

Agenda

Meeting: Audit and Assurance Committee

Date: Monday 5 June 2023

Time: 10:00am

**Place: Conference Rooms 1&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's YouTube channel](https://www.youtube.com/watch?v=Uj8vYUgU8p4), except for where exempt information is being discussed as noted on the agenda.

There is access for disabled people and induction loops are available. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available on www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

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
Thursday 25 May 2023

Agenda
Audit and Assurance Committee
Monday 5 June 2023

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 15 March 2023
(Pages 1 - 6)

General Counsel

The Committee is asked to approve the minutes of the meeting of the Committee held on 15 March 2023 and authorise the Chair to sign them.

4 Matters Arising, Actions List and Delegated Authority (Pages 7 - 10)

General Counsel

The Committee is asked to note the updated actions list and the use of delegated authority.

5 TfL Annual Report 2022/23 - To Follow

Chief Customer and Strategy Officer

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

6 EY Report to Those Charged with Governance - To Follow

Chief Finance Officer

The Committee is asked to note the report.

External Audit Items

7 TfL Statement of Accounts for Year Ended 31 March 2023 - To Follow

Chief Finance Officer

The Committee is asked to note 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.

8 EY Letter on Independence and Objectivity (Pages 11 - 14)

Chief Finance Officer

The Committee is asked to note the paper.

9 EY Report on Audit and Non-Audit Fees for Six-Months Ended 31 March 2023 (Pages 15 - 18)

Chief Finance Officer

The Committee is asked to note the report

10 Annual Audit Fees 2023/24 (Pages 19 - 20)

Chief Finance Officer

The Committee is asked to note the paper.

Audit, Risk and Assurance Items

11 Risk and Assurance Annual Report and Assurance Statement 2022/2023 (Pages 21 - 32)

Director or Risk and Assurance

The Committee is asked to note the report.

12 Risk and Assurance Quarter 4 Report 2022/23 (Pages 33 - 64)

Director of Risk and Assurance

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

13 Independent Investment Programme Advisory Group Quarterly Report (Pages 65 - 74)

General Counsel

The Committee is asked to note the Independent Investment Programme Advisory Group's (IIPAG) Quarterly Report, the management response to it and approve the IIPAG Workplan for 2023/24.

14 Elizabeth Line Programme Assurance Quarter 4 Report 2022/23 (Pages 75 - 80)

Director of Risk and Assurance

The Committee is asked to note the report.

15 TTL Properties Limited Assurance Update (Pages 81 - 92)

Director of Risk and Assurance

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

Accounting and Governance

16 Review of Governance and the Annual Governance Statement for Year Ended 31 March 2023 (Pages 93 - 108)

General Counsel

The Committee is asked to note the paper and approve the Annual Governance Statement, as set out in Appendix 1 of this paper, for signing by the Chair of TfL and the Commissioner, for inclusion in the 2022/23 Annual Report and Accounts, and note the progress against the 2022/23 improvement plan, as set out in Appendix 2, and the plan for 2023/24, as set out in Appendix 3.

17 Legal Compliance Report (1 October 2022 - 31 March 2023)
(Pages 109 - 120)

General Counsel

The Committee is asked to note the report.

18 Financial Control Environment Trend Indicators (Pages 121 - 126)

Chief Finance Officer

The Committee is asked to note the paper and the Financial Control Environment Trend Indicators.

19 Register of Gifts and Hospitality for Members and Senior Staff
(Pages 127 - 132)

General Counsel

The Committee is asked to note the paper.

20 Members' Suggestions for Future Discussion Items (Pages 133 - 136)

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.

21 Any Other Business the Chair Considers Urgent

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

22 Date of Next Meeting

Wednesday, 20 September 2023 at 10.00am.

23 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 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business.

Agenda Part 2

24 Risk and Assurance Quarter 4 Report 2022/23 (Pages 137 - 162)

Exempt supplementary information relating to the item on Part 1.

25 TTL Properties Limited Assurance Update (Pages 163 - 166)

Exempt supplementary information relating to the item on Part 1.

Transport for London

Minutes of the Audit and Assurance Committee

Teams Virtual Meeting 10.00am, Wednesday 15 March 2023

Members

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

Executive Committee

Howard Carter	General Counsel
Rachel McLean	Chief Finance Officer

Staff

Patrick Doig	Group Finance Director and statutory Chief Finance Officer
Jill Elliott	Head of Internal Audit
Siwan Hayward OBE	Director of Security, Policing and Enforcement (Minute Reference 12/03/23)
Lorraine Humphrey	Director of Risk and Assurance
Nico Lategan	Head of Enterprise Risk
Richard Mullings	Head of Counter-Fraud and Corruption
James Norris	Head of Project Assurance
Mike Shirbon	Head of Quality, Safety and Security Assurance
Chris Tann	Head of Financial Accounting and Tax
Sue Riley	Secretariat Officer

Also In Attendance

Janet Dawson	Partner, Ernst & Young
Alison Munro	Chair, Independent Investment Programme Advisory Group
Chloe Wilkinson	Senior Manager, Ernst & Young

01/03/23 Apologies for Absence and Chair's Announcements

The Chair welcomed everyone to the meeting which, due to industrial action, was being held online only via Teams. There were no apologies for absence. As the Committee was unable to meet in person, the meeting was not quorate and so any decisions required would be taken by Chair's Action, following the discussion of the item with Members. The meeting was being broadcast live on TfL's YouTube channel to ensure the public and press could observe the proceedings and decision-making.

Following the meeting, Members were scheduled to meet with the Chief Finance Officer for the annual informal meeting.

The Chair thanked those Members who had attended the cyber security briefing prior to the start of the meeting.

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 the appropriate member of the Executive Committee after the meeting. There were no specific issues raised at the meeting.

02/03/23 Declarations of Interest

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.

03/03/23 Minutes of the Meeting of the Committee held on 30 November 2022

The Chair, in consultation with the Committee, approved the minutes of the meeting of the Committee held on 30 November 2022 as a correct record and would sign them at a future date.

04/03/23 Matters Arising and Actions List

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

The Committee noted the updated Actions List.

05/03/23 Ernst & Young Auditor's Annual Report Year Ended 31 March 2022 and Value for Money Arrangements

Janet Dawson presented the report on work undertaken in accordance with the National Audit Office Code of Audit Practice including value for money arrangements.

Chloe Wilkinson from EY, who was in attendance, would replace Caroline Mulley as part of the succession planning.

The Committee noted the report.

06/03/23 Risk and Assurance Quarter 3 Report 2022/23

Lorraine Humphrey introduced the report, and the related exempt supplementary information on Part 2 of the agenda, setting out work completed by the Risk and Assurance Directorate during Quarter 3 of 2022/23 (18 September to 10 December 2022), including work in progress and planned activities. Jill Elliott, Nico Lategan, Richard Mullings, James Norris and Mike Shirbon were also in attendance.

Staff continued to focus on reducing overdue management actions, particularly any actions that were over 100 days overdue.

The Enterprise Risk Schedule was being updated against the Committee and Panel timetable and Level 1 Risk workshops being held across the business.

Two of the Poorly Controlled Audits had already been discussed at the Safety, Sustainability and Human Resources Panel, as they related to environmental risk assessment. Other areas of common weaknesses related to the quality of Business Case documentation.

A three-to-five-year counter-fraud strategy was currently being drafted.

The Directorate continued to increase capacity, resourcing and resilience through recruitment, training and internal promotions, including the launch of an apprenticeship scheme.

It was agreed that future reports would include a breakdown of fraud referrals received through the TfL website, including referrals dealt with by the Counter-fraud and Corruption team or disseminated elsewhere. **[Action: Richard Mullings]**

The Committee noted the report and the exempt supplementary information on Part 2 of the agenda and the Chair, in consultation with the available Members, approved the updated Audit Plan.

07/03/23 Independent Investment Programme Advisory Group Quarterly Report

Lorraine Humphrey introduced the Independent Investment Programme Advisory Group's (IIPAG) quarterly report, and the related exempt supplementary information on Part 2 of the agenda. Alison Munro set out the key areas of the report in detail.

The Committee noted the good progress on climate adaption measures and the Commercial and Procurement Improvement Programme.

IIPAG agreed to consider reviewing projects across the capital programme comparing their original budget, schedule and business plan benefits against final position.

[Action: Alison Munro/Stuart Harvey/Michael Cooper]

The Chair, in consultation with the Committee, approved the change to the IIPAG's Terms of Reference to amend the required frequency of the TfL Benchmarking Review by IIPAG from yearly to three-yearly.

08/03/23 TTL Properties Limited Assurance Update

Lorraine Humphrey presented the report on progress with assurance activity across TTL Properties Limited (TTLP) during Quarter 3 of 2022/23 (18 September to 10 December 2022), and the related exempt supplementary information on Part 2 of the agenda.

A review of governance within TTLP was about to start, which would include an assessment of governance in TTLP and oversight by TfL's Executive Committee. TTLP was now reporting periodically to meetings of TfL's Executive Committee and the Group Finance Director was attending meetings of TTLP's leadership team to ensure greater visibility.

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

09/03/23 Elizabeth Line Programme Assurance Quarter 3 Report 2022/23

James Norris presented the overview of programme assurance activity in relation to the Elizabeth line during Quarter 3 of 2022/23 (18 September to 10 December 2022).

While the Elizabeth Line Programme continued to transition to TfL's business as usual, control of costs would remain ringfenced under Crossrail, in compliance with the joint sponsor agreement, until completion.

The Committee noted the paper.

10/03/23 Critical Accounting Policies

Patrick Doig and Chris Tann presented the update on TfL's critical accounting policies as applied in TfL's Statement of Accounts for the year ending 31 March 2023.

A further update on climate-related financial disclosure requirements would be provided at a future meeting. **[Action: Patrick Doig/Chris Tann]**

The Committee noted the paper.

11/03/23 Finance Control Environment Trend Indicators

Patrick Doig presented the quarterly update on Financial Control Environment Trend Indicators.

All single source contracts had been robustly reviewed and there would be a significant reduction of such contracts in the future.

The successful roll out of the SAP Ariba Guided Buying system meant procurement data could be better analysed and monitored.

The Committee noted the paper.

12/03/23 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.

13/03/23 Personal Data Disclosure to Police and Other Statutory Law Enforcement Agencies (2022)

Siwan Hayward OBE presented the annual update on the disclosure of personal data to the police and other statutory law enforcement agencies for the prevention and detection of crime in London.

TfL's policy approach to the provision of passenger data to the police in time critical cases involving serious crimes would be kept under review to ensure it retained the appropriate balance.

The Committee welcomed the detail of the report.

The Committee noted the paper.

14/03/23 Members' Suggestions for Future Discussion Items

Howard Carter introduced the current forward plan for the Committee.

The outcomes of a further discussion with the Executive Committee on risk matrix would be submitted to a future meeting.

[Action: Lorraine Humphrey/Nico Lategan/Secretariat]

The Committee noted the forward plan.

15/03/23 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

16/03/23 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Monday 5 June 2023 at 10.00am.

17/03/23 Exclusion of Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraphs 3 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 3 Report 2022/23; Independent Investment Programme Advisory Group Quarterly Report; and TTL Properties Limited Assurance Update.

The meeting closed at 12.05pm

Chair: _____

Date: _____

Audit and Assurance Committee



Date: 5 June 2023

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 15 March 2023.
- 1.2 Since the last meeting of the Committee there have been two uses of Chair's Action in relation to: the approval of authority requests submitted to the meeting of the Committee on 15 March 2023 and 2022/23 TfL Scorecard Assurance Review.
- 1.3 Appendix 1 sets out the progress against actions agreed at previous meetings.

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 Chairs of any Committee or Panel the exercise of any functions of TfL on its behalf. Any use of Chair's Action is then reported to the next ordinary meeting, and if a matter reserved to the Board, the next ordinary meeting of the Board.
- 3.2 There have been two uses of Chair's Action since the last meeting.

Approval of Authority Requests at the Meeting of the Committee on 15 March 2023

- 3.3 The meeting on 15 March 2023 was held on Microsoft Teams only, following which the Chair exercised Chair's Action to approve the recommendations in the papers, as published on the TfL website. The minutes of the meeting are elsewhere on the agenda.

2022/23 TfL Scorecard Assurance Review

- 3.4 On 25 May 2023, the Chair of the Committee, in consultation with available Members of the Committee, was asked to sign off the end of year results against the 2022/23 TfL Scorecard on receipt of an assurance report, and to respond with any comments by the end of 30 May 2023. This was to ensure that the information could be incorporated into the Annual Report 2022/23 and included in the papers being prepared for the meeting of the Remuneration Committee meeting on 12 June 2023. A verbal update will be provided at the meeting.

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 on 2022/23 Scorecards Assurance Review, issued on 25 May 2023
(IA 23 001)

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

Audit and Assurance Committee Actions List (to be reported to the meeting on 5 June 2023)

Actions from the meeting held on 15 March 2023

Minute No.	Item/Description	Action By	Target Date	Status/Note
06/03/23	Risk and Assurance Quarter 3 Report 2022/23: Fraud Referrals Future reports to include a breakdown of fraud referrals received through the TfL website, including referrals dealt with by the Counter-fraud and Corruption team or disseminated elsewhere.	Richard Mullings	20 September 2023 meeting.	In progress. Information to be provided in Quarter 1 2023/24 reports.
07/03/23	Independent Investment Programme Advisory Group (IIPAG) Quarterly Report: Capital Projects IIPAG to consider reviewing projects across the capital programme comparing their original budget, schedule and business plan benefits against final position.	Alison Munro/ Stuart Harvey /Michael Cooper	20 September 2023 meeting.	In progress. IIPAG and Director of the Project Management Office to determine the best way forward. An update will be provided at the next meeting.
10/03/23	Critical Accounting Policies: Climate Related A further update on climate-related financial disclosure requirements would be provided at a future meeting.	Patrick Doig/ Chris Tann	5 June 2023 meeting.	Completed. Update to be included in TfL's Statement of Accounts report on agenda with further updates at future meetings.
14/03/23	Members' Suggestions for Future Discussion Items: Risk Matrix The outcomes of a further discussion with the Executive Committee on risk matrix would be submitted to a future meeting.	Lorraine Humphrey/ Nico Lategan	20 September 2023 meeting.	The outcome of the discussion will be reported to the next meeting.

Actions from previous meetings

Minute No.	Item/Description	Action By	Target Date	Status/Note
65/11/22	Risk and Assurance Quarter 2 Report 2022/23: Cash Recovery The Counter-Fraud and Corruption team to produce figures of cash recovery and highlight cases where TfL was seeking to recover money in current court cases.	Richard Mullings	5 June 2023 meeting.	Completed. Included in report on agenda.
70/11/22	Finance Control Environment Trend Indicators: Payment Targets Data on payment targets to small and medium businesses to be included in future reports.	Patrick Doig	5 June 2023 meeting.	Completed. Included in report on agenda.
46/09/22 (3)	Risk and Assurance Quarter 1 Report 2022/23: Fraud Clarification on whether fraud against TfL, through revenue activities, was increasing or decreasing and further information, following engagement with key stakeholders, to be provided at the next meeting.	Richard Mullings	20 September 2023 meeting.	In progress.
46/09/22 (4)	Risk and Assurance Quarter 1 Report 2022/23: Ransomware The Executive Committee to discuss the best approach to ransomware.	Jules Gascoigne	5 June 2023 meeting.	An external provider is scheduled to run a cyber security incident response exercise with the Executive Committee on 1 June 2023. A verbal update will be provided at the meeting.

Audit and Assurance Committee



Date: 5 June 2023

Item: EY Letter on Independence and Objectivity

This paper will be considered in public

1 Summary

- 1.1 This letter informs the Committee on the independence and objectivity of Ernst & Young (EY).

2 Recommendation

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

3 Background

- 3.1 EY are required to report annually to the Committee on their independence and objectivity, taking into account guidance including the National Audit Office's Code of Audit Practice.
- 3.2 EY have reviewed their procedures and their letter is attached for the Committee's review.

List of appendices to this report:

Appendix 1: Letter from EY

List of Background Papers:

None

Contact: Patrick Doig, Statutory Chief Finance Officer
Email: PatrickDoig@TfL.gov.uk

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Appendix 1

Audit and Assurance Committee
Company Secretariat
Transport for London
11th Floor Yellow Zone
Palestra
London
SW1H 0BD

22 May 2023
Direct line: 020 7951 2195
Email: jdawson1@uk.ey.com

Dear Sirs

Independence and objectivity - Transport for London 2022/23

In order to carry out our duties and responsibilities as auditor, we are required to consider our independence and objectivity within the context of the regulatory and professional framework in which we operate. We are also mindful of all stakeholders, including the Public Sector Audit Appointments Ltd (PSAA) and the National Audit Office (NAO). For further details of specific independence requirements for PSAA appointments, refer to the PSAA Terms of Appointment at <http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/>.

Appendix 1 to this letter highlights the significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. It also contains reference to the key policies and processes in place within EY for maintaining objectivity and independence. We consider these throughout our audit and are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

For 2022/23, we have undertaken one non-audit assignment, as reported in our summary of non-audit fees which relates to agreed upon procedures in respect of the Office of Rail and Road Returns.

In this case, prior to commencement of the assignment, we have considered the impact of the assignments on our independence and have obtained preapproval from management. In compliance with Ethical Standard 4, we confirm that no members of our audit engagement team, including those from other service lines, have objectives or are rewarded in relation to sales of non-audit services to you. We therefore confirm that there are no self-interest or self-review threats associated with this non-audit work.

Overall, we confirm that as of 22 May 2023, in our professional judgment, EY is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit engagement team have not been compromised.

Yours faithfully

Janet Dawson
Partner
For and on behalf of Ernst & Young LLP

Appendix 1

Self-interest threats

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you.

Self-review threats

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved for financial year ended 31 March 2023. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the APB Ethical Standards, and if necessary, agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you.

Policies and procedures in place

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year ended July 2022 and can be found at:

https://www.ey.com/en_uk/about-us/transparency-report

Audit and Assurance Committee



Date: 5 June 2023

Item: EY Report on Audit and Non-Audit Fees for Six Months Ended 31 March 2023

This paper will be considered in public

1 Summary

- 1.1 This letter informs the Committee on fees billed by Ernst & Young (EY) for non-audit services.

2 Recommendation

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

3 Background

- 3.1 Under TfL's policy on external audit services EY is required to report to the Audit and Assurance Committee every six months on fees billed for non-audit services. EY's report is attached for the Committee's review.

List of appendices to this report:

Appendix 1: Letter from EY

List of Background Papers:

None

Contact: Patrick Doig, Statutory Chief Finance Officer
Email: PatrickDoig@TfL.gov.uk

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Appendix 1

Audit and Assurance Committee
Company Secretariat
Transport for London
11th Floor Yellow Zone
Palestra
London
SW1H 0BD

22 May 2023

Direct line: 01189 281502
Email: jdawson1@uk.ey.com

Dear Sirs

Audit fees - Period ending 31 March 2023

Under Transport for London's policy on external audit services we are required to provide to the Audit and Assurance Committee, a report on fees for all services. Appendix 1 to this letter includes a summary of our non-audit fees during the period to 31 March 2023.

Yours faithfully

Janet Dawson
Partner
For and on behalf of Ernst & Young LLP

Appendix 1 Summary of fees

Statutory Audit fees

Statutory audit fee 2022/23 services required to meet the Code of Audit Practice requirements (including Value for Money and Whole of Government Accounts). We have included the Statutory Audit fees for the full year included for context.

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance. All variations to the scale fee will be subject to PSAA approval.

	Amount
Statutory Audit fee 2022/23 - TfL	£120,062
Statutory Audit fee 2022/23 - TTL	£1,490,215
Statutory Audit fee 2022/23 - Crossrail	£143,000
Statutory Audit fee 2022/23 - TTLP	£55,000
Total	1,808,277

Non-audit services

	Amount
Agreed upon procedures performed for the Office of Rail and Road Returns.	17,280

Audit and Assurance Committee



Date: 5 June 2023

Item: Annual Audit Fees 2023/24

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Committee of the annual audit fee for the audit of Transport for London, Transport Trading Limited (TTL) Group, Crossrail Limited and TTL Properties Limited (TTLP) Group for the year ending 31 March 2024.
- 1.2 During the year Ernst & Young (EY) were appointed by the Public Sector Audit Appointments (PSAA) body as auditor of TfL for the duration of the five-year appointing period, covering the audit of the accounts from 2023/24 to 2027/28.
- 1.3 During the year EY were appointed by TfL as auditor of TTL Group, Crossrail Limited and TTLP Group covering the audit of the accounts from 2023/24 to 2027/28.

2 Recommendation

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

3 Background

- 3.1 The fees for the TfL audit are currently under consultation by the PSAA, which is due to be published in November 2023. This is in line with the Local Audit (Appointing Person) Regulations 2015.
- 3.2 In November 2022, the PSAA published a notice that fees would likely involve an increase of the order of 150 per cent on the total fees for 2022/23. This is due to complexities and fragility in the wider local Government audit market.

3.3 The fees for the TfL Group are:

Entity	FY2023/24	FY2022/23
Transport for London	Subject to consultation	£120,062
TTL Group	£1,728,210	£1,490,215
Crossrail Limited	£158,000	£143,000
TTLP Group	£109,750	£55,000

List of appendices to this report:

None

List of Background Papers:

None

Contact: Patrick Doig, Statutory Chief Finance Officer
Email: PatrickDoig@tfl.gov.uk

Audit and Assurance Committee

Date: 5 June 2023

Item: Risk and Assurance Annual Report and Assurance Statement 2022/23

This paper will be considered in public

1 Summary

- 1.1 This is the annual report and assurance statement of the Risk and Assurance Directorate, which comprises of the Enterprise Risk Management, Internal Audit, Quality, Safety and Security Assurance, Project Assurance and Counter-fraud and Corruption teams.
- 1.2 The Public Sector Internal Audit Standards (PSIAS) requires that the Head of Internal Audit provides an annual Internal Audit opinion based on objective assessment of the framework of risk management, internal control and governance established by TfL management. It is based on a programme of work completed by Risk and Assurance which has been endorsed and monitored by this Committee throughout the year. The assurances in this report are not limited because of a shortfall in resources, absence of skills, limitation of scope or any failure to comply with PSIAS standards overall.
- 1.3 The opinion can only be reasonable in the sense that no opinion can ever be absolute and reflects the evidence available at the time of drafting. The Internal Audit opinion does not provide any guarantee against material errors, loss, or fraud.

2 Recommendation

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

3 Internal Audit Opinion

- 3.1 In our opinion, TfL's overall framework of governance, risk management and internal control in the year ended 31 March 2023 remains generally adequate for TfL's business needs and operates in an effective manner. However, we draw attention to the following:
 - (a) our Internal Audit opinion for the year ended 31 March 2022 reported that there had been significant improvements within Procurement and Commercial to improve the control environment. We continue to see improvements in processes and procedures and the implementation of SAP Ariba. There are still gaps in documentation supporting decision making which we identified in the audit 'Use of Consultants and Professional Services, Single Source Requests below £100,000 and Management of

Key Suppliers'. We will conduct follow up work in these areas once the agreed management actions have been implemented and had time to embed; and

(b) the lack of adequate supporting documentation, inconsistent approach to record keeping and document management was a key theme running through our work this year. There is little doubt that resourcing issues have played a part in this with the priority being delivery of services. However, this exposes TfL to possible gaps in its corporate memory and the potential for a lack of transparency and reputational risk. Issues found include but are not limited to:

- (i) multiple repositories for storing the same documents with no uniform system in place for managing and maintaining key documents;
- (ii) improving the audit trail to support savings made in the Group Portfolio tracking process;
- (iii) evidence of decision making when recruiting at executive level, engaging consultants, and professional services;
- (iv) documenting assessments of supplier performance; and
- (v) records supporting the transfer of assets from TfL to TTL Properties Limited (TTLP)

3.2 We have seen increased support from senior management in closing down management actions in a timelier way, particularly those over 100 days. There is still work to do on closing actions first time and reducing the number of extensions. This should result in improvements in the overall control environment which we will assess in the follow up work we do.

3.3 Concerns over the impact of a lack of employee resource availability has been a consistent theme across all our work. Resourcing levels and their impact on successful delivery, has arisen in a number of Project Assurance and Internal Audit reviews this year. Reviews of resourcing challenges in the commercial and engineering areas show how the situation has developed, however the impact of the introduction of improved resourcing tools and new frameworks has had some positive results.

3.4 The percentage of audit reports given an assurance rating of Poorly Controlled or Requires Improvement has increased from 57 per cent (2021/22) to 76 per cent this year. With audit plans that prioritise risk and core work this increase is not unexpected. It will take at least another annual programme to see if this trend continues and whether this is due to changes in the overall control environment.

Basis of the Internal Audit Opinion

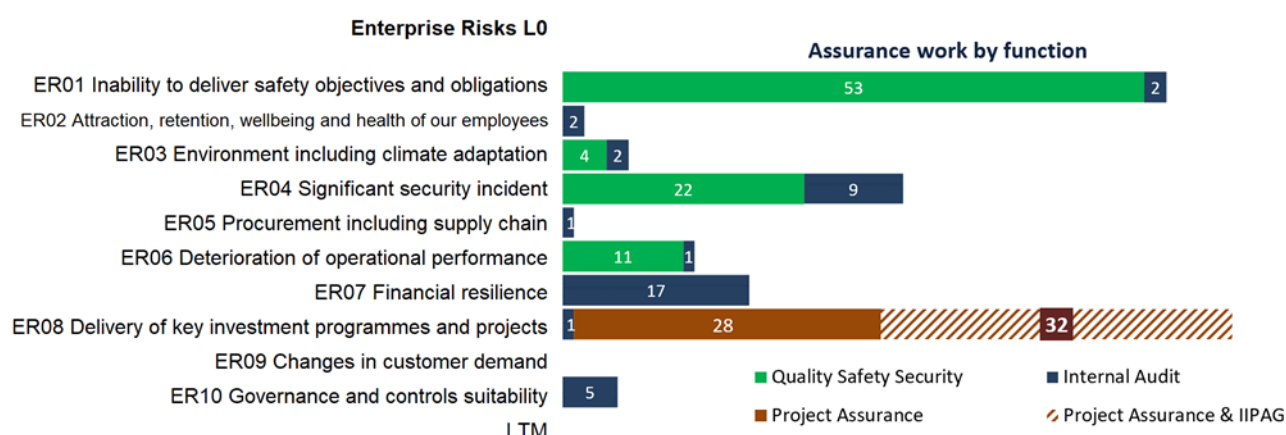
- 3.5 We are satisfied that sufficient audit and assurance work has been completed to allow us to form a reasonable conclusion on the adequacy and effectiveness of TfL's governance, risk management and control environment.
- 3.6 The 2022/23 Internal Audit opinion relies on:
- (a) the audits carried out by Internal Audit;
 - (b) the work of the Enterprise Risk team;
 - (c) project and programme reviews carried out by the Project Assurance team, and third line assurance delivered by Independent Investment Programme Advisory Group (IIPAG);
 - (d) audits of Safety, Health and Environment (SHE) and Asset Management, and Payment Card Industry Data Security Standard (PCI DSS) reviews carried out by the Quality, Safety and Security Assurance team;
 - (e) results of any follow up exercises undertaken in respect of previous years' Internal Audit work;
 - (f) control issues identified by the Counter-fraud and Corruption team in the course of their investigations; and
 - (g) assurance reviews carried out as part of both the Elizabeth line and TTL Properties Ltd (TTLP) Integrated Assurance Framework.
- 3.7 Internal Audit (IA) completed 40 internal audits, including those for Elizabeth line and TTLP.
- 3.8 The Quality, Safety and Security Assurance (QSSA) team completed 90 audits which include Integrated Systems audits, asset quality and compliance with internal or industry standards and PCI DSS compliance audits.
- 3.9 Project Assurance (PA) have completed 14 programme reviews and 45 project reviews, IIPAG participated in 13 of the programme reviews and 19 project reviews.
- 3.10 The Counter-fraud and Corruption (CFC) team have managed 21 new cases during 2022/23. The team received 482 miscellaneous referrals.
- 3.11 An analysis of findings for both IA and QSSA are detailed in Appendix 1.
- 3.12 There have been no matters arising from any of the work completed that need to be brought to the attention of the Committee.

4 Risk Management

- 4.1 Understanding and managing risk at all levels within TfL is essential to ensure that we can mitigate the risks as far as is practical and understand our exposure. The Directorate supports the business with Enterprise Risk management at Enterprise (Level 0), Strategic (Level 1) and tactical (Level 2).
- 4.2 In the past year there has been a significant effort to enhance the effectiveness of Enterprise Risk management in TfL to ensure it remains relevant in our post coronavirus pandemic environment. This work has involved:
- (a) reviewing and updating our Enterprise Risks;
 - (b) ensuring our risk appetite approach is in line with best industry practice and allows more granularity by moving to risk categories. The proposed changes will enable better understanding and engagement with the risk processes and support better decision making;
 - (c) the Enterprise Risk Management Framework has been updated to align with TfL's Vision and Value Roadmaps. This change enables cross-functional reviews of thematic risks and helps ensure risks are reviewed pan TfL which helps break down silos across the business;
 - (d) the whole Level 1 process needs to be revamped as historically it was broken down at organisation level. Workshops have taken place, or are in the process of being planned with all Chief Officer areas, with the aim of completing the Level 1 refresh by 31 March 2024 at the latest;
 - (e) we are now using a single risk tool that allows the direct input of Level 0 and Level 1 risks (previously held on spreadsheets) into the system which therefore provides a single source of the truth for all the three levels of risks. This will give the business better visibility of the risk cascade from enterprise to tactical level; and
 - (f) consequential changes have also been made to processes and procedures including the Enterprise Risk Assessment Matrix.
- 4.3 TTLP now has its own Enterprise Risk Framework, linked to TfL's as part of the Integrated Assurance Framework. They have seven Enterprise Risks, and these are being developed with support from the Enterprise Risk team and will be presented to the Land and Property Committee.
- 4.4 IA work has shown that risk management at a day to day level is inconsistent in some areas of the business. There were examples where programme wide risk registers were in place but were not regularly reviewed because responsibility for the maintenance and updating of the register had not been assigned as this is a low priority in the business especially where resources are an issue.

- 4.5 There were two poorly controlled QSSA audits of environmental risk assessments in Buses, Trams and London Underground (LU) which highlighted the risk assessments were incomplete or inadequate. A programme of improvements has now been put in place to complete the assessments and the SHE team have renewed their engagement with operational and maintenance teams on these important risk assessments.
- 4.6 The CFC team has continued to deliver a range of fraud awareness activities which is designed to prevent and detect fraud and corruption, deter would-be offenders, and educate the workforce about the risk of fraud in the workplace and at home. This includes the hosting of a 'Fraud Awareness week', a digital desktop advertisement about reporting fraud the development and delivery of 'fraud awareness' presentations and workshops to a number of key areas of the business and to support our ongoing collaboration with senior management to prevent and detect financial crime.
- 4.7 The chart below provides a summary of the work completed at the second and third line of assurance by our various Risk and Assurance teams, by Enterprise Risk. Detailed information of Risk and Assurance work completed against each of the Enterprise Risks is reported quarterly at each Committee meeting.

Figure 1



5 Internal Control

- 5.1 Effective internal control is essential to ensure that TfL realises its stated aims and objectives. This is achieved through an internal control system that promotes adherence with policies and procedures; the safeguarding of assets; the prevention and detection of fraud and error and the accuracy and completeness of financial and non-financial records. Within Risk and Assurance we look to assess the appropriateness, effectiveness, and compliance with internal controls. Set out below are highlights of key areas of work undertaken this year and issues identified.

Finance and Procurement

- 5.2 Overall we found that adequate financial controls are in place and operating effectively in Accounts Payable, Fit for the Future Programme, London Transport Museum security of valuable collections and cost verification of the Equans Crossrail Facilities Management contract. The introduction of SAP Ariba in Accounts Payable has improved controls particularly in the registration and maintenance of suppliers. There is now a robust process and control framework in place to support the Group Savings Portfolio tracking process although the audit trail to support savings needed to be strengthened.
- 5.3 Following the audit of Single Source Requests (SSRs) last year we looked at SSRs below £100,000. It is apparent that the Procurement and Commercial team have made progress in improving the control environment for single source procurements. While we still feel that the number of SSRs is relatively high they represent less than two per cent of the total awarded spend. There are still a number of actions that are nearing completion from previous audits but some of the issues should be addressed with the introduction of SAP Ariba. We will test that and the effectiveness of the implemented management actions as part of our follow up work.
- 5.4 We continue to provide grant audit certification to the London Transport Museum. This year we certified £508,385 of Arts Council England funding which supports the running of the museum.
- 5.5 In 2022/23 the CFC team acted on new information received and continued to investigate a number of existing cases related to alleged fraud, corruption, and breaches of TfL policies within the procurement lifecycle. This includes the suspected failure of some TfL employees to disclose conflicts of interest with established suppliers within the supply chain, and allegations of corruption involving a small number of employees and sub-contractors, who have secured work through existing framework agreements with larger Tier 1 suppliers. A number of TfL employees have been subject to disciplinary proceedings and the CFC team has prepared and referred evidence to the British Transport Police Economic Crime team for review and to support criminal investigations and prosecutions.
- 5.6 The Head of Counter-fraud and Corruption is a member of the newly formed UK Rail Counter-fraud Executive Committee. The Committee is made up of senior fraud specialists from across the rail industry and representatives from the Cabinet Office, Public Sector Fraud Authority, and the Rail Delivery Group. A counter-fraud strategy has been agreed by the Committee and disseminated to all train operating companies who sit on the UK Rail Fraud Forum. Top-level commitment is being sought to collaboratively target high risk and high value fraud types that impact heavily on rail industry each year which will ensure consistent approaches on fraud across the industry.

Safety

- 5.7 We have seen an improvement in safety assurance this year with the digitising of first line self-assessment tools for the implementation of management system requirements, which should also facilitate greater trend analysis. The QSSA team continue to assess compliance with key Safety Health Environment Management System (SHEMS) requirements across a sample of key operational and maintenance teams, providing actions to the business where legal or internal standards are not met. The SHEMS has been updated and relaunched, at the same time the QSSA team has implemented a new approach to audit planning which means the assurance provided can be directly mapped back to management system components and therefore TfL's strategic risks.
- 5.8 As a result of the two poorly controlled and one requires improvement audits, QSSA undertook of the compliance with the management system the LU Skills and Development team have embarked on a programme of work to strengthen the competence management systems for all maintenance activities.
- 5.9 QSSA continue to deliver their programme of short and focused Integrated Systems Audits. Those undertaken in LU Asset Performance and Operational teams tested local compliance with asset specific requirements in addition to critical elements of the management system, including SHE, security, competence, and financial controls. The trends and lessons learnt identified from this work have been well received by management teams.
- 5.10 IA continued to provide real time assurance on the effectiveness of the procurement process for the development and implementation of a digital SHEMS. The implementation of the new SHEMS has been managed effectively by the project team who have maintained robust review processes throughout.

Environment including climate adaptation

- 5.11 IA delivered another two audits in the Climate Adaptation series looking at data and reporting. The audit of data found that existing asset data management practices place limitations on embedding adaptation, climate, and weather-related data. Assessing the extent to which existing data can inform and support adaptation has been limited by the lack of easy access to asset data. As a result the improvements to adaptation reporting that remain unaddressed are mainly those that depend upon the recording and availability of comprehensive and consistent adaptation data across operations. The series of Climate Adaptation audits that IA have produced has helped SHE to embed climate change adaptation into existing governance, processes, and internal controls.
- 5.12 In addition to the two environmental Bus audits mentioned in paragraph 4.5 above, the QSSA team conducted two other environmental audits. One to assess detailed compliance checks against specific requirements of emissions recording for Greenwich Power Station and the other on the programme to manage fluorinated greenhouse gases. Both audits verified that effective controls were in place to meet the specific legal requirements.

Technology and Data

- 5.13 Technology and Data has been operating with a significant number of vacant posts continuing the theme of resourcing challenge. As a result the audits in this area provide a mixed picture. While half of them were rated as 'Requires Improvement' there was also a lot of good practice identified. Documentation was generally good for SAP Business Planning and Consolidation although the documentation for benefits realisation had not been maintained through the lifecycle of the implementation and beyond. There are good preventive and detective controls for the flows of data between different parts of SAP including daily reconciliations of SAP data. Segregation of duties conflicts for some access controls had been identified and addressed as part of the SAP Business Planning and Consolidation.
- 5.14 We identified improvements in the way one of our major Information Technology suppliers has taken steps to define procedures and controls in relation to access to their central system. The Revenue Collection contract has the necessary controls in place to comply with the contract. There are regular service review touchpoint meetings and our testing sample confirmed that all joiners, movers and leavers had their access granted, modified and/or revoked in line with TfL and supplier requests.
- 5.15 We found that the controls for the allocation of strategic and operational ownership of Software Licence Management and the associated governance framework needs improvement. Our review of Data Loss Prevention concluded that overall control could be improved but we confirmed that a range of controls are in place to protect data and reduce the risk of data leakage. Logical access controls are in place to govern data access and encryption controls are operating across the TfL information systems operating environment.

Security

- 5.16 The assessment of security controls from a second line perspective has resulted in improvements to the management of security risk from project works and the management of Network and Information System assessments in compliance with the regulations. Other areas of work have supported improvement work aimed at improving TfL's security maturity and feasibility reviews of implementing industry standards such as ISO 27001 (Information Security Management Systems).
- 5.17 QSSA's audits of compliance with the PCI DSS look to ensure that TfL has robust technology, systems, process and competence standards for the processing of card payments. This includes the provision of support and advice to TfL teams introducing new or changing existing payment systems or technology to ensure compliance is designed into the system. Three of these audits were non-compliant, none of which related to processing card data, and work is in hand to achieve compliance.

Counter-fraud and Corruption

- 5.18 The CFC team has seen an increase in both the new cases managed and the number of new miscellaneous referrals up by 123 per cent on last year. There are several factors behind this increase. There has been increased use of the external fraud reporting tool (through the 'Crime Reporting' page on our TfL website) and, through internal fraud awareness campaigns. There is an increased willingness to report suspected wrongdoing to the team.

6 Governance

- 6.1 Governance is the combination of processes and structure that the Board puts in place to inform, direct, manage and monitor TfL's activities to ensure the achievement of its objectives. The Risk and Assurance teams look at how this is supported and works in practice at an organisational level. Common findings in audits have included poor records management, clarity over roles and responsibilities and compliance with established procedures. These are essential elements of good governance but can be easily overlooked when the focus is on delivery. To support this the Risk and Assurance leadership team continues to be involved in a range of steering groups and other governance bodies. This involvement enables us to provide input on risk and assurance matters, as well as allowing observation of project and other governance processes.

People

- 6.2 We found that selection and assessment processes for Executive level recruitment differed in practice to those set out in the pan-TfL Hiring Managers Toolkit. Records of selection decisions, pre-employment checks and vetting were not consistently maintained. We acknowledge that this area has had a high turnover of staff and that senior management accept the identified issues and are acting upon them

Assurance of the Investment Programme

- 6.3 The primary source of assurance for the delivery of the TfL Investment Programme is through the work of the PA team and IIPAG. PA and IIPAG believe that there is sufficient scrutiny on the Investment Programme in TfL through the various portfolio meetings as well as the Executive Committee Investment sub-group and at the Programmes and Investment Committee.
- 6.4 Business cases continue to be reviewed in detail where needed in reviews, but still there remains a need to improve the quality of these key documents. There has been positive work undertaken to provide support and improved tools for business case authors, and PA is monitoring the impact of this and supporting the business with these improvement initiatives. There has been a significant focus on ensuring that business cases being submitted to the Department for Transport as part of funding applications meet the required standard.

- 6.5 IIPAG have produced a number of valuable reports during the year including benchmarking, asset information and asset management, and follow up reviews of progress with improvement programmes within the Procurement and Commercial area and in Programme Management Office.

TTLP Assurance Activity

- 6.6 In order to ensure there is sufficient assurance around TTLP, a new Integrated Assurance Framework (IAF) was established for the organisation that reports its findings to the Land and Property Committee. The IAF is based on TfL PA, IA and QSSA undertaking risk and assurance activities and a sub-group of IIPAG has been established. An Integrated Assurance and Audit Schedule (IAAS) has been developed and approved by the Land and Property Committee and a number of audits and targeted reviews are underway alongside continuous assurance activities. Good feedback has been provided on the work undertaken to date and the IAAS will be updated as necessary to ensure the IAF continues to be robust.

Security Governance

- 6.7 In 2021/22 the QSSA team provided support to the Security team in designing and developing the new TfL Security programme which included establishing governance arrangements. The review of security culture maturity in 2022/23 expands upon this work by providing recommendations to the Security team on next steps to enhance security maturity, including governance arrangements.

7 Quality Assurance and Improvement

- 7.1 In accordance with the PSIAS, IA has an ongoing quality assurance and improvement programme to evaluate our compliance with the Standards and to identify opportunities to improve the effectiveness and efficiency of the function. This is delivered through an annual self-assessment process, but at least every five years we are required to commission an external assessment by a qualified, independent assessor from outside the organisation.
- 7.2 The Head of IA has now been in post for over a year and the priority has been to deliver the audit plan and reduce the carryover of audits to the following year. This has been achieved and we are now in a position to finalise the review of processes and procedures and implementation of the new IA manual. An internal assessment will be completed in the first half of 2023/24 with the commissioning of a formal External Quality Assessment later in the year.

List of Appendices:

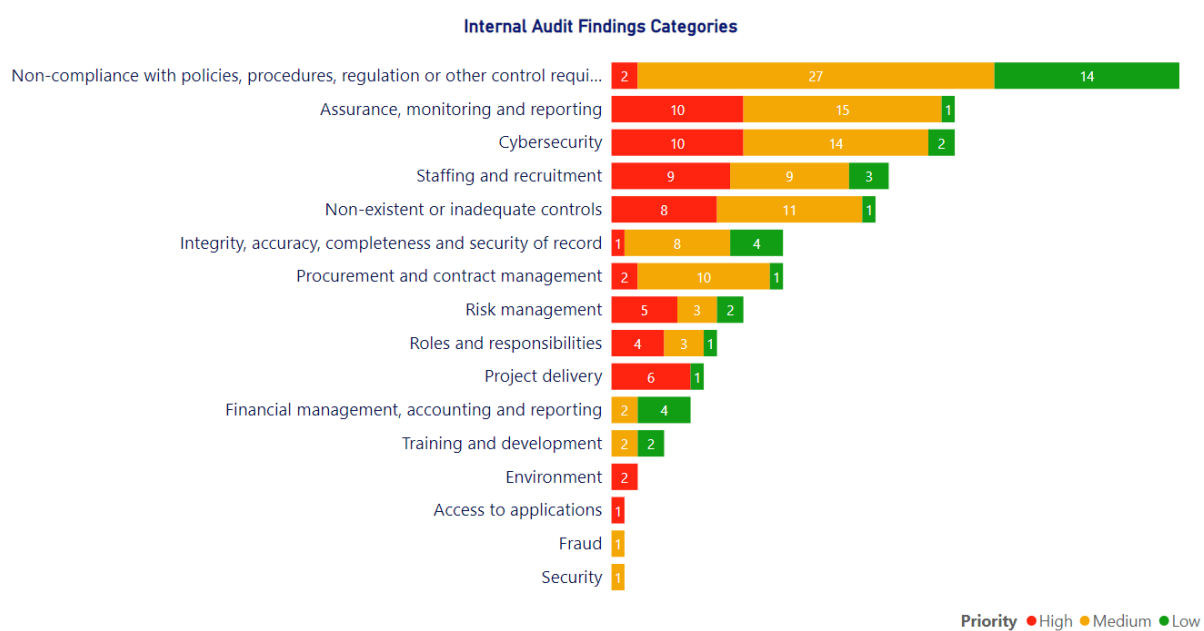
Appendix 1: Analysis of Internal Audit and QSSA findings by category

List of Background Papers:

None

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Analysis of Internal Audit and QSSA findings by category



Audit and Assurance Committee



Date: 5 June 2023

Item: Risk and Assurance Quarter 4 Report 2022/23

This paper will be considered in public

1 Summary

- 1.1 This report informs the Committee of the work completed by the Risk and Assurance Directorate during Quarter 4 of 2022/23 (11 December 2022 to 31 March 2023) (Q4), 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 fourth quarterly report for financial year 2022/23 to the Committee highlighting the activities of the Risk and Assurance Directorate, namely: Enterprise Risk; Internal Audit (IA); Quality, Safety and Security Assurance (QSSA); Project Assurance (PA); and Counter-fraud and Corruption (CFC). Detailed Elizabeth line and TTL Properties Limited (TTLP) assurance work is covered elsewhere on the agenda.
- 3.2 IA and QSSA both exceeded their 85 per cent target for delivery of their audit plans with an overall figure of 90 per cent. This is a five per cent increase on what was achieved for 2021/22.
- 3.3 In response to an Independent Investment Programme Advisory Group (IIPAG) recommendation to strengthen second line assurance of high value procurement actions, the PA team has commenced a number of detailed procurement reviews focusing initially on contract relets in the Technology and Data and London Underground (LU) infrastructure areas.

- 3.4 PA reviews continue to closely scrutinise the quality of business cases, and there has been a significant focus in Q4 on reviewing submissions that will be submitted to the Department for Transport as part of grant funding applications.
- 3.5 In August 2018, an LU employee reported that a number of social media sites were offering to facilitate applications for 16+ Zip Oyster cards to ineligible members of the public. The cards offered heavily discounted travel across the TfL network. A protracted investigation, carried out by the CFC team, supported by TfL operational staff and the British Transport Police, identified widespread fraud that led to the barring of over 13,500 concessionary Oyster cards. Over 60 social media sites were either blocked or closed down. Ten organised criminal suspects were arrested in connection with the widespread fraud, nine of whom were convicted of conspiracy to defraud TfL. A number of the suspects received terms of imprisonment. TfL was also awarded just over £68,000 in compensation from the convicted suspects. A number of control environment improvements have been implemented to prevent serious fraud within concessionary Oyster card schemes. The assessment of financial loss to TfL, as a result of the fraud is challenging to quantify, but actual losses are believed to be over £2m, with potential losses, had the fraudulently issued cards not been barred, being far higher.

4 Enterprise Risk Management

- 4.1 The following Level 0 (L0) Enterprise Risk reviews were facilitated by the team in Q4:
- (a) Procurement including supply chain (ER5); and
 - (b) Governance and controls suitability (ER10).
- 4.2 The Enterprise Risk Management Framework is being updated to reflect the changes made to the Vision and Values Roadmaps and risks realigned at all levels as required. These changes continue to support cross functional reviews of thematic risks and helps ensure risks are reviewed pan-TfL which helps break down silos across the business.
- 4.3 Work has started to revamp the whole Level 1 process as that had historically been broken down at organisation level. Workshops have taken place or in the process of being planned with all Chief Officer areas with the aim of completing the Level 1 refresh by 31 March 2024 at the latest.
- 4.4 A list of the L0 risks is included in Appendix 1.

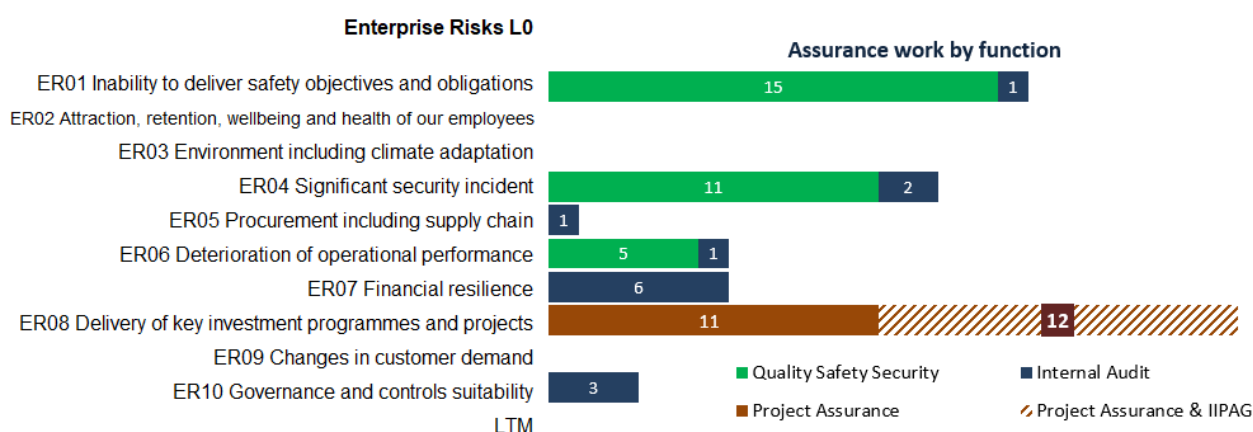
5 Audit and Assurance

- 5.1 In TfL, assurance is delivered in accordance with the 'three lines of defence' model:
- (a) First line of defence – control and monitoring arrangements carried out by the functions responsible for managing the risks/controls;

- (b) 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; and
- (c) 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 Q4 by team/group mapped against the Enterprise Risks (if a risk is not listed this means that no work has been completed against it).

Figure 1 – Assurance activity mapped to Enterprise Risk



Internal Audit

- 5.3 The IA team completed 14 audits (including Elizabeth line and TTLP) in Q4, resulting in the delivery of 93 per cent of the annual plan. The team has exceeded the target of 85 per cent for this year. Of the audits issued one was rated 'Poorly Controlled', six 'Requires Improvement', three 'Adequately Controlled' and four memos were issued. More detail on IA work is provided below and in Appendices 2, 3, 4, 5 and 6.
- 5.4 We continue to see weaknesses in document management, record keeping and clear audit trails. The completion of documentation by hiring managers for executive recruitment was not always timely. We found that the Crossrail project team did not agree arrangements for the transfer of hardcopy documentation needed for continuing operations to TfL. There was a lack of documentation to support the segmentation process exercise in the management of key suppliers audit, which included a strategy/business plan or stakeholder plan. This increases TfL's exposure to gaps in information transfer and the potential loss of corporate memory.
- 5.5 Instances of process not aligning with established procedure were identified in three audit assignments. We found that the selection and assessment processes for executive level recruitment (including the way Taleo is used) differ from those set out in the pan-TfL Hiring Managers Toolkit. There are out of date and missing procedures and manuals which no longer reflect the current situation for invoicing third parties at Victoria Coach Station.

- 5.6 We have identified inconsistencies in the way in which risks are both identified and managed. Our audit of obsolescence of critical operational systems on the Elizabeth line found that there was no holistic view or end to end view of obsolescence risk across the line. In accordance with TfL Enterprise Risk Management procedure Accounts Payable (AP) is required to formally manage its risks by identifying, assessing, recording and managing them.
- 5.7 On a more positive note we found that the implementation of the new Safety, Health and Environment (SHE) Management System has been managed effectively by the project team who have maintained robust review processes throughout. Our review of controls over non-competitive transactions below £100,000 found that the Procurement and Commercial team have made progress in improving the control environment for single source procurements. Despite the outdated system currently in use for creating third party invoices for coach operators, Victoria Coach Station has robust processes in place to manage third party invoicing. There is good segregation of duties and detailed cross checking.
- 5.8 We reviewed the Fit for the Future programme and found that it had delivered ongoing financial benefits to TfL through reducing the operating costs of LU stations. The majority of the original predicted changes have been achieved and now the one-off costs have been absorbed into the Fit for the Future staffing model this will financially benefit TfL into the future. We also found that there are effective controls in place for managing most of the key risks associated with AP processes. The introduction of SAP Ariba has strengthened the controls relating to the registration and maintenance of suppliers. It also provides an opportunity to review and strengthen AP processes.

Management Actions

- 5.9 The team monitors the completion of all IA management actions and confirms whether management has adequately addressed them. The percentage of actions closed on time has increased from 19 to 23 per cent while the percentage of actions extended has remained steady at 53 per cent.

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 Since the last report to the Committee there has been one new Mayoral Direction to TfL.

MD3097 23/03/23	Further financial support fund for Seven Sisters Market traders Seven Sisters Market is an indoor market consisting of 38 traders and plays a vital role in London's Latin American community as a specialist, culturally specific amenity. The market was housed in a TfL owned building that had to close. As the traders were unable to trade, MD2724 directed TfL to provide financial assistance to traders until a temporary market opened at Apex Gardens as part of the Seven Sisters regeneration project. The developer withdrew from the regeneration project and MD2868 directed TfL to provide further financial support while TfL progressed new plans. MD3097 directed TfL to provide further financial support across all traders as they are unable to trade until a temporary market opens.
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Quality, Safety and Security Assurance

- 5.13 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 (PCI DSS) (part of the security assurance work). Audit reports issued by the team follow a similar system of audit conclusions and priority ratings for issues as the IA team.
- 5.14 A summary of work carried out by QSSA in Q4 is included as Appendix 7.
- 5.15 A total of 31 QSSA audits were completed in Q4. At the end of Q4 89 per cent of the annual plan was completed, which exceeded the 85 per cent target for the year. All issued audits have agreed actions that are tracked to completion.
- 5.16 One audit was concluded as 'Poorly Controlled' and has an agreed action plan in place: 'Management of Civil Engineering Deep Tube Project Asset Data For New Assets'. The management arrangements for registering new assets were not working effectively. This prevented new assets being inspected within the timescales defined by Engineering.
- 5.17 Four audits were concluded as 'Requires Improvement', all had agreed recommendations and action plans in place:
- (a) Handover of Tram Fleet Asset Information from Projects to Maintenance Teams: There have been some improvements since the 2020 audit with the management of risks, reporting and maintenance of master document lists. Non-conformances were raised with the Pathway Stage Gate process which were raised in the audit, and the provision of records for maintenance instructions, training and equipment. All actions have been closed out.
 - (b) Management of Engineering Safety Critical Licensing: There were non-conformances with key requirements of the management system, notably recording hours of work, identifying safety critical workers in staff files, communicating working time limits and implementation of a drug and alcohol testing regime. Actions are agreed and in progress.

- (c) Capital Delivery Systems - Management of Construction (Design and Management) Principal Designer Duties in Asset Renewals Programme: While there was satisfactory evidence of Client and Principal Designer engagement, formal documents relating to assessment and appointment of Principal Designers were not sufficiently evidenced. Improvements to the current procedures and SHE and Project Manager engagement are required.
 - (d) Docklands Light Railway Annual Safety Audit – Worksite Access Method Statements and Fire Management: A number of non-conformances in relation to the fire management and Temporary Approved Non-Compliances requirements were identified.
- 5.18 Three Payment Card Industry Data Security Standard audits were concluded as Non-Compliant and all had agreed recommendations and action plans in place.
- 5.19 Thirteen audits were concluded as ‘Adequately Controlled’ or ‘Well Controlled’. Eight Integrated System audits were undertaken and not rated (as they cover a broad range of subjects and risks which makes conclusions misleading).
- 5.20 Four audits were deferred to the 2023/24 plan: ‘Project Management of Redundant Assets’, ‘PCI DSS Compliance Audit: CPAY (TR3 reader)’, ‘Novacroft Management of Data Security’ and ‘Management of TfL Supplier Cyber Security Risk’.
- 5.21 QSSA provided a consultancy review of the implementation of the new SHE Management System content for health surveillance at the request of the SHE management team. The report provided comment on compliance with legislation and associated guidance, ease of use of the website and materials and anecdotal feedback from users on the effectiveness of the content and communications. The SHE team are working on revisions to the system and communications.
- 5.22 Audit planning for the 2023/24 plan is complete with all audits structured around the management system. The Quarter 1 and Quarter 2 of 2023/24 plan has commenced.
- 5.23 The number of actions closed on time has stayed relatively constant in the past six months ranging between 29-32 per cent (23-32 actions). There has been a slight increase in actions extended from 17-20 per cent (14-22 actions), actions are only extended in accordance with our procedure with management approval. We continue to have increased focus on closing actions in collaboration with the management teams and Chief Officers, this has been effective in reducing the number of actions over 100 days which was six at the end of Q4, a significant reduction from 17 at the end of Quarter 3 of 2022/23 (18 September to 10 December 2022) (Q3).

Project Assurance

- 5.24 The PA 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 workbank 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 PA reviews are considered alongside the Authority request at the sub-programme board or operating business board depending on the size of the project.

- 5.25 Three sub-programme reviews were undertaken during the quarter, with IIPAG involved in all of these reviews. In the same timeframe 19 PA reviews were undertaken, with IIPAG involved in nine of these. In total these reviews gave rise to 68 recommendations being made by PA including four critical issues being raised. The critical issues related to ensuring delivery viability, robust estimating, affordability and demonstrating value for money. IIPAG made 24 recommendations, with no critical issues being raised.
- 5.26 A summary of the work completed by PA in Q4 is included as Appendix 8.

Customer Feedback

- 5.27 QSSA issued 27 customer feedback questionnaires in Q4, seven of which were returned (25.9 per cent) with an average score of 91.1 per cent satisfied. This is a significant reduction in response rate compared with the 93 per cent in Q3 and we continue to follow up for feedback. There was one feedback form which generated all five 'dissatisfied' responses, this has been discussed with the auditor and stakeholder.
- 5.28 IA issued 17 customer feedback forms (CFFs) and five were returned (29.4 per cent), this is reduction on Q3. The average score for those returned was 86.3 per cent. Although we have a follow up process the reduced return rate follows a trend for CFFs being returned in waves. A summary of all customer feedback forms is included as Appendix 9.

6 Counter-fraud and Corruption

- 6.1 The CFC 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 Q4, including information on significant closed fraud investigations, is included as Appendix 10.
- 6.3 Of the nine cases closed in Q4, four cases were referred to law enforcement. One of these four cases resulted in the convictions of nine organised criminals, for supplying concessionary Oyster cards to ineligible members of the public for personal gain. A second case, involving a former LU Customer Service Assistant, resulted in a conviction for computer misuse act offences and fraud. No further action has been taken yet on the other two police referrals. The team continues to raise awareness of fraud and corruption across TfL through targeted sessions, presentations and other communications.
- 6.4 In Q4 the Head of Counter-fraud and Corruption attended the UK Rail Fraud Forum and associated Executive Committee meetings. A UK Rail fraud strategy has now been agreed and all members are disseminating the strategy within their respective organisations, to obtain top level commitment. Each Train Operating

Company is also required to nominate a Single Point of Contact to oversee fraud investigations and maintain a consistency over the quality of referrals to law enforcement. Discussions are continuing with senior officers in British Transport Police to finalise and sign off a Service Level Agreement covering the reporting and investigation of financial crime cases.

- 6.5 Details of significant new and ongoing fraud investigations during Q4 are included in the paper on Part 2 of the agenda.

7 Resources

- 7.1 At the end of Q4 the Directorate was carrying nine vacancies (excluding the three roles we are not backfilling for secondments). The current vacancies are four in IA, two in CFC, one in QSSA, one in Enterprise Risk and one in Business Support. We are in the process of actively recruiting six of these roles (four in IA and two in CFC,) with further approvals being sought as appropriate.
- 7.2 There was a successful recruitment campaign for generalist auditors in Q4 and two auditors will join the team at the end of May.
- 7.3 Where suitable we also use secondments to develop our staff. Currently we have seven colleagues on secondments of which five are within Risk and Assurance and two are outside the Directorate.

8 Control Environment Trend Indicators

- 8.1 The Q4 indicators are included as Appendix 11.

List of appendices to this report:

Appendix 1: L0 Enterprise Risk
Appendix 2: Internal Audit reports issued in Q4 2022/23
Appendix 3: Work in Progress at the end of Q4 2022/23
Appendix 4: Work planned to start in Q1 2023/24
Appendix 5: Changes to the Plan in Q4 2022/23
Appendix 6: Internal Audit Q4 summary
Appendix 7: Quality, Safety and Security Assurance Audit Q4 summary
Appendix 8: Project Assurance Q4 summary
Appendix 9: Customer Feedback Q4 summary
Appendix 10: Counter-Fraud and Corruption Q4 summary
Appendix 11: Control Environment Trend Indicators

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

List of Background Papers:

None

Contact Officer: Lorraine Humphrey, Director of Risk and Assurance
Email: lorraine.humphrey@tube.tfl.gov.uk

Risk No.	Risk	Owner	Panel and Committee
ER1	Inability to deliver safety objectives and obligations	Chief Safety, Health and Environment Officer	Safety, Sustainability and Human Resources Panel
ER2	Attraction, retention and wellbeing of our employees	Chief People Officer	Safety, Sustainability and Human Resources Panel
ER3	Environment including climate adaptation	Chief Safety, Health and Environment Officer	Safety, Sustainability and Human Resources Panel
ER4	Significant security incident	Chief Operating Officer	Audit and Assurance Committee
ER5	Procurement including supply chain	Chief Finance Officer	Finance Committee
ER6	Deterioration of operational performance	Chief Operating Officer	Customer Service and Operational Performance Panel
ER7	Financial Resilience	Chief Finance Officer	Finance Committee
ER8	Delivery of key investment programmes and projects	Chief Capital Officer	Programmes and Investment Committee
ER9	Changes in customer demand	Chief Customer and Strategy Officer	Finance Committee
ER10	Governance and control suitability	General Counsel	Audit and Assurance Committee

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Transport for London Audit and Assurance Committee

Internal audit reports issued in Q4 2022/23

Appendix 2

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

Enterprise Risk	Directorate	Ref	Audit title	Summary of Finding	Conclusion
ERo1 Inability to deliver safety objectives and obligations	Insights and Direction	22 026	Implementation of the Digital Safety Health and Environment (SHE) System	Implementation of the new SHE Management System has been managed effectively by the project team who have maintained robust review processes throughout.	Memo
ERo4 Significant security incident	Chief Operating Officer	22 031	Safety and Security of Staff in Stations	We found that generally controls were adequately designed and operating effectively. However controls relating to body worn video cameras and ongoing training of staff in conflict management were not widely implemented.	Requires Improvement
ERo4 Significant security incident	Technology & Data	22 032	Third-Parties with OneLondon Access	During Phase 1 of the audit, we found some weaknesses in the management of third-party access to OneLondon. Principally these relate to the absence of a defined quality assurance process and weaknesses in the recording and evidencing of the due diligence. There were also weaknesses in the monitoring of third-party GDPR training. We will build on these findings during Phase 2 of the audit within the 2023/24 Internal Audit Plan.	Memo
ERo5 Procurement including supply chain	Procurement & Commercial (P&C)	22 034	Management of the relationship with Critical (key) suppliers by P&C	The audit found the process for managing relationships with key suppliers could be improved. As the process is still being developed, a follow-up audit in 9-12 months' time was recommended.	Memo
ERo7 Financial resilience	Chief Finance Officer	22 007	Benefits Realisation for the 'Fit for the Future – Stations' Programme	The Fit for the Future Stations programme has delivered ongoing financial benefits to TfL through reducing the operating costs of London Underground stations. The financial benefits have not been as large as initially planned because savings were scaled back following consultation with the trade unions. However, a majority of the original predicted savings have been achieved, and now the one-off costs have been absorbed, the Fit for the Future Stations staffing model will financially benefit TfL into the future.	Adequately Controlled

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

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

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Transport for London Audit and Assurance Committee

Work in progress at the end of Q4 2022/23

Appendix 3

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

Enterprise risk	Directorate	Ref	Audit title	Objective	Current Status
ER07 Financial resilience	Business Services	22 040	Accounts Receivable	To provide assurance on the adequacy and effectiveness of the Accounts Receivable process.	In Progress
ER07 Financial resilience	Group Finance	23 001	TfL Scorecard Audit 22/23	To provide assurance that 2022/23 year-end results on the TfL Scorecard are being accurately reported.	In Progress
ER03 Environment including climate change	Safety, Health and Environment	22 028	Climate Adaptation -risk assessments	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.	In Progress

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Transport for London Audit and Assurance Committee

Work planned to start in Q1 2023/24

Appendix 4

- There are 15 audits planned to start during the next quarter

Enterprise risk	Directorate	Ref	Audit title	Objective
ERo2 Attraction, retention, wellbeing and health of our employees	Technology & Data (T&D)	23 002	Attraction and Retention of Staff in T&D	To provide assurance on the adequacy and effectiveness of the HR controls supporting attraction and retention of T&D staff.
ERo4 Significant security incident	Technology & Data	23 005	Legacy Technology – Public Services Telephone Network (PSTN) services for telephony and data (Live Audit)	Real time audit to assess and evaluate the adequacy of the plans to move from the legacy PSTN services to alternative services.
ERo4 Significant security incident	Technology & Data	23 006	Review of Strategics (application)	To assess and evaluate the adequacy and effectiveness of a selection of key controls, in relation to the Strategics application managed by Cubic on behalf of TfL, with respect to the accounting and reconciliation of transactions.
ERo6 Deterioration of operational performance	Elizabeth Line	22 044	Elizabeth Line Transition from Capital Programme to Business As Usual (BAU)	To provide assurance on the effectiveness of the Elizabeth line's transition from a capital programme to a BAU operation.
ERo6 Deterioration of operational performance	Engineering and Asset Strategy	23 009	Engineering Resource Model - interaction between delivery lead and business	To assess the adequacy of the processes and controls in place for planning and communication between delivery leads and the business.
ERo7 Financial resilience	Technology & Data	23 007	Ultra Low Emission Zone (ULEZ) Extension Scrappage Scheme	To determine the adequacy and effectiveness of the key controls governing the ULEZ extension scrappage scheme.
ERo7 Financial resilience	London Transport Museum	23 010	London Transport Museum (LTM) Financial Controls	To determine the adequacy and effectiveness of the LTM's key financial controls.
ERo7 Financial resilience	Chief Finance Officer	23 011	Government Funding Conditions	To provide assurance that the conditions of the Government's funding agreement are being effectively managed and accurately reported.
ERo7 Financial resilience	Technology & Data	23 012	ULEZ debt management	To determine the adequacy and effectiveness of the ULEZ debt management key controls.
ERo7 Financial resilience	London Transport Museum	23 016	Arts Council England (ACE) Review 1	To certify costs in respect of funding for the Designation Development Fund.
ERo7 Financial resilience	Business Services	23 026	VAT on Expenses and P-Cards	To provide assurance that adequate controls are in place for claiming VAT on expenses and P-Cards.

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Enterprise risk	Directorate	Ref	Audit title	Objective
ER10 Governance and controls suitability	Programme Management Office	23 017	Stage Gate Compliance	To provide assurance over the adequacy and effectiveness of internal controls in place for compliance with the Pathway Stage Gate process.
ER10 Governance and controls suitability	Information Governance	23 020	Privacy and Data Protection: Surveillance Cameras in London Underground (LU) and Elizabeth Line Trains	To determine if TfL's use, management and control of surveillance cameras inside LU and Elizabeth line train carriages are in accordance with the relevant TfL policies, laws and codes of practice.
ER10 Governance and controls suitability	Information Governance	23 023	Processing of General Data Protection Regulation (GDPR) Data by Third Parties – low value contracts	To determine the extent of compliance of third parties that store and/or process personal data with GDPR requirements.
ER10 Governance and controls suitability	General Counsel	23 025	Gifts and Hospitality	To review the adequacy and effectiveness of controls in place to manage the recording, authorisation and monitoring of gifts and hospitality.

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Changes to the 2022/23 audit plan

Appendix 5

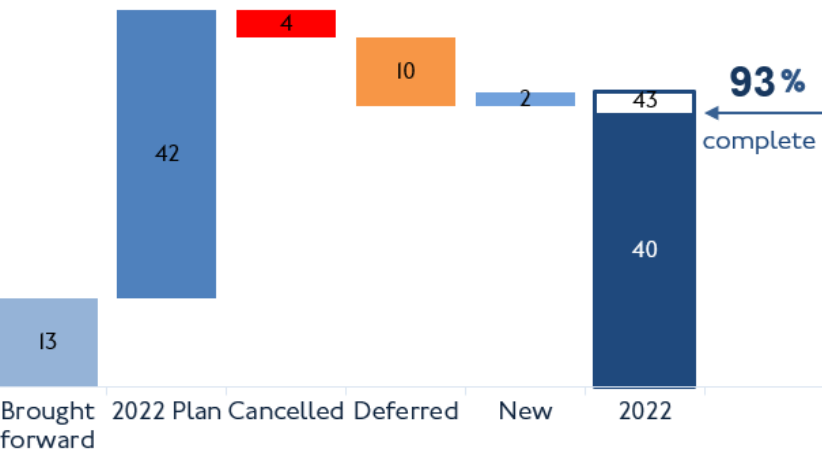
- There were eight changes to the plan in Quarter 4: two cancelled and six deferrals

Ref	Audit Title	Status	Audit Comments
22 008 (C)	Movers and Leavers	Cancelled	The audit has been cancelled as work in this area is being conducted by the external Auditors EY who are covering the majority of the scope planned. It is one of the core audits that is performed on a cyclical basis by Internal Audit (IA) so will be revisited at some point in the future. IA is being copied on the correspondence for the EY audit so will be kept up to date with the findings.
22 029 (D)	Diversity and Inclusion Strategy	Cancelled	New strategy being launched and that will be audited next financial year. This audit is deferred to the 2023/24 audit plan because of an outward secondment from the IA team and the appointment of the new Director of Diversity and Inclusion.
22 039 (D)	London Transport Museum (LTM) Financial Controls	Deferred	With the arrival of a new Financial Controller at LTM it was agreed with their Audit and Risk Committee that this audit would take place in May 2023.
22 033 (D)	Deletion of SAP data	Cancelled	This audit was originally deferred while waiting for the appointment of Technology, Information and Security auditors following the end of the co-source arrangement. In February 2023 when scheduling the audit we received assurance the project that was dealing with has been successfully completed so the audit was no longer required.
22 030 (D)	Engineering Resource Model - interaction between delivery lead and business	Deferred	This audit is deferred to the 2023/24 plan at the request of the business unit due to changes in organisation structure and personnel change.
22 041 (D)	Impact of Extreme Weather	Deferred	This audit has been deferred to 2023/24 because recent organisation changes have resulted in a number of new people to role that need time to get up to speed.
22 035 (D)	London Underground Payroll	Deferred	This audit is deferred to the 2023/24 plan because of an outward secondment from the IA team.
22 043 (D)	Compliance with new Pensions Guidance	Deferred	This audit has been deferred to 2023/24 audit plan as the new code of practice has not yet been published

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Appendix 6: Internal Audit Q4 Summary

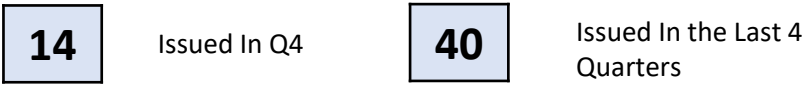
Audit plan for 2022/23 in Q4



At the end of Quarter 4 (Q4) 93 per cent of the plan had been delivered. We are only carrying over three audits into 2023/24 slightly less than predicted in the Quarter 3 (Q3) paper and significantly less than last year's 13. We issued one poorly controlled, six requires improvement, three adequately controlled and four memos.

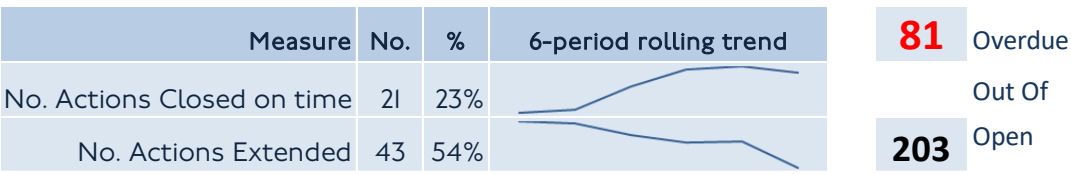
The number of actions closed on time has improved slightly from Q3 but the number of overdue actions has increased from 38 to 81 - although the majority of these are 0-30 days. At the end of Q4 there was one action over 100 days old but this has since been closed.

Reports



Action Management

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

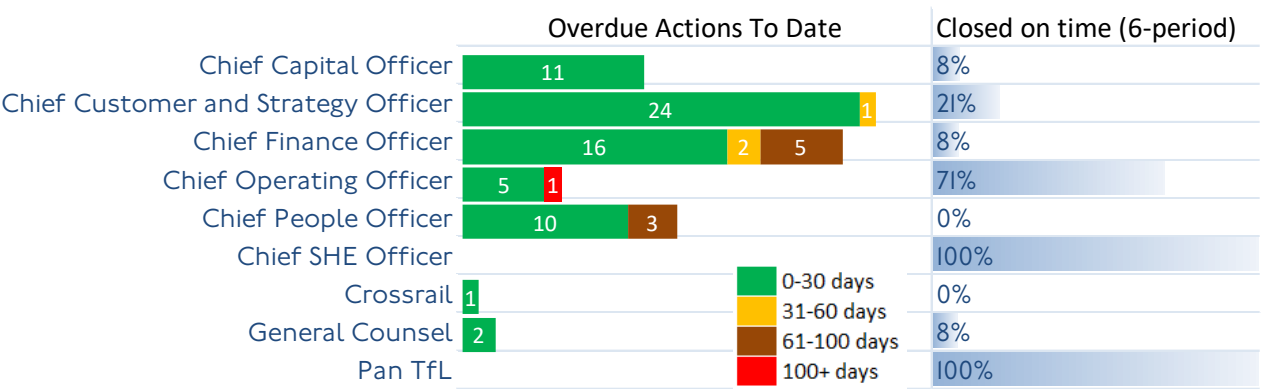


Audit ratings by Directorate - last 4 Quarters

	Poorly Controlled	Requires Improvement	Adequately Controlled	Well Controlle	Memo/ Consultancy
Chief Capital Officer		1			
Chief Customer and Strategy Officer	1	5	2		5
Chief Finance Officer	1	3	3		4
Chief Operating Officer		4	1		2
Chief People Officer	1	1			
Chief SHE Officer		1			3
Comms & Corp. Affairs					
Crossrail					
General Counsel		2			
Pan TfL					
Total	7.5%	42.5%	15.0%	0.0%	35.0%

By Directorate

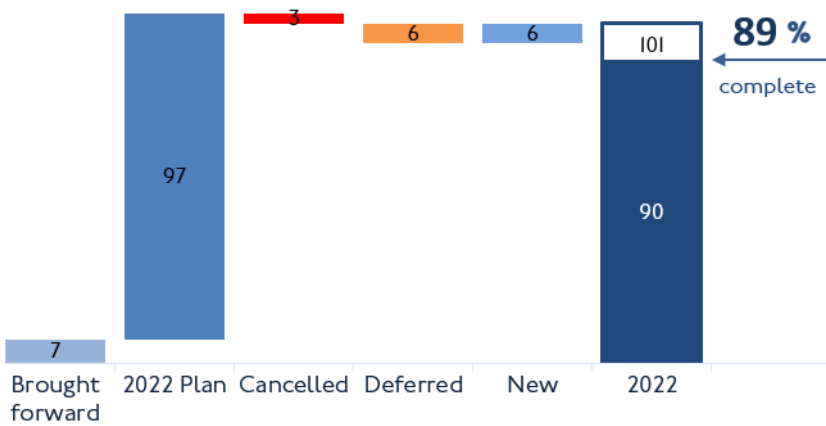
Based on actions due in the last six periods



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Appendix 7: Quality Safety Security Assurance Audit Q4 Summary

Audit Plan for 2022/23 in Q4



Key Highlights

The team achieved the year end target of 85% with minimal change to the annual plan. The outstanding audits will delivered in early Quarter 1 (Q1).
The plan for 2023/24 has been split into Q1-2 and Q3-4 to allow for review and alignment at mid-year.

There was one poorly controlled audit: 'Management of Civil Engineering Deep Tube Project Asset Data For New Assets' - see the main body of the report for full details. Actions have been agreed with the teams and are in progress.

Audit ratings by Chief Officer - last four quarters

	Poorly Controlled	Requires Improvement	Adequately Controlled	Well Controlle	Not Rated
Chief Capital Officer	1	2	1		
Chief Customer and Strategy Officer		2	9		
Chief Finance Officer			1		
Chief Operating Officer	6	8	19	8	31
Pan TfL		1			1
Total	7.8%	14.4%	33.3%	8.9%	35.6%

Action Management

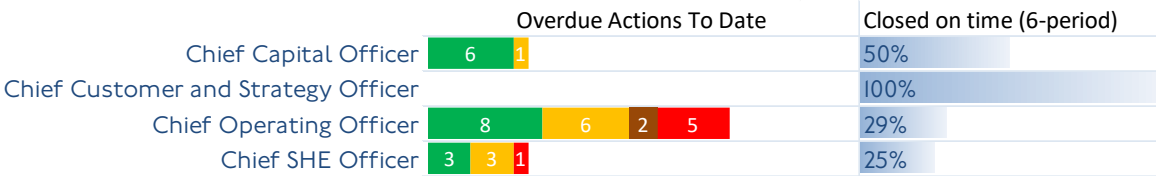
Open Audit Actions - Overall TfL Performance (6-Period trend)

Measure	No.	%	6-period rolling trend	
No. Actions Closed on time	32	30%		35 Overdue
No. Actions Extended	17	20%		92 Out Of Open

Audit Rating By Enterprise Risk – last 4 Quarters



By Directorate



Poorly Controlled Requires Improvement Adequately Controlled Well Controlled Not Rated

0-30 days 31-60 days 61-100 days 100+ days

Based on actions due in the last six periods

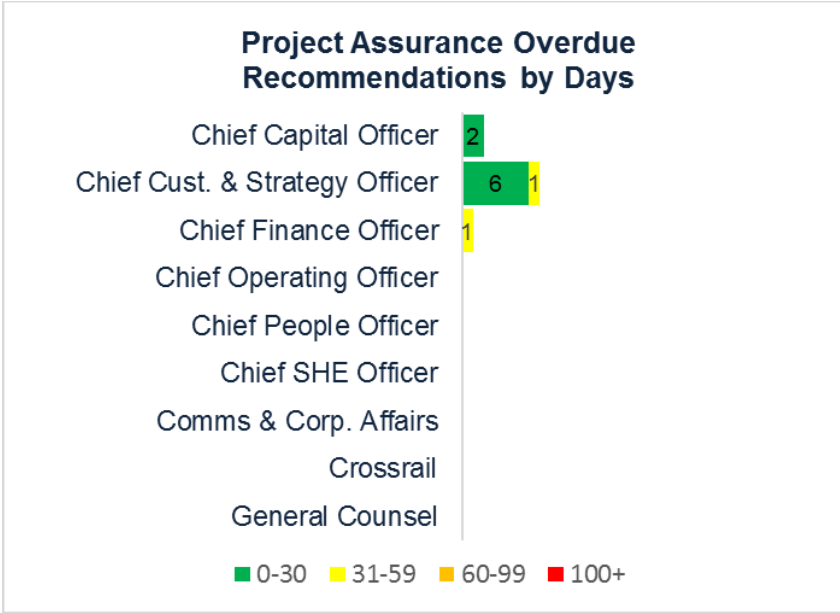
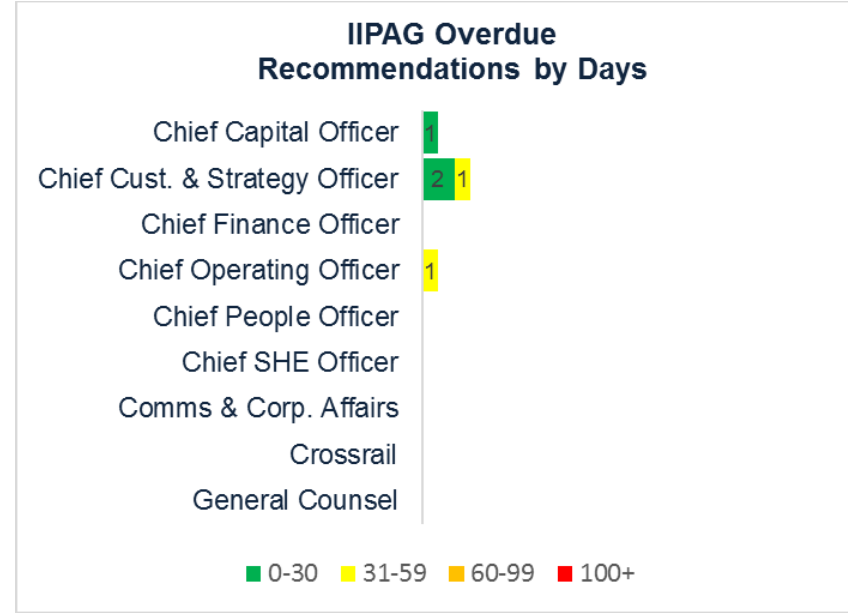
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Reviews Undertaken to Support Submissions to the Programmes and Investment Committee

Sub-Programme / Project	Recommendations (Critical Issues)	Commentary
Technology and Data	11 (0)	The review highlighted effective programme management and notable improvements in risk management, although a third of the largest projects experienced schedule delays. Attracting and retaining (often specialist) resources has been particularly challenging in this area. The proportion of projects with business cases in place has significantly increased.
Air Quality and Environment	10 (0)	The Programme is making satisfactory progress on the delivery of future Road User Charging schemes including London wide Ultra Low Emission Zone, and Blackwall and Silvertown Tunnel User Charging, as well as managing the interdependencies between them. Good progress has been made in securing technical resources but resource availability is still a risk. In addition, there is a smaller portfolio of other environmental projects with a planned increase in these over the coming year.
Road, Bus and River Assets Renewals (formerly Surface Assets)	4 (0)	The Programme is well managed and through effective workbank management has delivered to budget for financial year 2022/23. Due to funding constraints asset condition continues to decline across the network and will continue to do so for several years. The management and reality of managing a declining asset base is well understood, as is the need to maintain a safe network.

Open and Overdue Recommendations

At the end of Quarter 4 of 2022/23 there were five Independent Investment Programme Advisory Group (IIPAG) recommendations overdue against their completion date and 10 Project Assurance recommendations overdue. The following graphs show the length of time that the overdue Project Assurance and IIPAG recommendations have been overdue by and the Chief Officer area that the recommendations relate to. The overdue recommendations are regularly reported to and discussed at the portfolio performance and investment review meetings to ensure that there is awareness and scrutiny at senior level.



Transport for London Audit and Assurance Committee

Customer Feedback Form Summary in Q4 2022/23

Appendix 9

Internal Audit has issued 17 questionnaires, five returned (29.4%), average score of 86.3%

Quality, Safety and Security Assurance has issued 27 questionnaires, seven returned (25.9%), average score of 91.1%

Internal Audit Customer Feedback Summary	Average Score	Very Good	Good	Poor	Very Poor	Total
1) The audit addressed the risks as agreed at the beginning of the audit	83.3%	2	3	0	0	5
2) The assignment was completed, and report issued within appropriate timescales	91.7%	3	2	0	0	5
3) I was kept informed of the audit's progress and emerging findings	70.0%	1	2	2	0	5
4) The audit team acted in a professional manner and in line with TfL Values	100.0%	5	0	0	0	5
Total	86.3%	11	7	2	0	20

Quality Safety and Security Assurance Customer Feedback Summary	Average Score	Satisfied	Dissatisfied	Not Applicable	Total
Accuracy of the findings	85.7%	6	1	0	7
Communication with us during the audit	85.7%	5	1	1	7
Effectiveness of the management actions	85.7%	5	1	1	7
Our professional manner	100.0%	7		0	7
Our receptiveness to your concerns	100.0%	6		1	7
Our understanding of your area	85.7%	6	1	0	7
Scheduling of the audit	100.0%	7		0	7
Time taken to receive the final report	85.7%	6	1	0	7
Total	91.1%	48	5	3	56

Note: Data extracted based on invitations sent in Quarter 4 of 2022/23

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Appendix 10: Counter-fraud and Corruption Q4 Summary

Fraud investigation

During Quarter 4 of 2022/23, six new cases were opened and nine cases were closed. The six new cases included an allegation of fraud within the taxi licensing process and an allegation of conflicts of interest involving TfL employees.

Fraud prevention

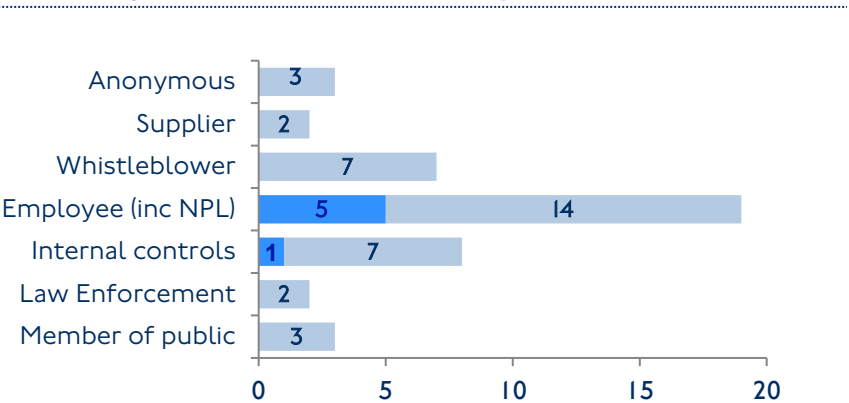
- The CFC team has been working closely with the Road User Charging (RUC) team to strengthen controls within application processes for both exemptions and scrappage grants to ensure opportunity for fraud is minimised. As a result of the collaborative work, new controls have been introduced to prevent fraud and swiftly identify suspicious applications. The CFC team will continue to work with the RUC team going forward to monitor trends and detect anomalies.

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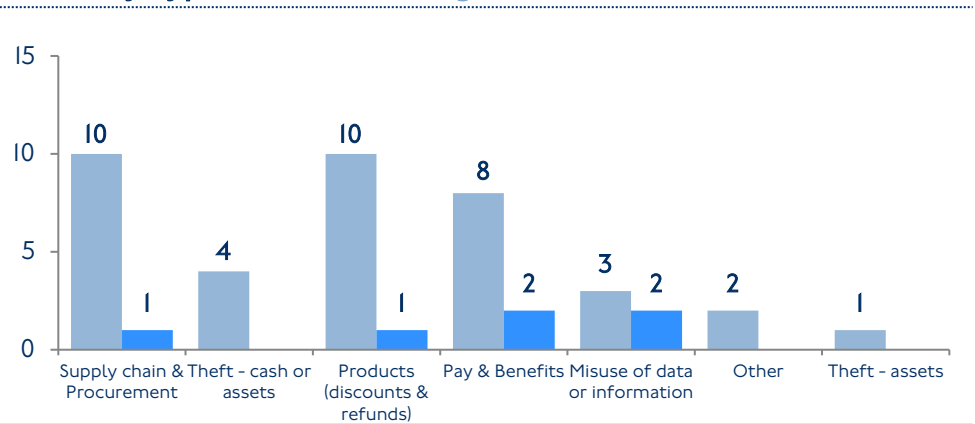
Cases by Chief Office

Investigations	B/F	New	Closed	C/F
Operations	25	3	6	22
Customer & Strategy	10	1	3	8
People	1	0	0	1
General Counsel	1	2	0	3
Capital	0	0	0	0
Finance	1	0	0	1
Total	38	6	9	35

Cases by source New and Brought Forward



Cases by type New and Brought Forward



Significant closed cases

Case I9-920 Allegation of computer misuse and data breaches (Operation Equator)
In February 2023, a former Customer Service Assistant (CSA) was convicted at Inner London Crown Court of seven charges relating to Computer Misuse Act 1990 offences and one count of fraud by false representation. The former CSA, while working at Waterloo Underground station, had planted keylogger devices in the back of computers to unlawfully obtain the login details of colleagues and use those details to access sensitive and confidential information. During a search of his home address by police an Oyster card was seized, containing a significant discount that he had loaded onto the card without authorisation or justification while suspended from duty. The former CSA was sentenced to nine months imprisonment (suspended for two years) and ordered to pay £425 costs.



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Transport for London Audit and Assurance Committee


Control Environment Indicators

Appendix 11



Internal Audit indicators – rolling average (four Quarters)

	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%	0.0%	7.1%	9.8%	
Requires Improvement or Poorly Controlled	50.0%	43.8%	36.6%	37.2%	31.7%	36.6%	47.6%	48.8%	

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%	99.97%	99.73%	99.94%	

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	737	795	1037 *	
On time FOI responses	100.0%	100.0%	99.9%	99.9%	100.0%	100.0%	99.7%	100.0%	

* There has been significant increase in FOI in relation to the Ultra Low Emission Zone after the Mayor's announcement in November 2022.

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Audit and Assurance Committee



Date: 5 June 2023

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 June 2023. It describes the work undertaken since the last report presented to the Committee in March 2023.

2 Recommendation

- 2.1 **The Committee is asked to note the Independent Investment Programme Advisory Group's (IIPAG) Quarterly Report, the management response to it and approve the IIPAG Workplan for 2023/24.**

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, progress against actions and recommendations and the effectiveness of the first and second lines of project and programme assurance. IIPAG's Quarterly Report for June 2023 is included as Appendix 1.
- 3.2 Figure 1 sets out the status of the IIPAG recommendations at the end of each of the last three quarters. None of the overdue recommendations at the end of Quarter 4 of 2022/23 were critical issues, and at the time of writing the number of overdue recommendations had been reduced to four.

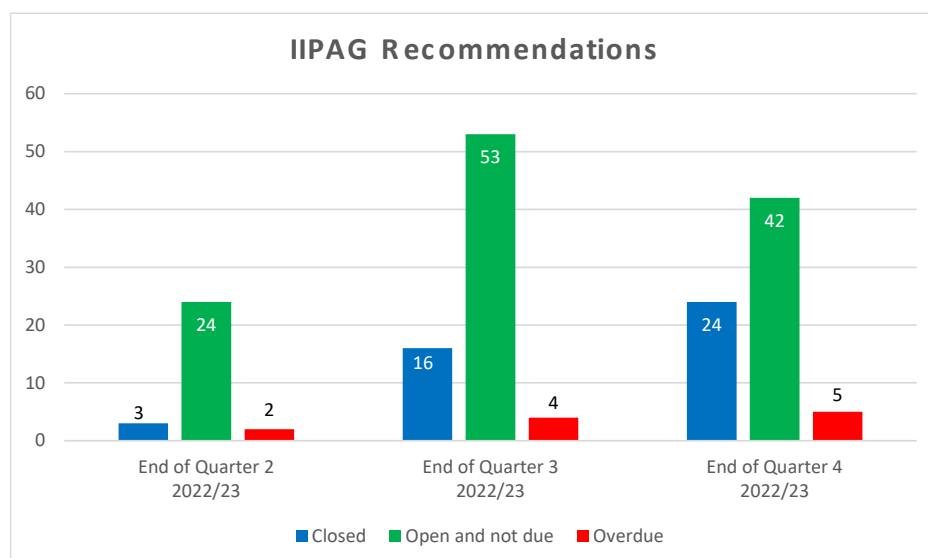


Figure 1: Status of IIPAG Recommendations

- 3.3 From the assurance reviews undertaken during Quarter 4, IIPAG made 24 recommendations, none of which were critical issues. All recommendations were agreed with the respective project teams.

4 Management Response to IIPAG Quarterly Report

Major Road Network Fund Business Cases

- 4.1 We appreciate the ongoing work of IIPAG and their observations around the strategic approach to preparation of business cases in support of external funding requests. Their advice will be shared with leadership teams and considered as part of discussion around the setting of future strategy.

5 IIPAG Workplan for 2023/24

- 5.1 IIPAG's proposed work programme for 2023/24 is provided in Appendices 2 and 3. We support the proposed programme and ask the Committee to approve the IIPAG Workplan for 2023/24.

List of appendices to this report:

Appendix 1: Independent Investment Programme Advisory Group - Quarterly Report
June 2023

Appendix 2: IIPAG Workplan 2023/24

Appendix 3: IIPAG Workbank – Sub Programme and Project Reviews 2023/24

List of Background Papers:

None

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Independent Investment Programme Advisory Group – Quarterly Report June 2023

1. Introduction

- 1.1. This report to the Committee describes IIPAG's activities since March 2023. We have made no new strategic recommendations.

2. IIPAG Activity

- 2.1. This was a quiet period, and we undertook only one sub-programme review, for Surface Assets. Our advice on this sub-programme was submitted to the May meeting of the Programmes and Investment Committee.
- 2.2. Given the small number of reviews, we do not draw out any new recurring themes this quarter. However, the Surface Assets review did highlight a more systemic issue around the large amount of work needed to submit business cases to support funding requests to the Department for Transport's Major Road Network Fund, and the tight timescales for this. We have had further conversations with management and have advised that they adopt a portfolio management approach, with the portfolio manager being a focal point for resource allocation and work prioritisation, and with clear lines into the necessary governance for decision making.
- 2.3. The accompanying paper from Project Assurance describes management progress in implementing IIPAG's recommendations.

3. Progress with Cross-cutting Work

- 3.1. We are currently engaged in two reviews, the first on the delivery of renewals, and the second on the effectiveness of the Pathway Gate process for projects.

4. IIPAG Workplan 2023/24

- 4.1. Our proposed workplan for 2023/4 is included in Appendices 2 and 3 for approval by the Committee.

Alison Munro
Chair, IIPAG
April 2023

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IIPAG WORKPLAN 2023/24**May 2023****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; and
- Cross-cutting reviews of strategic and systemic issues.

We report quarterly to TfL's Programmes and Investment Committee and the Audit and Assurance Committee, 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 has been reported on a six-monthly basis to the Elizabeth Line Committee (ELC). Following the last planned meeting of the ELC in July 2023, work on the Elizabeth line will become Business as Usual for TfL, with investment issues reporting into PIC. The IIPAG subgroup will accordingly be terminated and any work will be absorbed by main IIPAG.

The TTL Properties Limited (TTLP) IIPAG Sub-Group was established in October 2022 to provide independent assurance and expert advice to the Land and Property Committee (LPC), the Audit and Assurance Committee (A&AC) and TfL Executive Committee. There are four members, including three newly recruited IIPAG members who have extensive expertise across multiple areas relating to property. The sub-group also has its own Chair who reports into the Chair of IIPAG. The TTLP Integrated Assurance and Audit Schedule is submitted to LPC for approval and A&AC for noting.

2. Resources

IIPAG's budget for 2023/24 allows for around 350 days work. There is a separate budget for Crossrail/Elizabeth Line (until July 2023) and for TTLP activities.

The main IIPAG consists of seven permanent members with a broad range of relevant expertise. Since September 2022 we have recruited three new IIPAG members through a recruitment campaign, bringing IIPAG up to the total seven members. We also have the ability to bring in specialist expertise on an ad-hoc basis if needed.

3. Sub Programme and Project Reviews

Since September 2022 TfL's financial position has stabilised and there is less uncertainty in funding for the Investment Programme for 2023/24. Appendix 3 provides a list of the proposed Sub Programme and Project reviews that IIPAG will be involved in with the TfL Project Assurance team. The list is compiled with PA on the basis of an assessment of value and risk; it is kept under review in the light of any changes in risk. We also receive briefings on major projects that are in development, but which are not yet included in these Sub Programmes.

A consolidation of the existing Sub Programmes is expected to take place during 2023/24. This may affect the grouping of the component parts, and further consideration is being given to how assurance should be structured. We do not expect it to affect the overall content of the workplan, but if this proves necessary an interim update of the workplan will be provided to the Committee once the new programme structure is signed off and an implementation plan and timetable is in place.

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 consult TfL management on the scope of and Terms of Reference for reviews in advance.

We are expecting to allocate around 145 days for cross-cutting work in 2023/24.

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 Committees as appropriate.

As agreed with the AAC Committee we will reduce the frequency of the TfL benchmarking review to every three years.

We are currently undertaking reviews of:

- Delivery of Renewals
- Effectiveness of Pathway Gates Part 1 (Projects)

In addition we propose to undertake the following cross-cutting reviews and assurance in 2023/24:

- Progress on aspects of value for money (including business case capability, programme level business cases, and treatment of equity and non-monetised benefits)
- How carbon emissions and climate adaptation are treated in the investment programme
- Delivery of Renewals Part 2 (strategy, prioritisation and planning)
- Effectiveness of Pathway Gates Part 2 (Programmes)
- Review of progress in Procurement and Commercial
- Review of Progress with Asset Information
- Annual review of Effectiveness of Line of Defence 1 and Line of Defence 2.

Depending upon whether appropriate case study projects are available, we will also consider work on:

- The commercial and management relationship with Network Rail
- Deep dive of a project over its life, to learn lessons.

Following a suggestion from AAC, we are discussing with the Head of the Programme Management Office the scope for a review of cost and schedule performance of projects within the investment programme. In addition we expect to review investment governance on a continuous assurance basis.

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 Project reviews	145
Cross-cutting work	145
Other (meetings etc)	60
Total	350

Alison Munro
Chair, IIPAG

IIPAG Workbank – Sub Programme and Project Reviews 2023/24

Silvertown Tunnel

- Sub Programme Review

Healthy Streets

- Sub Programme Review
- Old Street
- Catford
- Vauxhall Cross
- Wandsworth

Piccadilly Line Upgrade

- Sub Programme Review
- Train Systems
- Infrastructure
- Depots and Stabling
- Rail Control Systems
- Systems Integration

DLR Rolling Stock Replacement

- Sub Programme Review

4 Lines Modernisation

- Sub Programme Review

LU Enhancements

- Sub Programme Review
- Step Free Access

Surface Technology

- Sub Programme Review
- iBus 2
- Cycle Hire Relet

Surface Assets

- Sub Programme Review
- Blackwall Tunnel Southbound Refurbishment
- Brent Cross
- Westway
- Gallows Corner
- Victoria Coach Station Modernisation
- London River Service Piers
- Hammersmith Bridge

London Underground Technology

- Sub Programme Review
- Future Operational Network (FON)

Public Transport

- Sub Programme Review
- Tram Replacement
- DLR Station Controllers
- East London Line (ELL)
- Surrey Quays (ELL)

London Underground Infrastructure Renewals

- Sub Programme Review

Major Stations

- Sub Programme Review
- Bank Station Capacity Upgrade
- Elephant and Castle Station

London Underground Train Systems

- Sub Programme Review (Fleet / Track / Signalling)
- Track and Drainage Contract
- London Underground Signalling and Control
- Bakerloo Rail Vehicle Accessibility Regulations (Fleet)
- Central Line Improvement Programme
- Central Line Programme Lift
- Jubilee Line Underframe Modification Project
- Locomotive Capability – Heavy Haul
- Railway Signalling Enhancement Sub-Programme

Air Quality and Environment

- Sub-Programme Review
- Road User Charging
- Environment

Tech and Data

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

Elizabeth Line

- Sub Programme Review

Audit and Assurance Committee



Date: 5 June 2023

Item: Elizabeth Line Programme Assurance Report Quarter 4 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 4 of 2022/23 (11 December 2022 to 31 March 2023) (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 successful introduction, on 6 November 2022, of train services running directly from Reading and Heathrow to Abbey Wood, and from Shenfield to Paddington, using Network Rail (NR) infrastructure on the Great Western lines and Great Eastern lines has added a further degree of infrastructure complexity which has resulted in occasional days of Public Performance Measure below that required to maintain a resilient 24 trains per hour (tph) service in May 2023. The continuing operating challenge going forward is to improve the reliability and resilience of the end-to-end railway to achieve the required tph.

- 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 and the quality of the service response in preparation for Stage 5c.
- 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, any emerging new cost pressures are being prudently recognised in the Anticipated Final Crossrail Direct Cost (AFCDC) as they arise, and the Programme continues to maintain provision and contingency budgets. Ongoing reviews of any emerging pressures are being completed to enable reductions of the AFCDC towards the target AFC and minimise funding requirements beyond the £825m.
- 4.5 The project has made significant progress since the last report, key progress highlights include:
- (a) commissioning of Siemens software ELR400 over Easter 2023;
 - (b) the Employers Completion Process (ECP) completed at Bond Street station. All station ECPs are now complete with defects responsibilities transferred to London Underground and Rail for London (Infrastructure) Limited;
 - (c) continued engagement, planning and the implementation of improvement initiatives with NR on the Great Western Main Line to support the continued reliability performance improvements since merging the three railways at Stage 5b minus and with the run up to full 24tph service in May 2023; and
 - (d) further software development, testing and upgrades to signalling, fleet and infrastructure software, improving performance resilience further.
- 4.6 The scope of maintenance work includes the routeway infrastructure handed over by Crossrail and the stations on the NR sections of infrastructure. The performance of maintenance activities is subject to continuous improvement learning to maximise the outputs in the available time. Further improvements will be delivered as more automated asset data becomes available.

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 Two reports were issued in Q4.

Audit Delivery

- 5.3 Summary information of the reports issued in Q4 is set out below, all actions have been accepted and are being actioned on both audits.

- 5.4 The 'Obsolescence of Critical Operational Systems on the Elizabeth line' audit was rated as 'Requires Improvement'. Three high priority issues and one medium priority issue were raised. The high priority issues related to no end-to-end view of obsolescence risk across the Elizabeth line, the need to implement the obsolescence standard for all critical assets and ensure obsolescence plans are in place for all critical systems.
- 5.5 The audit on 'Information Management and Transfer – Hardcopy Documents' was rated as 'Requires Improvement' with two high priority issues raised. The two issues relate to the lack of an agreed transfer plan for hardcopy documents and the monitoring arrangements in place to track progress.
- 5.6 There were no audits in progress at the end of Q4 but there was one audit in planning. This audit will start in Quarter 1 of 2023/24 (1 April to 24 June 2023) Q1 and details are provided in Appendix 1.

Management Actions

- 5.7 The team monitors the implementation of all Internal Audit management actions and confirms whether they have been adequately addressed before closing them. There were no overdue actions at the end of Q4.

Changes to the Audit Plan

- 5.8 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 were made in Q4.

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

- 6.1 The terms of reference of the IIPAG-EL sub-group continue to provide "look ahead" overviews and areas of interest highlighted as part of the Integrated Audit and Assurance Schedule. We also support the assessment conducted by LoD2 to ensure adequacy and consistency. This schedule is maintained and reviewed regularly with the Elizabeth Line Programme Assurance Group which is co-ordinated by LoD2.
- 6.2 The focus by LoD3 over the reporting period has been on the performance of the enhanced service level of Stage 5b minus in terms of service and fleet reliability as well as software upgrade implementation. At the same time, also ensuring the process in place for transition to the Stage 5c full 24tph service is adequately managed and progressed.
- 6.3 In general, the overall assurance framework for the Elizabeth line has continued to operate effectively.

List of appendices to this report:

Appendix 1: Line 3 (TfL Internal Audit) Work due to start in Q1 2023/24

List of Background Papers:

None

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Audit and Assurance Committee

Work planned to start in Quarter 1 2023/24

Appendix 1

- There is one audit planned to start in Quarter 1

Enterprise risk	Directorate	Ref	Audit title	Objective
ER6 Deterioration of Operational Performance	Elizabeth Line	22 044	Elizabeth Line Transition from Capital Programme to Business As Usual	To provide assurance on the effectiveness of the Elizabeth line's transition from a capital programme to a business as usual operation.

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Audit and Assurance Committee



Date: 5 June 2023

Item: TTL Properties Limited Assurance Update

This paper will be considered in public

1 Summary

- 1.1 This paper reports on progress with assurance activity across TTL Properties Limited (TTLP) during Quarter 4 of 2022/23 (11 December 2022 to 31 March 2023) (Q4).
- 1.2 A paper is included on the Part 2 agenda which contains exempt supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. 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 in Part 2 of the agenda.**

3 Background

- 3.1 The TTLP Integrated Assurance Framework is based on a Three Lines of Defence model comprising:
 - (a) Line 1 – Management functions of TTLP and key interfaces;
 - (b) Line 2 (LoD2) – Project Assurance (PA) and Quality, Safety and Security Assurance (QSSA); and
 - (c) Line 3 (LoD3) – TfL Internal Audit and a sub-group of the Independent Investment Programme Advisory Group (IIPAG-TTLP).
- 3.2 This paper reports specifically on Line 2 (PA and QSSA), Line 3 (Internal Audit) and Line 3 (IIPAG-TTLP) assurance activities. Work in progress for LoD2 and LoD3 is set out in Appendix 1 and work starting in Quarter 1 of 2023/24 (1 April to 24 June 2023) (Q1) is in Appendix 2.
- 3.3 The LoD2 and LoD3 teams meet periodically to ensure that assurance is carried out by the right team at the right time and to avoid duplication.

4 Line 2 (PA) Assurance

- 4.1 LoD2 continues to provide assurance on an ongoing basis as well as carrying out Targeted Assurance Reviews (TARs) on key areas.
- 4.2 Five TARs were in progress or completed in Q4. More detail is contained in Appendix 1 and 2 and further targeted reviews will be undertaken as required to support any significant investment decisions.
- 4.3 Resourcing and procurement and commercial reviews completed in Q4 and reports will be provided to the next meeting of the Land and Property Committee.

5 Line 2 (QSSA) Assurance

- 5.1 The final report from the QSSA audit of tenant safety compliance was issued with a conclusion of 'adequately controlled' and all actions have been agreed by TTLP. Significant improvements were noted since the last audit.

6 Line 3 (Internal Audit) Assurance

- 6.1 Two audits were completed in Q4, Property Transfer Accounting and Accounting and Cash Management. Two further audits are planned for Q1 and more detail is contained in Appendix 1 and 2. There are currently no overdue actions from previous audits.
- 6.2 The Property Transfer Accounting audit found that there were gaps in the audit trail supporting the assets transferred from TfL to TTLP. This included asset descriptions not matching the live asset, inconsistencies in asset values across documentation, discrepancies in financial posting in SAP and Asset Values, assets not found on TTLP asset register and legal documentation not in the standard format. We also identified weaknesses in planning the delivery of activities as neither a project team nor consideration of the resources required for the delivery of property transfer accounting from TfL to TTLP were established at the outset.
- 6.3 We worked with TTLP in real time on the accounting and cash management processes and while a high-level Financial Readiness plan was in place the detailed work required to deliver the plan had not been developed or shared with the Executive Leadership Group. As with property transfer accounting there was also no project resource plan with reliance placed on existing staff. Key stakeholders had not been formally or consistently identified or documented as part of a stakeholder management plan and there was an absence of a communications plan.
- 6.4 The risk log for accounting and cash management processes in TTLP had not been systematically thought through. The severity of the risk/issues had not been assessed using the standard methodology, leaving the project exposed to uncertainties materialising and management having to direct scarce resources to manage the consequences.

7 Line 3 (IIPAG-TTLP) Assurance

- 7.1 IIPAG-TTLP work for Q4 and Q1 is set out in Appendix 1 and 2. Three reviews were underway in Q4 focussed on retail income forecasts up to 2031, delivery confidence in the short- and longer-term housing objectives and Joint Venture structuring and management.
- 7.2 The retail review report will be presented to the next meeting of the Land and Property Committee.
- 7.3 As IIPAG-TTLP obtain an even more detailed understanding of the business they will add additional workstreams to the Integrated Assurance and Audit Schedule.

8 Enterprise Risk Management

- 8.1 The first Level 0 (L0) risk (TTLP-L0-06) was reviewed at workshop facilitated by the Enterprise Risk Management team in January 2023. Work on reassessing Level 1 risks is now being planned.
- 8.2 Details of the seven TTLP L0 Risks are set out in Appendix 3.

List of Appendices:

Appendix 1: Integrated Assurance and Audit Schedule – work in progress
Appendix 2: Integrated Assurance and Audit Schedule – forward plan
Appendix 3: TTLP Enterprise Risks

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

List of Background Papers:

None

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TTL Properties Limited (TTLP) Integrated Assurance and Audit Schedule – Work in Progress

Appendix 1

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
1	Property transfer accounting	<ul style="list-style-type: none"> • New financial processes and controls have been implemented. 	Audit	Internal Audit (IA)	Complete	<ul style="list-style-type: none"> • To assess the maturity and understand financial reporting requirements.
2	Resourcing	<ul style="list-style-type: none"> • Reported staff shortages across multiple teams and reliance on secondments/ non-permanent labour. • People Plan still in development. 	Targeted	Project Assurance (PA)/ Independent Investment Programme Advisory Group (IIPAG)	Complete	<ul style="list-style-type: none"> • To understand how resourcing risks are identified and managed and to assess the impact on the delivery plan.
3	Retail	<ul style="list-style-type: none"> • Considerable uplift in retail income assumed in Business Plan. • Resource shortages impacting ability to deliver new retail opportunities. • Responsibilities historically split across a number of teams. • Wider economic factors are likely to impact viability of existing tenants resulting in more unoccupied units/rising levels of debt. 	Targeted	IIPAG	Complete	<ul style="list-style-type: none"> • To assess the likelihood that the retail strategy can deliver the required uplift in income. • To identify challenges in securing additional retail income and make recommendations which will improve delivery confidence.

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
4	Lillie Bridge – vacant possession of site for development	<ul style="list-style-type: none"> • High value/complex project with significant operational interfaces and a large number of stakeholders. • Governance arrangements developing but not yet finalised. • Opportunities to deliver operational efficiencies have been identified – governance/funding route needs to be confirmed. 	Targeted	PA/IIPAG	Underway	<ul style="list-style-type: none"> • To establish whether requirements are clear and reflect the needs of the development and the operational business. • To consider whether the proposed governance structure and delivery model is appropriate.
5	Procurement and Commercial	<ul style="list-style-type: none"> • New specialist frameworks are being considered. • New commercial strategy and operating model is in development. 	Targeted	PA/IIPAG	Complete	<ul style="list-style-type: none"> • To assess the appropriateness of proposed commercial strategy and any interim arrangements. • To consider any risks to the successful implementation of new frameworks and commercial strategy and to make recommendations to minimise any risk.
6	Accounting and cash management processes	<ul style="list-style-type: none"> • Considerable work to be done to set up the new financial structure but work is not complete. • Resourcing concerns. 	Audit	IA	Complete	<ul style="list-style-type: none"> • To assess financial readiness maturity. • To gain an understanding of financial reporting including cash flow and financial commitments.

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
7	Residential sector	<ul style="list-style-type: none"> • Target doubled from 10,000 to 20,000 units. • Delivery is challenging – often taking longer than expected. • Impact of external market influences including inflation. • Resourcing shortages. • Affordable housing requirement (50 per cent across the portfolio) will impact viability. 	Targeted	IIPAG	Underway	<ul style="list-style-type: none"> • To consider appropriateness of residential strategy. • To assess delivery confidence and understanding/mitigation of key risks.
8	Assurance of tenants' safety compliance	<ul style="list-style-type: none"> • Work ongoing to improve tenant safety compliance and compliance monitoring. 	Audit	Quality, Safety, Security Assurance	Complete	<ul style="list-style-type: none"> • To assess the appropriateness of processes and actions taken to achieve tenant compliance.
9	Governance	<ul style="list-style-type: none"> • Governance arrangements are changing – links into wider TfL Executive are not fully defined. • Governance can be complex where there is an operational interface. 	Targeted	PA	Underway	<ul style="list-style-type: none"> • To consider appropriateness of existing governance/first line assurance arrangements and any proposals to improve governance.

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
10	Joint Venture (JV) structuring and management	<ul style="list-style-type: none"> • High reliance on JV partners to deliver residential targets. • IIPAG review from August 2020 recommended introduction delivery metrics, change control, risk management, progress reporting for JV. 	Targeted	IIPAG	Underway	<ul style="list-style-type: none"> • To assess rationale for JV creation. • To consider the process for ensuring maximum value for TTLP when developing JVs. • To assess governance and management arrangements for existing and proposed JVs.
11	Continuous assurance activities	<ul style="list-style-type: none"> • First line assurance and project controls. • Digital strategy. • Risk management (projects). • Health and safety. • Project management. • Bollo Lane, Platinum Portfolio, Lillie Bridge Depot. 	Continuous	PA	Ongoing	<ul style="list-style-type: none"> • To increase understanding of the TTLP business. • To highlight areas for targeted assurance.

TTL Properties Limited (TTLP) Integrated Assurance and Audit Schedule – Forward Plan

Appendix 2

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
1	Revenue collection/debt management	<ul style="list-style-type: none"> Debt recovery activities are an important part of managing the revenue stream. There has been increasing levels of arrears over the last couple of years. 	Audit	Internal Audit (IA)	2023/24 Q1	<ul style="list-style-type: none"> To provide assurance over the effectiveness and adequacy of the debt collection process.
2	Due diligence process (new tenants)	<ul style="list-style-type: none"> Tenants need to be financially secure so that they do not default on rent payments. They need to be fully vetted to ensure this is the case. A new vetting process was introduced over a year ago and has yet to be tested for effectiveness. 	Audit	IA	2023/24 Q1	<ul style="list-style-type: none"> To provide assurance on the adequacy and effectiveness of the due diligence process for bringing new tenants on board.
3	First line assurance	<ul style="list-style-type: none"> Proposals for first line assurance are being developed, including the introduction of a Programme Management Office. 	Targeted	Project Assurance (PA)	2023/24 Q2/Q3	<ul style="list-style-type: none"> To assess the appropriateness of the proposed improvements to first line assurance.

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
4	Project financial hurdles	<ul style="list-style-type: none"> • Large projects and investments are appraised using financial hurdles. • Some hurdles are being considered as unnecessary as investment decisions are made. 	Continuous	Independent Investment Programme Advisory Group (IIPAG)	2023/24 Q1/Q2	<ul style="list-style-type: none"> • To assess the appropriateness of any proposed changes. • To consider the process and governance regarding exemptions.
5	Key investment decisions	<ul style="list-style-type: none"> • Second- and third-line assurance as required to support authority requests/ investment decisions. 	Targeted	PA/IIPAG	Ongoing	<ul style="list-style-type: none"> • To provide a recommendation on key decisions and investment requests to support decision makers.

TTL Properties Limited (TTLP) Level 0 (L0) Enterprise Risks Appendix 3

Risk	Risk Title
TTLP-L0-1	Inability to deliver safety and legal obligations
TTLP-L0-2	Attraction, retention, health, wellbeing and capability of our employees
TTLP-L0-3	Financial sustainability
TTLP-L0-4	Stakeholders and partnerships
TTLP-L0-5	Environment including climate adaptation
TTLP-L0-6	Inability to react to external market forces
TTLP-L0-7	Procurement including supply chain

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Audit and Assurance Committee



Date: 5 June 2023

Item: Review of Governance and the Annual Governance Statement for Year Ended 31 March 2023

This paper will be considered in public

1 Summary

- 1.1 This paper provides a review of compliance with the TfL Code of Governance in 2022/23 and asks the Committee to approve the Annual Governance Statement, as set out in Appendix 1, to be signed by the Chair of TfL and the Commissioner for inclusion in the 2022/23 Annual Report and Accounts. The paper also reports on progress against the 2022/23 improvement plan (Appendix 2) and the improvement plan for 2023/24 (Appendix 3).

2 Recommendations

- 2.1 **The Committee is asked to note the paper and:**
- (a) **approve the Annual Governance Statement, as set out in Appendix 1 of this paper, for signing by the Chair of TfL and the Commissioner, for inclusion in the 2022/23 Annual Report and Accounts; and**
 - (b) **note the progress against the 2022/23 improvement plan, as set out in Appendix 2 to this paper and the plan for 2023/24, as set out in Appendix 3 of this paper.**

3 Background

- 3.1 The Accounts and Audit Regulations 2015 require that TfL's Statement of Accounts be accompanied by a Statement on Internal Control, prepared in accordance with proper practices. The Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives (CIPFA/SOLACE) provides guidance on what should be included in an Annual Governance Statement.
- 3.2 The Committee monitors TfL's ongoing compliance with TfL's own Code of Governance, which is based on the updated CIPFA/SOLACE Governance Framework and was approved by the Board in March 2008.

4 The 2022/23 Review and the Annual Governance Statement

The 2022/23 Review

- 4.1 The annual review considers the degree of compliance with each undertaking in TfL's Code of Governance. The assessments for the degree of compliance with the Code of Governance's undertakings are consistently high.
- 4.2 The 2022/23 annual review concluded that TfL had a satisfactory level of compliance with the Code of Governance and highlighted the potential governance challenges involved in several anticipated changes.

The Annual Governance Statement

- 4.3 The Annual Governance Statement sets out the key elements of TfL's governance and how TfL complies with the core principles in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework. It draws on the Head of Internal Audit's opinion, as set out in the Risk and Assurance Annual Report and Assurance Statement 2022/23 (elsewhere on the agenda for this meeting). The Head of Internal Audit's opinion, as set out in the Risk and Assurance Annual Report and Assurance Statement 2022/23 (elsewhere on the agenda for this meeting). The Head of Internal Audit's opinion does not identify any significant governance issues but sets out areas for improvement in 2023/24, including the progress on addressing audit findings on documentation and record keeping.
- 4.4 The impact of measures to address the coronavirus pandemic on TfL since March 2020 required a review of TfL's operations and finances. In February 2022, a new Executive Committee structure for TfL to best meet the coming challenges and opportunities was stood up. The new structure was designed to support TfL being an even more efficient organisation focused on financial sustainability and on supporting London's recovery. The structure of the Executive Committee was simplified to support a single unified organisation with a centrally set strategic framework that further embeds our Vision and Values. Changes to the governance of the organisation below the Executive Committee have progressed. A funding settlement was agreed with Government on 30 August 2022 until 31 March 2024.
- 4.5 The draft Annual Governance Statement is included as Appendix 1. Progress against the improvement plan for 2022/23 is set out in Appendix 2.
- 4.6 The improvement plan for 2023/24 is set out in Appendix 3 and rolls forward and updates measures from 2022/23. The plan will be reviewed when a long-term funding settlement is agreed.

List of appendices to this report:

Appendix 1: Annual Governance Statement

Appendix 2: Progress Against Improvement Plan 2022/23

Appendix 3: Improvement Plan 2023/24

List of Background Papers:

TfL Code of Governance

CIPFA Delivering Good Governance in Local Government: Framework 2016 Edition

CIPFA Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE)
Review of Annual Governance Statements 2016/17

CIPFA Developing an Effective Annual Governance Statement 2018

Contact Officer: Howard Carter, General Counsel
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Annual Governance Statement

The CIPFA/SOLACE Delivering Good Governance in Local Government Framework (the Framework) requires local authorities, which includes TfL, to publish an Annual Governance Statement, and to be responsible for ensuring that:

- its business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and properly accounted for; and
- resources are used economically, efficiently, and effectively to achieve agreed priorities which benefit local people.

As a functional body of the Greater London Authority (GLA), TfL is a signatory to the GLA Group Corporate Governance Framework Agreement (the Agreement), which was updated in March 2022. The Agreement is an overarching commitment in relation to the culture and individual behaviours of the GLA Group and contains specific corporate governance commitments. The Board agreed TfL has in place protocols and processes that address all the requirements of the Agreement.

TfL has approved and adopted a Code of Governance (the Code), which is consistent with the Framework and is published online at tfl.gov.uk. This statement explains how TfL complies with the Code and meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

TfL's governance framework has been in place since the year ended 31 March 2001 and remains in place at the date of approval of the 2022/23 Statement of Accounts. The key elements of the governance framework are set out below:

Key Elements of TfL's Governance Framework

Chair, Board, Committees and Panels	The Mayor appoints the Board and is the Chair. The Board provides leadership and determines and agrees TfL's strategic direction and oversees the performance of the Executive Committee to deliver the Mayor's Transport Strategy. The Budget, Business Plan and Capital Strategy set out how the Mayor's Transport Strategy will be delivered and are supported by TfL's Group and individual business area Scorecards. The Board's effectiveness is reviewed annually.
Decision Making	Standing Orders set out TfL's decision-making process and are regularly reviewed. The roles of Members and the executive are clearly defined. The Board, its Committees and Panels meet in public and all decisions taken are published. The approval of Financial, Programme and Project, Procurement and Land Authority by the Commissioner and Chief Finance Officer is also reported to Committees along with any Mayoral Directions to TfL.

Audit and Assurance Committee	The Committee reviews the effectiveness of the system of internal controls, including the integrated assurance framework and considers fraud and risk management issues. It also reviews the Annual Accounts prior to submission to the Board and TfL's compliance with the UK Corporate Governance Code (where applicable). The Risk and Assurance Directorate and External Auditors support the work of the Committee.
Risk Management	TfL has an Enterprise Risk management system that sets out TfL's Enterprise and Strategic Risks, supported by local risk registers throughout TfL, which are monitored by the appropriate senior manager. The Audit and Assurance Committee oversees the implementation of the risk management system, with individual Committees and Panels reviewing each Enterprise Risk within their remit as per the 12-month rolling schedule. The Executive Committee also regularly reviews all the Enterprise Risks.
Scrutiny and Review	The Board, Committees and Panels each receive regular quarterly reports on TfL's performance. These reports cover: performance against the Scorecard; financial performance; customer and operational performance; safety, health and environment; and human resources. The Audit and Assurance Committee reviews TfL's overall audit and assurance arrangements.
The Commissioner and the Executive Committee	The Commissioner and Executive Committee are responsible for the delivery of day-to-day operations. The statutory Chief Finance Officer (TfL's appointed officer under section 127 of the GLA Act 1999) is responsible for safeguarding TfL's financial position. The postholder reports directly to TfL's managing Chief Finance Officer and, while not on the Executive Committee, plays an active part in TfL strategic decision-making through involvement in all key decisions with a significant financial implication and has management responsibility to produce the Business Plan and statutory accounts. The General Counsel, along with the Commissioner, is responsible for ensuring compliance with the law and promoting good corporate governance and high standards of public conduct. The Director of Risk and Assurance annually comments on the effectiveness of the Code.

Applying the Framework Principles

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. TfL's Code of Conduct for Members and staff reinforces a public service ethos and high standards of behaviour. It is supported by more detailed guidance, including a Modern Slavery Statement, TfL's whistleblowing procedures and guidance on conflicts of interest. The General Counsel and Commissioner have specific responsibilities to ensure that TfL's decisions meet legal requirements. Inductions for new senior staff and the one new Member of the Board appointed in 2022/23 explicitly covered the importance of behaviours and ethical values. Declarations of interests for Members and the most senior staff are published on tfl.gov.uk and declared at meetings.

Principle B: Ensuring openness and comprehensive stakeholder engagement. TfL has a transparency strategy and publishes a substantial amount of information. It engages with stakeholders and partners through consultation and its work with London Councils and individual boroughs. It cooperates with appropriate organisations to ensure there is independent scrutiny of its financial and operational reporting processes. Board, Committee and Panel meetings are held in public and are routinely webcast contemporaneously on TfL's YouTube channel to further enhance transparency in decision-making. TfL has an active social media presence including Facebook, Twitter and YouTube.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits. TfL meets this objective through its delivery of the Mayor's Transport Strategy, supported by its Vision and Values, Business Plan and the annual Scorecard process. The Business Plan and Scorecard measures flow through to team and individual staff objectives. The quarterly reports to the Board, Committees and Panels, as well as papers seeking authority for projects, provide commentary on how they support the objective of delivering the Mayor's Transport Strategy.

In September 2021, following a bottom-up staff engagement process, TfL's Vision and Values were launched. These defined TfL's purpose as "To move London forward safely, inclusively and sustainability" and its vision as "We'll be a strong, green heartbeat for London". TfL established five roadmaps to deliver the Vision and Values and these are reviewed annually. They guide planning and decision-making, provide direction while maintaining flexibility for different areas of the business to develop their own plans to contribute and support frequent, open reporting on how we are doing. The roadmaps cover:

- Colleagues – be a great place to work for everyone to thrive;
- Customers – give customers more reasons to choose sustainable travel;
- Finance – rebuild our finances, be more efficient and secure our future;
- Green – reduce emissions in London and protect and improve our environment: and
- Our foundation – operational and project delivery.

Principle D: Determining the intervention necessary to achieve intended outcomes. The Quarterly Performance Report and other key quarterly reports submitted to Committees and Panels track TfL's activities in terms of key performance indicators and delivery of the Mayor's Transport Strategy. These also highlight remedial actions taken where slippage occurs. TfL's intervention in the governance of the Crossrail project in 2020, enabled the Elizabeth Line Delivery Group and Elizabeth Line Committee to drive the project forward, with the line opening on 24 May 2022, through running and Sunday services introduced on 6 November 2022 and the final integration of the railway on 21 May 2023. TfL has also recognised the need to enhance the governance and controls around its property programme to drive forward schemes that will deliver affordable housing for the Mayor and revenue for TfL. Its property subsidiary company, TTL Properties Limited (TTLP) has been given greater financial and governance autonomy and the Land and Property Committee was established, from 1 April 2022 to oversee the operation and delivery of TfL's property programme through TTLP. The Committee has actively reviewed and overseen the governance of TTLP.

Principle E: Developing TfL's capacity, including the capability of its leadership and individuals within it. The structure of the Executive Committee and the roles and responsibilities of its members were refreshed in February 2022 and revised governance arrangements below this level have been reviewed and implemented. TfL undertakes a wide range of human resources activities to develop the capacity of its people. Regular reports are submitted to the Safety, Sustainability and Human Resources Panel and the Remuneration Committee on this and key initiatives including the leadership programme, succession planning and TfL's graduate and apprenticeship programmes. During the year, the Remuneration Committee reviewed and supported proposals in relation to resourcing at TfL, including the launch of a Strategic Resourcing Group and Our People Leaders programme in January 2023. TfL's Vision and Values are also intended to develop capacity (see Principle C above). Board Members are developed through induction, briefings and site visits. One new Board Member was appointed and inducted during the year.

Principle F: Managing risks and performance through strong internal control and financial management. TfL's Enterprise Risk management system sets out TfL's main strategic risks and mitigations, with more detailed risk registers held throughout TfL. Following a review with the Board and the Executive Committee in May 2022, the Enterprise Risks were updated and the Enterprise Risk Management Framework was changed to reflect TfL's Vision and Values roadmaps. A 12-month rolling schedule of reviews for the Level 0 Enterprise Risks was also put in place, with risks reviewed and updates provided to the Executive Committee and the relevant Committees and Panels following the schedule. The Audit and Assurance Committee maintains overall responsibility for scrutinising TfL's approach to risk and receives reports to each meeting. The Finance Committee scrutinises TfL's financial performance and reports on this to the Board. It monitors the effectiveness of rigorous cost control and scrutiny measures introduced as a result of the impact of the coronavirus pandemic on TfL's funding and TfL's progress in meeting the conditions attached to the Government's funding settlements. TfL has also continued to embed the

TfL Health, Safety and Environment Management System and has continuous improvement plans in place to enhance the system and strengthen the maturity of compliance.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability. TfL follows the Government Communication Service guidance on providing clear and accurate information. It has a published transparency strategy and has developed its website and the format of its reports to improve transparency and accessibility. Minutes of meetings, key decisions taken outside of meetings, the registers of Members and the most senior staff's interests and acceptance of gifts and hospitality, along with details of contracts awarded over £5,000 are published on tfl.gov.uk.

Review of Effectiveness

TfL conducts, at least annually, a review of the effectiveness of its governance framework including the system of internal control, which is reported to the Audit and Assurance Committee. There is also an annual Board Effectiveness Review.

TfL continually reviews the effectiveness of its governance arrangements, including all aspects of TfL's operations including its relationships with its group entities. The Risk and Assurance Annual Report and Assurance Statement includes the opinion of the Head of Internal Audit on the overall framework of TfL's governance, risk management and internal control in the year. The opinion for the year ending 31 March 2023 concluded that the overall framework of TfL's governance, risk management and internal control is generally adequate for TfL's business needs and operated in an effective manner. There were no matters raised for the attention of the Board. The scope of an externally led Board Effectiveness Review was agreed in 2022 and that review is underway and due to report in July 2023.

The significant impact of the coronavirus pandemic on TfL's operational activities and its finances continues to be felt. A 19-month funding settlement was agreed with Government on 30 August 2022 to 31 March 2024 and discussions are ongoing in relation to securing long-term capital funding to enable TfL to plan effectively.

Conclusion

TfL is satisfied that appropriate governance arrangements are in place. It recognises that there is always more that can be done and remains committed to maintaining and where possible improving these arrangements. The key ways of doing this are:

- keeping its governance arrangements under continuous review, including through the Board Effectiveness Review;
- addressing issues identified by Internal Audit as requiring improvement;
- reviewing and enhancing performance reporting to focus on key risks and areas for improvement; and
- listening to feedback from key stakeholders.

Signed:

Chair of TfL

Signed:

Commissioner

Improvement Plan 2022/23 Progress

Proposed Activity	Responsible Managing Director	Status Update
Board Effectiveness: Commission and undertake an externally led 2022 Board Effectiveness Review and implement its recommendations.	General Counsel [Updated from 2021/22]	The commissioning of the review was deferred so that it could be conducted after the restrictions caused by the coronavirus pandemic had ended. delayed but it is now underway. The review is in progress and will be reported to the Board in July 2023, along with the proposed management response.
Land and Property: Establish the Land and Property Committee and review and implement governance changes for the operation of TTL Properties Limited (TTLP) and its subsidiary entities.	Chief Customer and Strategy Officer General Counsel [New]	The Committee was established on 1 April 2023 and has had regular meetings and briefings to enable it to review and oversee the governance changes for the operation of TTLP and its subsidiaries. The Committee has been actively engaged in ensuring a strong governance model, including the establishment of a three lines of defence assurance model.
Subsidiary Entities: Annual reviews to be undertaken to simplify the structure and reduce unnecessary costs. Continued support to new and existing statutory directors on their duties and responsibilities.	General Counsel [Continual]	Changes arising from the leadership structure were implemented. An annual review was undertaken in 2022. Advice and guidance will continue to be offered to existing and new directors.
Operating Model and Processes: Continue to develop TfL's operating model and processes in accordance with agreed organisational change programmes.	Executive Committee [Updated/Continual]	Changes to the Executive Committee resulted in a review of the governance structure below this level. Changes have been implemented and these will be kept under review in 2023/24.

Proposed Activity	Responsible Managing Director	Status Update
TfL Scorecards: Continue to develop TfL's Scorecard and effective operational and performance measurement processes to reflect requests from the Finance and Remuneration Committees for a simplified Scorecard with fewer priorities to help drive performance.	Executive Committee [Continual]	The 2023/24 Scorecards were approved in March 2023 and continue the focus on recovery. As progress on recovery develops and long-term sustainable funding is secured, work will continue to enhance and simplify Scorecards.
Safety, Health and Environment: To continue to implement and embed the TfL Safety, Health and Environmental management system.	Chief Operations Officer/ Chief SHE Officer/ Executive Committee [Continual]	This work is ongoing. The implementation of the system has been managed effectively by the project team who have maintained robust review processes throughout.
TfL Management System: Continue with the development of the TfL wide integrated system and implement changes arising from the new leadership structure and the Vision and Values Review.	General Counsel [Continual]	The development of the Management System is a continuous programme. Updates were made to reflect the leadership structure changes and to support the implementation of TfL's Vision and Values.

Proposed Activity	Responsible Managing Director	Status Update
<p>Audit, Assurance and Risk Management: Embed and refine the Audit and Assurance Plan and the Enterprise Risk management system. Enterprise Risks will have oversight by Committees and Panels</p>	<p>Chief Finance Officer/ General Counsel/ Director of Risk and Assurance/ Executive Committee [Updated/Continual]</p>	<p>Changes have been made to the way the Audit and Assurance Plan has been developed to ensure it is more risk driven and is updated every six months to enable urgent work to be added which has been welcomed by the business and the Audit and Assurance Committee.</p> <p>Following the Executive Committee and Board risk discussion the Enterprise Risks were updated. Individual Enterprise Risks will continue to be reported to the relevant Committee or Panel on a 12 monthly rolling schedule. The Enterprise Risk Management Framework has also been updated to reflect TfL's Vision and Values roadmaps. Work on revising risk appetite and other consequential changes to procedures and processes has also started.</p>
<p>Crossrail: As the project nears completion and is completed, the governance arrangements will be reviewed and further incorporated into TfL's business as usual arrangements.</p>	<p>Executive Committee [Updated from 2021/22]</p>	<p>The governance of the project transferred to TfL on 1 October 2020. The Elizabeth Line Delivery Group and the Elizabeth Line Committee operated effectively. The Elizabeth line opened on 24 May 2022, introduced through-running services on 6 November 2022 and the final integration of the railway occurred on 21 May 2023. Transitioning remaining activities to TfL will close out on 26 May 2023.</p>
<p>Transparency: Continue to develop our proactive approach to transparency and maintain performance on responding to Freedom of Information requests.</p>	<p>Chief Customer and Strategy Officer/ General Counsel [Continual]</p>	<p>This work is ongoing. TfL has continued to develop and maintain its approach to transparency and its good record of responding to Freedom of Information requests.</p>

Proposed Activity	Responsible Managing Director	Status Update
Procurement and Contract Management: Implement action plans to further improve governance and controls.	Chief Finance Officer	Work in this area has progressed, with regular reports to the Finance Committee.

Improvement Plan 2023/24

Proposed Activity	Responsible Managing Director	Status Update
Board Effectiveness: Implement the findings from the 2023 externally led Board Effectiveness Review.	General Counsel [Continual]	The externally led review is underway and its recommendations and the management response will be considered by the Board in July 2023. Regular updates will be provided to the Board on implementation.
Land and Property: Continue to embed the effective operation of the Land and Property Committee and the governance of TTL Properties Limited (TTLP) and its subsidiary entities.	Chief Customer and Strategy Officer / General Counsel [Updated]	The terms of reference of the Committee will be reviewed as the governance model for TTLP is embedded.
Subsidiary Entities: Annual reviews to be undertaken to simplify the structure and reduce unnecessary costs. Continued support to new and existing statutory directors on their duties and responsibilities.	General Counsel [Continual]	An annual review will be undertaken later in 2023. Advice and guidance will continue to be offered to existing and new directors.
Operating Model and Processes: Continue to develop TfL's operating model and processes in accordance with agreed organisational change programmes.	Executive Committee [Updated/Continual]	This work is ongoing.
TfL Scorecards: Continue to develop TfL's Scorecard and effective operational and performance measurement processes to reflect requests from the Finance and Remuneration Committees for a simplified Scorecard with fewer priorities to help drive performance.	Executive Committee [Continual]	The 2023/24 Scorecards were approved in March 2023 and continue the focus on recovery. As progress on recovery develops and long-term sustainable funding is secured, work will continue to enhance and simplify Scorecards.

Proposed Activity	Responsible Managing Director	Status Update
TfL Management System: Continue with the development of the TfL wide integrated system and implement changes arising from the new leadership structure and the Our TfL Programme review to optimise the system.	General Counsel [Continual]	The development of the Management System is a continual programme. Updates will continue to be made to reflect leadership structure changes and the outcome of the Our TfL Programme review.
Safety, Health and Environment: To continue to implement and embed the TfL Safety, Health and Environmental management system.	Chief Operations Officer/ Chief SHE Officer/ Executive Committee [Continual]	This work is ongoing.
Audit, Assurance and Risk Management: Embed and refine the Audit and Assurance Plan and the Enterprise Risk management system. Enterprise Risks will have oversight by Committees and Panels	Chief Finance Officer/ General Counsel/ Director of Risk and Assurance/ Executive Committee [Updated/Continual]	The new Enterprise Risks agreed in 2022/23 will be embedded, with individual Enterprise Risks reported to the relevant Committee or Panel to monitor their effectiveness. The review of all Level 1 risks and risk appetite and consequential process will also be completed.
Crossrail: As the project is completed, the governance arrangements will be reviewed and further incorporated into TfL's business as usual arrangements.	Executive Committee [Updated]	Following the transition of the remaining activities to TfL on 26 May 2023, it is anticipated that completion of the project will be endorsed by July 2023, at which point bespoke Crossrail Programme governance will no longer be required. Elizabeth line reporting will be integrated into TfL operational governance. The Elizabeth Line Committee will be stood down in July 2023 and reporting on future investment, operational performance, safety and all other matters will be through the business as usual meeting structure.

Proposed Activity	Responsible Managing Director	Status Update
Transparency: Continue to develop our proactive approach to transparency and maintain performance on responding to Freedom of Information requests.	Chief Customer and Strategy Officer/ General Counsel [Continual]	This work is ongoing.
Procurement and Contract Management: Implement 14-point action plan to further improve governance and controls.	Chief Finance Officer [Updated]	This work is in progress and updates will be provided to the Finance Committee.

Audit and Assurance Committee



Date: 5 June 2023

Item: Legal Compliance Report (1 October 2022 – 31 March 2023)

This paper will be considered in public

1 Summary

- 1.1 This paper summarises the information provided by each TfL Directorate for the Legal Compliance Report for the period 1 October 2022 to 31 March 2023.

2 Recommendation

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

3 Background

- 3.1 The Legal Compliance Report is compiled from information supplied through questionnaires completed by each TfL Directorate and follow up discussions concerning known legal compliance issues.

4 Scope of the Report

- 4.1 The Directorates were asked to identify where they are aware of any alleged breaches of law between 1 October 2022 and 31 March 2023. The questionnaire sought responses concerning the following:
- (a) prosecutions against TfL;
 - (b) formal warnings or notices from the Health and Safety Executive (HSE), the Office of Rail and Road (ORR), the London Fire Commissioner, the Environment Agency, the Information Commissioner or the other Government agencies;
 - (c) investigations by an Ombudsman;
 - (d) alleged legal breaches notified by local authorities or other bodies;
 - (e) judicial reviews;
 - (f) involvement in inquests;
 - (g) commercial/contract claims in excess of £100,000;
 - (h) personal injury claims;

- (i) proceedings in relation to discrimination on the grounds of race, sex, disability, age, religion or belief, sexual orientation, equal pay or breach of contract;
 - (j) wrongful or unfair dismissal;
 - (k) actions to recover unpaid debt in excess of £5,000;
 - (l) breaches of procurement rules and/or the Competition Act;
 - (m) other material breaches of the law;
 - (n) any other material compliance issues; and
 - (o) any initiatives introduced by Directorates to address compliance issues.
- 4.2 Each period will include any ongoing matters carried over from the previous reporting period where applicable.
- 4.3 In accordance with TfL's commitment to transparency, the Legal Compliance Report is included in the public paper.

5 Commentary on Legal Compliance Issues

Prosecutions

- 5.1 On 24 March 2022, we were notified that TfL would be prosecuted by the ORR for an offence under section 3 of the Health and Safety at Work, etc Act 1974 (1974 Act) in relation to the tram derailment on 9 November 2016 at Sandilands junction in Croydon in which seven people tragically lost their lives. Tram Operations Limited (TOL), the operator, is also being prosecuted under section 3. Section 3 places a duty on employers to conduct their undertakings in such a way as to ensure, as far as is reasonably practicable, that people affected by it are not exposed to risks to their health and safety. At the first hearing at Croydon Magistrates Court on 10 June 2022, TfL and TOL indicated a guilty plea. The ORR is also prosecuting the tram driver for breaching section 7 of the 1974 Act. Section 7 requires reasonable care to be taken by employees to protect the health and safety of those affected by their actions or omissions at work. The tram driver has pleaded not guilty and the trial began on 16 May 2023 before a jury at the Old Bailey and is listed to last for four to five weeks. The sentencing hearing for TfL and TOL will take place following the conclusion of the driver's trial.

Formal Warnings or Notices from the Health and Safety Executive or Office of Rail and Road

- 5.2 We previously reported the ORR investigation into the death of a member of the public who fell into the gap between the platform and the train at Waterloo station on the Bakerloo line on 26 May 2020 which resulted in an Improvement Notice being served on London Underground. The ORR confirmed it had closed the Improvement Notice on 22 December 2020. The Rail Accident Investigation Branch (RAIB) published its report on 21 September 2021 which included three recommendations which London Underground responded to. The British Transport Police has completed its investigation. The inquest took place from 20-

27 September 2022 and concluded that the death was accidental. A response has been sent to the ORR in relation to the recommendations from the RAIB report. The ORR has confirmed that it is satisfied that London Underground has addressed all of the recommendations.

- 5.3 The ORR issued TfL with an Improvement Notice on 21 December 2022 following an incident at Chalfont and Latimer where a track worker carrying out lookout duties was struck by a train. The ORR was satisfied with the steps TfL implemented to improve the track patrol safety. No further action was taken.
- 5.4 On 23 December 2022, the HSE issued a Notification of Contravention outlining a number of health and safety breaches including the management of pedestrian crossing points in relation to a fatality at Victoria Bus Station in which a customer was hit after two buses collided. The HSE was satisfied with the risk assessments and upgrades carried out by TfL and no further action has been taken.

Formal Warnings or Notices from the London Fire Commissioner

- 5.5 Two Fire Deficiency Notices were received by London Underground from the London Fire Commissioner during the period in respect of a defective water supply to a station sprinkler system at Southgate station and a defective fire panel, associated fire detection and suppression systems at Angel station. All matters have been addressed.

Formal Warnings or Notices from the Environment Agency

- 5.6 On 15 February 2023, we received a Hygiene Emergency Prohibition Order from the Environmental Health Office in relation to a pest infestation at the Acton REW (Railway Engineering Workshop) Canteen. All the issues raised in the order have now been addressed. No further action was taken.

Formal Warnings or Notices from the Information Commissioner

- 5.7 The Information Commissioner's Office (ICO) investigates alleged instances of non-compliance with the UK General Data Protection Regulation (UK GDPR), the Data Protection Act (DPA) 2018 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (the PECR) (together, data protection legislation), the Freedom of Information Act 2000 (the FOIA) and the Environmental Information Regulations 2004 (the EIRs).
- 5.8 No formal action was taken by the ICO in the reporting period in connection with TfL's compliance with data protection legislation.
- 5.9 A requirement of the UK GDPR is for all data breaches posing a risk to individuals' rights and freedoms to be reported to the ICO within 72 hours, and for affected data subjects to be informed of the breach if it represents a high risk to their rights and freedoms.
- 5.10 No data breaches were reported to the ICO during this reporting period.
- 5.11 There were no outstanding complaints relating to the TfL's compliance with data protection legislation at the end of the last reporting period.

- 5.12 There were six new complaints to the ICO in this reporting period relating to TfL's compliance with data protection legislation. Of the six new complaints, three related to responses to subject access requests, two related to requests for deletion of personal data and one to a request for rectification of information. In each case the ICO was satisfied with how the complaints were resolved.
- 5.13 The FOIA and the EIRs give a general right of access to information held by public authorities. Public authorities are generally required to respond to requests for information within 20 working days and provide the requested information unless an exemption applies. Any person who has made a request to a public authority for the disclosure of information under the FOIA or the EIRs can complain to the ICO. Unless the complaint is resolved informally, the ICO records the outcome in a published Decision Notice. Appeals against the ICO's decisions are heard by the First-Tier Tribunal (information Rights).
- 5.14 In this reporting period, 1,748 requests were made to TfL under the FOIA and EIRs, with 1,746 (99.88 per cent) replied to on time.
- 5.15 There were no open ICO complaints at the end of the last reporting period.
- 5.16 Eight complaints were received by the ICO during this reporting period relating to non-disclosure of requested information. Of the eight complaints, six complaints were found in TfL's favour and one complaint was found in favour of the complainant.. One complaint was still open at the end of the reporting period.
- 5.17 Of the six complaints found in TfL's favour, four Decision Notices were issued by the ICO and two cases were closed informally. Two of the four Decision Notices issued in TfL's favour, were appealed to the First Tier Tribunal. One Decision is awaiting a Tribunal ruling on whether an appeal will be heard and in the other TfL has agreed to provide the information sought by the appellant without the appeal being heard.
- 5.18 The one complaint found in favour of the complainant concerned the use of the FOI cost limit. In this case TfL provided the requested email correspondence to the complainant.

Formal Warnings or Notices from any other Government Department or Agency Indicating a Breach of Law

- 5.19 A warning notice from the Office of Communications (Ofcom) was received on 22 July 2022 relating to the need for London Underground to have a licence from Ofcom for the One Person Operator CCTV system. An application for the licence has been submitted and the outcome is still awaited.
- 5.20 In addition, checks were made as to whether other licences are required across the network. Licence requests were submitted in November 2022 for a radio system used at the Ruislip depot and another in January 2023 for the new Piccadilly Line Upgrade One Person Operator system. An update on these applications is awaited from Ofcom.
- 5.21 TfL has introduced a single TfL frequency system maintained within the Telecoms teams and the Wireless Communications Systems Standard has been updated so

projects and system owners are aware of the need to engage with TfL Engineering to support any licensing applications.

- 5.22 We received a breach notice from the London Borough of Haringey in October 2022 in relation to a breach of the planning conditions for the improvements to Tottenham Hale station. The London Borough of Haringey have agreed not to issue Enforcement Notice proceedings while TfL work to resolve the breach.
- 5.23 The Advertising Standards Authority (ASA) notified TfL on 14 February 2023 of complaints received following the broadcasting of a television advertisement to support the Ultra Low Emission Zone (ULEZ) expansion. TfL have responded to the ASA 's request to substantiate the claims made by the advertisement and await an outcome.

Investigation by an Ombudsman

- 5.24 There were two new investigations reported in the reporting period.
- 5.25 The first investigation related to the delay in the processing of a private hire vehicle (PHV) driver application (due to a backlog of new applications as a result of the coronavirus pandemic) and the second related to a PHV licence renewal application which was rejected for being out of time. In the first investigation, the application in line with the Ombudsman's decision, TfL offered an apology and made a payment as compensation to the complainant for the delay and the inconvenience caused. In the second investigation, the complainant experienced technical difficulty with the online renewal process and missed the deadline for making the renewal application. TfL has subsequently agreed to expedite the application as a renewal application and an outcome is awaited from the Ombudsman.

Notices Received Regarding any Alleged Breach of Law by a Local Authority or Other External Agency

- 5.26 There were three outstanding enforcement notices from the last report and three new enforcement notices received during the reporting period.
- 5.27 The first outstanding enforcement notice (received on 25 February 2014) was from the London Borough of Haringey relating to an unauthorised front extension to units at 231-243 High Road and 249a High Road Tottenham. The tenant failed to remove the extension by 31 July 2014 as required by the notice. The tenant lodged an appeal with the Planning Inspectorate and the enforcement notice remains stayed pending proposals for the frontages of the properties and all the adjacent properties. In January 2019, a Compulsory Purchase Order was approved to enable a borough led regeneration scheme. On 5 August 2021 the developer announced it is no longer progressing with the development. TfL plans to relocate the tenant's business to a nearby site. This will allow TfL control of the subject area and to progress the redevelopment plans, ensuring all necessary planning requirements are fulfilled in the process. The stay on proceedings will remain in place until then.

- 5.28 The second outstanding enforcement notice (received on 6 December 2019) was from the London Borough of Camden relating to a number of alleged breaches of planning permission at 366/366A Kilburn High Road. TfL continues to liaise with the tenant and the London Borough of Camden on this matter.
- 5.29 The third outstanding enforcement notice (received on 16 September 2022) was issued by the London Borough of Tower Hamlets for an illegal house in multiple occupation at 108A Whitechapel Road. TfL has asked the London Borough of Tower Hamlets to liaise directly with the leaseholder and the outcome is awaited.
- 5.30 The first new enforcement notice (received on 30 January 2023) was issued by the London Borough of Wandsworth for the unauthorised erection of a forecourt shop/sales building at 134 West Hill. TfL continues to liaise with the leaseholder and the London Borough of Wandsworth on the matter.
- 5.31 The second new enforcement notice (received on 28 February 2023) was issued by the London Borough of Hammersmith and Fulham for the unauthorised erection of a structure to front a retail unit at 56A Erconwald Street, without planning permission. TfL continues to liaise with the leaseholder and the London Borough of Hammersmith and Fulham.
- 5.32 The third new enforcement notice received after the end of the current reporting period on 14 April 2023 is a Community Protection Notice pursuant to the Anti-Social Behaviour, Crime and Policing Act 2014 which relates to the removal of graffiti at 19 locations in the Royal Borough of Kensington and Chelsea. TfL is liaising with the borough to ensure that the work is undertaken to satisfy the notice.

Decisions Subject to a Judicial Review

- 5.33 There was one outstanding judicial review from the previous reporting period and two new judicial reviews reported during the current reporting period.
- 5.34 The outstanding judicial review relates to a claim issued on 6 November 2020 by United Trade Action Group (UTAG) against TfL's 9 August 2020 decision to grant a London PHV operator's licence to Transopco UK Limited (trading as FREE NOW). The claim alleged that FREE NOW enabled PHV drivers to ply for hire in London using the app which was unlawful and that FREE NOW's drivers were committing a separate offence of accepting bookings without a PHV operator's licence. Judgment was given on 6 December 2021 and the Court dismissed UTAG's claim that PHVs made available via the FREE NOW app were plying for hire but gave leave to appeal to the Court of Appeal. UTAG lodged its appeal in relation to plying for hire to the Court of Appeal on 21 December 2021 and sought permission to appeal to recover their costs in relation to the claim. TfL responded on 4 January 2022.
- 5.35 The appeal was heard by the Court of Appeal on 6 and 7 July 2022 and the Court found that PHVs made available via the FREE NOW app were not exhibited and the drivers were not soliciting custom, and therefore dismissed the appeal. The Court of Appeal also dismissed UTAG's application for permission to appeal costs. UTAG sought permission to appeal to the Supreme Court which was refused and UTAG was ordered to pay TfL and FREE NOW's costs including a payment of £40,000 on account to TfL which has been paid.

- 5.36 On 18 August 2022, UTAG sought permission to appeal directly to the Supreme Court which was refused on 4 January 2023. UTAG has been ordered to pay TfL's costs.
- 5.37 The first new judicial review relates to a claim issued on 16 February 2023 by the London Boroughs of Harrow, Hillingdon, Bexley, Bromley, and Surrey County Council against the Mayor's decisions to expand the Ultra Low Emission Zone (ULEZ) London-wide from 29 August 2023 and to grant fund TfL for the related scrappage scheme.
- 5.38 There are five grounds of challenge broadly relating to (1) the statutory procedure followed; (2) alleged unlawful consultation in relation to, and a failure to have regard to, expected compliance rates in the outer London zone; (3) the scrappage scheme including an alleged failure to take into account the potential for inclusion of non-Londoners in the scrappage scheme; (4) alleged failure to carry out any cost-benefit analysis and/or have regard to the Green Book methodology; and (5) alleged inadequate consultation, apparent predetermination as to the outcome, and the alleged exclusion of certain organised responses from consultation results.
- 5.39 On 12 April 2023 the Court granted permission for the claim to proceed on Ground 1 and one aspect of Ground 3. The Claimants subsequently requested a renewed consideration of permission on the grounds that were refused permission (except Ground 4 which has been abandoned) at an oral hearing which will take place on 25 May 2023. The substantive hearing will take place on 4 July 2023.
- 5.40 The second new judicial review claim was issued on 23 February 2023 by an individual purporting to represent those affected by the ULEZ expansion. The grounds of challenge included the proportionality of the Mayor's decision in light of the air quality benefits of the expansion. On 13 April 2023, the Court refused permission on all but two of the grounds alleged and the claim in relation to those two grounds has been stayed pending final determination of the boroughs' claim referred to above.

Inquests

- 5.41 This section reports on those inquests in which TfL is either a witness, has been asked to provide information to the Coroner or is, or may be, an interested person.
- 5.42 There were five outstanding inquests from the last reporting period and five new inquests reported during this period. Of the five outstanding inquests, two were concluded. The first concluded inquest involved two deceased resulting in one narrative conclusion and one of suicide. The second concluded inquest resulted in a narrative verdict. Of the five new inquests, three were concluded: two were road traffic collisions and one a narrative conclusion. The outcomes of the three outstanding inquests and the two new inquests are awaited.

Commercial/ Contract Claims Brought by or Against TfL in Excess of £100,000 (Not including Personal Injury Claims)

- 5.43 We previously reported that on 9 September 2016 the TfL Trustee Company Limited, TfL's pension trustee subsidiary, issued proceedings against HMRC for overpaid VAT on fund management services. A stay of the proceedings has been agreed, pending the outcome of two test cases. One of the test cases is being appealed and TfL will review its position once that has been determined.
- 5.44 Legal proceedings were issued on 23 March 2021 against the London Borough of Hackney in relation to the lease arrangements for Kingsland Viaduct regarding future rent payments due to the London Borough of Haringey for the remaining term of the lease. The hearing took place in the High Court on 18-21 October 2022 and judgment was given on 12 December 2022 in favour of Hackney. The case has now come to an end.

Personal Injury Claims

- 5.45 TfL has been the subject of 230 claims for personal injury that were closed during the reporting period, of which 33 claims were employers' liability claims by staff and 197 claims were for public liability by customers/members of the public.
- 5.46 Of the 197 claims for public liability, 142 were closed without payment and 55 were settled.
- 5.47 Of the 33 claims for employers' liability, 28 were closed without payment and five were settled.

Employment Tribunal Proceedings

- 5.48 TfL continues to take a proactive and robust approach to managing Employment Tribunal (ET) cases, coupled with a training programme for managers on the latest developments in the law and best practice to avoid employment disputes as far as possible.
- 5.49 There were 136 ET claims reported during the period, of which 95 were carried forward from the previous report and 41 were reported for the first time.
- 5.50 Of the 136 ET claims, 43 are for unfair dismissal, four are for constructive unfair dismissal, 41 are for disability discrimination, two are for trade union detriment, 15 are for sex discrimination, 14 are for race discrimination, two are for victimisation, one is for breach of contract, three are for Wage Act/ unlawful deductions from wages, one is for unpaid holiday pay, four are for discrimination on the grounds of pregnancy/maternity leave, one is for age discrimination, one is for discrimination, one is for whistleblowing, one is for part-time work discrimination and two are for health and safety detriment.
- 5.51 Of the 136 ET claims during the period, 101 cases are ongoing and 35 were concluded during the period. Of the 35 ET cases concluded, seven were won, 11 were settled, one was partially won, two were struck out, and 14 were withdrawn.

Civil Debt in Excess of £5,000

- 5.52 No civil debt claims in excess of £5,000 were reported for this period.

Other Material Compliance Issues

- 5.53 On 4 October 2021 Insulate Britain staged a protest around Blackwall Tunnel and Hanger Lane in London resulting in obstruction of the highway and significant road traffic disruption. In response to a further protest at Old Street (A501) on 8 October 2021, an application was made to the High Court for an interim injunction preventing further protests designed to obstruct the highway by any persons acting on behalf of Insulate Britain and 112 named defendants. The injunction was granted and covered key locations on our roads where any disruption in the movement of traffic is a danger. A final hearing took place in the High Court on 29 and 30 March 2023 at which TfL sought to finalise the interim injunctions put in place so that key roads and bridges on the TfL Road Network remain protected on a permanent basis. On 3 May 2023 (after the end of the current reporting period), the Court granted final injunctions against 129 named defendants and Persons Unknown for a period of five years with a provision for yearly review by the Court for supervisory purposes.
- 5.54 Since 1 October 2022, the environmental activist group Just Stop Oil has been staging protests in London, including on a number of our roads, resulting in obstruction of the highway and significant road-traffic disruption. In response to these protests, on 17 October 2022 TfL made an application to the High Court seeking an interim injunction to protect the most important roads on the TfL network, preventing further protests designed to obstruct the highway. The interim injunction was granted on 18 October 2022. A final hearing took place on 4 May 2023 (after the end of the current reporting period) to determine TfL's application for the interim injunction to be made permanent. Judgment is awaited and the interim injunction remains in place in the meantime.

Breaches or Alleged Breaches of EU/UK Procurement Rules and/or the Competition Act 1998

- 5.55 No known breaches or alleged breaches of EU/UK Procurement Rules and/or the Competition Act 1998 were reported.

Other known Breaches

- 5.56 No other known breaches were reported.

Management of Compliance Issues

- 5.57 TfL's legal and compliance risks are managed as part of TfL's overarching Enterprise Risk Management Framework. A range of operational and assurance processes are in place to mitigate these risks at all levels in the organisation.
- 5.58 These safeguards are supported by the provision of advice on, and training in, relevant legal and corporate governance issues, which are tailored to the needs of TfL's business units.

5.59 The legal and compliance framework is the subject of continuous review and improvement. Initiatives to address compliance across TfL have included:

- (a) ongoing work to update contractual and commercial templates and forms to ensure they align with legal requirements;
- (b) ongoing work to support Procurement and Commercial activity as they prepare for the passing and implementation of the new Procurement Bill;
- (c) updating guidance and providing briefings on the new subsidy control regime (which replaces the EU State aid regime);
- (d) promoting ongoing compliance with information governance legislation (including the FOIA, EIRs, DPA 2018 and UK GDPR) and associated statutory Codes of Practice, including transparency and the proactive publication of information;
- (e) ongoing use of Data Protection Impact Assessments, to review proposed new or changed uses of personal data;
- (f) the promotion through the TfL Management System of Information Governance policies, instructions and guidance;
- (g) ongoing bespoke training to the business on a range of employment issues including employment law updates, reasonable adjustments requirements, disability discrimination, tribunal procedures, mediation and alternative dispute resolution, effective case management and providing guidance and best practice learned from ET cases;
- (h) training on a wide range of legal issues including common contract pitfalls and contract law, procurement law including competitive procedure and exclusions, derogations and modifications, NEC3 engineering and construction contract, Employment Law Update and witness workshops;
- (i) continued support with the use of TfL's e-tendering system to assist users to comply with the procurement regulations, and to observe the principles of transparency, equal and fair treatment of suppliers;
- (j) continued production of instructions, guidance and templates in the TfL Commercial Toolkit to support compliance with regulations and governance;
- (k) ongoing work to identify and address areas of weakness in TfL's processes, helping to implement corrective actions where appropriate;
- (l) continuous improvement in the overall processing times of new PHV driver applications, within 15 working days;
- (m) ongoing work to update the TfL's Enterprise Risk Framework and processes to ensure they effectively support TfL's objectives; and
- (n) the ongoing issue of the Commercial Law Bulletin to the Commercial teams to support the dissemination of important messages relating to regulatory and legal issues.

6 Conclusions

- 6.1 The Legal Compliance Report for the period 1 October 2022 to 31 March 2023 sets out the legal and compliance matters of which TfL senior management is aware. There are no material breaches of law which would affect TfL's continued operations.
- 6.2 Reported matters continue to be broadly in line with previous reports.

List of appendices to this report:

None

List of Background Papers:

None

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Audit and Assurance Committee

Date: 5 June 2023

Item: Financial Control Environment Trend Indicators

This paper will be considered in public

1 Summary

- 1.1 This paper reports to the Committee on the Financial Control Environment Trend Indicators.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the Financial Control Environment Trend Indicators dashboard.**

3 Background

- 3.1 This paper reports on the Quarter 3¹ Financial Control Indicators, that informs the Committee as to the control environment across TfL's Finance, Business Services and Procurement and Commercial teams.
- 3.2 Included in the dashboard for this quarter is a metric on payment targets to small and medium enterprises, as requested by the Committee.

List of appendices to this report:

Appendix 1: Financial Control Environment Trend Indicators Dashboard

List of Background Papers:

None

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¹ This is incorrect and should read Quarter 4

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Financial Control Environment Trend Indicators, Quarter 4, 2022/23

Appendix I

TfL Audit and Assurance Committee
5 June 2023



Forecasting accuracy

Q4, 2022/23

In 2022/23 we successfully delivered the Revised Budget, setting us on the path to financial sustainability in 2023/24. Performance on both income and costs was strong despite only receiving a long term funding settlement part way through the year in August 2022.

Revenue is £46m better than Budget. At the end of the year, journeys are 84% of pre-pandemic levels. Underlying passenger income was £50m higher than the Revised Budget, but lower than the DfT revenue scenario. RUC income was £97m better than Revised Budget, mainly resulting from an accounting change at year end to LEZ and DVS income (£90m).

Operating costs are £54m lower than the Revised Budget from £75m of cost reductions, £9m of efficiencies following the purchase of London Overground (LO) trains and tailwinds of £41m driven by Bus and London Overground performance. These savings were partly offset by the accounting change for LEZ and DVS income.

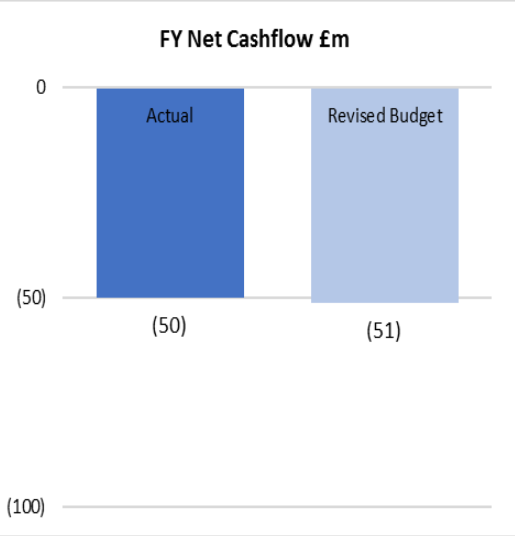
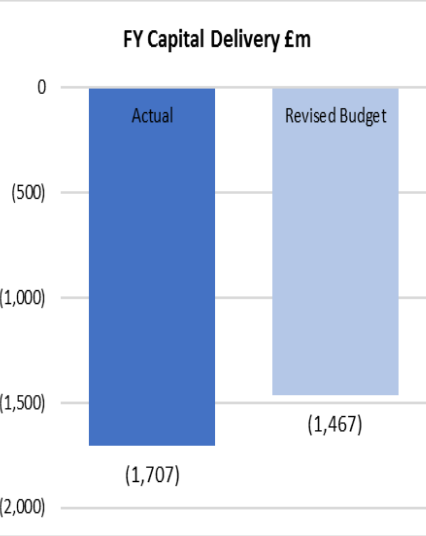
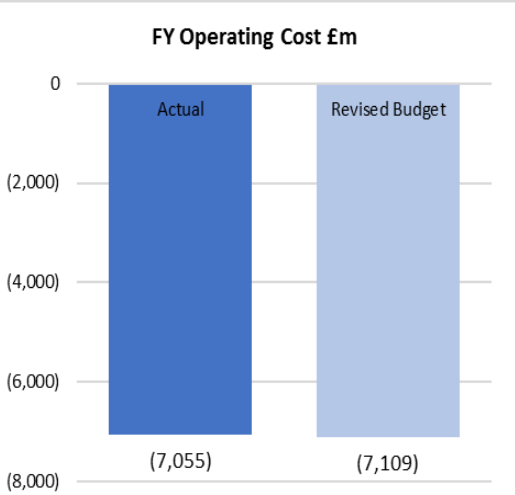
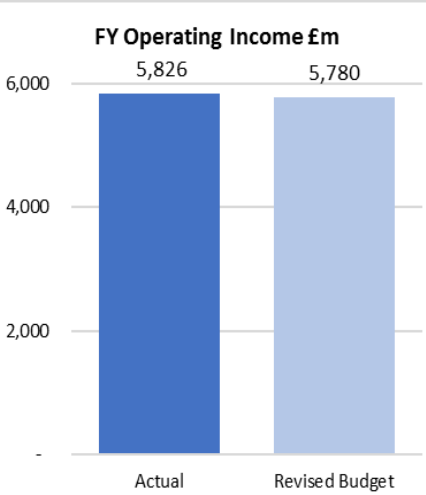
Total capital spend (excl. Crossrail and TTLP) was £1,707m, £250m higher than Revised Budget. This was a result of the purchase of LO trains in the final period of the year. After adjusting for this, capital spend was within 3% of the Revised Budget.

Quarterly Forecasting Accuracy*

£m	Q1 2023	Q2 2023	Q3 2023	Q4 2024
Operating Income	1,264	1,274	1,430	1,858
Variance to reported Budget	5	(4)	34	12
Operating Cost	(1,633)	(1,590)	(1,602)	(2,229)
Variance to reported Budget	18	51	23	31
Capital Delivery**	(293)	(283)	(312)	(819)
Variance to reported Budget	4	29	11	(252)
Net Cashflow	(39)	(187)	(25)	202
Variance to reported Budget	(77)	(94)	(150)	151

YTD Forecasting Accuracy - Q4 2022/23

£m	YTD
Operating Income	
Actual	5,826
Revised Budget	5,780
Operating Cost	
Actual	(7,055)
Revised Budget	(7,109)
Capital Delivery	
Actual	(1,707)
Revised Budget	(1,467)
Net Cashflow	
Actual	(50)
Revised Budget	(51)



* Reported Budget - the 2022/23 Budget for Q1–Q2 2023 and the 2022/23 Revised Budget for Q3–Q4 2023

** Total TfL capital expenditure excludes amounts relating to Crossrail and TTL Properties Limited

Processing payments

Q4, 22/23

Open items indicate the extent to which the balance on the 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 sits at £370k for Q4. The volume of open items in Q4 > 30 days sits at 1504.

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

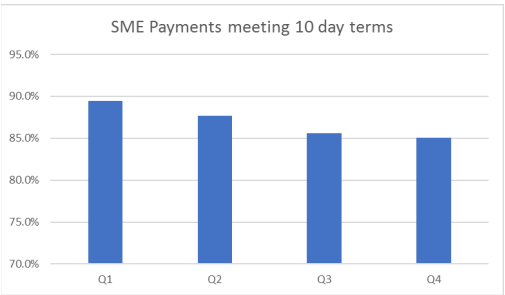
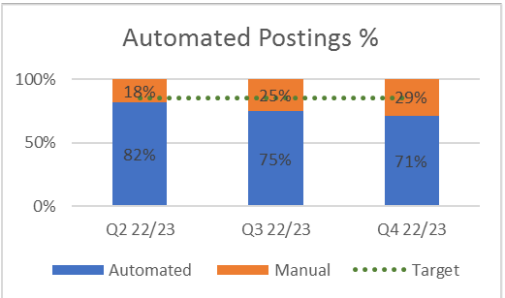
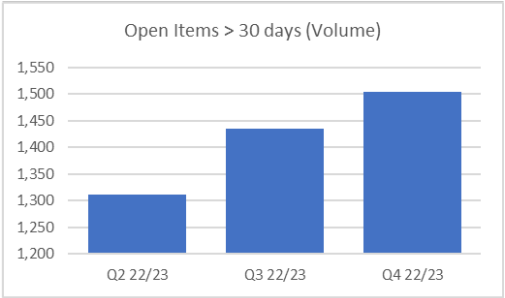
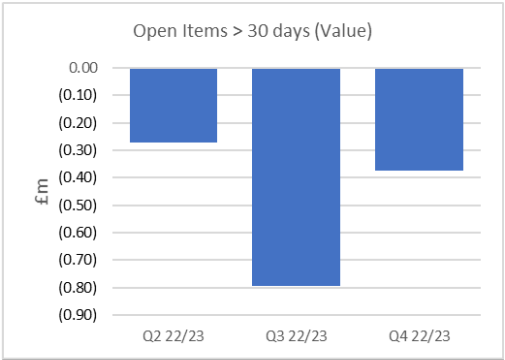
The volume of manual postings increased as the museum's Eventbrite payment system failed. This resulted in an increase to 29%. A new system has since been introduced in PI and this % should drop significantly next quarter.

We have seen a decline in performance of SME payments meeting the 10 day terms, largely resulting from the change in the purchase to pay system to SAP Ariba during Q3/Q4. The processing of legacy orders for which interim processes were introduced delayed the payment of SMEs. The change has now been completed and we expect this to improve next quarter.

Processing payments

Quarterly Figures

£m	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23
Open Items < 30 days (£m Value)	(15.53)	(10.66)	(5.97)	6.69
Open Items > 30 days (£m Value)	(0.22)	(0.27)	(0.79)	(0.37)
Open Items < 30 days (Volume)	2,182	1,575	1,494	144
Open Items > 30 days (Volume)	1,744	1,312	1,434	1,504
Automated Postings %				
Automated	10,785	10,747	12,143	21,593
Manual	2,004	1,970	3,033	6,198
Automated	81%	82%	75%	71%
Manual	19%	18%	25%	29%
Target	85%	85%	85%	85%



Procurement activity

Q4, 22/23

Benefits delivery:
P&C delivered £113m of validated benefits in FY22/23, exceeding the £85m target. Targets are in the process of being set for FY23/24.

Direct awards by value and volume:
Highest value direct awards approved in Q4 were SSL signalling capital delivery framework agreement (£50m derogation), agreement between LUL and Network Rail for Power consumption (£32m derogation) and extended fleet support agreement for SSL and VLU (£16m derogation)

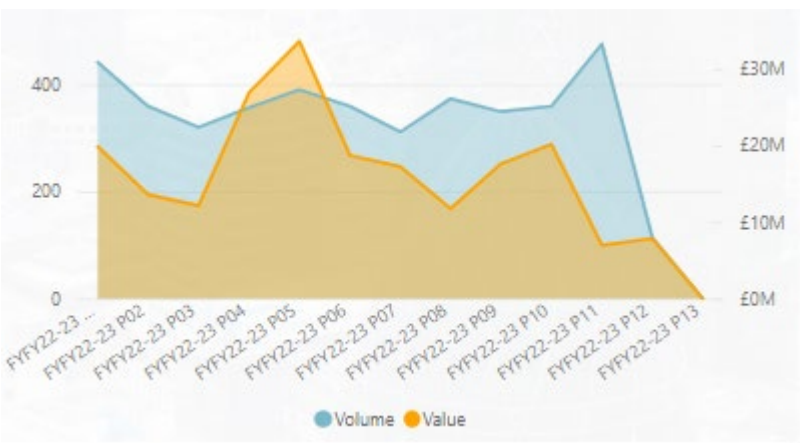
CAM compliance:
Started being tracked in P11. Low initial compliance rates were due to challenges in the adoption of Ariba and adjusting to the new process. People are better understanding the CAM paper submission deadlines and the CAM submission requirements. A target of 80% and floor of 75% have been set for the 23/24 Procurement & Commercial scorecard.

Retrospective spend:
Shopping cart creation date is not available for Ariba POs which began to be created from the implementation of guided buying (30/01) so it is not a like-for-like comparison with previous periods. To be replaced with a measure on timeliness of audit action completion.

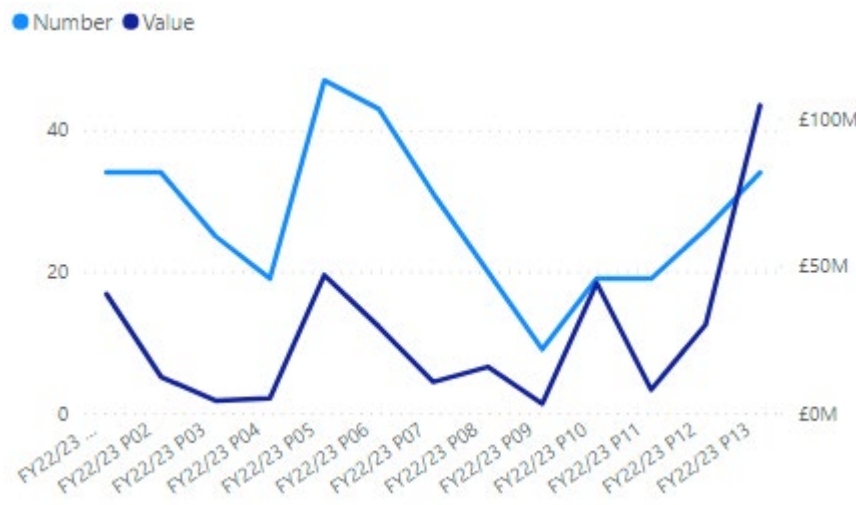
Benefit delivery (£m)



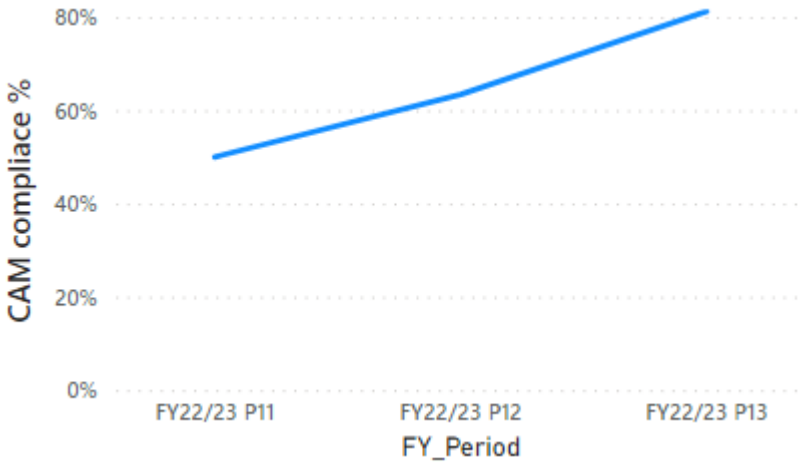
Retrospective spend



Single sources and derogations



Commercial Assurance Meeting compliance



Audit and Assurance Committee



Date: 5 June 2023

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 chart published on <https://tfl.gov.uk/corporate/publications-and-reports/organisation-chart>.
- 1.2 This report covers a three-month reporting period, from 1 February to 30 April 2023. During that period, there were no declarations by Members and 45 declarations made by senior staff, of which 27 were declined and 18 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 was reviewed in May 2022 and the guidance and Frequently Asked Questions were updated 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 on a quarterly basis.

4 Reporting Period and Issues for Consideration

- 4.1 There were no declarations made by Members during the three-month period from 1 February to 30 April 2023. A total of 45 declarations of offers were made by senior staff in this period and 27 of these were declined, with 18 accepted.
- 4.2 Table 1A shows the current period and the previous two periods. Table 1B shows the same reporting periods for the previous year.
- 4.3 For the current reporting period, the number of offers received and the proportion declined are slightly higher than in the same period in 2022.
- 4.4 The offers received and accepted are set out in Appendix 1 and have been reviewed to ensure they comply with the policy and guidance and despite the increase in numbers, no concerns have been identified.
- 4.5 Where there are concerns that the policy or guidance is not being followed, these would be raised with the member of staff and their line manager.

Table 1A: Figures reported to this meeting

Three-month period	01/08/22-31/10/22	01/11/22-31/01/23	01/02/23-30/04/23
Total offers	25	64	45
Total declined	15	30	27
Total accepted	10	34	18
Monthly average			
Total offers	8.3	21.3	15
Total declined	5	10	9
Total accepted	3.3	11.3	6

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

Three-month period	01/08/21-31/10/21	01/11/21-31/01/22	01/02/23-30/04/23
Total offers	35	52	38
Total declined	23	29	21
Total accepted	12	23	17
Monthly average			
Total offers	12	17	13
Total declined	8	9.5	7
Total accepted	4	7.5	6

List of appendices to this report:

Appendix 1: Gifts and Hospitality Register

List of Background Papers:

Corporate Gifts and Hospitality Register

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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
Alex Williams	Accepted	London Heritage Quarter	Opportunity London Dinner	An opportunity to network with key Stakeholders	28/02/2023
Emma Strain	Accepted	Global	Ticket to Global's Classic FM Live concert	Stakeholder engagement	12/04/2023
Esther Sharples	Accepted	Morgan Sindall	Visit to Merseyrail SFA sites to discuss/share delivery approach. Meal attended by Morgan Sindall. Each paid equal share, logging for transparency	Knowledge share with peer organisation. No gift or hospitality received in financial terms. Logging for transparency	28/03/2023
Glynn Barton	Accepted	Urban Transport Group	Parliamentary reception	Networking	22/02/2023
Howard Smith	Accepted	Modern Railways	Lunch and award ceremony	Networking	03/03/2023
Howard Smith	Accepted	Weston Williamson	Dinner & Awards Ceremony	Networking	31/03/2023
Howard Smith	Accepted	MOLIT – The Ministry of Land, Infrastructure and Transportation, South Korea	Business Card Holder	Etiquette	10/03/2023
Jonathan Wharfe	Accepted	Balfour Beatty	Lunch	Engaging with supplier to discuss new ways of working to benefit of supplier and TfL	06/02/2023
Jonathan Wharfe	Accepted	Argon Consulting	Connect event The planet was burning & I kept delivering my savings target	Networking	02/03/2023
Shashi Verma	Accepted	Cubic	Retirement dinner attendance	Cubic hosted a retirement dinner	08/03/2023
Shashi Verma	Accepted	Visa	10 years of Contactless PAYG celebration	Visa has arranged for celebrations to mark this important occasion	13/03/2023
Stephen Field	Accepted	David Aleppo, CFA, Managing Director, WTW	Lunch	Review Meeting followed by lunch	10/02/2023
Stephen Field	Accepted	Pensions Age	Sustainable Investment Summit Conference (09:00 to 13:00)	CPD and networking	23/03/2023
Stephen Field	Accepted	Peter Massam, Health & Benefits GB, WTWCO	Lunch	Review Meeting & Lunch	05/04/2023
Stuart Harvey	Accepted	Anjay Raj at Atkins	Invitation from Atkins to attend the Railway Division Luncheon as a guest	Opportunity to make cross industry networking connections which can further improve how we deliver projects in Capital.	24/02/2023
Thomas Ableman	Accepted	Founders Intelligence	Future of Accessible Mobility Dinner	Key part of Job	21/03/2023
Tom Page	Accepted	Azienda Trasporti Milanesi and Ferrovie Nord Milano	Dinner at Museo Nazionale Scienza e Tecnologia Leonardo da Vinci	UITP Policy Board meeting, not a supplier and instead a partner public agency	08/03/2023
Will Norman	Accepted	Brompton Bikes	One Millionth Brompton event	Representing TfL on expert panel discussing the future of Transport	02/03/2023

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Audit and Assurance Committee



Date: 5 June 2023

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 and Elizabeth line programme assurance, TTL Properties Limited assurance 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 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:

5 June 2023

29 November 2023

14 March 2024

External Auditors

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

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

Membership: Mark Phillips (Chair), Anurag Gupta (Vice Chair), Kay Carberry CBE and Dr Mee Ling Ng OBE

Standing Items		
Financial Control Environment Trend Indicators	Statutory Chief Finance Officer	Quarterly
Risk and Assurance Quarterly Report	Director of Risk and Assurance	Quarterly
Elizabeth Line Programme Assurance Quarterly Report	Director of Risk and Assurance	Quarterly
TTL Properties Limited Assurance Update	Director of Risk and Assurance	Quarterly
Independent Investment Programme Advisory Group Quarterly Report	Director of Risk and Assurance	Quarterly
Register of Gifts and Hospitality	General Counsel	Quarterly

20 September 2023		
TfL Statement of Accounts – Changes Made Prior to Finalisation	Statutory Chief Finance Officer	Annual
Effectiveness Review of the External Auditors	Statutory Chief Finance Officer	Annual
EY Annual Audit Letter	EY	Annual
Freedom of Information Update	General Counsel	Annual

29 November 2023		
Legal Compliance Report	General Counsel	Six Monthly
Annual Tax Compliance	Statutory Chief Finance Officer	Annual
EY Non-Audit Fees	EY	Six Monthly
Enterprise Risk Update - Significant Security Incident (ER4)	Chief Operating Officer	Annual

Audit and Assurance Committee Forward Planner 2023/24

14 March 2024		
Critical Accounting Policies	Statutory Chief Finance Officer	Annual
Personal Data Disclosure to Police and Other Statutory Law Enforcement Agencies	Director of Security, Policing and Enforcement	Annual
Governance and Controls Suitability [ER10]	General Counsel	Annual

June 2024		
EY Letter on Independence and Objectivity	EY	Annual
EY Annual Audit Fee	EY	Annual
EY Report to Those Charged with Governance	EY	Annual
Risk and Assurance Annual Report and Assurance	Director of Risk and Assurance	Annual
TfL Annual Report and Statement of Accounts	Chief Finance Officer	Annual
Review of Governance and the Annual Governance Statement	General Counsel	Annual
Legal Compliance Report	General Counsel	Six Monthly

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