continued to reduce the proportion of these complaints – 71 (3.2 per cent of 2020/21 caseload) to 81 (2.9 per cent of 2021/22 caseload).
- 6.3 Of the 81 internal review requests into the handling of an FOI or EIR request, six (7.4 per cent, or 0.2 per cent of the total caseload) were escalated to the ICO by the requester for further consideration. Four of the six cases considered by the Information Commissioner upheld our position and found in our favour while the other two cases were resolved informally.
- 6.4 The positive outcome in decision notices mark a continuation of our excellent record where cases are escalated to the Information Commissioner, with TfL not having an exemption overturned by an Information Commissioner decision notice since December 2017. Along with the reduction in the proportion of internal review requests, this appears to suggest that the Information Commissioner and requesters recognise the commitment behind TfL's approach to FOI and our compliance with the legislation. This goes some way to improving how open and transparent TfL is considered to be and enhancing the reputation of the organisation more generally.

List of appendices to this report:

Appendix 1: FOI/EIR response rate by period 2018 to 2022

Appendix 2: FOI/EIR request volumes by period 2018 to 2022

Appendix 3: Comparison of Periods 1 to 4 FOI/EIR request volumes 2019 to 2022

List of Background Papers:

None

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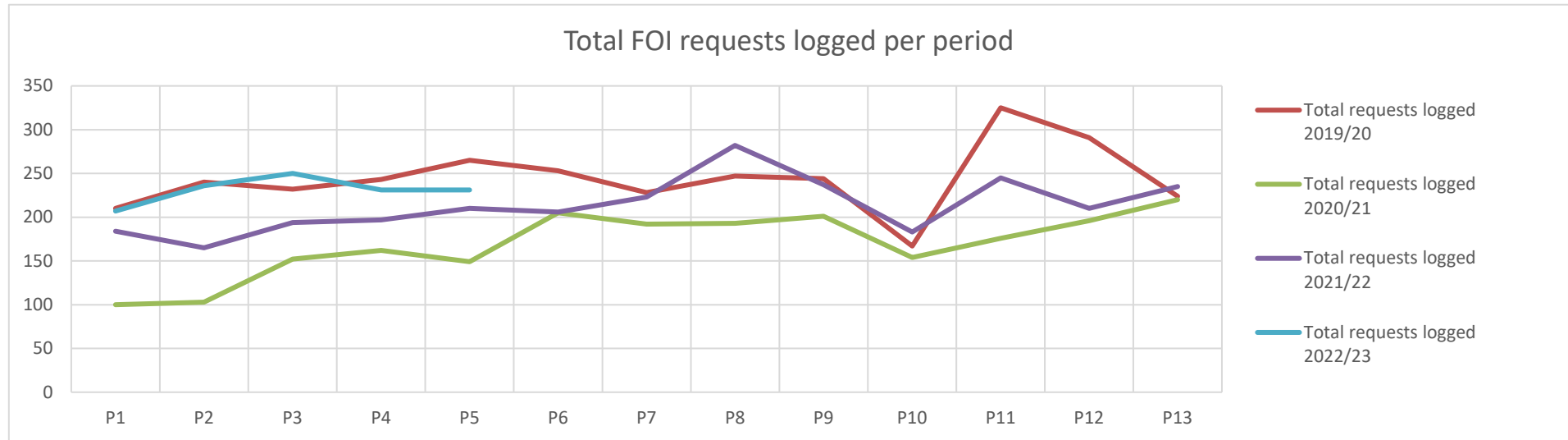
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Appendix 1 - FOI/EIR Response rate 2018/19 to 2022/23

	Response Rate					Cumulative Response Rate				
	2018/19	2019/20	2020/21	2021/22	2022/23	2018/19	2019/20	2020/21	2021/22	2022/23
Period 1	94.0%	99.0%	100.0%	100.0%	100.0%	94.0%	99.0%	100.0%	100.0%	100.0%
Period 2	95.3%	99.6%	100.0%	100.0%	100.0%	94.6%	99.3%	100.0%	100.0%	100.0%
Period 3	96.7%	100.0%	100.0%	100.0%	100.0%	95.4%	99.6%	100.0%	100.0%	100.0%
Period 4	97.6%	100.0%	100.0%	100.0%	100.0%	96.0%	99.7%	100.0%	100.0%	100.0%
Period 5	95.8%	98.1%	100.0%	100.0%	100.0%	96.0%	99.3%	100.0%	100.0%	100.0%
Period 6	94.2%	98.8%	100.0%	100.0%		95.7%	99.2%	100.0%	100.0%	
Period 7	95.3%	98.7%	100.0%	100.0%		95.6%	99.2%	100.0%	100.0%	
Period 8	96.2%	99.2%	100.0%	99.6%		95.7%	99.2%	100.0%	99.9%	
Period 9	93.7%	100.0%	100.0%	99.6%		95.5%	99.3%	100.0%	99.9%	
Period 10	90.2%	100.0%	100.0%	100.0%		95.0%	99.3%	100.0%	99.9%	
Period 11	97.3%	99.7%	100.0%	100.0%		95.3%	99.4%	100.0%	99.9%	
Period 12	96.3%	99.3%	99.5%	100.0%		95.4%	99.4%	99.9%	99.9%	
Period 13	99.6%	99.6%	100.0%	100.0%		95.7%	99.4%	100.0%	99.9%	
End of Year	95.7%	99.4%	99.95%	99.93%		95.7%	99.4%	99.95%	99.93%	

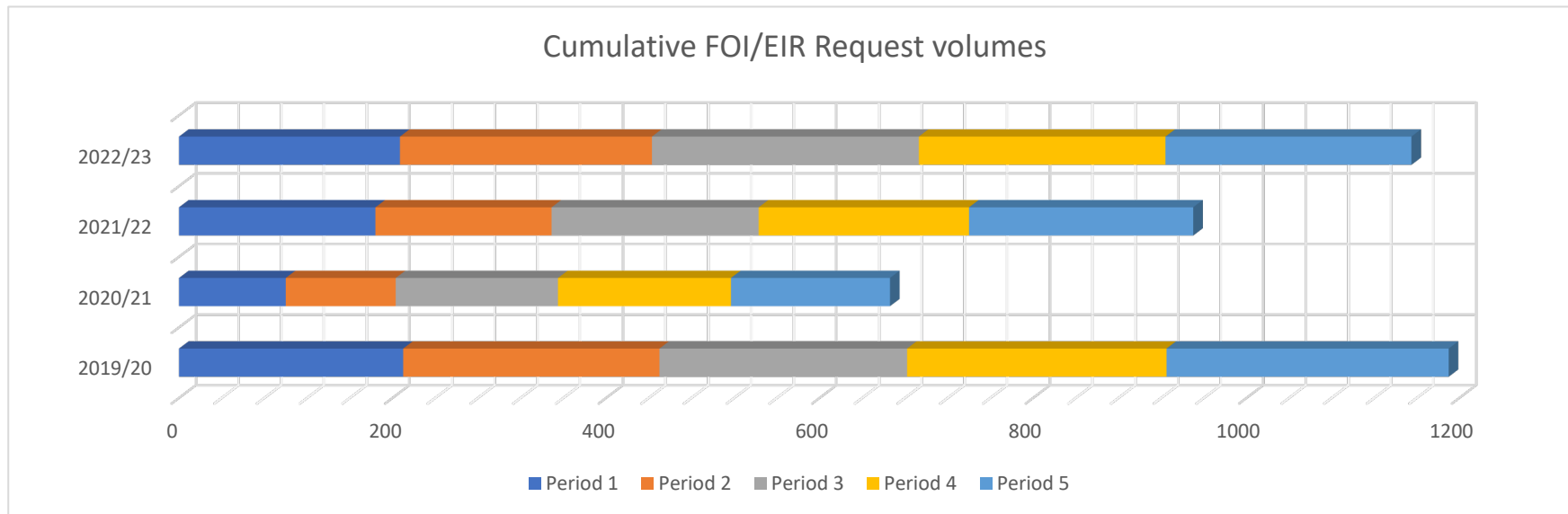
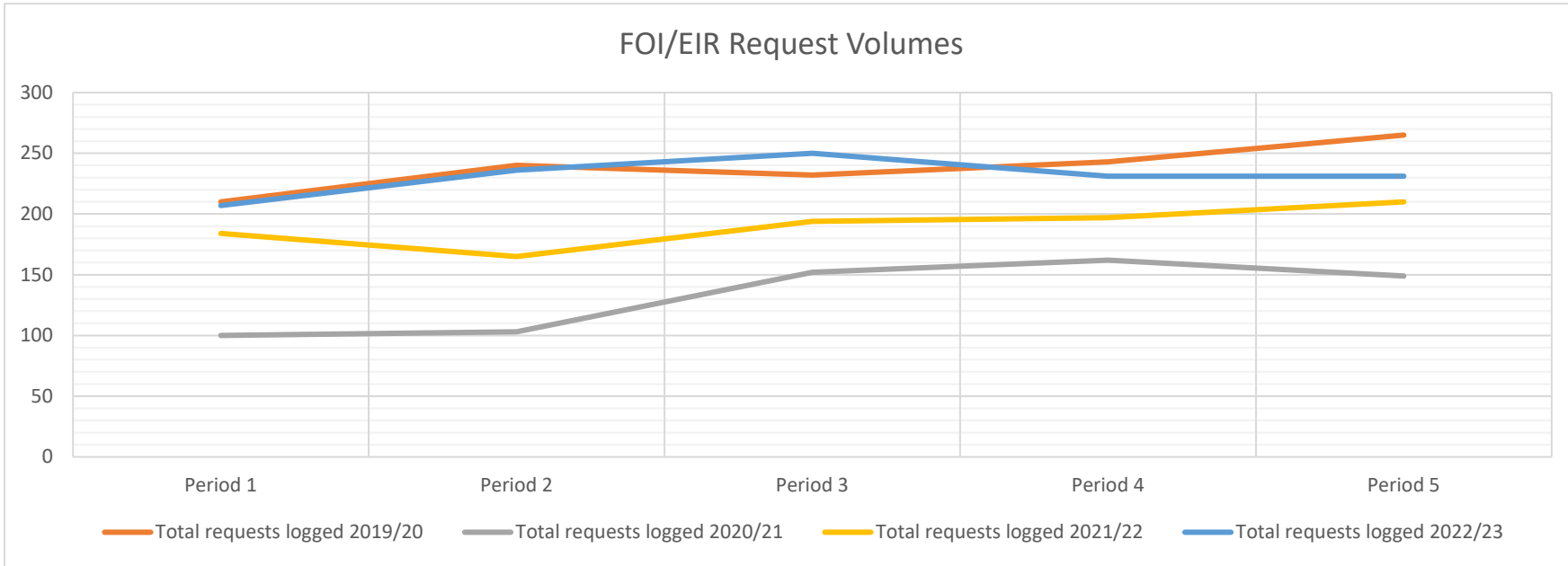
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	Total requests logged				Complex logged				Non-complex logged			
	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23	2019/20	2020/21	2021/22	2022/23
P1	210	100	184	207	82	19	40	38	128	81	144	169
P2	240	103	165	236	61	27	42	49	179	76	123	187
P3	232	152	194	250	57	33	44	49	175	119	150	201
P4	243	162	197	231	81	34	39	37	162	128	158	194
P5	265	149	210	231	74	32	48	33	191	117	162	198
P6	253	205	206		52	51	42		201	154	164	
P7	228	192	223		50	56	34		178	136	189	
P8	247	193	282		61	57	53		186	136	229	
P9	244	201	237		70	55	48		174	146	189	
P10	167	154	183		28	36	25		139	118	158	
P11	325	176	245		79	42	51		246	134	194	
P12	291	196	210		80	46	49		211	150	161	
P13	224	220	235		67	45	56		157	175	179	
End of Year	3169	2203	2771		842	533	571		2327	1670	2200	



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Appendix 3 - Comparison of FOI/EIR volumes Q1 2019/20 to 2022/23



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Audit and Assurance Committee



Date: 21 September 2022

Item: Effectiveness Review of the External Auditors

This paper will be considered in public

1 Summary

- 1.1 This paper provides a report to the Committee on external auditor effectiveness.
- 1.2 A more detailed paper is included on Part 2 of the agenda, which contains exempt supplementary information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains detailed comments on Ernst & Young's (EY's) performance during the audit, which are commercially sensitive. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendation

- 2.1 **The Committee is asked to note this report and the supplementary information on Part 2 of the agenda.**

3 Background

- 3.1 The Terms of Reference of the Committee require it, following the completion of each statutory audit, to review the effectiveness of the External Auditor's performance and its independence and objectivity. This review covers the performance of the external auditors of all parts of the TfL Group where EY are auditor.
- 3.2 The Terms of Reference do not specify the means by which auditor performance is to be assessed. Other guidance is available, one of the more recent of which is the Financial Reporting Council 2016 publication "Guidance on Audit Committees" (the Guidance). This is an update of guidance first published in 2003 and subsequently updated in 2008. It is based on the UK Corporate Governance Code, and although this relates to listed companies, the principles are also relevant to entities such as TfL.
- 3.3 The Guidance identifies four criteria in assessing external auditors:
 - (a) qualification;
 - (b) expertise and resources;
 - (c) effectiveness; and
 - (d) independence.

- 3.4 EY are the auditors of all entities within the TfL group (with the exception of London Transport Museum (the Museum) which was audited by Moore Kingston Smith LLP). Both EY and Moore Kingston Smith LLP are “registered auditors” and are required to comply with the Audit Regulations (the Regulations) which cover such matters as independence and integrity, maintaining competence, compliance with technical standards and monitoring compliance with the Regulations. These requirements ensure that the criterion regarding qualification is addressed.
- 3.5 Independence of the external auditors is dealt with through separate reports to the Committee on fees for non-audit services and on independence and objectivity, both reported twice a year. The external auditors are appointed by Public Sector Audit Appointments Limited, the successor body to the Audit Commission, under a statutory process, and this provides additional safeguards in terms of independence.
- 3.6 This paper deals with assessing the remaining two criteria in the Guidance, namely the effectiveness, and also the expertise and resources, of EY as external auditors. The Museum is not material to the group as a whole and the effectiveness of the Museum audit was discussed at their own Audit Committee.

4 Methodology for Assessing External Auditor Effectiveness and Expertise

- 4.1 A questionnaire was devised and distributed to key finance staff and senior management to obtain their views on the conduct and effectiveness of the external audit, including the expertise and resources of the external auditors.
- 4.2 A separate questionnaire was also devised and distributed to members of the Committee to assess the quality and effectiveness of EY’s performance and reporting across the Group in respect of the audit of the year ended 31 March 2021.
- 4.3 Responses from key staff were sought under four main headings:
- (a) audit planning and preparation;
 - (b) field work;
 - (c) closing meetings and sign-off; and
 - (d) general.

Responses from Committee Members were sought under the headings:

- (a) assessing the auditor’s judgements about materiality;
 - (b) risk assessment;
 - (c) nature and extent of audit work; and
 - (d) audit conclusions and auditor reporting.
- 4.4 The questionnaires provided respondents with an opportunity to comment on the specific questions and also respond on more general free-form topics.

- 4.5 Questionnaires were sent out to all parts of the business and to Committee Members, and most were completed and returned. Some parts of the business consolidated their responses into one return for that business unit. The Business Services Function and the Group Financial Accounting and Tax team were also covered.
- 4.6 Respondents were asked to score responses on a 1 to 3 scale, with 3 being the top score. Average scores were calculated for each part of the questionnaire.

5 Conclusions on External Auditor Effectiveness and Expertise

- 5.1 Overall Members were satisfied with EY's performance as external auditors during 2021/22. Average scores ranged from 2.5-2.9.
- 5.2 TfL finance staff were also generally satisfied with EY performance. The scores on average were slightly lower than prior year achieving average scores ranging from 2.6-2.9 (2019/20 2.7 -3.0). The average score across all questions was 2.7 (2020/21 2.8).
- 5.3 It was noted that the TfL funding situation and the high level of scrutiny of the audit profession in general has made the process challenging. Despite this, EY delivered to a tight time frame. More specific areas of improvement have been communicated to EY separately and are noted in the paper on Part 2 of the agenda.
- 5.4 The questionnaire asked if there were any members of the audit team that TfL staff would single out for their strong personal contribution. Several names were mentioned and these have been fed back to the partners.

List of appendices to this report:

Exempt supplementary information is included in a paper on Part 2 of the agenda.

List of Background Papers:

Effectiveness Review surveys.

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Group Finance Director and Statutory Chief Finance Officer
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Audit and Assurance Committee

Date: 21 September 2022

Item: Enterprise Risk Update – Significant Security Incident (ER4)

This paper will be considered in public

1 Summary

- 1.1 This paper provides an update of Enterprise Risk 4 (ER4) – Significant Security Incident, which is accurately defined within the current threat environment and details the preventative and reactive controls and actions in place to manage our response.
- 1.2 A paper is included on Part 2 of the agenda which contains exempt supplemental information that is exempt from publication by virtue of paragraph 7 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to action which might be taken in relation to prevention, investigation, or prosecution of a crime. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

3 Current Status

- 3.1 TfL is an operator and owner of critical national infrastructure and a key player in the safety and security of London. We recognise the threat from deliberate, intentional acts to harm TfL and London's people, reputation and economy is constant, evolving and increasingly significant in an unstable world. Financial crime, cyber-crime, organised crime, and the hostile actions of nation states are becoming indistinguishable. We adopt a holistic and risk-based approach to improve security and protect customers and our workforce from hostile and deliberate actions that cause harm.
- 3.2 We work to identify existing and emerging security risks and seek to reduce our vulnerability to terrorism, nation state hostile acts, extortion (through cyber-attacks), organised financial crime such as fraud, blackmail, corruption, espionage, sabotage, and industrial scale theft. Our systematic approach to protective security contributes to TfL's and London's sustainability.
- 3.3 Since the last update to the Committee on 15 September 2021 we have continued to develop ER4 through a series of workshops with our internal and external security specialists.

- 3.4 ER4 has been developed to take a holistic approach to the security threats facing TfL. ER4 defines a significant security incident as the impact on TfL's operations, assets, customers, people, finances, and reputation caused from an incident or terrorism, sabotage, espionage, or serious financial crime. The scale and nature of the impact is a combination of a failure to sufficiently identify and understand the threats we face, or to recognise our vulnerabilities and seek to protect them, in order to deter, delay and detect such criminal activity. The causes fall within four broad categories: terrorism, sabotage, espionage, and serious financial crime.
- 3.5 This update expands the potential causes, consequences and financial cost of a significant security incident happening, as well as the controls and actions in place to mitigate. The updated ER4 risk now reflects the preventative and corrective controls developed over the past 12 months.
- 3.6 These include ongoing delivery of a centralised Security Governance programme, which has brought about greater oversight of our risks at TfL and how we manage these. Regular reporting has been established on security matters to the Executive Security Group which represents all business areas within TfL to enable proportionate and effective decision making.
- 3.7 We recognise that everyone at TfL has a role to play in security and we actively work to increase awareness, understanding and competence through security training, briefings and acting on security communications.
- 3.8 ER4 provides oversight of the risk, causes, consequences and controls in place to manage it. Detail of this work is presented in the paper on Part 2 of the agenda.

List of Appendices:

A paper containing exempt supplemental information is included on Part 2 of the agenda.

Background Papers:

None

Contact Officer: Siwan Hayward OBE, Director of Security, Policing and Enforcement
Email: siwan.hayward@tfl.gov.uk

Audit and Assurance Committee



Date: 21 September 2022

Item: Register of Gifts and Hospitality for Members and Senior Staff

This paper will be considered in public.

1 Summary

- 1.1 This paper sets out details of the gifts and hospitality declared by the Board and senior staff. Details of those accepted by Members and the most senior staff are routinely published on our website. In line with the Greater London Authority (GLA) Group Framework Agreement, we submit a regular report to the Committee on the gifts and hospitality accepted by Board Members and senior staff. For these reports, we have extended the staff coverage to anyone on the top level organisation <https://tfl.gov.uk/corporate/publications-and-reports/organisation-chart>,
- 1.2 This report covers a three-month reporting period, from 1 May to 31 July 2022. The restrictions on travel and social distancing introduced from March 2020 to manage the coronavirus pandemic mean that the benchmarking data is impacted as restrictions were in place for the same period in 2020. While the figures for the current year show an increase, these are still below the baseline prior to the coronavirus pandemic.
- 1.3 During the three months covered by this report, one declaration was made by a Member, which was declined. A total of 63 declarations were made by senior staff, of which 43 were declined and 20 were accepted.

2 Recommendation

- 2.1 **The Committee is asked to note the paper.**

3 Background

- 3.1 TfL's policy on gifts and hospitality applies to TfL Board Members, all staff who work for TfL and staff contracted to work for TfL including on advisory groups or through a third party. It covers both gifts and hospitality offered directly or offered through a spouse or partner.
- 3.2 The policy has been reviewed recently and changes to the guidance and Frequently Asked Questions are proposed to add further clarity to the implementation of the policy. The Policy starts from the premise that any gifts or hospitality offered should usually be declined. No offer should be accepted where there is a possibility, or a perception, of being influenced by it. The guidance provides advice on the few circumstances where acceptance might be appropriate but, as a guiding principle, Members and staff are advised to err on

the side of caution. Acceptance of any offer requires line manager approval and an explanation as to why acceptance is appropriate.

- 3.3 Board Members and staff are required to register with the General Counsel any gift or hospitality received in connection with their official duties that has a value of £25 or over, and also the source of the gift or hospitality. For staff, declarations are made at the end of every month. As the acceptance of any offers of gifts or hospitality by Members is uncommon, they are asked to confirm any declarations at the end of every quarter. Offers accepted by Members and the most senior staff are then reviewed and published on [tfl.gov.uk](https://www.tfl.gov.uk) on a quarterly basis.

4 Reporting Period and Issues for Consideration

- 4.1 There was one declaration by a Member during the three-month period from 1 May to 31 July 2022, which was declined.
- 4.2 A total of 63 declarations of offers were made by senior staff in this period and 43 of these were declined.
- 4.3 Table 1A shows the current period and the previous two periods. The number of offers received in the current period is higher than the last period and the usual high-point of the Christmas-New Year period, both of which were impacted by measures to continue managing the coronavirus pandemic. However, the proportion of offers accepted had reduced from around a half to less than a third.
- 4.4 Table 1B shows the same reporting periods for the previous year. An accurate comparison is difficult due to the impact of measures to control the coronavirus pandemic during 2020/21.
- 4.5 The offers received and accepted are set out in Appendix 1 and have been reviewed to ensure they comply with the policy and guidance. Where there are concerns that the policy or guidance is not being followed, these are raised with the member of staff and their line manager.

Table 1A: Figures reported to this meeting

Three-month period	01/11/21-31/01/22	01/02/22-30/04/22	01/05/22-31/07/22
Total offers	52	38	64
Total declined	29	21	44
Total accepted	23	17	20
Monthly average			
Total offers	17	13	21.3
Total declined	9.5	7	14.7
Total accepted	7.5	6	6.7

Table 1B: Figures reported to previous meetings and monthly averages

Three-month period	01/11/20-31/01/21	01/02/21-30/04/21	01/05/21-31/07/21
Total offers	3	1 (5*)	15
Total declined	3	1	11
Total accepted	0	0 (4*)	4
Monthly average			
Total offers	1	<1	5
Total declined	1	<1	3
Total accepted	0	0	1.3

*Events were recorded and accepted but fell outside of our policy.

List of appendices to this report:

Appendix 1: Gifts and Hospitality Register

List of Background Papers:

Corporate Gifts and Hospitality Register

Contact Officer: Howard Carter, General Counsel
Email: HowardCarter@tfl.gov.uk

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TfL Gifts and Hospitality Register

Appendix 1

Name of Officer	Offer Status	Donor/Provider of Gift/Hospitality	Detail of Gift/Hospitality	Reason for Accepting Gift / Hospitality	Date of Event/Hospitality
Ableman Thomas	Accepted	PA Consulting	PA Transport Sustainability Dinner	Networking	16/06/2022
Cheeseman Louise	Accepted	Global Media	Capital FM's Summertime Ball	Networking	12/06/2022
Dixon Julie	Accepted	Global	Global Summertime Ball	Networking	12/06/2022
Field Stephen	Accepted	Gareth Oxtoby, Consulting Actuary, Willis Towers Watson	Review meeting followed by dinner	Review meeting and networking	04/05/2022
Field Stephen	Accepted	Neil Lalley, Principal, Punter Southall	Review meeting followed by working lunch	Review meeting and networking	03/05/2022
Field Stephen	Accepted	Ferdy Lovett, Partner, Sackers	Review meeting followed by dinner	Review meeting and networking	19/05/2022
Field Stephen	Accepted	The Pensions Management Institute	DC & Master Trust Symposium	CPD and networking	11/05/2022
Field Stephen	Accepted	Fred Jaffe, Executive Director, European Pension Fund Investment Forum	PFIF Virtual Seminar re ESG Issues with a Focus on Integrating the 'Social' within ESG	CPD and networking	26/05/2022
Field Stephen	Accepted	Jonathan Poll, Institutional Business Development Director, Insight Investment	Addressing The Funding Challenge Virtual Seminar	CPD and networking	29/06/2022
Field Stephen	Declined	Pauline Sibbit, Partner, Sackers & Partners LLP	Sackers Summer Reception		15/06/2022

TfL Gifts and Hospitality Register

Appendix 1

Name of Officer	Offer Status	Donor/Provider of Gift/Hospitality	Detail of Gift/Hospitality	Reason for Accepting Gift / Hospitality	Date of Event/Hospitality
Field Stephen	Accepted	David Aleppo, Managing Director, Willis Towers Watson	Lunch followed by full review meeting	Full review meeting with Willis Towers Watson team (David Aleppo, Ian Skinner and Gareth Oxtoby)	01/07/2022
Harvey Stuart	Accepted	Taylor Woodrow	Invite to CN Awards Dinner	Networking	14/07/2022
Humphrey Lorraine	Accepted	Transcend and London First	Celebration of opening of Elizabeth Line event	Networking	09/06/2022
Lord Andy	Accepted	The Lord Mayor and Lady Mayoress, Alderman Vincent and Mrs Amanda Keaveny	The London Government Dinner, Mansion House	Networking	30/05/2022
Lord Andy	Accepted	Jetblue	Board of Directors Reception	Networking	27/06/2022
Matson Lilli	Accepted	CBI	CBI Drinks reception with the Mayor of London	Meet other members of the GLA family - networking	13/07/2022
Powell Gareth	Accepted	Socia	Dinner	Networking	14/06/2022
Powell Gareth	Accepted	City of London	The London Government Dinner	Stakeholder	30/05/2022
Powell Gareth	Accepted	Capital	Event	Stakeholder	12/06/2022
Risk Lisa-Jane	Accepted	CBRE	Henrietta House Warming Party Drinks Reception	Business Networking	18/05/2022
Risk Lisa-Jane	Accepted	Women in Property	Women in Property, Fiona Alfred OBE, drinks reception	Networking	26/07/2022

Audit and Assurance Committee



Date: 21 September 2022

Item: Members' Suggestions for Future Discussion Items

This paper will be considered in public

1 Summary

- 1.1 This paper presents the current forward plan for the Committee and explains how this is put together. Members are invited to suggest additional future discussion items.

2 Recommendation

- 2.1 **The Committee is asked to note the forward plan and is invited to raise any suggestions for future discussion items.**

3 Forward Plan Development

- 3.1 The Board and its Committees and Panels have forward plans. The content of the plan arises from a number of sources:
- (a) standing items for each meeting: minutes; matters arising and actions list; and any regular quarterly reports. For this Committee these include quarterly risk and assurance reports; Elizabeth line programme assurance quarterly updates; and IIPAG quarterly updates;
 - (b) regular items (annual, half-year or quarterly) which are for review and approval or noting: examples include the legal compliance report, integrated assurance plan, and TfL annual report and accounts;
 - (c) matters reserved for annual approval or review: examples include those already mentioned above as well as annual audit fee; and
 - (d) items requested by Members: the Deputy Chair of TfL and the Chair of this Committee will regularly review the forward plan and may suggest items. Other items will arise out of actions from previous meetings (including meetings of the Board or other Committees and Panels) and any issues suggested under this agenda item.
- 3.2 The Committee is required to meet in private, on an annual basis, with the Director of Risk and Assurance, External Auditors and Chief Finance Officer. These discussions are scheduled after the following Committee dates:

30 November 2022
15 March 2023

Director of Risk and Assurance
Chief Finance Officer

4 Current Plan

- 4.1 The current plan is attached as Appendix 1. Like all plans, it is a snapshot in time and items may be added, removed or deferred to a later date.

List of appendices to this report:

Appendix 1: Audit and Assurance Committee Forward Plan

List of Background Papers:

None

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Email: HowardCarter@tfl.gov.uk

Audit and Assurance Committee Forward Plan 2022/23**Appendix 1****Membership:** Mark Phillips (Chair), Anurag Gupta (Vice Chair), Kay Carberry CBE and Dr Mee Ling Ng OBE

Standing Items		
Risk and Assurance Quarterly Report	Director of Risk and Assurance	Quarterly
Elizabeth Line Programme Assurance Update	Chief Finance Officer, Crossrail	Quarterly
Finance Control Environment Trend Indicators	Chief Finance Officer	Quarterly
IIPAG Quarterly Report	Head of Project Assurance	Quarterly
Register of Gifts and Hospitality	General Counsel	Quarterly

30 November 2022		
External Audit Plan	EY	Annual
EY Report on Non-Audit Fees	EY	Six Monthly
Annual Tax Compliance Update	Chief Finance Officer	Annual
Legal Compliance Report	General Counsel	Six Monthly

15 March 2023		
Integrated Assurance Plan	Director of Risk and Assurance	Annual
Critical Accounting Policies	Chief Finance Officer	Annual
Personal Data Disclosure to Police and Other Statutory Law Enforcement Agencies (2022)	Director of Compliance, Policing, Operations and Security	Annual

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