

Agenda

Meeting: Audit and Assurance Committee

Date: Wednesday 4 June 2025

Time: 10:30am

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

Members

Mark Phillips (Chair)
Keith Richards OBE (Vice-Chair)
Councillor Ross Garrod
Anurag Gupta

Deborah Harris-Ugbomah
Tanya Joseph
Marie Pye

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=Uj8vYUgk8p4) 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

Andrea Clarke, Interim General Counsel
Tuesday 27 May 2025

Agenda
Audit and Assurance Committee
Wednesday 4 June 2025

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 10 March 2025
(Pages 1 - 6)

General Counsel

The Committee is asked to approve the minutes of the meeting of the Committee held on 10 March 2025 and authorise the Chair to sign them.

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

General Counsel

The Committee is asked to note the updated actions list.

5 2024/25 TfL Scorecard Outturn - To Follow

Director of Risk and Assurance

The Committee is asked to note the paper and agree the end of year results against the 2024/25 TfL Scorecard. The Chair is requested to provide feedback on any significant issues raised by the Committee with the Chair of the People and Remuneration Committee, ahead of any decision being taken on performance awards for 2024/25.

External Audit Items

6 EY Report on Audit and Non-Audit Fees for Six Months Ended 31 March 2025 and Annual Audit Fee for 2025/26 (Pages 11 - 14)

Chief Finance Officer

The Committee is asked to note the paper.

7 Annual Audit Fees 2024/25 (Pages 15 - 16)

Chief Finance Officer

The Committee is asked to note the paper.

Audit, Risk and Assurance Items

8 Risk and Assurance Annual Report and Assurance Statement 2024/25 (Pages 17 - 34)

Director of Risk and Assurance

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

9 Risk and Assurance Report Quarter 4 2024/25 (Pages 35 - 50)

Director of Risk and Assurance

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

10 Independent Investment Programme Advisory Group Quarterly Report (Pages 51 - 66)

General Counsel

Committee is asked to note the Independent Investment Programme Advisory Group (IIPAG) Quarterly Report and the management response and approve the IIPAG Workplan for 2025/26.

11 Places for London Assurance Update (Pages 67 - 78)

Director of Risk and Assurance

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

Accounting and Governance

12 Legal Compliance Report (1 October 2024 - 31 March 2025)
(Pages 79 - 94)

General Counsel

The Committee is asked to note the paper.

13 Financial Control Environment Trend Indicators (Pages 95 - 100)

Chief Finance Officer

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

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

General Counsel

The Committee is asked to note the paper.

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

General Counsel

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

16 Any Other Business the Chair Considers Urgent

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

17 Date of Next Meeting

Wednesday 2 July 2025 at 10.30am.

18 Exclusion of Press and Public

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

Agenda Part 2

**19 Risk and Assurance Annual Report and Assurance Statement
2024/25 (Pages 111 - 114)**

Exempt supplementary information relating to the item on Part 1.

20 Risk and Assurance Report Quarter 4 2024/25 (Pages 115 - 136)

Exempt supplementary information relating to the item on Part 1.

21 Places for London Assurance Update (Pages 137 - 142)

Exempt supplementary information relating to the item on Part 1.

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Transport for London

Minutes of the Audit and Assurance Committee

**Conference Rooms 1 and 2, Ground Floor, Palestra,
197 Blackfriars Road, London, SE1 8NJ
10.30am, Monday 10 March 2025**

Members

Mark Phillips (Chair)
Keith Richards OBE (Vice Chair)
Deborah Harris-Ugbomah
Tanya Joseph
Marie Pye (via Teams)

Executive Committee

Andrea Clarke	General Counsel
Rachel McLean	Chief Finance Officer (from 11am)

Staff

Jill Elliott	Head of Internal Audit
Siwan Hayward OBE	Director of Security, Policing and Enforcement (for Minute 10/03/25)
Lorraine Humphrey	Director of Risk and Assurance
Patrice Locker	Head of Enterprise Risk
Mandy McGregor	Head of Policing and Community Safety (for Minute 10/03/25)
Richard Mullings	Head of Counter-Fraud and Corruption
James Norris	Head of Project Assurance
Pritesh Patel	Interim Group Finance Director
Mike Shirbon	Head of Quality, Safety and Security Assurance
Christopher Tann	Head of Financial Accounting and Tax
Sue Riley	Secretariat Officer

Also In Attendance

Katie Caredes	Partner, Ernst & Young
Janet Dawson	Partner, Ernst & Young
Alison Munro	Chair, Independent Investment Programme Advisory Group

01/03/25 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Councillor Ross Garrod and Anurag Gupta. Marie Pye attended the meeting via Teams and was able to participate in discussions but did not count towards the quorum. The meeting was quorate.

The Chair welcomed everyone to the meeting. The meeting was broadcast live to TfL's YouTube channel, except for the discussion of the information on Part 2 of the agenda which was exempt from publication, to ensure the public and press could observe the proceedings and decision-making.

There had been three changes to senior roles in the Chief Finance Officer's team.

Joanna Hawkes had retired from TfL and, following a competitive recruitment process, Manish Gupta had been appointed as the new Corporate Finance Director.

Patrick Doig had been appointed as the interim Group Procurement and Commercial Director, which replaced two former Procurement and Commercial director roles covering operations and capital. Moving into Patrick's former role, Pritesh Patel had been appointed as the interim Group Finance Director.

Patrick Doig retained his role as the statutory Chief Finance Officer for now. Rachel McLean would review who should fulfil and deputise for this role in the future and, as a matter reserved to the Board, any proposed changes would be submitted to the Board for approval in due course.

On behalf of the Committee, the Chair congratulated Patrick, Pritesh and Manish on their appointments.

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.

Following the meeting, Members would meet informally with the Chief Finance Officer and statutory Chief Finance Officer.

02/03/25 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.

Since the last meeting, there had been two updates to Members' interests. Deborah Harris-Ugbomah's appointments as a Director of The Shared Learning Trust and as an independent member of the Audit Committee of the Crown Prosecution Service had ended; and Tanya Joseph had been appointed as a Non-executive Director of Project Everyone, an organisation that promotes the UN Sustainable Development Goals.

03/03/25 Minutes of the Meeting of the Committee held on 27 November 2024

The minutes of the meeting of the Committee held on 27 November 2024 were approved as a correct record, and the Chair was authorised to sign them.

04/03/25 Matters Arising and Actions List

Andrea Clarke introduced the item, which set out progress against actions agreed at previous meetings of the Committee.

The Committee noted the updated Actions List.

05/03/25 Risk and Assurance Report Quarter 3 2024/25

Lorraine Humphrey and Jill Elliott introduced the report, which set out the work completed by the Risk and Assurance Directorate during Quarter 3 of 2024/25 (15 September to 7 December 2024), including work in progress and planned activities. Patrice Locker, Richard Mullings, James Norris and Mike Shirbon were also in attendance.

The outcome of the review by the External Quality Assessment of Internal Audit would be included in the report to the next meeting, including their recommendations on suggestions for future planning.

A further update on the planned audit of Equality Impact Assessment would be brought to a future meeting. **[Action: Jill Elliot]**

It was agreed that an alternative customer feedback system would be introduced if the previous system was not functioning at the end of March 2025 (due to the cyber incident).

Members would be provided with information as to how TfL reported on its environmental and social value goals, including sustainable and diversity and inclusion targets.

[Action: Andrea Clarke]

The Committee was advised that Enterprise Risk 04 – Significant Security Incident including Cyber Security would be separated to have a new cyber security risk (Enterprise Risk 11). This would be reported back to the Committee as part of the quarterly report going forward and would include any appropriate information on impacts of artificial intelligence which was seen as a Risk and an Opportunity.

Future Enterprise Risk reporting would include the impact of adequate resourcing and external funding to bring risks within tolerance, particularly in relation to climate adaption and operational performance. **[Action: Patrice Locker]**

Members congratulated the Counter-fraud and Corruption team on recent successful prosecutions. Financial compensation for TfL was always sought and prosecutions were publicised, once completed.

The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda and approved the Internal Audit Plan 2025/26 Phase 1 as set out in Appendix 2 of the paper.

06/03/25 Independent Investment Programme Advisory Group Quarterly Report

Lorraine Humphrey introduced the Independent Investment Programme Advisory Group's (IIPAG) quarterly report for January 2025. Alison Munro set out the key areas of the report in detail, including re-occurring themes.

IIPAG would consider how to report on whether recurring themes were improving or being addressed. **[Action: Alison Munro]**

The allocation of a TfL senior responsible officer to major projects was regularly reviewed by the Executive Committee, but often sponsorship and operator arrangements were more appropriate and effective.

The accuracy of cost estimates was challenging due to the long lead in times of larger projects, optimism bias and risk and contingency elements. Continual improvements were being made through the use of technology and systems, which enabled a virtual cycle of learning.

The Committee noted the Independent Investment Programme Advisory Group's quarterly report and the management response.

07/03/25 Places for London Assurance Update

Lorraine Humphrey presented the item, which provided an update on progress with assurance activity across Places for London during Quarter 3 of 2024/25 (15 September to 7 December 2024).

There were no overdue recommendations and progress was being made to implement the recommendations from the first line assurance targeted assurance reviews.

Members requested that a senior representative of Places for London be invited to attend future meetings as appropriate. **[Action: Secretariat/Graeme Craig]**

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

08/03/25 Critical Accounting Policies

Christopher Tann presented the update on critical changes to accounting policies to be applied in TfL's Statement of Accounts for the year ending 31 March 2025.

The Committee noted the paper.

09/03/25 Finance Control Environment Trend Indicators

Pritesh Patel presented the Financial Control Environment Trend Indicators dashboard for Quarter 3 of 2024/25, which informed the Committee of the control environment across TfL's Finance, Business Services, and Procurement and Commercial teams.

The Committee noted the paper and the Financial Control Environment Trend Indicators dashboard.

10/03/25 2024 Annual Report on the Disclosure of TfL held Personal Data to the Police and Other Statutory Law Enforcement Agencies for the Purpose of Prevention and Detection of Crime in London

Siwan Hayward OBE and Mandy McGregor presented the annual update on personal data disclosed to the police and other statutory law enforcement agencies.

The team continued to be part of a vital crime prevention tool in making a significant contribution to safety and security in London, in a proportionate and appropriate manner.

Members were advised that the Commissioner, under a delegation from the Mayor, had agreed to a request from the Metropolitan Police Service to reinstate its direct access to data from a number of road user charging enforcement cameras. Members were assured that this information could only be used by the police once they had provided compelling evidence to TfL.

Reporting on action taken to reduce Violence Against Women and Girls was submitted regularly to the Safety and Sustainability Panel.

The Committee noted the paper.

11/03/25 Enterprise Risk Update – Governance and Controls Suitability (ER10)

Andrea Clarke presented the annual update on Enterprise Risk 10 – Governance and Controls Suitability (ER10).

The overall control effectiveness rating was Adequately Controlled and the top three mitigations for ER10 remained privacy and security, the TfL Management System and Governance Framework.

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

12/03/25 Register of Gifts and Hospitality for Members and Senior Staff

Andrea Clarke presented the quarterly update on gifts and hospitality declared by Board Members and senior staff from 1 November to 31 January 2025.

During the period a total of 130 declarations of offers were made by senior staff in this period and 67 of these were declined, with 63 accepted.

The Committee noted the paper.

13/03/25 Members' Suggestions for Future Discussion Items

Andrea Clarke introduced the item. No additional suggestions were raised for future discussion items on the forward plan or for informal briefings, other than those already noted during the meeting.

The Committee noted the forward plan.

14/03/25 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

15/03/25 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Wednesday 4 June 2025 at 10.30am.

16/03/25 Exclusion of the 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 Report Quarter 3 2024/25; Places for London Assurance Update; and Enterprise Risk Update – Governance and Controls Suitability (ER10).

The meeting closed at 12.16pm.

Chair: _____

Date: _____

Audit and Assurance Committee



Date: 4 June 2025

Item: Matters Arising and Actions List

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. There has been no use of Chair's Action.
- 1.2 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.**

List of appendices to this report:

Appendix 1: Actions List

List of Background Papers:

Minutes of previous meetings of the Audit and Assurance Committee

Contact Officer: Andrea Clarke, General Counsel
Email: AndreaClarke@tfl.gov.uk

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Audit and Assurance Committee Actions List (to be reported to the meeting on 4 June 2025)

Appendix 1

Actions from the meeting held on 10 March 2025

Minute No.	Item/Description	Action By	Target Date	Status Note
05/03/25 (1)	Risk and Assurance Quarter 3 Report 2024/25: Equality Impact Assessment A further update on the planned audit of Equality Impact Assessment to be submitted to a future meeting.	Jill Elliott	September 2025	In progress. The audit is at the planning stage and we are engaging with stakeholders and developing the letter of engagement.
05/03/25 (2)	Risk and Assurance Quarter 3 Report 2024/25: Environmental, Social and Governance Reporting Members to be provided with information as to how TfL reported on its environmental and social value goals, including sustainable and diversity and inclusion targets.	Andrea Clarke	September 2025	In progress. A note will be shared with Members in due course.
05/03/25 (3)	Risk and Assurance Quarter 3 Report 2024/25: Enterprise Risk Reporting Future Enterprise Risk reporting to include the impact of adequate resourcing and external funding to bring risks within tolerance, particularly in relation to climate adaption and operational performance.	Patrice Locker	June 2025	Completed. We will specify in future reporting where bringing risks within tolerance will require additional resourcing and external funding.
06/03/25 (1)	Independent Investment Programme Advisory Group (IIPAG) Quarterly Report: Recurring Themes IIPAG to consider how to report on whether recurring themes were improving or being addressed.	Alison Munro, IIPAG	September 2025	In progress. IIPAG have reviewed their reported themes from the last 12 months and are reviewing earlier reports at present. They will provide a narrative in a future quarterly report over the status of these themes.
07/03/25	Places for London Assurance Update: Senior Representative Attendance A senior representative of Places for London be invited to attend future meetings as appropriate.	Secretariat	June 2025	Completed. Graeme Craig, Director and Chief Executive Places for London, is attending this meeting and will attend future meetings as appropriate.

Actions from previous meetings:

Minute No.	Item/Description	Action By	Target Date	Status Note
64/11/24	External Audit Plan TfL, TTL and Subsidiaries: Year Ending 31 March 2025 EY to provide further details on the scoping for additional cyber security testing at the next meeting.	Janet Dawson, EY	March 2025	Completed. Information was circulated to Members on 1 April 2025.
27/06/24	Risk and Assurance Annual Report and Assurance Statement 2023/24: Content The charts and metrics currently used in the quarterly reporting to be included in the annual report in future.	Lorraine Humphrey	June 2025	Completed. Further detail is included in the Risk and Assurance Annual Report and Assurance Statement 2024/25 on the agenda for this meeting and will be included in future annual reports.
05/03/24 (1)	Risk and Assurance Quarter 3 Report 2023/24: Bus Network Safety Staff to provide further assurances that the bus network, as part of Enterprise Risk 01, would include controls and mitigations on safety from concession partners.	Claire Mann	May 2025	Completed. The Enterprise Risk 01 update paper to the 19 May 2025 Safety and Security Panel was shared with Committee Members on 12 May 2025.

Audit and Assurance Committee



Date: 4 June 2025

Item: EY Report on Audit and Non-Audit Fees for Six Months Ended 31 March 2025

This paper will be considered in public

1 Summary

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

2 Recommendation

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

3 Background

- 3.1 Under TfL's policy on external audit services, EY is required to report to the Committee every six months on fees billed for non-audit services. EY's report is attached at Appendix 1.

List of appendices to this report:

Appendix 1: Letter from EY

List of Background Papers:

None

Contact: Pritesh Patel, Interim Group Finance Director
Email: PriteshPatel@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 2025

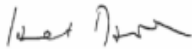
Direct line: 0207 9512195
Email: jdawson1@uk.ey.com

Dear Sirs

Audit fees – Period ending 31 March 2025

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 2025.

Yours faithfully



Janet Dawson
Partner
For and behalf of Ernst & Young LLP

Appendix 1

Statutory Audit fees

2024/25 Statutory audit fee services as 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 as per below.

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.

Description	Amount
Statutory Audit fee 2024/25 – TfL (scale fee as set per PSAA)	£311,602
Statutory Audit fee 2024/25 - TTL	£1,728,210
Statutory Audit fee 2024/25 – Pfl	£154,750
Total	£2,194,562

Non-audit Services

Description	Amount
Agreed upon procedures performed for the office of Rail and Road Returns	£24,400

Audit and Assurance Committee



Date: 4 June 2025

Item: Annual Audit Fees 2024/25

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 and Places for London Group for the year ending 31 March 2025.
- 1.2 This is the second of a five-year Public-Sector Audit Appointments (PSAA) appointing period, for the audit of TfL accounts from 2023/24 to 2027/28.
- 1.3 This is also the second of a five-year contract for the audit of TTL Group and Places for London Group accounts from 2023/24 to 2027/28.
- 1.4 Crossrail Limited is no longer required to be separately audited but remains part of the TfL and TTL Group audit.

2 Recommendation

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

3 Background

- 3.1 Ernst & Young (EY) are the appointed auditors of TfL, TTL and Places for London.
- 3.2 The fees for the TfL audit are set through a consultation process conducted by the PSAA. This is in line with the Local Audit (Appointing Person) Regulations 2015.
- 3.3 The fees for the remaining audits are set through a competitive tender process conducted by TfL.
- 3.4 Overruns in the prior year were related to additional work required in relation to the sector wide focus on infrastructure assets, and the public objection received. These were minimised through effective working between TfL and EY. Management have set up regular touch points to monitor audit review progress and will facilitate issues resolution to mitigate a similar occurrence for the current year.

3.5 The fees for the TfL Group are:

Entity	FY2024/25	FY2023/24
Transport for London	£311,602	£301,356
TTL Group	Base fee £1,728,210	Base fee - £1,728,210 Over runs - £222,900
Places for London Group	Base fee £154,750	Base fee - £109,750 Over runs - £62,000

List of appendices to this report:

None

List of Background Papers:

None

Contact: Pritesh Patel, Interim Group Finance Director
Email: PriteshPatel@TfL.gov.uk

Audit and Assurance Committee

Date: 4 June 2025

Item: Risk and Assurance Annual Report and Assurance Statement 2024/25

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 the Enterprise Risk Management, Internal Audit, Quality, Safety and Security Assurance (QSSA), Project Assurance (PA) and Counter-fraud and Corruption (CFC) teams.
- 1.2 The Public Sector Internal Audit Standards (PSIAs) require 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 the 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 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.
- 1.4 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 financial or business affairs of TfL and any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendation

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

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 2025 again remains generally adequate for TfL's business needs and operates in an effective manner. However, we draw attention to the following:

- (a) TfL suffered a cyber incident during the reporting period and an independent review has been commissioned. The review has considered the work that Internal Audit had carried out in the technology and data area. Once the review is complete, we will determine any areas that we need to target for additional audit work. In response to the incident a manual workaround was put in place for making payments to suppliers. Internal Audit provided a review of the process to ensure that all key financial controls had been identified and addressed which did not identify any fundamental inaccuracies;
- (b) the CFC team continue to consider recruitment fraud as a significant risk to TfL, this spans new and existing employees, non-permanent labour, and consultants. This view is supported by the internal audits of the appointment of temporary workers and the use of consultants. Follow up work will be undertaken on recruitment processes in the second half of the 2025/26 financial year;
- (c) supplier contract audits conducted by the Internal Audit team continue to find areas of weakness in the evidence to support applications for payment from our suppliers. The CFC team are investigating issues with overtime payments and timesheet anomalies with the corresponding weaknesses in internal control identified in the work of Internal Audit; and
- (d) while we have identified areas where record keeping could be improved there has been a significant fall in the number of findings relating to the way in supporting information is evidenced, maintained and recorded.

3.2 We continue to be supported by senior management in closing management actions, particularly those over 100 days. We are seeing an improvement in closing actions first time and reducing the number of extensions. We will only close actions if there is robust evidence to support the action taken. This should result in improvements in the overall control environment which we will assess in the follow up work we do. Appendix 1 provides an analysis of management actions and recommendations by category and team.

3.3 As part of the Integrated Assurance Framework overseeing Places for London, activity has continued to see improvements in process and investment decisions as the Places for London team respond to the recommendations and actions from targeted assurance reviews, audits and continuous assurance activities. This includes a continued strengthening of first line assurance arrangements. All Places for London Enterprise Level risks have now been developed. The Enterprise Risk Management team are supporting Places for London to develop their risk appetite and tolerance approach. Work is also in progress to develop Level 1 and Level 2 risks.

3.4 The percentage of Internal Audit reports given a rating of 'poorly controlled' has stayed the same for this year at eight per cent. Those rated as 'requires improvement' has increased from 54 per cent to 62.5 per cent this year. This is not unexpected as we have done more work with our supply chain where potential weaknesses had been identified by other assurance providers and through our audit planning process. The QSSA team has seen a reduction in the number of 'poorly controlled' audits by eight per cent and an increase in 'requires

improvement' ratings by eight per cent, representing a small improvement. The total number of 'poorly controlled' and 'requires improvement' conclusions remain relatively consistent accounting for 24 per cent and 22 per cent of audits across the last two years respectively.

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 2024/25 Internal Audit opinion relies on:
- (a) the 46 audits carried out by Internal Audit including those for Places for London;
 - (b) the work of the Enterprise Risk team;
 - (c) project and programme reviews carried out by the PA team, and the Independent Investment Programme Advisory Group (IIPAG) – PA completed 12 annual programme reviews and 51 targeted project and programme reviews, IIPAG participated in all the annual programme reviews and 20 of the targeted project and programme reviews. Ongoing continuous assurance is also undertaken and underpins all these activities;
 - (d) the 76 audits of Safety, Health, and Environment (SHE), asset and engineering quality and operational compliance audits (including Places for London) carried out by the QSSA team;
 - (e) results of any follow up exercises undertaken in respect of previous years' Internal Audit work;
 - (f) control issues identified by the CFC team during their investigations; 40 new full fraud cases from 791 referrals received, and 56 others requiring further investigation; and
 - (g) assurance reviews and continuous assurance carried out by the PA team and the IIPAG Places for London sub-group (IIPAG-Places) as part of the Places for London Integrated Assurance Framework alongside an ongoing review of closed recommendations from previous assurance reviews to check that actions have been embedded.
- 3.7 There have been no additional matters arising from any of the work completed that need to be brought to the attention of the Committee.

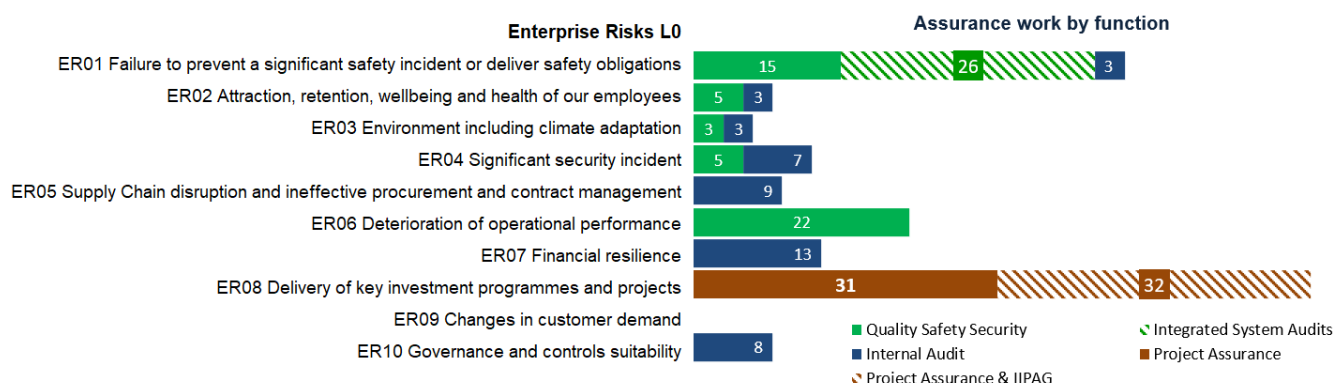
4 Risk Management

- 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 Risk and Assurance Directorate supports the business with Enterprise Risk management at Enterprise (Level 0), Strategic (Level 1) and Tactical (Level 2).

- 4.2 We continue to see improved and increasing engagement with the Enterprise Risk management process by the business. Governance at the Board, Committees and Panels, Executive Committee and its sub-groups is working well with greater challenge of risk information such as risk exposure level, overall control effectiveness rating and risks that are outside of tolerance.
- 4.3 All Enterprise Risks continue to be reviewed by the Executive Committee and the relevant Committees and Panels during the year on a rolling 12-month programme. As a result of the cyber incident, it was agreed that the cyber aspects of Enterprise Risk 04 – ‘Significant security incident’ (ER04), would be extracted to form a new risk solely focused on cyber security. As a result, Enterprise Risk 11 – ‘Significant cyber security incident’ is being developed. Work is in progress to finalise content ahead of the risk being reviewed by the Executive Committee and the Safety and Security Panel in September 2025. Workshops are also planned to reassess the remaining aspects of ER04.
- 4.4 Level 1 workshops have been completed for all Vision and Value theme areas and the associated risk development is progressing well. A mapping exercise has been carried out of Level 1s to Level 0s and linkages made in Active Risk Manager (ARM). Engagement has also started with the relevant Executive Committee sub-groups who will have oversight of these risks.
- 4.5 All seven Places for London Enterprise Risks have been developed and presented at the Land and Property Committee in line with the Enterprise Risk Schedule. Places for London’s Level 1 (Strategic) risks have been identified and work is in progress to rationalise and further develop the Level 1 risks, as well as being included in ARM. In parallel, work is also in progress to rationalise the Level 2 (Tactical) risks and input these to ARM. This will provide greater visibility of the Places for London risk hierarchy.
- 4.6 Engagement with the London Transport Museum has increased. We have undertaken several risk workshops to refresh the Museum’s operational risks. The updated operational risks were presented at their Finance, Audit and Risk Committee. We expect to provide additional support to the Museum on their Strategic risks. This will result in alignment to the TfL risk management process.
- 4.7 TfL’s revised Risk Appetite and Tolerance approach has been agreed and operationalised. Reporting of risks within and outside of tolerance to the Executive Committee and to the Committee has commenced. Places for London has agreed to adopt the TfL approach and work is in progress to tailor TfL’s approach to Places for London.
- 4.8 A risk and opportunities risk workshop was held on 13 February 2025 with the Board and Executive Committee. A key theme from the discussion was that a technology related threat and opportunity should be developed (use of artificial intelligence (AI) in particular). We will be having further discussions with the AI Steering Group lead and the Innovation team to better understand the scope of the emerging threat and opportunity.

- 4.9 Horizon scanning information highlighting future challenges that may impact TfL's achievement of its objectives is presented to the Executive Committee on a six-monthly basis for discussion and decisions as appropriate. The top 10 risks identified in the 2025 Global Risks Report was discussed at the Board and Executive Committee risk workshop and generated good discussion on the emerging threats.
- 4.10 The Risk Management Awareness e-learning course was refreshed and launched on 22 October 2024 for all employees. The course provides colleagues with a broad introduction to risk management and how it is applied within TfL.
- 4.11 The CFC team continues to deliver a range of fraud awareness activities designed to prevent, deter, and detect fraud and corruption at TfL, educate the workforce about the risks of fraud in the workplace and at home, and to pursue those who commit fraud, bribery and corruption against TfL. The team reports on new and developing fraud themes affecting TfL and other organisations.
- 4.12 In 2024/25 the team focused their attentions on designing and developing the Fraud and Corruption Risk Assessment process and guidance, which will be trialled in early 2025/26, before a full pan-TfL rollout is considered. The team delivered regular 'fraud awareness' presentations to key stakeholders, including at senior leadership events and meetings, and other key areas of the business, where the risk of fraud and corruption was deemed most significant.
- 4.13 In collaboration with the TfL Learning and Development team, the CFC team has designed and introduced a new interactive Countering Fraud and Corruption at TfL e-learning awareness course for all employees. This approach supports our ongoing work with senior management to prevent and detect financial crime.
- 4.14 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 - Risk and Assurance Work By Risk By Function 2024/25



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

- 5.2 We found that there are robust financial controls over the general ledger access and master data allocation. There is an appropriate governance framework and processes in place for the correct and accurate recording and tracking of savings. We found that there is no evidence to suggest that TfL is not receiving the agreed revenue share from London River Services operators but there was scope for some improvements to the process. Most controls over supplier bank accounts were found to be adequately designed and operating effectively. Accounting for London Underground station cash sales was found to be well controlled. Our audit work continues to demonstrate that TfL has a sound financial control framework.

Procurement

- 5.3 The real time audit of the advertising concessions contracts followed the procurement from submission of supplier selection questionnaires to award. This was a high-profile contract, the outcome of which had the potential for challenge. The procurement exercise was found to be fair, transparent, and well controlled and a rigorous process was put in place to ensure that detailed feedback was provided on how the bids were evaluated.
- 5.4 Compliance with TfL's procurement policy demonstrates a commitment to procure efficiently, to the highest ethical standards, complying with all legal requirements and procurement regulations. We are working with the London Transport Museum to improve their performance in this area.
- 5.5 SAP Ariba is not always being used effectively, this was noted and addressed in the early stages of the advertising concessions procurement and quickly rectified. The completion of documents and tasks in the Source to Contract arrangements were not accurately recorded in SAP Ariba with work stored elsewhere. The importance of workflow and a clear audit trail needed to be strengthened.
- 5.6 Management of conflicts of interest in indirect procurements found gaps in the governance framework that need to be improved. This includes a clearer and more specific procedure, functionality issues with system used for recording submissions and consistency of record keeping. There are potentially wider Procurement and Commercial issues that will be examined as part of a wider conflicts of interest audit in the forthcoming year.
- 5.7 Our pan-TfL audit of the use of consultants found that there is no central oversight and accountability of the procurement, management and monitoring of consultants. This was acknowledged by the Chief Finance Office area and much work has been done in this area following the audit.

Contract Management

- 5.8 There have been mixed results for the five supplier audits undertaken this year, one was rated as 'poorly controlled', two were rated as 'requires improvement' and two were rated as 'adequately controlled'. Generally, we found that there is an over-reliance on suppliers to self-report performance with insufficient verification checks being undertaken by TfL. There is inconsistency in the way that checks and authorisation processes on applications for payment are made.
- 5.9 Following an IIPAG recommendation to strengthen second line assurance of high value procurements a regime is now in place where focused reviews are undertaken of procurement actions, both the strategic approach and the detailed documentation. Providing this type of assurance adds value to the procurement process, reducing the risk profile of significant procurements and providing reassurance to senior management that the processes are robust or that areas of improvement are identified and addressed. The Track Works and Resources framework was reviewed at key stages of the procurement process. Several concerns were identified which were satisfactorily addressed with PA's support. A similar review was undertaken on a significant programme in the Technology Programme, and another is ongoing in the Environment Programme.
- 5.10 This work has led to an increasing focus for PA on the assurance of works frameworks that will be used for capital expenditure. A series of new frameworks is in development across TfL and PA is in the process of putting appropriate assurance plans in place to ensure that suitable scrutiny is in place throughout the procurement process up to framework award.
- 5.11 As part of the integrated assurance approach for Places for London, Internal Audit has delivered three audits all of which have identified areas for improvement. We found that Places for London needed to complete an end to end review of key processes for new lettings to ensure they are fully documented and remain fit for purpose. We also found gaps in the documentation for new lettings, the arrangements for revenue and debt collection and the management of property voids with supporting documentation not readily available.

Safety

- 5.12 The Internal Audit on the use of body-worn cameras found that the roll out of essential kit had been successfully implemented and is supported by clear corporate policy and guidance. Levels of staff compliance are generally good but site visits identified areas of patchy use and monitoring of user dashboards.
- 5.13 Risk and Assurance supported an independent review of safety governance and decision making and the formal investigation reporting process in TfL in 2024/25. The findings were reported to the Executive Committee and the Safety and Security Panel. TfL continues to work on the actions that will enhance the robustness of safety governance in TfL. Approval has been given to create a sub-group of IIPAG responsible for safety, with a remit covering the whole of TfL. Recruitment is currently in progress for three roles for this sub-group with appointments expected in the second half of 2025.

- 5.14 The QSSA team continue to assess compliance with key SHE 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 revised means of recording audits means the assurance provided can be directly mapped back to management system components and therefore TfL's Enterprise Risks. This also informs planning by highlighting aspects of SHEMS or TfL teams that have not been recently assured.
- 5.15 In general, there has been a reduction of the number of QSSA 'poorly controlled' and 'requires improvement' audits in the last two years which is encouraging. A noted theme is that local first or second line assurance checks appear to be non-existent or ineffective, resulting in non-compliance remaining undetected until highlighted by an audit. SHE has begun work to address this, developing local checklists to assist in routine assurance. This has been noted in competence management audits where competence records are readily available, but the required assurance and verifications steps are missing.
- 5.16 QSSA have also delivered their programme of short and focused Integrated Systems Audits in London Underground Asset Performance and Operational teams. These audits test local compliance with asset specific requirements in addition to critical elements of the management system, including SHE, security, competence, and financial controls. There has been a small reduction in average scores in the last two years reducing from 71 per cent to 67 per cent. Scores can be particularly affected by periods when the manager is not available either due to sickness or staff turnover, temporary cover arrangements have been seen to be ineffective in maintaining high standards. The average score of 67 per cent still represents a significant proportion of routine non-compliance present in the business. Key trends have been shared with Operational teams and QSSA will be working with SHE in 2025/26 to use data to inform where action could be most effective.

People

- 5.17 Our People Leaders' Framework is embedding across the organisation and is supported by senior management at all levels. The framework is embedding mostly through actions listed in business areas' People Plans with responsibility assigned to appropriate people or teams and with processes for reporting on and monitoring implementation of the actions. There are effective key controls over the booking of external courses by Learning and Development advisers which aim to ensure compliance with commercial and financial requirements in the procurement of external training providers. We also found effective governance processes in place for the Action on Inclusion strategy with action being taken to implement the strategy's programme plan and deliverables.
- 5.18 Some weaknesses were found in the recruitment of temporary agency workers. Documentation for recruitment campaigns was not always complete which is essential to demonstrate that appointments are fair and objective.

Environment

- 5.19 Internal Audit undertook two audits of carbon reduction management in operations. The first audit looked at standards and plans and the second governance and responsibilities. We found that the carbon reduction plans are incomplete and vary in detail and quality. The audit reports have been well received and subject to robust discussion. Audit actions have been agreed across the business areas and are aimed at embedding carbon reduction into day-to-day performance management and controls of operations and maintenance.
- 5.20 IIPAG have undertaken a cross cutting review of how TfL takes account in the capital investment programme of targets to reduce carbon emissions. A draft report is currently under review.
- 5.21 QSSA conducted three audits of waste and pollution prevention in projects, maintenance, and operational locations. The results from this relatively limited sample show that waste is managed well in projects teams but there is a lack of familiarity with basic SHEMS requirements in operational environments.

Security

- 5.22 Internal Audit looked at the adequacy of controls for non-operational business continuity and, in a separate audit, the arrangements in place at the London Transport Museum. There were similarities in the lack of ownership and accountability which had resulted in 80 per cent of the TfL business areas and the Museum not having completed a Business Impact Analysis. This was quickly addressed with an executive sponsor for business continuity being nominated and the appropriate governance forum identified to provide oversight of business continuity management.
- 5.23 Work in the Technology and Data area included a review of station cabinets containing Wi-Fi equipment, the datacentre network refresh, the ransomware project, and the implementation of Microsoft tools with built in generative artificial intelligence. All the audits were rated as 'requires improvement'.

Counter-fraud and Corruption

- 5.24 The CFC team has seen an increase in new cases, but a slight reduction in new referrals. In 2024/25 referrals decreased to 791 compared with 985 in 2023/24 though we now have 40 new full fraud cases under investigation compared with 31 in 2023/24. The decrease in referrals was predominantly due to a decrease in Suspicious Activity Reports, received from the National Crime Agency, because of the TfL cyber incident that occurred in September 2024. There continues to be a willingness to report suspected wrongdoing to the CFC team.
- 5.25 Cases related to alleged fraud and corruption against TfL and internal breaches of TfL policies include targeting the Ultra Low Emission Zone scrappage scheme, allegations of undeclared conflicts of interest between employees and suppliers both pre and post contract award, and allegations of overtime fraud and the fraudulent claiming of sick pay while working elsewhere or actively running their own business.

- 5.26 Several TfL employees have been subject to disciplinary proceedings and the CFC team has prepared and referred evidence to the British Transport Police's Major, Serious and Organised Crime team and the Metropolitan Police Service for review and to support criminal investigations and prosecutions. Several former employees (including non-permanent labour), customers and organised criminals have been either arrested or interviewed under caution, charged and/or convicted at court in 2024/25.

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, lack of clarity over roles and responsibilities and compliance with established procedures which are essential elements of good governance. To support this the Risk and Assurance leadership team continue to be involved in a range of steering groups and other governance forums. This involvement enables us to provide input on risk and assurance matters, as well as allowing observation of project and other governance processes.
- 6.2 We found that there are robust governance arrangements for compliance with the 2024 Pension Regulator's General Code of Practice, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and reporting the TfL scorecard outturn results. There were moderate control weaknesses in the privacy and data protection for the Automatic Number Plate Recognition system.
- 6.3 In addition to the safety governance work noted in the Safety section above, it is positive that Engineering and Asset Strategy have started two governance related workstreams to look at 'Technical Governance' and alignment to ISO 55000 'Asset Management' as good practice. Risk and Assurance is supporting both contributing information on assurance and risk management principles and audit resource to measure alignment to ISO requirements.

Assurance of the Investment Programme

- 6.4 The primary source of assurance for the delivery of the TfL Investment Programme is through the work of the team and IIPAG. PA and IIPAG believe that there is sufficient scrutiny of 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.
- 6.5 A trend that has been visible for some time but has been particularly noteworthy in reviews this year and suggesting a worsening trend is poor-quality scheduling. This causes a risk to project delivery as schedules are not always meeting a sufficiently good standard to act as a robust management tool. In some areas schedule management is good. However, in some schedules that PA has reviewed, basic technical failings have been identified and there is a concern that first line processes are not robustly identifying and addressing these issues. Examination of schedules will continue to form a key aspect of PA reviews and

progress on project and programme level actions will be monitored as will the overall progression of improvement to scheduling support generally.

- 6.6 Business cases continue to be reviewed in detail in many PA reviews. The standard of these key documents has been a longstanding concern for PA and variations in quality continue to be observed in targeted reviews. Nonetheless there is evidence that this position is improving, and PA has raised fewer recommendations this year in this area. There has been extensive work undertaken preparing business cases for submission to the Department for Transport as part of funding applications. These have been prepared to a high standard and these have demonstrated effective collaboration across the whole TfL value chain including assurance.
- 6.7 IIPAG has undertaken two cross cutting reviews this year. The first review considered how TfL takes account of the reduction of carbon emissions in the Investment Programme. The second review looked at asset renewals, in particular the prioritisation of work and the development of workbanks. This followed an earlier review on renewals delivery. Draft reports have been produced detailing the findings of the recent work and are currently under review.
- 6.8 IIPAG have also undertaken follow up work looking at recommendation progress from earlier reviews on value for money, asset information and improvements in the Procurement and Commercial function.
- 6.9 Two members of IIPAG were appointed in December 2024, and one existing member retired. A recruitment campaign was launched and will aim to appoint new members for the main IIPAG group, IIPAG-Places and the newly formed IIPAG-Safety sub-group. It is anticipated that new members will commence roles in the second half of 2025.

Places for London Assurance Activity

- 6.10 The Places for London Integrated Assurance Framework is based on a Three Lines of Assurance model comprising: Line 1, management functions of Places for London and key interfaces; Line 2, PA and QSSA; and Line 3 Internal Audit and IIPAG-Places.
- 6.11 PA and IIPAG-Places have focussed on continuous assurance activities including major developments within the property development portfolio and other significant sectors. PA undertook a number of targeted assurance reviews including Victoria station feasibility, Southwark over station development and first line assurance. IIPAG-Places, supported by PA, are nearing completion of a review of the investment appraisal process and application of hurdle rates and findings, which will be reported to the 16 July 2025 meeting of the Land and Property Committee.
- 6.12 The PA review of first line assurance noted considerable progress in introducing and embedding first line assurance with a recognition that there is more to do to ensure consistent understanding and application across different parts of the business. This is an area that continues to develop and recommendations were accepted by the Places for London team and they now have a strategy in place.

- 6.13 The PA review of operational works to enable the Southwark over station development found while the delivery programme was challenging the project team were aware of the risk and working with the contractor to identify mitigations to ensure that the delivery milestones could be met.
- 6.14 PA noted positive progress on agreeing high level requirements and setting out how TfL and Places for London will work together as part of the Victoria station development assurance review. It was noted, however, that this is a highly complex project with significant risks. Assurance recommendations were accepted by the team.
- 6.15 PA and IIPAG-Places continue to monitor progress with a number of residential and commercial developments including Earl's Court, Edgware and Limmo, noting the complexity of many sites and challenges to delivery. We are keeping starts on site and progress with meeting homes and affordable homes targets under review and considering the emerging sector-based investment strategies.
- 6.16 The QSSA team completed a health and safety audit of asbestos management. The location of asbestos was known and recorded although procedural arrangements had remained in draft for an extended period increasing the likelihood of non-compliance. Audit actions were provided to address this.
- 6.17 We keep our approach to assurance under review to ensure that we are targeting the riskiest areas and providing the right level of information to the Land and Property Committee and the TfL Executive. In 2025/26 our work will include a series of sector focussed deep dives considering key risks and issues. We are also undertaking a review of closed actions from previous PA and IIPAG-Places assurance reviews to review how well the actions have been embedded.

7 Quality Assurance and Improvement

- 7.1 Internal Audit were subject to an External Quality Review undertaken by assessors from the Institute of Internal Auditors (IIA). The work of the Internal Audit team must comply with professional standards set out by the IIA and the Public Sector Internal Audit Standards. The standards require that we have an external quality assessment at least every five years provided by an independent assessor. After a competitive procurement exercise, we appointed the IIA to do the assessment, which included interviews with key stakeholders, a survey of wider stakeholders and members of the Internal Audit team and examination of our working practices and the outputs of our audit work.
- 7.2 The overall conclusion was that TfL Internal Audit generally conforms (the highest rating) with most of the Standards as well as the Definition Core Principles and the Code of Ethics.
- 7.3 The review found that the governance framework for Internal Audit is mature with well-established audit committee oversight. Stakeholders described how the Head of Internal Audit had implemented several improvements to the function and its work. The independence and objectivity of Internal Audit are highly rated and Internal Audit delivery was viewed positively. It also found that Internal Audit is participative and seeks to engage effectively with key stakeholders and auditees

who are appropriately engaged and involved in the development of Internal Audit plans.

- 7.4 Areas for improvement include a need for more specialist business knowledge, review of the quality of recommendations and management actions and the formalisation of Internal Audit quality assurance and improvement plan. The team are working through an action plan which will address the issues raised and will report on progress to this Committee.

List of appendices to this report:

Appendix 1: Analysis of Management Actions and Recommendations by category.

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

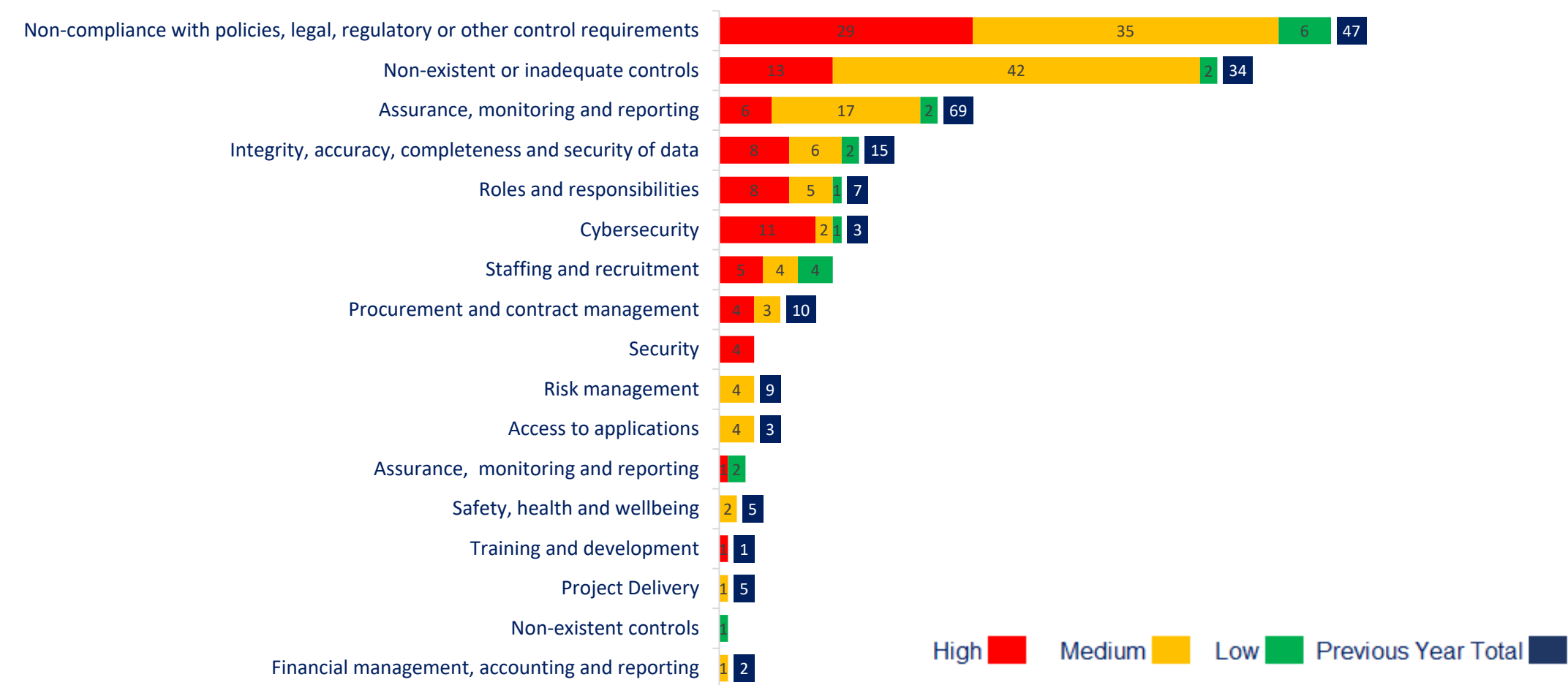
List of Background Papers:

None

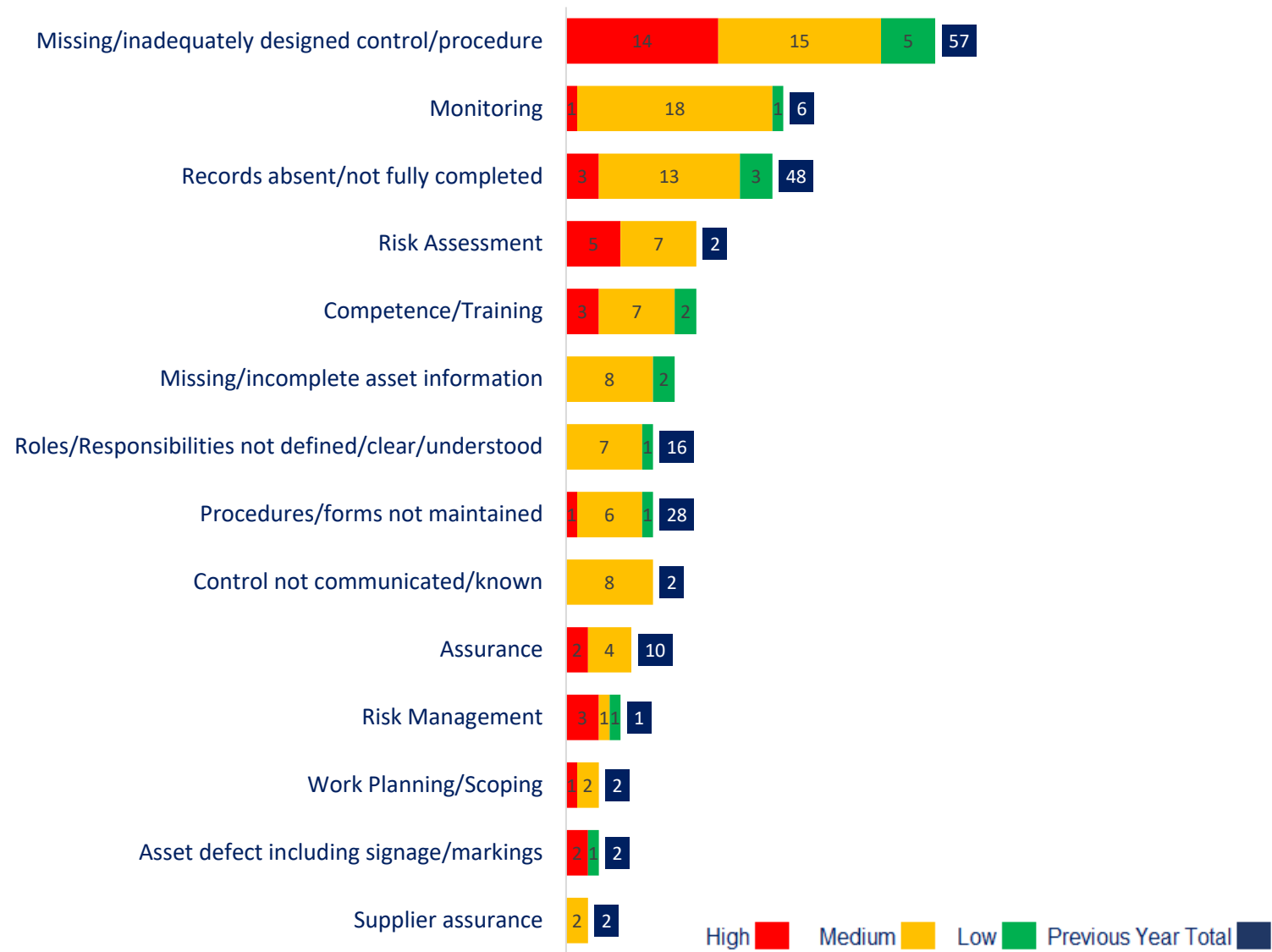
Officer: Lorraine Humphrey, Director of Risk and Assurance
Email: Lorraine.Humphrey@tube.tfl.gov.uk

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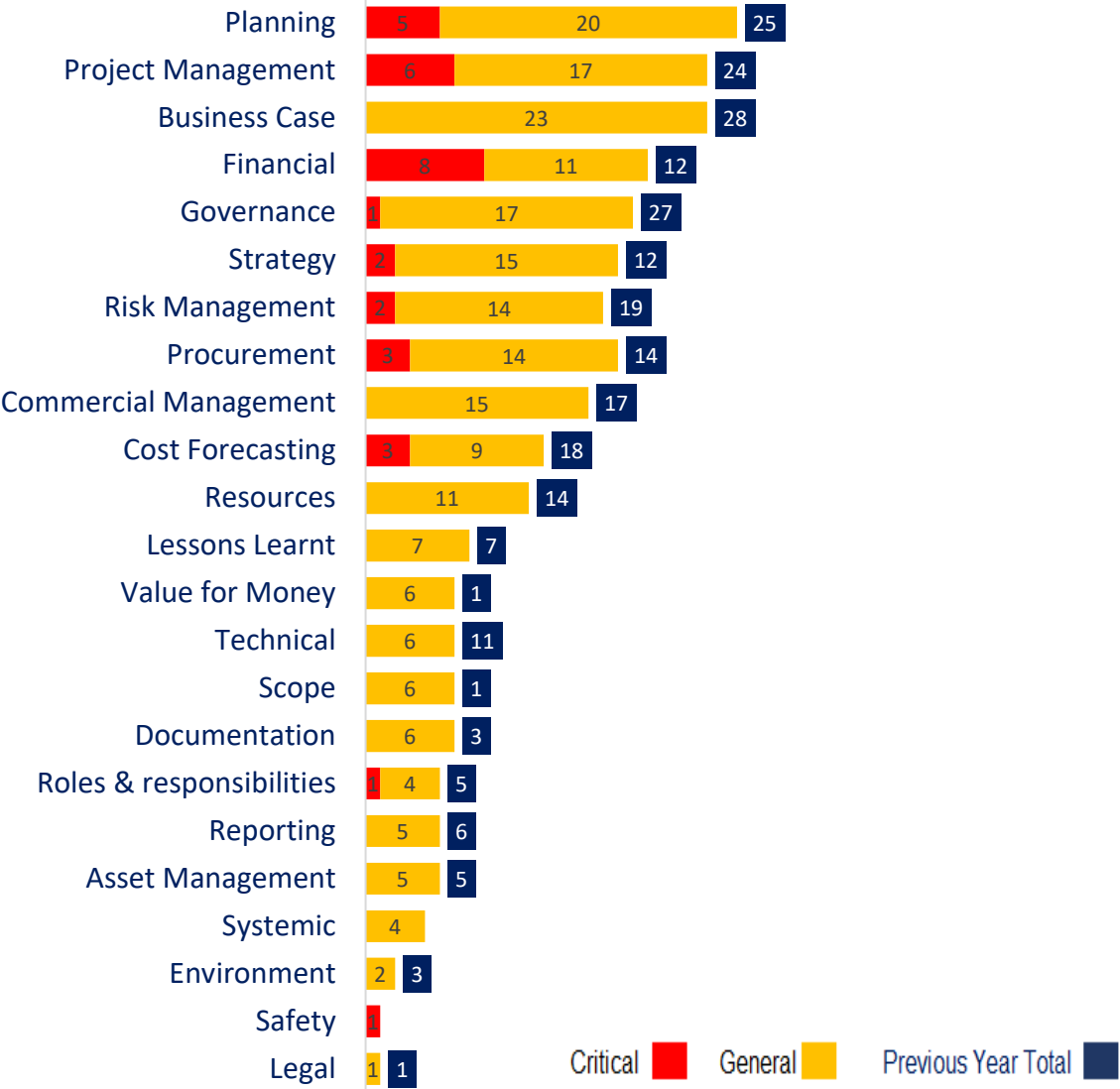
Internal Audit Findings Categories by Priorities Four Quarters vs Previous Year



Quality, Safety and Security Assurance Findings Categories by Priorities – Four Quarters vs Previous Year



Project Assurance Findings by Themes by Type – Four Quarters vs Previous Year



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Audit and Assurance Committee



Date: 4 June 2025

Item: Risk and Assurance Report Quarter 4 2024/25

This paper will be considered in public

1 Summary

- 1.1 This paper informs the Committee of the work completed by the Risk and Assurance Directorate during Quarter 4 of 2024/25 (8 December 2024 to 31 March 2025) (Q4) and other information about the Directorate's activities. This paper excludes work undertaken on Places for London as that is covered elsewhere on the agenda.
- 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 financial or business affairs of TfL and any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendation

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

3 Director Update

- 3.1 This is the fourth quarterly report for 2024/25 setting out the work undertaken by the teams within the Risk and Assurance Directorate.
- 3.2 The Internal Audit team delivered 12 audit reports in Q4, details of these audits are included at Appendix 1. One audit was rated as 'well controlled', six were rated as 'adequately controlled', and five rated as 'requires improvement'. All have agreed actions plans in place that are tracked to completion.
- 3.3 The Quality, Safety and Security Assurance (QSSA) team delivered 28 second line audits in Q4. None were concluded as 'poorly controlled', six were 'requires improvement', three as 'adequately controlled', two as 'well controlled' and 17 'not rated'.
- 3.4 During Q4, the Counter-fraud and Corruption (CFC) team received 266 referrals, all of which were assessed and disseminated within the 10 working days target. As a result, 10 new fraud cases are under investigation. A further 20 are miscellaneous cases that require the team to carry out further enquiries to assess whether any should become a full case. Nine cases were closed during Q4.

3.5 A breakdown of current fraud cases by Chief Officer area and their status is shown in the table below:

Chief Officer Area	Start Q4	New cases Q4	Closed cases Q4	Under investigation by CFC	With Line Management	With Law Enforcement
Operations	29	6	6	13	6	10
Capital	0	2	0	2	0	0
Customer and Strategy	20	2	3	9	2	8
People	2	0	0	1	0	1
General Counsel	0	0	0	0	0	0
Finance	0	0	0	0	0	0
Total	51	10	9	25	8	19

3.6 An anonymous allegation was received by the CFC team that a TfL employee had provided false documents at the time of their original recruitment to TfL in December 2016. Evidence showed the employee had failed to declare a name change and previous convictions on two police vetting forms, one to gain employment and one on promotion. He was also found to have defrauded the TfL season ticket loan scheme on three occasions, by claiming refunds for the tickets soon after purchase and keeping the money from the loans. The employee resigned on 24 November 2022. The case was referred to the Metropolitan Police Service, who charged the employee with two counts of fraud by false representation. On 11 March 2025, after pleading guilty to both charges, the former employee was sentenced to 12-months' imprisonment suspended for one year, to undertake 75 hours of unpaid work, and to pay compensation to TfL of £9,453, the majority of which was paid through the forfeiture of their TfL pension. This is the first time this method of compensation has been applied for and granted and we will continue to pursue in future cases.

3.7 As reported previously, we are running a recruitment campaign for new members of the Independent Investment Programme Advisory Group (IIPAG). We are aiming to appoint a new member with a procurement and commercial skillset. As part of the same campaign, we are intending to make three appointments to the new IIPAG Safety sub-group and a replacement member for the IIPAG Places sub-group who has corporate finance experience. The outcome of the campaign will be known in early summer with appointments being made following the relevant approval process shortly thereafter.

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 practicable and understand our exposure. The Risk and Assurance Directorate supports the business with Enterprise Risk (ER) management at Enterprise (Level 0), Strategic (Level 1) and Tactical (Level 2). A list of the Level 0 risks is included at Appendix 2.
- 4.2 Enterprise Risks continue be reviewed in line with the agreed schedule and presented to the Executive Committee and the assigned Committee or Panel.
- 4.3 ER01 risk title has changed from 'Inability to deliver safety objectives and obligations' to 'Failure to prevent a significant safety incident or deliver safety obligations'. A full update on ER01 was presented at the 19 May 2025 meeting of the Safety and Security Panel.
- 4.4 Workshops have been undertaken to develop ER11 – 'Significant cyber security incident'. ER11 will be reviewed by the Executive Committee and submitted to the 2 September 2025 meeting of the Safety and Security Panel. Workshops have been scheduled to reassess the remaining elements of ER04 – 'Significant security incident'. The updated ER04 will be reviewed by the Executive Committee and submitted to the 12 November 2025 meeting of the Safety and Security Panel.

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. The Risk and Assurance Directorate assesses the appropriateness and effectiveness of, and compliance with, internal controls.

Finance and Procurement

- 5.2 Six internal audits were completed in Q4. Phase 3 of the procurement of the new advertising contract, a real time audit, was found to be well controlled and we confirmed that detailed feedback was provided to all bidders on how the bids were evaluated.
- 5.3 The supplier contract audits of Dyer and Butler and Otis and the audit of the general ledger were rated as 'adequately controlled'. The supplier contract audit of Kone, and the savings validation and tracking audits were rated as 'requires improvement'. Our reviews of two lift and escalators suppliers found that there are regular reviews of the work undertaken, periodic technical meetings and evaluation of Key Performance Indicators but the checks and balances on the Applications for Payment need to be improved with identified differences and their resolution documented. Arrangements for managing maintenance activities by TfL for one of the suppliers need to be put in place.

- 5.4 We found that most controls over the general ledger are adequately designed and operating effectively. There are also generally robust controls over the processing of payroll within the Employee Payments Delivery team. There is the opportunity to introduce robust controls and processes across TfL over the management, administration and processing of overtime payments and staff allowances to ensure consistency and accuracy.
- 5.5 The audit of savings validation and tracking found that the appropriate governance framework and processes are in place, but we identified that two Chief Officer areas had been using the wrong baselines to calculate savings. This was immediately resolved and will have no impact on the TfL scorecard.
- 5.6 Ongoing Project Assurance (PA) work has identified five new works frameworks in development that will be used for capital expenditure. Discussions are taking place to agree a plan to ensure the appropriate assurance is undertaken by PA and IIPAG in 2025/26.
- 5.7 The award of a minor works civil engineering and building framework has been cancelled by the Procurement and Commercial senior lead following a PA review which identified several areas of concern which are now being rectified.

Safety and Health

- 5.8 In Q4, QSSA completed 16 audits related to health and safety risk controls. One was concluded as 'well controlled' ('London Underground (LU) Signalling Competence Institution of Railway Signal Engineers'), two were concluded as 'adequately controlled' ('Woolwich Safety Health and Environmental Compliance' and 'Docklands Light Railway (DLR) Management of Asbestos') and three were concluded as 'requires improvement' ('DLR Safety Authorisation Compliance: Maintenance', 'Places for London Asbestos Management' and 'Trams Fleet Management of Fatigue'). Ten Integrated Systems Audit were completed of LU operational and maintenance teams and are not rated. All have agreed action plans in place.

Asset Management

- 5.9 QSSA completed seven audits against ER06 – 'Deterioration of operational performance' in Q4, three were concluded as 'requires improvement' ('Trams: Competence Management System', 'LU Off-Track Drainage Management' and 'LU Fleet Concessions Management'). Four reviews of alignment with the requirements of ISO 55000 'Asset Management' were completed for DLR, 'CCTV and Traffic Signals', 'Trams' and 'Walking and Cycling' to inform decision making on TfL's strategic management of assets. These reviews are not given an audit rating as ISO 55000 is not a current requirement for TfL to adhere to.

Technology, information, and security

- 5.10 Our audit of 'Artificial Intelligence (AI) (implementation of Microsoft tools with built in AI)' focused on controls implemented to ensure ethical, safe, and secure adoption of AI digital assistants. We found that technical controls to enforce the requirements of TfL's Generative AI policy need to be improved.

- 5.11 Following on from the earlier business continuity audit the arrangements in place at the London Transport Museum were also reviewed. Some weaknesses in processes were identified and the management actions agreed following this audit will address these.

6 Environment

- 6.1 IIPAG completed a cross-cutting review considering how TfL investment decisions are taking into consideration the need to reduce whole life carbon emissions as part of the pathway to Net Zero. The report is expected to be presented to the Programmes and Investment Committee on 2 July 2025. An audit was undertaken in parallel considering carbon in TfL Operations, the findings of which were presented to the last Committee meeting. The IIPAG and Internal Audit remits were drafted in parallel to ensure alignment and to avoid duplication.
- 6.2 QSSA conducted two audits in Q4 against ER03 – ‘Environment including climate adaption’. One was concluded as ‘well controlled’ (‘Greenwich Generating Station Gas Monitoring’) and one as ‘adequately controlled’ (‘Waste Management in TfL Projects’).

7 Governance

- 7.1 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 objectives. The Risk and Assurance Directorate looks at how this is supported and works in practice at an organisational level.
- 7.2 We confirmed that there is an appropriate governance framework and processes in place for the correct and accurate recording of savings in our internal audit of savings validation and tracking. This included documented procedures for the calculation and recording of savings as well as a central savings tracker. Responsibilities for those involved in the process have been allocated and there is periodic reporting of savings against target in the TfL scorecard.
- 7.3 We found that the Our People Leaders’ Framework is well supported by senior management and is being embedded across TfL. The framework has been well communicated with tools and resources provided. The framework has also been incorporated into the recruitment and development of people leaders.
- 7.4 The Freedom of Information (FOI) team has established a well-defined and documented process that has evolved over time to support the timely response to public requests for information. The FOI audit identified some user accounts in the application user database that should be removed.
- 7.5 The Pensions Regulator issued a revised Pensions Code of Practice (PCoP) which came into force in March 2024. In response to the new code, the TfL pensions operations team has developed a single document known as the Effective System of Governance (ESOG) to ensure compliance with the PCoP. Our audit found that most policies and procedures required under the PCoP were already in place. The scheme could benefit further from the introduction of a robust document review, version control and records management processes and

obtaining additional assurance on the completed ESOG from a pensions specialist.

- 7.6 Risk and Assurance is supporting the Engineering and Asset Strategy led review into 'Technical Governance' using risk and assurance principles and good practice from across TfL to contribute to workshops. The output from this working group will strengthen governance in this area.

Assurance and Investment Programme

- 7.7 The primary source of assurance for the delivery of the TfL Investment Programme continues to be through the work of the PA team and IIPAG. PA and IIPAG consider that there is sufficient scrutiny of the Investment Programme in TfL through the various programme meetings as well as the Executive Committee Investment sub-group, and at the Programmes and Investment Committee.
- 7.8 PA completed a programme of targeted assurance reviews including the annual programme submissions to the 11 December 2024 and 5 March 2025 meetings of the Programmes and Investment Committee, plus other targeted assurance and ongoing continuous assurance activity. From this work, recommendations have been made and themes identified and collated; these are reported to the Programmes and Investment Committee.
- 7.9 IIPAG has worked with PA on programme reviews and reviews of higher value projects, and they have continued to progress their programme of cross-cutting reviews this quarter. A review of the prioritisation and planning of capital renewals has now been completed and a draft report is currently under review. As noted in paragraph 6.1, the IIPAG review investigating how TfL investment decisions are taking into consideration of the need to reduce whole life carbon emissions has also concluded. Reports detailing the findings of both reviews are expected to be presented to the Programmes and Investment Committee in July 2025.

8 Programme Changes

- 8.1 There were two additions to the Internal Audit plan in Q4 and six deferred audits. Two of the deferrals were real time audits where the timetable within the business area has changed. There were two that were deferred due to the cyber incident and had been recognised as 'at risk' in the Quarter 3 2024/25 report to this Committee. The final two were deferred with the agreement of the business areas.
- 8.2 Four QSSA audits against the Payment Card Industry Data Security Standard that relate to ER04 have been cancelled in Q4 as changes to the payment systems means this assurance is no longer required.
- 8.3 Three QSSA audits against ER01, ER04 and ER06 have been cancelled as other work has either provided the required assurance or has meant the assurance is no longer required. The audits were: an integrated systems audit, 'Strategic Communications Plan' and 'Rail for London Infrastructure Competence Management within the Supply Chain'.

- 8.4 Seventeen QSSA audits have been deferred to 2025/26 in consultation with the business, the majority are due to staff turnover within the team. However, six have been deferred to align with other activity at the request of the business. Four ER01 audits, six ER04 audits, two ER05 – ‘Supply Chain disruption and ineffective procurement and contract management’ audits, and five ER06 audits have been deferred.
- 8.5 Where audits are shown as completed against ER04 in 2024/25, this refers to the former ER04 - ‘Significant security incident including Cyber Security’. ER04 will be split into two Level 0 risks: ER04 – ‘Significant security incident’ and ER11 – ‘Significant cyber security incident’. This Committee will receive separate updates on assurance work related to ER11 from reporting undertaken from April 2025.

9 Management Actions/Recommendations

- 9.1 A breakdown of overdue management actions and recommendations across Chief Officers and the Risk and Assurance teams is included at Appendix 3. We continue to work with the management teams and the relevant Chief Officers to resolve these and a number have been closed since the end of Q4.

10 Customer Feedback

- 10.1 Due to the cyber incident in September 2024, we have been unable to provide customer feedback data for Q4, reporting will resume when the system and data is available. Our audit system will be available again in the middle of Q1 but in the interim we have put a manual process in place to ensure we can collect the customer feedback.

List of appendices to this report:

Appendix 1: Internal Audit reports issued in Quarter 4 2024/25

Appendix 2: Level 0 Enterprise Risks

Appendix 3: Overdue Actions and Recommendations by Team at End of Quarter 4

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

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Internal Audit reports issued in Quarter 4 (8 December 2024 to 31 March 2025)

Appendix 1

Twelve draft reports (excluding Places for London) were issued during the quarter. All have agreed actions plans in place that are tracked to completion.

Enterprise Risk	Directorate	Ref	Audit Title	Summary of Findings	Conclusion
ER02 Attraction, retention, wellbeing and health of our employees	Chief People Officer	24 042	Our People Leaders' Framework	Business areas are embedding the Framework, mostly through actions listed in their People Plans, with responsibility assigned to appropriate persons or teams, and with processes for reporting on and monitoring implementation of the actions.	Adequately Controlled
ER04 Significant security incident including cyber security	Chief Customer and Strategy Officer	24 049	Artificial Intelligence (implementation of Microsoft tools with built-in AI)	The audit found an absence of technical controls to enforce the requirements of the TfL Generative AI policy.	Requires Improvement
ER04 Significant security incident including cyber security	Chief Customer and Strategy Officer	24 051	London Transport Museum (LTM) Business Continuity	A comprehensive bottom-up Business Impact Analysis and corresponding business continuity risk identification and assessment exercise has not been done. Additionally, existing incident management plans do not consider all key risks and incident scenarios faced.	Requires Improvement
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Finance Officer	24 017	Supplier Contract management – KONE	The evidence of the validation of the actual maintenance work reported by Kone as completed, both physically and by value needs to be improved. The SAP reports of work done, including the value, is reformatted and re-summarised to suit TfL's needs. However, this reorganised information needs to be reconciled back to the Application for Payment to ensure that any errors introduced can be identified and corrected.	Requires Improvement

Enterprise Risk	Directorate	Ref	Audit Title	Summary of Findings	Conclusion
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Customer and Strategy Officer	24 036	Procurement of the new advertising contract – phase 3	Phase 3 of the procurement of the new advertising contract, a real time audit, was found to be well controlled and we confirmed that detailed feedback was provided to all bidders on how the bids were evaluated.	Well Controlled
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Finance Officer	24 046	Supplier contract management audits Dyer Butler	No major issues of concern were identified during the audit however the supplier's request for approval to purchase materials for the year was approved by a Commercial Manager who did not have the requisite level of Delegated Procurement Authority. We have reminded Procurement and Commercial of the necessity to ensure authority limits are adhered to.	Adequately Controlled
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Finance Officer	24 047	Supplier contract management audits – Otis	Progress against the agreed annual maintenance plan is tracked through various technical meetings, weekly reviews and evaluation of Key Performance Indicators. Checks on applications for payments and any variances need to be evidenced.	Adequately controlled
ER07 Financial resilience	Chief People Officer	24 026	Payroll	There are robust controls over the processing of payroll within the Employee Payments Delivery team. There is an opportunity for some processes to be improved in other parts of TfL to ensure consistency and accuracy.	Requires Improvement
ER07 Financial resilience	Chief People Officer	24 043	General Ledger	We found that most controls over general ledger access, finance master data and profit centre allocation were adequately designed and operating effectively. However,	Adequately Controlled

Enterprise Risk	Directorate	Ref	Audit Title	Summary of Findings	Conclusion
				some controls and processes were not always operating effectively.	
ER07 Financial resilience	Chief Finance Officer	24 044	Savings Validation and Tracking	We confirmed that there is an appropriate governance framework and processes in place for the correct and accurate recording of savings. We identified one issue where two Chief Officer areas used the wrong baselines to calculate savings, this was immediately rectified.	Requires Improvement
ER10 Governance and controls suitability	General Counsel	24 039	Freedom of Information process	The Freedom of Information team has established a well-defined and documented process that has evolved over the years to support the timely response to public requests. The FOI audit identified some user accounts in the application user database that should be removed	Adequately Controlled
ER10 Governance and controls suitability	Chief People Officer	24 041	Compliance with the 2024 Pensions Code of Practice (PCoP)	Compliance with the 2024 PCoP is good. Most policies and procedures required by the 2024 PCoP have been in place prior to its introduction in March 2024. Management have made substantial progress in the development of the Effective System of Governance as stipulated within the code.	Adequately Controlled

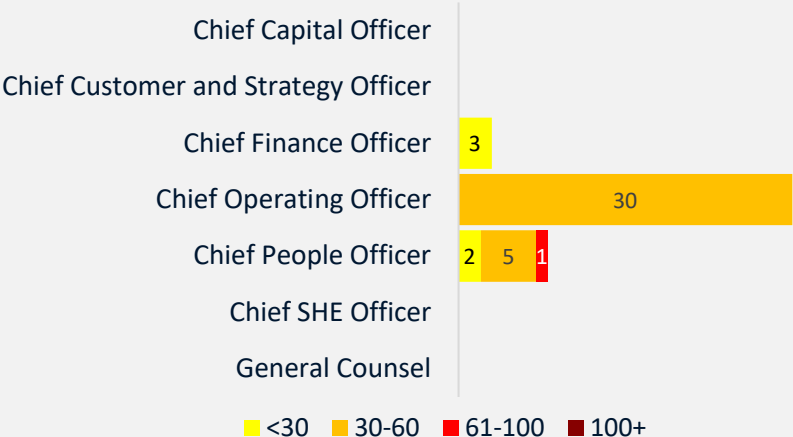
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Risk No.	Risk	Owner	Panel and Committee
ER01	Failure to prevent a significant safety incident or deliver safety obligations	Chief Safety, Health and Environment Officer	Safety and Security Panel
ER02	Attraction, retention, wellbeing and health of our employees	Chief People Officer	People and Remuneration Committee
ER03	Environment including climate adaptation	Chief Safety, Health and Environment Officer	Finance Committee
ER04	Significant security incident	Chief Operating Officer	Safety and Security Panel
ER05	Supply Chain disruption and ineffective procurement and contract management	Chief Finance Officer	Finance Committee
ER06	Deterioration of operational performance	Chief Operating Officer	Customer, Sustainability and Operations Panel
ER07	Financial Resilience	Chief Finance Officer	Finance Committee
ER08	Delivery of key investment programmes and projects	Chief Capital Officer	Programmes and Investment Committee
ER09	Changes in customer demand	Chief Customer and Strategy Officer	Finance Committee
ER10	Governance and control suitability	General Counsel	Audit and Assurance Committee
ER11	Significant cyber security incident	Chief Customer and Strategy Officer	Safety and Security Panel

*ER11 Significant cyber security incident is a new risk that has been developed following the decision to split out the cyber aspects from ER04. Reporting on ER11 will begin in Quarter 1 of 2025/26.

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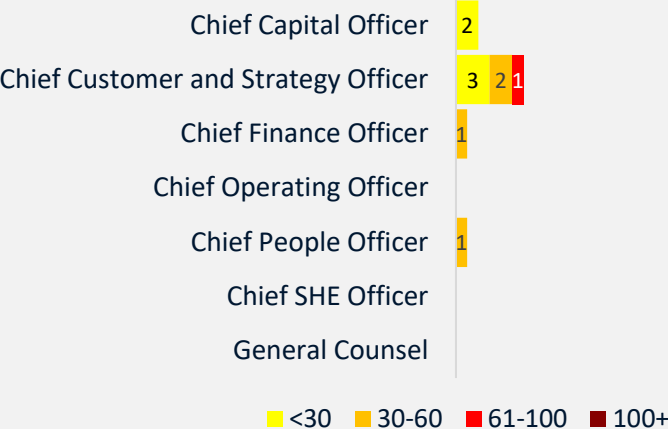
Internal Audit Overdue Action by Days



Quality Safety Security Overdue Action by Days



Project Assurance Overdue Recommendations by Days



IIPAG Overdue Recommendations by Days



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Date: 4 June 2025

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 2025. It describes the work undertaken since the last report presented to the Committee in March 2025.

2 Recommendation

2.1 The Committee is asked to note IIPAG’s Quarterly Report and the management response and to approve IIPAG’s workplan for 2025/26.

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 2025 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. Of the three overdue recommendations shown at the end of Quarter 4 of 2024/25 (8 December 2024 to 31 March 2025) none are critical issues.

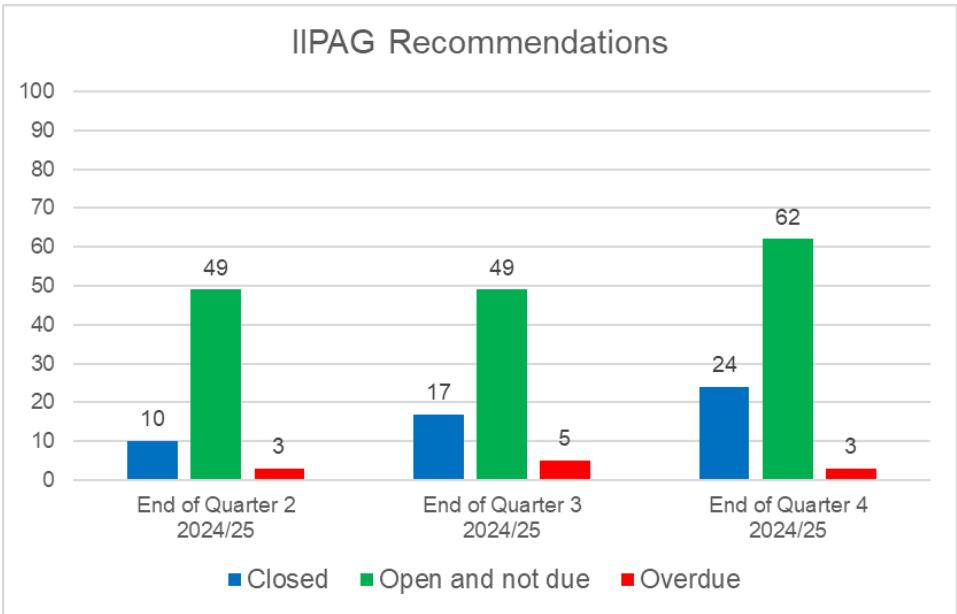


Figure 1: Status of IIPAG Recommendations

- 3.3 From the assurance reviews undertaken during Quarter 4 IIPAG made 29 recommendations, four of which were critical issues. All of the recommendations were agreed with the respective project teams and management responses provided.

4 Management Response to IIPAG Quarterly Report

Cost and Schedule Performance for Continuous Rolling Programmes

- 4.1 TfL recognises that there is progress to be made in establishing measurable baselines on annualised rolling programmes. The Programme Management Office (PMO) is currently working with Investment Planning, Asset Strategy and delivery areas to establish a consistent and scalable approach to Pathway application on rolling programmes, part of which will include appropriate levels at which annualised baselines can be measured. This work will require significant collaboration and effort, and this will be progressed alongside other improvement initiatives and prioritised accordingly.

Adequacy of Project and Programme Schedules

- 4.2 The PMO is working on an improved cross-discipline baselining process which will include schedule quality checks and standardise how underlying schedule assumptions are captured and validated. Building on the progress made in the Road User Charging Programme the approach to the integration of linked schedules will also be reviewed. All baselined reportable schedules must have an end-to-end critical path and the PMO is considering how to strengthen the assessment process as part of the period end reporting and at baselining.
- 4.3 As well as construction scheduling TfL is making improvements to the schedules in the Technology Programme. A technology schedule improvement initiative is underway, with the intention of bringing greater consistency and accuracy to scheduling in this area.

Cross Cutting Reviews

- 4.4 TfL welcomes the work IIPAG has undertaken on cross cutting reviews on carbon and asset renewals. These reports are under review and management responses will be provided to the recommendations made.
- 4.5 TfL looks forward to the output of the ongoing IIPAG cross cutting review on Pathway for Programmes.

5 IIPAG Workplan for 2025/26

- 5.1 IIPAG's proposed workplan for 2025/26 is provided in Appendices 2 and 3. This has been shared with key business areas for input and TfL supports the proposal and asks the Committee to approve the IIPAG workplan for 2025/26.

List of appendices to this report:

Appendix 1: Independent Investment Programme Advisory Group - Quarterly Report
June 2025
Appendix 2: IIPAG Workplan 2025/26
Appendix 3: IIPAG Workplan Assurance Reviews 2025/26

List of Background Papers:

None.

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

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INDEPENDENT INVESTMENT PROGRAMME ADVISORY GROUP

QUARTERLY REPORT TO AUDIT AND ASSURANCE COMMITTEE, JUNE 2025

Introduction

This report to the Committee describes Independent Investment Programme Advisory Group's (IIPAG) activities in March to April 2025. We have made no new strategic recommendations.

IIPAG Activity

At the time of writing, we are due to start a review of the Rail and Station Enhancements Programme, and possibly HS2, for the July meeting of the Programmes and Investment Committee (PIC). PIC is scheduled a month after the Audit and Assurance Committee on this occasion, so we are currently unable to report on this period's programme reviews.

We have undertaken one sub-programme review, on London Underground Fleet Heavy Overhaul, and have received briefings on a few projects coming up to important decision points over the coming months.

Common/Systemic Issues

We have previously highlighted the difficulty of getting a clear view of **cost and schedule performance for continuous rolling programmes**. These programmes can consist of a large number of smaller interventions and commonly deploy over-programming, so that new work can be added if the originally planned work is delayed. As work is added year on year the EFC is increased. The result is that there is not a clear baseline against which performance can be assessed, and EFC comparisons over time are not meaningful. To tackle this issue, we have recommended in a recent case that delivery tranches might be established within the programme, to enable improved visibility and control of financial and schedule performance.

PA's monitoring of recommendations from IIPAG and PA reviews shows that the issue that has been raised most frequently in the past year is the **adequacy of project and programme schedules**. Concerns have been raised about the quality of the construction of schedules, and the realism and robustness of assumptions that underpin them. For more complex projects and programmes, we have raised concerns about the

lack of integrated schedules, and lack of visibility of critical paths. We intend to look further at this issue and its causes through a cross-cutting review in 2025/26.

This Committee has previously observed that most of the systemic issues we raise are not new and has asked us to consider **what progress TfL has made on recurrent themes**. To answer this question, we propose to provide some commentary on themes we have raised over the past five or so years. In December 2021 we identified 8 common themes from our reviews:

1. The systems and processes for project control and reporting.
2. Capability and resources
3. Programme/portfolio management
4. Costs and risk
5. Commercial and contracting strategies
6. Governance
7. Value for money and business cases.
8. Information, including project and programme reporting.

To this list we would now add:

9. Project Schedules
10. Asset Condition.

We plan to report against these ten themes. This will be largely qualitative, drawing on our experience of assurance reviews and what we see across the investment programme. We will target the September meeting of this Committee. We would welcome any comments on this approach.

Cross-Cutting Work

We have finalised our reports on:

- How TfL takes account in the Investment Programme of targets to reduce carbon emissions
- Our second piece of work on asset renewals, looking at planning, prioritisation and workbanks.

These are currently being considered by TfL management, and we will submit them to PIC once complete.

We have one review underway:

- Pathway for Programmes: process and application. This follows our earlier review of Pathway for Projects.

We are also considering TfL's progress in implementing the recommendations of our earlier review of Asset Information, and TfL's progress with improvements to the Procurement and Commercial function.

Work Programme for 2025/26

This Committee approves IIPAG's work programme each year. Attached to this report is the proposed plan for 2025/26, for which we seek approval.

Recruitment is ongoing for members of the new IIPAG safety sub-group and once appointments have been made a workplan for this sub-group will be drafted and issued for approval.

Alison Munro

Chair, IIPAG

April 2025

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INDEPENDENT INVESTMENT PROGRAMME ADVISORY GROUP

WORKPLAN 2025/26

April 2025

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 programme and 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 assurance of the projects which hold the highest risk for TfL, such as Four Lines Modernisation (4LM) and the Piccadilly Line Upgrade (PLU);
- Cross-cutting reviews of strategic and systemic issues.

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

IIPAG has a sub-group providing assurance in respect of TfL Places for London. The Integrated Assurance and Audit Schedule for IIPAG Places is submitted to the Land and Property Committee for approval and to the Audit and Assurance Committee for noting. The IIPAG Places workplan is therefore not included here.

2. Resources

IIPAG's budget for 2024/25 allows for around 350 days' work. There is a separate budget for IIPAG Places.

The main IIPAG consists of seven permanent members with a broad range of relevant expertise. We currently have one vacant position, for which recruitment is underway for someone with commercial expertise. Two of the current IIPAG members come to the end of their contracts during 2025/26, and recruitment for those will be undertaken in due course. We can also bring in specialist expertise on an ad-hoc basis if needed.

3. Programme and Project Reviews

The Investment Programme is currently structured into 14 programmes. IIPAG will review each of these in 2025/26, alongside the TfL Project Assurance (PA) team. IIPAG and PA will also undertake reviews of some of the major sub-programmes within the programmes, in order to provide assurance in sufficient depth. In addition,

IIPAG carries out targeted assurance reviews on the higher value (generally above £50m) or higher risk projects. The selection of projects for targeted reviews is compiled in discussion with PA, based on an assessment of value and risk; it is kept under review in the light of any changes in cost and risk.

Appendix 3 provides a list of the programme, sub-programme and targeted reviews that IIPAG expects to undertake in 2025/26. In practice the number of targeted reviews undertaken will also depend on the progress that projects make during the year.

In addition, we undertake assurance reviews for some of the higher value and more risky procurements, alongside PA. In 2025/26 this will include a review of new signalling frameworks. This activity is in addition to the assurance we already provide for individual projects at key procurement stages.

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 systemic issues that we have identified in reviews, and suggestions or requests from TfL Board members and management. We consult TfL management on the scope of and Terms of Reference for reviews in advance. We also do reviews to follow up on management's progress in responding to earlier IIPAG cross-cutting reviews. We are expecting to allocate around 130 days for cross-cutting work in 2025/26, though progress may depend on filling the vacant positions noted above. We keep the programme of cross-cutting work under review, and if new topics need to be added during the year we may need to defer other work proposed below.

We will seek to ensure that our work is complementary to the work of others in the organisation, notably PA and Internal Audit. In some cases, our output will be informal advice and continuous assurance, while in others we will produce reports for TfL management, the Programmes and Investment Committee and the Audit and Assurance Committee as appropriate.

As agreed with the Audit and Assurance Committee we have reduced the frequency of our review of TfL benchmarking activities to every three years.

We are currently completing reviews of:

- How carbon reduction targets are taken into account in the investment programme
- Renewals in TfL Part 2: Prioritisation and Workbanks
- Progress on IIPAG recommendations on Asset Information.

We have two reviews in progress:

- Effectiveness of the Pathway process for Programmes
- Progress with Procurement and Commercial improvement plans, incorporating follow-up on our earlier review of Contract Forms.

In addition, and subject to IIPAG capacity, we propose to undertake cross-cutting reviews and assurance in the following areas in 2025/26:

- Programme and project schedules
- Organising for effective delivery (which could cover issues such as project management skills and capability; roles and interfaces between sponsorship, delivery, engineering, operations and others; and senior leadership and accountability)
- Sponsorship
- Treatment of Climate Adaptation in the investment programme
- Annual review of Effectiveness of Lines of Assurance (LOA) 1 and 2
- Triennial review of TfL's Benchmarking activity.

We will also keep engaged with the Programme Management Office and Finance on developments in investment governance.

5. Other work

In addition to reviews and cross-cutting work, IIPAG representatives attend the Programmes and Investment Committee, the Audit and Assurance Committee and the executive Investment Group. IIPAG members meet each month with PA 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
Programme and Project reviews	170
Cross-cutting work	120
Other (meetings etc)	60
Total	350

Alison Munro, Chair of IIPAG.

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INDEPENDENT INVESTMENT PROGRAMME ADVISORY GROUP

WORKPLAN ASSURANCE REVIEWS 2025/26

April 2025

Streets, Buses and Rail and Sponsored Services Renewals

- Annual Programme Review
- Asset Capital Programme
- Westway
- Brent Cross
- Gallows Corner
- Croydon Flyover

Rail and Station Enhancements

- Annual Programme Review
- Elephant and Castle
- East London Line Programme
- Trams Replacement Rolling Stock
- Elizabeth Line Additional Trains

Four Lines Modernisation

- Annual Programme Review
- Contract change

Silvertown Tunnel

- Annual Programme Review

Piccadilly Line Upgrade

- Annual Programme Review
- Schedule / Estimated Final Cost
- Depots / Operational Readiness / Infrastructure
- Targeted briefings

LU Renewals

- Annual Programme Review
- Built Environment and Civils
- Lifts and Escalators
- Power, Electrical, Mechanical, Fire and Communications
- Engineering Vehicles Logistics and Manufacturing
- Track
- Signals

- Heavy Haul Vehicle Procurement
- Central Line Signalling Incremental Upgrade
- Signalling Framework

DLR Rolling Stock Renewals Programme

- Annual Programme Review

Safe and Healthy

- Annual Programme Review
- Catford
- Old Street Roundabout
- Oxford Street
- Network Schemes
- Cycling Schemes

Environment

- Annual Programme Review
- RUC Re-Let
- Building Decarbonisation

Technology

- Annual Programme Review
- SAP S4 Hana
- Hina
- Oval
- Proteus
- Cycle Hire Re-Let
- Taxi Private Hire
- iBus 2

Network Development and Third Party

- Annual Programme Review
- West London Orbital
- Docklands Light Railway to Thamesmead
- Bakerloo Line Extension

Elizabeth Line

- Annual Programme Review

Bakerloo Line Upgrade

- Annual Programme Review
- Targeted Review

High Speed 2

- Annual Programme Review

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Audit and Assurance Committee



Date: 4 June 2025

Item: Places for London Assurance Update

This paper will be considered in public

1 Summary

- 1.1 This paper reports on progress with assurance activity across Places for London during Quarter 4 of 2024/25 (8 December 2024 to 31 March 2025) (Q4) and provides the status of all open assurance recommendations at the end of Q4.
- 1.2 A paper is included on Part 2 of the agenda which contains 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 financial or business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendation

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

3 Background

- 3.1 The Places for London Integrated Assurance Framework is based on a Three Lines of Assurance model comprising:
 - (a) Line 1 – Management functions of Places for London and key interfaces;
 - (b) Line 2 – Project Assurance (PA) and Quality, Safety and Security Assurance (QSSA); and
 - (c) Line 3 – TfL Internal Audit and a sub-group of the Independent Investment Programme Advisory Group (IIPAG-Places).
- 3.2 This paper reports specifically on Line 2 (PA and QSSA), Line 3 (Internal Audit and IIPAG-Places) assurance progress and provides an update on Enterprise Risk management. Work in progress for Line 2 and Line 3 is set out in Appendix 1 and work starting in Quarter 1 of 2025/26 (1 April to 21 June 2025) (Q1) and Quarter 2 of 2025/26 (22 June to 13 September 2025) (Q2) is set out in Appendix 2.

4 Line 2 (Project Assurance) Assurance

- 4.1 PA continues to monitor progress with major developments and programmes within the Property Development and Asset Management Directorates.
- 4.2 PA is pleased to note that the process for estimating project costs is being reviewed and will assure the changes in real time. We are also undertaking a review of how well recommendations from the previous PA and IIPAG-Places targeted assurance reviews have been embedded and findings will be reported to the 16 July 2025 meeting of the Land and Property Committee.
- 4.3 PA has arranged for IIPAG-Places to be briefed on the Limmo procurement, Cockfosters residential development, the Southwark over station development, purpose-built student accommodation sector and digital strategy (Places for London wide and Asset Management focussed).
- 4.4 PA continues to monitor all open PA and IIPAG-Places recommendations. One recommendation was closed in Q4. A total of 12 recommendations were still open at the end of Q4 (see Figures 1 and 2 below). Seven PA recommendations were overdue at the end of Q4. Five have since been rebaselined and two have been closed.

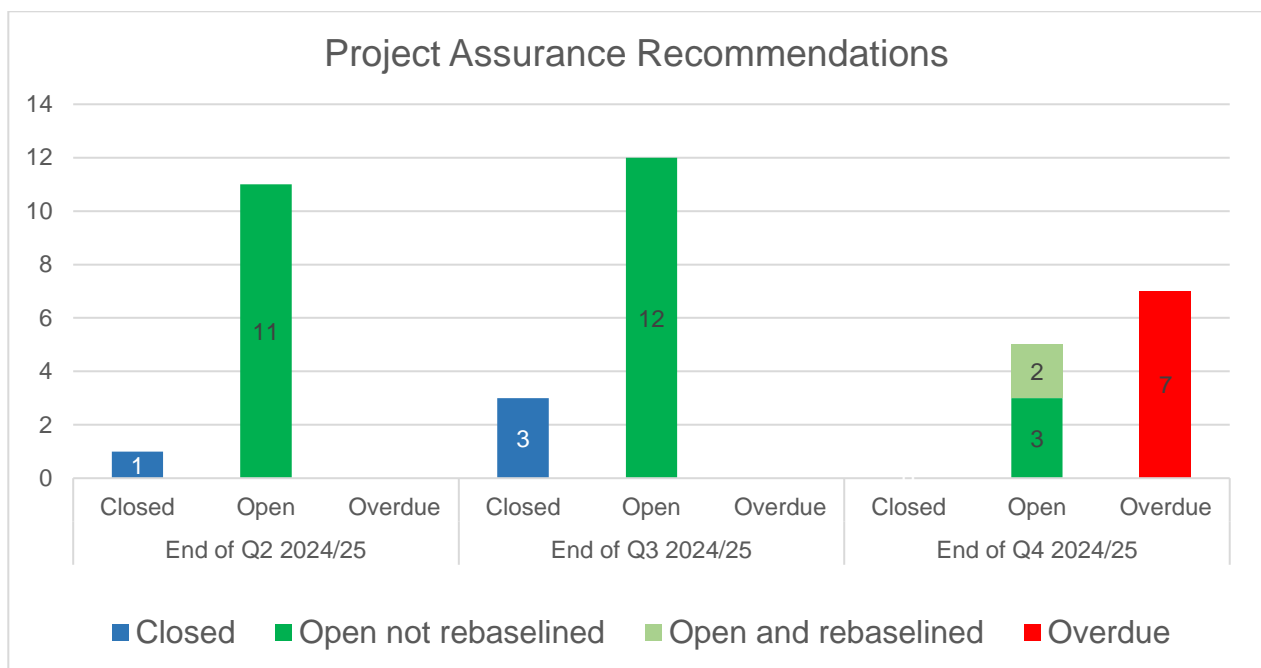


Figure 1 – Project Assurance Open Recommendations (end of Q4)

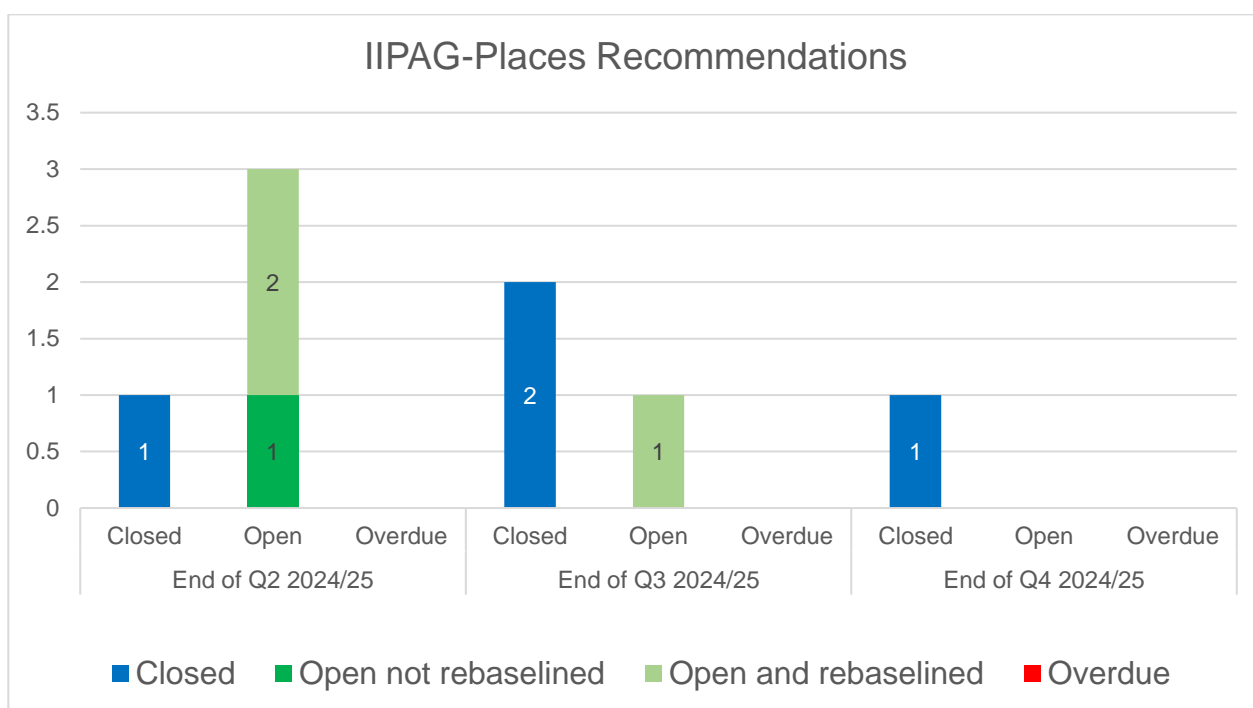


Figure 2 – IIPAG-Places Open Recommendations (end of Q4)

- 4.5 We continue to ensure that we are targeting the riskiest areas and providing the right level of information to Committees and the TfL Executive. This includes a series of sector focussed deep dives considering key risks and issues, these are included in the forward plan at Appendix 2

5 Line 2 (Quality, Safety and Security Assurance) Assurance

- 5.1 The QSSA audit of Asbestos Management is complete and was found to be 'requires improvement'. The audit of Implementation of Duties Under the Construction (Design and Management) Regulations 2015 is in progress with three of four sites completed. The detailed findings will be reported to the July meeting of the Land and Property Committee and the findings and draft report are being discussed with the management team.

6 Line 3 (Internal Audit) Assurance

- 6.1 The audit of Safeguarding in the Educational Engagement programme was rated as 'adequately controlled'.
- 6.2 The joint venture (JV) reporting audit has been split into individual audits of three of the partners: Barratt; Grainger; and Helical. All of these are underway and will report to the July meeting of the Land and Property Committee.
- 6.3 Internal Audit monitors the progress of management actions and consequent closure. There are no overdue Places for London audit actions.

7 Line 3 (IIPAG-Places) Assurance

- 7.1 In addition to the activities listed in section 4, the IIPAG-Places investment appraisal process and hurdle rates targeted assurance review is nearing completion and the findings will be reported to the July meeting of the Land and Property Committee.
- 7.2 IIPAG-Places will continue to increase assurance activity for individual deep dives on Asset Management sector (retail, offices, arches and property acquisition/disposal) including reviewing plans and targets and considering risks to delivery.

8 Enterprise Risk Management

- 8.1 Details of the seven Places for London Level 0 (L0) risks are set out in Appendix 3.
- 8.2 A review of Places-L0-07 – 'Ineffective procurement, lack of flexible partnerships and the ineffective management of contracts' has been completed. Places-L0-06 – 'Inability to react to external market forces' has also been reviewed and updated. An update on both risks was provided to the 18 March 2025 meeting of the Land and Property Committee.
- 8.3 It has been agreed with the Places for London Executive leadership team that their Risk Appetite and Tolerance approach will be developed in line with TfL's. This work is underway.

List of appendices to this report:

- Appendix 1: Places for London Integrated Assurance and Audit Schedule – Work in Progress
- Appendix 2: Places for London Integrated Assurance and Audit Schedule – Forward Plan
- Appendix 3: Places for London Level 0 Enterprise Risks

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

Places for London Integrated Assurance and Audit Schedule – Work in Progress

Appendix 1

Priority	Topic	Evidence of Need	Type	Who	Status	Objectives
1	Management of Arches	There are around 850 commercial railway arches and it is essential that management of this sector is effective to ensure it yields expected returns of £11.6m per annum.	Audit	Internal Audit (IA)	Complete	Provide assurance that the management of the Arches sector is effective.
2	Safeguarding in the Educational Engagement programme	The Educational Engagement programme works with selected schools to increase underrepresented groups in construction where there is a huge skills shortage. The team works with students under 18 and it is essential that safeguarding processes and controls are in place.	Audit	IA	Complete	Provide assurance that the controls for safeguarding in the Educational Engagement programme within Places for London are adequate and effective.
3a	Joint venture (JV) reporting - Barratt	The Independent Investment Programme Advisory Group (IIPAG) undertook a targeted review of structuring and management of JVs in 2023 and the immaturity of the arrangements in place for JV reporting was identified.	Audit	IA	Underway	Build on the IIPAG findings and provide assurance on the arrangements now in place to ensure robust JV reporting.

Priority	Topic	Evidence of Need	Type	Who	Status	Objectives
3b	JV reporting - Grainger	IIPAG undertook a targeted review of structuring and management of JVs in 2023 and the immaturity of the arrangements in place for JV reporting was identified.	Audit	IA	Underway	Build on the IIPAG findings and provide assurance on the arrangements now in place to ensure robust JV reporting.
3c	JV reporting - Helical	IIPAG undertook a targeted review of structuring and management of JVs in 2023 and the immaturity of the arrangements in place for JV reporting was identified.	Audit	IA	Underway	Build on the IIPAG findings and provide assurance on the arrangements now in place to ensure robust JV reporting.
4	Asbestos management	This is part of a programme of asbestos audits across TfL following a revision to the TfL Standard. Not previously assured in Places for London.	Targeted	Quality, Safety and Security Assurance (QSSA)	Complete	Check compliance with the revised TfL Standard and compliance with regulatory requirements.
5	Implementation of Construction (Design and Management) (CDM) duties	Places for London acts as CDM client on a number of projects.	Audit	QSSA	Underway	Seek assurance that Places for London is adequately meeting its duties as a CDM client and receiving the appropriate assurance from Principal Contractors and Designers.
6	Investment appraisal and project financial hurdles	Projects and investments are appraised using financial hurdles. Places for London has reviewed the investment appraisal process and hurdle rates.	Targeted	IIPAG	Underway	Provide assurance on the investment appraisal process, new hurdle rates and their application and governance regarding exemptions.

Priority	Topic	Evidence of Need	Type	Who	Status	Objectives
7	Estimating accuracy	Evidence of cost estimates increasing as project design develops.	Targeted	Project Assurance (PA)	Underway	Review emerging proposals to update the process for estimating costs/applying risk, benchmarking and applying lessons learnt.
8	Electric vehicle charging hubs	Delivery partner recently procured to deliver electric vehicle charging hubs.	Continuous	PA/IIPAG	Ongoing	Provide assurance on the development of the partnership and assess key decisions.
9	Limmo development	Complex site with significant constraints. Procurement of a delivery partner is ongoing.	Continuous	PA/IIPAG	Ongoing	Provide assurance on the procurement and assess key decisions.
10	Continuous assurance activities	A number of functions and strategies are developing. There are a number of large, complex development programmes and sites. Strategies are emerging for the key asset management sectors.	Continuous	PA/IIPAG	Ongoing	Assess key decisions and highlight areas for targeted assurance.

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Places for London Integrated Assurance and Audit Schedule – Forward Plan

Appendix 2

Quarter 1 (1 April to 21 June 2025) of 2025/26 (Q1) and Quarter 2 (22 June to 13 September 2025) (Q2)

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
1	Financial controls	This is part of our cyclical key financial controls audit work.	Audit	Internal Audit (IA)	2025/26 Q1	Provide assurance that effective financial controls are in place including the process to monitor and control spend against authority and commitment.
2	Management of sectors - retail	The effective management of the retail sector is important as this is a high-profile sector and a key revenue source.	Audit	IA	2025/26 Q2	Provide assurance that the management of the retail sector is effective.
3	Management of TfL tenants	Identified from a risk based review with Safety, Health and Environment Business Partner.	Audit	Quality, Safety and Security Assurance	2025/26 Q1	Seek assurance that the Compliance team are managing the risk from short and long term tenants on TfL property.
4	Offices sector	Profit and Loss (P&L) accounts have now been set for each sector.	Assurance deep dive	Project Assurance (PA)/ Independent Investment Programme Advisory Group (IIPAG)	2025/26 Q1	Review of performance and risks to delivery of office sector P&L targets and alignment with sector strategy.

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
5	Affordable housing	Significant percentage of housing target required to be affordable. Impact of external market influences and availability of grant funding.	Assurance deep dive	PA/IIPAG	2025/26 Q1	Assess delivery confidence and understanding/mitigation of key risks.
6	Build to rent sector	Sector wide viability challenge. Delivery strategy being considered with Grainger, the joint venture partner.	Assurance deep dive	PA/IIPAG	2025/26 Q2	Assess delivery confidence and understanding/mitigation of key viability risks.
7	Third party guarantees	Value of third party guarantees provided by Places for London is significant across development projects.	Assurance deep dive	PA/IIPAG	2025/26 Q2	Consider how guarantees are managed and accounted for and how associated risks are being managed across Places for London.
8	Lille Bridge Depot vacant possession plan	Concept design is being completed to inform the vacant possession strategy.	Targeted	PA	2025/26 Q2	Assess delivery confidence, risks, and robustness of cost estimate.
9	Key investment decisions	Second and third line assurance as required to support authority requests/ investment decisions.	Continuous	PA/IIPAG	Ongoing	Provide a recommendation on key decisions and investment requests to support decision makers.

Risk	Risk Title
Places-L0-01	Failure to prevent safety incidents or meet safety commitments
Places-L0-02	Attraction and retention of our employees
Places-L0-03	Financial sustainability
Places-L0-04	Stakeholder management
Places-L0-05	Environment including climate adaptation
Places-L0-06	Inability to react to external market forces
Places-L0-07	Efficient and high performing supply chains and effective procurement (Partnerships)

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Audit and Assurance Committee

Date: 4 June 2025

Item: Legal Compliance Report (1 October 2024 – 31 March 2025)

This paper will be considered in public

1 Summary

- 1.1 This paper provides the Committee with summaries of legal and compliance information provided by each TfL Directorate for the Legal Compliance Report for the period 1 October 2024 to 31 March 2025. Updates are also provided for ongoing matters carried over from the previous reports where applicable.
- 1.2 There are no material breaches of law which would affect TfL's continued operations and reported matters continue to be broadly in line with previous reports.

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.
- 3.3 The Directorates were asked to identify where they are aware of any alleged breaches of law between 1 October 2024 and 31 March 2025. 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 the 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 including 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 1998;
 - (m) other material compliance issues; and
 - (n) any initiatives introduced by Directorates to address compliance issues.
- 3.4 The numbers of matters reported against each of the categories listed in section 3.2 (a) to (l) above, together with the number of matters reported against them in each of the preceding two reporting periods, is set out in Appendix 1.

4 Commentary on Legal Compliance Issues

Prosecutions

- 4.1 No formal warnings or notices of prosecution were received during this reporting period.

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

- 4.2 On 28 March 2024, the HSE served a Notification of Contravention on TfL following its investigation into the tragic death of a pedestrian at Walthamstow bus station on 15 December 2023. The HSE identified a failure to provide safe crossings for vehicles and pedestrians which contravenes sections 2(1) and 3(1) of the Health and Safety at Work etc. Act 1974 and regulation 4(1) of the Workplace (Health, Safety and Welfare) Regulations 1992. Temporary measures were reported in the previous Legal Compliance Report. Permanent changes to the pedestrian crossings in the station to reduce pedestrian risk have now been made.
- 4.3 The HSE carried out an unannounced visit on 11 March 2025 and, on 24 March 2025, served a Notification of Contravention in relation to its observations at that visit. The HSE identified a failure to monitor driver activity on site which contravenes regulation 5(1) of the Management of Health and Safety at Work Regulations 1999. The HSE also identified a failure to provide instruction, and supervision to drivers which contravenes sections 2(2)(c) and 3(1) of the Health and Safety at Work etc. Act 1974. The HSE asked to see a clear process for tracking findings, monitoring trends and taking action against operators for poor driver behaviour. TfL already gains insight from engagement tours, official reports, daily checks and incident reports. Additional monitoring will be undertaken at Walthamstow bus station to provide a greater overall review of activity. TfL has also communicated with all bus operators reminding them of their safety duties and requested an update of the actions they have and are taking to address the

concerns in relation to driver behaviour. A response has been provided to the HSE.

- 4.4 Since the end of the reporting period, following an inspection, the ORR served TfL an Improvement Notice, dated 30 April 2025, in relation to platform-end barriers at Stepney Green station, following an inspection. The ORR has identified contraventions under section 3(1) of the Health and Safety at Work etc. Act 1974 for failing to implement effective measures to deter and prevent unauthorised access to the railway infrastructure beyond the platforms end barriers, namely to operational railway tracks and exposed high voltage electrical conductors. The notice requires that TfL remedy the contravention by 23 June 2025. We are working to address the issues raised and will provide a response by the deadline.

Formal Warnings or Notices from the London Fire Commissioner

- 4.5 The London Fire Brigade issued us with an Order under the Regulatory Reform (Fire Safety) Order 2005, dated 23 January 2025, for fire safety deficiencies following an inspection at Baker Street Underground station. The fire safety deficiencies identified included water ingress at the premises causing water damage to electrical equipment; an insufficient fire detection and warning system; a faulty fire control panel and insufficient fire risk assessment measures. TfL has commenced work to address the deficiencies by 10 July 2025, in compliance with the Order.
- 4.6 Since the end of the reporting period, the London Fire Brigade issued us with a Fire Safety Deficiency Notice, dated 16 April 2025, following an inspection at West Ruislip Underground station. The fire safety deficiencies identified included an inadequate fire detection and warning system; insufficient fire risk assessment and monitoring arrangements; and inadequate safety training for staff. TfL has commenced work to address the deficiencies by 28 May 2025.
- 4.7 No other fire safety deficiencies were reported on the rest of the network during this reporting period.

Formal Warnings or Notices from the Environment Agency

- 4.8 We previously reported a Compliance Notice received from the Environment Agency dated 7 October 2019 requiring the removal of all equipment containing polychlorinated biphenyls (PCBs) on the London Underground (LU) network by the end of 2023. PCBs on our network were safely contained within electrical components, not accessible to the public and had not escaped into the environment. We made good progress in complying with the Compliance Notice, however, due to a number of issues which were outside our control, including the coronavirus pandemic, we were unable to remove and replace all PCBs by that date. We have continually updated the Environment Agency with our progress in removing PCBs from the network, including where there were risks to completion. At the end of 2023 we confirmed to the Environment Agency that the remaining PCBs would be removed from the LU network by the end of 2024. On 10 October 2024, the Environment Agency issued a fine to LU of £150,000 for not completing the removal of all PCBs by the end of 2023 as required by the Compliance Notice, which, as reported previously, has been paid. The Environment Agency acknowledged the mitigating circumstances which delayed the PCB removal

programme and our extensive actions throughout the removal programme to ensure the LU network is free from PCBs when deciding on the level of the fine.

- 4.9 Our programme to remove and replace equipment containing PCBs on the LU network continued at pace in 2024 and in November 2024, the very last pieces of equipment containing PCBs were safely removed from our network. We subsequently informed the Environment Agency that we had complied with the Compliance Notice. The Environment Agency conducted a final inspection visit to LU on 19 March 2025 and confirmed completion of the work required under the PCB Compliance Notice, bringing this matter to a close.

Formal Warnings or Notices from the Information Commissioner

- 4.10 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 (together, data protection legislation), the Freedom of Information Act 2000 (the FOIA) and the Environmental Information Regulations 2004 (the EIRs).
- 4.11 No formal action was taken by the ICO in the reporting period in connection with TfL's compliance with data protection legislation.
- 4.12 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.
- 4.13 TfL was subject to a cyber incident which was detected on 1 September 2024. We notified the ICO on 2 September and, on 13 February 2025, the ICO confirmed that it will not be taking any regulatory action against TfL as a result of the cyber incident and it considers the matter closed, unless new information comes to light which significantly changes its understanding of the incident. No other data breaches were reported to the ICO in this reporting period.
- 4.14 There were three new complaints to the ICO in this reporting period relating to TfL's compliance with data protection legislation. All three are now closed. There were no open complaints at the end of the last reporting period.
- 4.15 Two of the new complaints related to the handling of Subject Access Requests (SARs). In one case the ICO advised that they had been contacted by an individual who had not received a response that was posted to them. A further copy of the previously disclosed information was sent to the individual by Special Delivery. The second complaint was from an individual who had difficulty making a request by telephone. The ICO requested TfL review its processes and training. The right to make a verbal SAR already forms part of TfL's mandatory data protection training course. Guidance has been produced to reduce the need for customers to send in written proof of identity and to improve handling of verbal requests.

- 4.16 The third complaint was from an employee concerned about the inclusion of health data in a risk assessment shared with a contractor. The complaint was already under investigation by the TfL Privacy and Data Protection team and the ICO required TfL to respond to the employee within 28 days. That response has been provided and advice on data minimisation has been provided to the manager who made the disclosure and to people leaders working in that business area.
- 4.17 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 decision are heard by the First-Tier Tribunal (Information Rights).
- 4.18 In this reporting period 1,962 replies were provided within the statutory deadline to 1,967 requests made to TfL under the FOIA and EIRs (99.75 per cent).
- 4.19 There were four open ICO complaints at the end of the last reporting period. These related to the use of the EIR exceptions relating to confidentiality of proceedings and adverse effect on the course of justice, the use of an FOI cost limit exemption, the use of an FOI exemption relating to personal data and to the general handling of a request and the extent to which the requested information was held. All of these complaints resulted in a Decision Notice in TfL's favour.
- 4.20 Four new complaints were received by the ICO in this reporting period. Two complaints relate to the application of an FOI exemption protecting law enforcement and one complaint relates to the use of EIR exceptions relating to the adverse effect on internal defence, public safety and national security, the course of justice and commercial information. The fourth complaint was a general complaint regarding a response.
- 4.21 One of the complaints concerning the law enforcement exemption and the complaint relating to the adverse effect on internal defence, public safety and national security, the course of justice and commercial information resulted in Decision Notices issued by the ICO in TfL's favour and the general complaint was closed informally. One complaint remains open.
- 4.22 During this reporting period, the First-Tier Tribunal (Information Rights) dismissed an appeal against a Decision Notice which had been issued in TfL's favour in an earlier reporting period. This concerned the use of the FOI exception for law enforcement in a case about the cost of damage caused by graffiti on the TfL network. The Tribunal also dismissed five linked appeals against Decision Notices issued in TfL's favour relating to the non-disclosure of information about cameras used to enforce traffic restrictions and road user charging.

- 4.23 During this reporting period we were notified of a new appeal to the First-Tier Tribunal (Information Rights) submitted on 21 November 2024 against a Decision Notice in TfL's favour. The Decision concerned an EIR request about the technology used by Ultra Low Emission Zone (ULEZ) cameras. An application to strike out the appeal has been made as we consider it has no merit (the information does not exist) and we await the outcome. If it goes ahead the hearing will take place in June 2025.

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

- 4.24 One ongoing matter from the last period relates to a Notice of Assessment from HM Revenue and Customs (HMRC) issued following an investigation of TfL's Off Payroll Working process and whether the Off Payroll Working rules have been applied correctly. TfL is liaising with HMRC and continues to provide requested information. The matter is ongoing.
- 4.25 Since the end of the current reporting period, Thames Water served TfL with a notice of contravention on 4 April 2025 under the Water Industry Act 1991 and Water Supply (Water Fittings) Regulations 1999, following an inspection at the Battersea Power Station Underground station. The contravention relates to contamination, waste, misuse, erroneous measurement, and undue consumption of water. Works to rectify the contraventions have been completed and a follow-up inspection was undertaken on 16 April 2025, within 21 days, as required by the notice. Thames Water was satisfied with the works completed. No further action is required.

Investigation by an Ombudsman

- 4.26 There were two ongoing investigations from the last reporting period and one new investigation reported for this reporting period.
- 4.27 In the first ongoing investigation relating to the processing of a private hire vehicle licence renewal application, the Ombudsman agreed that TfL's offer to refund the licence fee for the delay caused in processing the renewal application was a satisfactory remedy. No further action is required.
- 4.28 In the second ongoing investigation relating to a rejected application made to the ULEZ scrappage scheme, the Ombudsman found that TfL had not correctly publicised the changes to the scrappage scheme requirements for taxis. In accordance with the Ombudsman's recommendation, TfL processed the application, made a payment and apologised to the complainant.
- 4.29 The new investigation related to the delayed processing of a private hire vehicle driver licence renewal application. The Ombudsman agreed that TfL's action to refund the licence fee was a satisfactory remedy. No further action is required.

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

- 4.30 There were four ongoing enforcement notice matters reported in the last reporting period and four new enforcement notices issued during the reporting period.
- 4.31 The first ongoing enforcement notice (received in October 2022) was issued by the London Borough of Haringey in relation to planning conditions for improvements to Tottenham Hale station. TfL's revised planning application was refused by the borough on 8 October 2024. on the grounds that it did not support the boroughs regeneration aspirations and safety. TfL submitted a further amended application, in March 2025, addressing the borough's concerns. This application is scheduled a review by the borough in early June 2025. The borough has decided not to enforce the notice in the meantime. The matter remains ongoing.
- 4.32 The second ongoing enforcement notice (received on 14 April 2023) was a Community Protection Notice issued 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 informed the Royal Borough of Kensington and Chelsea that the graffiti has been removed from all TfL property listed in the Notice by 29 November 2023 and that not all 19 locations in the Notice are TfL property. We received confirmation after the end of this reporting period, on 28 April 2025, from the Royal Borough of Kensington and Chelsea that the Notice is closed.
- 4.33 The third ongoing enforcement notice (received 1 December 2022) was issued by Westminster City Council in relation to improvement works required to the building façade at Queensway Underground station. The work was due to be completed by 23 June 2023 but was delayed due to complications in agreeing the construction design of the scaffolding. On 1 May 2024 Westminster City Council informed TfL that the work had not been undertaken in accordance with the enforcement notice. TfL completed the works in February 2025 which included reinstating the heritage features in compliance with the enforcement notice. The matter is now closed.
- 4.34 The fourth ongoing notice (received on 3 July 2024) issued by the London Borough of Tower Hamlets was for use of land adjacent to Magdalen Passage for the unauthorised installation of a container. As reported previously, TfL wrote to the tenant requiring them to remove the container or obtain the relevant planning permission. TfL has since discovered that the land is in the control of Network Rail and has informed the London Borough of Tower Hamlets of this. As there is no further action TfL can take, the matter is considered closed.
- 4.35 The first new enforcement notice (dated 12 December 2024) was a Planning Contravention Notice issued by the London Borough of Redbridge regarding land adjacent to 1041 Romford Road, Manor Park, for unauthorised advertisement, construction and use as a builder's merchant. Engagement has taken place between the property manager, the council and the tenant. The London Borough of Redbridge officers have confirmed to the tenant that they can submit a retrospective planning application. The matter is ongoing.

- 4.36 The second new enforcement notice (dated 10 January 2025) was issued by the Westminster City Council in relation to the display of five illuminated advertisements at a property at 1 Temple Place, London, which are not in keeping with the character and appearance of the Strand Conservation Area. The notice was issued pursuant to the Town and Country Planning (Control of Advertisements) (England) Regulations 2007 and required the removal of the advertisements by 11 April 2025. The tenant subsequently sought to appeal the Westminster City Council's decision. TfL has, in parallel, advised the tenant that their lease will not be renewed, and vacant possession is being sought. If the advertisements have not been removed by the date of vacation (to be agreed), TfL will remove them.
- 4.37 The third new enforcement notice (dated 20 January 2025) was issued by the London Fire Brigade following an inspection at Karridale Mansions, London (residential flats above Goodge Street station). The notice required that (i) the deteriorated condition of the external metal staircase serving as a secondary fire escape for residents; and (ii) the convoluted and narrow nature of the escape route leading over the station roof and through the station to the highway be addressed. The notice was subsequently withdrawn by the London Fire Brigade on 28 February 2025 due to an error in the notice. TfL is engaging with the leaseholder to find a suitable solution to the issues with the condition of the secondary fire escape, failing which it will commence a project to replace the staircase.
- 4.38 The fourth new enforcement notice (dated 22 January 2025) was a Community Protection Notice issued by the London Borough of Redbridge, pursuant to the Anti-social Behaviour, Crime and Policing Act 2014 which required the removal of bulky waste and litter from land at Newbury Park station, Eastern Avenue, within seven days of the notice. The bulky waste and litter were removed in compliance with the notice. The matter is now closed.

Decisions Subject to Judicial Review

- 4.39 There were two ongoing judicial reviews from the previous reporting period and no new judicial reviews reported during this period.
- 4.40 The first ongoing judicial review claim was issued on 25 October 2023 by a group of claimants based in the Netherlands seeking to challenge the lawfulness of penalty charge notices (PCNs) issued to drivers working for those companies. The claim included allegations that PCNs issued under the Low Emission Zone and ULEZ schemes were unlawfully denominated in Euros and exceeded the amount prescribed by the relevant legislation. TfL has agreed a settlement of the claim which has been approved by the court. Any financial remedies will be subject to further directions from the court.
- 4.41 The second ongoing judicial review application was issued on 21 October 2024 by an individual challenging the decisions of the Parking Adjudicator to dismiss their appeal against a PCN issued by TfL following a moving traffic contravention. TfL responded to the claim and lodged its summary of grounds of resistance with the court. On 10 March 2025, the claimant's application for permission was dismissed but they have exercised their right to seek a review of that decision at an oral hearing. A hearing date is scheduled for 3 June 2025.

Inquests

- 4.42 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.
- 4.43 There were 14 ongoing inquests from the last reporting period and three new inquests reported during this reporting period. Seven of the 14 ongoing inquests were concluded: two were recorded as road traffic collision, two were accidental death, one suicide, one narrative conclusion, and one misadventure. In one case, TfL is considered not to be an interested person. Of the three new inquests, one was concluded as an accidental death. The outcomes of the six remaining ongoing inquests in which TfL is an interested person 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)

- 4.44 Three new court claims were received on 17 and 18 March 2025, for unpaid debt relating to an equipment hire contract. TfL is arranging to pay the claims.

Personal Injury Claims

- 4.45 TfL has been subject to 303 claims for personal injury that were closed during the reporting period, of which 18 were employers' liability claims by staff and 285 were for public liability, brought by customers/members of the public.
- 4.46 Of the 285 claims for public liability, 241 were closed without payment and 44 were settled. Two claims are made under the Equality Act 2010 by customers who allege their accessibility needs were not met; one of these claims is now being handled by the operator of the service concerned.
- 4.47 Of the 303 claims, 176 related to LU and 127 to other parts of the network. This is an increase from 145 and decrease from 149 respectively in the previous reporting period and compare with 140 and 119 in the period before that and the increases will be kept under review for trends.
- 4.48 Of the 18 claims for employers' liability, 10 were closed without payment and eight were settled.
- 4.49 There was a decrease in the number of closed claims compared with the last reporting period which reflects the decrease in the number of claims received overall. These are still significantly lower than they were pre-pandemic at 415 claims.

Employment Tribunal (ET) Proceedings

- 4.50 There were 125 ET claims reported during the period, of which 89 were carried forward from the previous report and 36 were reported for the first time.
- 4.51 Of the 125 ET claims, 39 were for unfair dismissal, five for constructive unfair dismissal, one for wrongful dismissal, 10 for sex discrimination, 29 for disability discrimination, two for discrimination on the grounds of religion/belief, 21 for race or ethnic origin discrimination, two for age discrimination, three for whistleblowing,

two for part-time worker discrimination/detriment, three for unpaid holiday pay, two for breach of contract, two for health and safety detriment/breach of health and safety legislation, one for unauthorised deduction from wages, one for equal pay, one for the denial of the right to be accompanied, and one for flexible working detriment.

- 4.52 Of the 125 ET claims reported during the period, 91 cases are ongoing, 33 were concluded during the period and one was concluded during the last period but the Claimant's appeal remains outstanding. Of the 33 ET cases concluded, nine were won, seven were settled (two of which were non-financial and one of which was for reinstatement), one was lost (for which the remedy decision is awaited), three were partially won (and the remedy decision in relation to lost element is awaited), three were struck out, and 10 were withdrawn.
- 4.53 Considering the nature of new claims, settlements, and tribunal outcomes over the last 12 months, there has been no clear or discernible trend (either upwards or downwards) in relation to the number of claims relating to any specific protected characteristics. Overall, the number of ET claims lodged and the number of claims that are settled is the same level as in previous reporting periods. Any lessons learnt in relation to ET matters will be addressed in regular reporting to the People and Remuneration Committee.

Civil Debt Claims in Excess of £5,000

- 4.54 No such claims were brought during this reporting period.

Other Material Compliance Issues

- 4.55 Since 1 October 2022, the environmental activist group Just Stop Oil (JSO) has engaged in protests in London, including on a number of TfL's 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.
- 4.56 A final hearing took place on 4 May 2023 to determine TfL's application for the interim injunction to be made permanent. A number of defendants signed an undertaking not to commit any prohibited acts set out in the injunction and as such were removed from the final injunction Order and were not liable to pay TfL costs, but a breach of the undertaking could result in contempt of court proceedings. A final injunction was granted against the remaining named defendants and Persons Unknown. The final injunction was granted for five years from the date of the Order made by the Judge in the Insulate Britain case (3 May 2023), with the consequence that the JSO injunction expires at the same time as the Insulate Britain injunctions.
- 4.57 Both the JSO and Insulate Britain final injunctions are subject to annual supervisory review by the court. The first such review took place on 13 and 20 May 2024 and, on 16 January 2025, the injunction was retained for the original term of five years from May 2023 subject to continuing annual supervisory review.

- 4.58 On 27 March 2025 JSO announced that they will no longer be engaging in the kind of disruptive protests which gave rise to our applications for injunctions since October 2022. We notified the court of this but sought to retain the injunctions at the annual review hearing on 12 May 2025. Following the review hearing the injunctions have been retained for six months until November 2025 when another review will take place.
- 4.59 On 24 December 2024, the Intellectual Property Office upheld a number of claims in TfL's favour in relation to the use by clothing company (Gap) of TfL's intellectual property. Protection of our trademarks is important to safeguard our successful brand licensing programme and generate revenue to reinvest into public transport.

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

- 4.60 No known breaches or alleged breaches were reported.

Management of Compliance Issues

- 4.61 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.
- 4.62 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.
- 4.63 The legal and compliance framework is the subject of continuous review and improvement. Initiatives to address compliance across TfL have included:
- (a) the continued provision of online training on Inclusion Matters including online and in-person training on Disability Awareness for People Leaders, to improve disability awareness across TfL to create an inclusive workplace and improving the experience of disabled colleagues;
 - (b) ongoing work to update contractual and commercial templates and forms to ensure they align with legal requirements;
 - (c) ongoing work to support Procurement and Commercial activity including reviewing arrangements for the implementation of the Procurement Act 2023;
 - (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) an independent review of safety governance and decision making and the formal investigation reporting process in TfL was completed in 2024/25 and supported by Risk and Assurance. The findings were reported to the Executive Committee and Safety and Security Panel and the actions will enhance the robustness of safety governance in TfL;
- (h) ongoing bespoke training to the business on a range of employment issues including employment law updates, reasonable adjustments requirements, disability discrimination, tribunal procedures, witness workshops, mediation and alternative dispute resolution, diversity and inclusion, respect in the workplace, probation, effective case management and providing guidance and best practice learnt from ET cases;
- (i) ongoing and regular issue of the employment law bulletin to managers and HR to support the dissemination of the latest developments in the law and best practice;
- (j) training on a wide range of legal issues including employment law updates, witness workshops, common contract pitfalls, money claims and court judgments, a practical guide to public inquiries, an update on compulsory purchase law, Greater London Authority powers and powers of functional bodies, legal privilege; and the Equality Act 2010 and the Public Sector Equality;
- (k) 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 and equal and fair treatment of suppliers;
- (l) continued production of instructions, guidance and templates in the TfL Procurement and Commercial Management Framework to support compliance with regulations and governance; and
- (m) ongoing work to identify and address areas of weakness in TfL's processes, helping to implement corrective actions where appropriate.

5 Conclusions

- 5.1 The Legal Compliance Report for the period 1 October 2024 to 31 March 2025 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.
- 5.2 Reported matters continue to be broadly in line with previous reports.

List of appendices to this report:

Appendix 1: Legal and compliance matters covering reporting periods from 1 October 2022 to 31 March 2025.

List of Background Papers:

None

Contact Officer: Andrea Clarke, General Counsel
Email: AndreaClarke@tfl.gov.uk

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Appendix 1

Legal and compliance matters reported from 1 October 2022 to March 2025

	1/10/2022 to 31/3/2023	1/4/2023 to 30/9/2023	1/10/2023 to 31/3/2024	1/4/2024 to 30/9/2024	1/10/2024 to 31/03/2025
(a) prosecutions against TfL	0	1	0	0	0
(b) formal warnings or notices from the Health and Safety Executive (HSE), the Office of Rail and Road, the London Fire Commissioner, the Environment Agency, the Information Commissioner or the other Government agencies	11	9	10	5	5
(c) investigations by the Ombudsman	2	1	0	6	3
(d) alleged legal breaches notified by local authorities or other bodies	6	9	10	6	8
(e) judicial reviews	3	5	4	3	1
(f) involvement in inquests	10	9	9	17	14
(g) commercial/ contract claims in excess of £100,00	2	1	0	1	0
(h) personal injury claims ⁱ	230	205	276	316	303
(i) proceedings in relation to discrimination including on the grounds of race, sex, disability, age, religion or belief, sexual orientation, equal pay or breach of contract	89	89	73	63	66
(j) wrongful or unfair dismissal	47	45	51	55	45
(k) actions to recover unpaid debt in excess of £5,000	0	0	0	0	3
(l) breaches of procurement rules and/ or the Competition Act 1998	0	0	0	0	0

ⁱ (h) pre-pandemic personal injury claims for reporting period 01/04/2019 – 30/09/2019 were at 415 claims.

Audit and Assurance Committee

Date: 4 June 2025

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 4 2024/25 Financial Control Environment Trend Indicators dashboard (included at Appendix 1) that informs the Committee as to the control environment across TfL's Finance, Business Services and Procurement and Commercial teams.

List of appendices to this report:

Appendix 1: Financial Control Environment Trend Indicators dashboard

List of Background Papers:

None

Contact Officer: Pritesh Patel, Interim Group Finance Director
Email: PriteshPatel@tfl.gov.uk

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Financial Control Environment Trend Indicators, Quarter 4, 2024/25

Appendix I

Audit and Assurance Committee

4 June 2025



Forecasting accuracy

Q4, FY2024/25

Total revenue is £188m lower than Budget over the full year. This is mainly from lower passenger income (£255m) - driven by lower journey growth than expected – and higher Road User Charging income (£106m). Journeys are 0.9% up on 2023/24, but lower than our budgeted 6% growth.

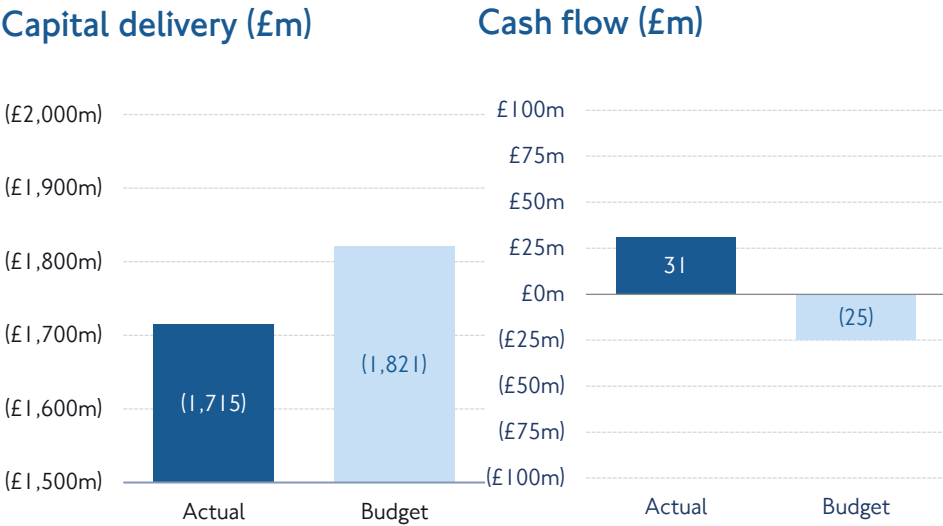
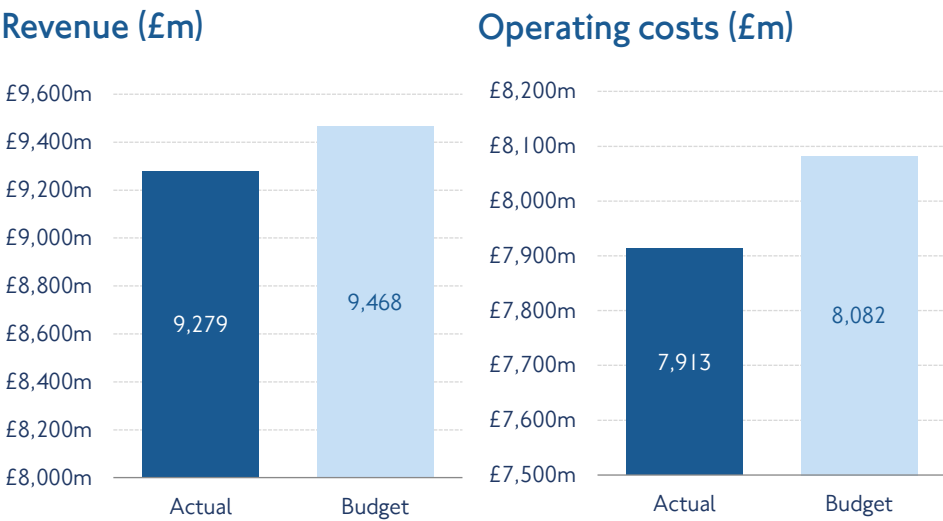
Total operating costs are £7913m in 2024/25 and are £169m lower than Budget. This is mainly from £226m savings from lower employer pension contributions, contingency which was held to manage against risks (including the risks to passenger demand and growth) which have been partly offset by higher road user charging bad debt and bus retender cost pressures.

Total TfL capital expenditure is £1,715m in the year and is £106m lower than Budget from rephasing of project spend.

Cash flow is £31m positive in the year and £56m better than Budget. This is a result of borrowings brought forward from future years (no change across business plan years), lower capital expenditure and higher capital funding.

Quarterly forecasting accuracy (£m)	Q1 2024/25	Q2 2024/25 *	Q3 2024/25 *	Q4 2024/25
Revenue	2,126	2,151	2,198	2,803
Variance to Budget	(51)	(26)	(60)	(51)
Operating costs	(1,839)	(1,881)	(1,853)	(2,340)
Variance to Budget	25	(17)	(20)	181
Capital delivery	(395)	(407)	(395)	(518)
Variance to Budget	4	8	57	37
Cash flow **	206	(376)	181	20
Variance to Budget	123	(213)	69	77

YTD forecasting accuracy (£m)	YTD, 2024/25
Revenue	
Actual	9,279
Budget	9,468
Operating costs	
Actual	(7,913)
Budget	(8,082)
Capital delivery	
Actual	(1,715)
Budget	(1,821)
Cash flow	
Actual	31
Budget	(25)



Excludes Places for London and Crossrail construction

* Quarterly results for Q2 2024/25 and Q3 2024/25 pro-rated due to the cyber incident

** Due to the cyber incident in September 2024, the balance at end of Q2 2024/25 is not available. The balance at the end of period 7 (12 October 2024) is shown instead

Procurement & Commercial activity

Q4 FY24/25

Validated cash releasing benefits:

Cash-releasing benefits rose significantly to £104.0 million by the end of Q4 FY24/25, driven by a concerted effort from the pipeline team to ensure timely entry and validation of benefits.

Retrospective spend:

Due to the cyber incident, data is currently available only up to the end of P05. The remaining spend data is in the process of being imported directly from R3 into Power BI.

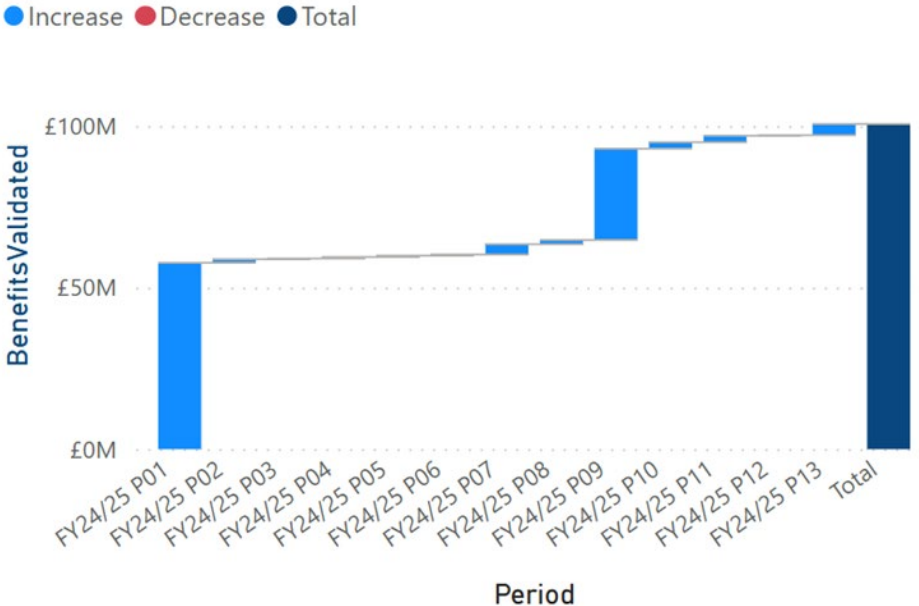
Over threshold single sources by volume:

The percentage of over-threshold single sources for Q4 was 0.2%, keeping the measure **GREEN** for the year (target = 1.2%; floor = 1.5%). Performance has remained consistently well below the target throughout the period.

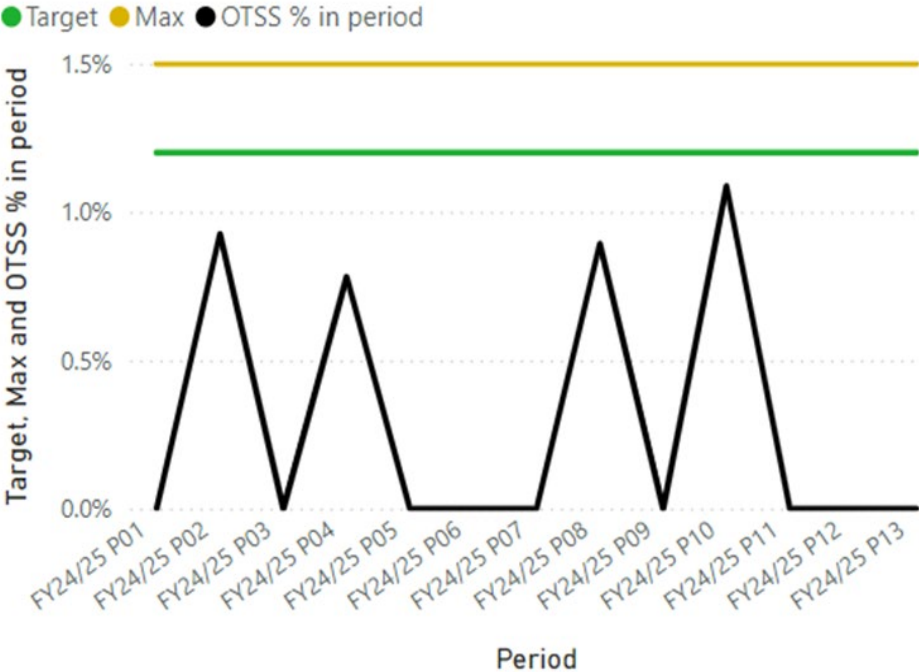
Commercial Assurance Meeting (CAM) submission compliance

CAM compliance—defined as submissions being on time and meeting governance requirements—stood at 81.3% for Q4 FY24/25, resulting in an AMBER rating for the quarter.

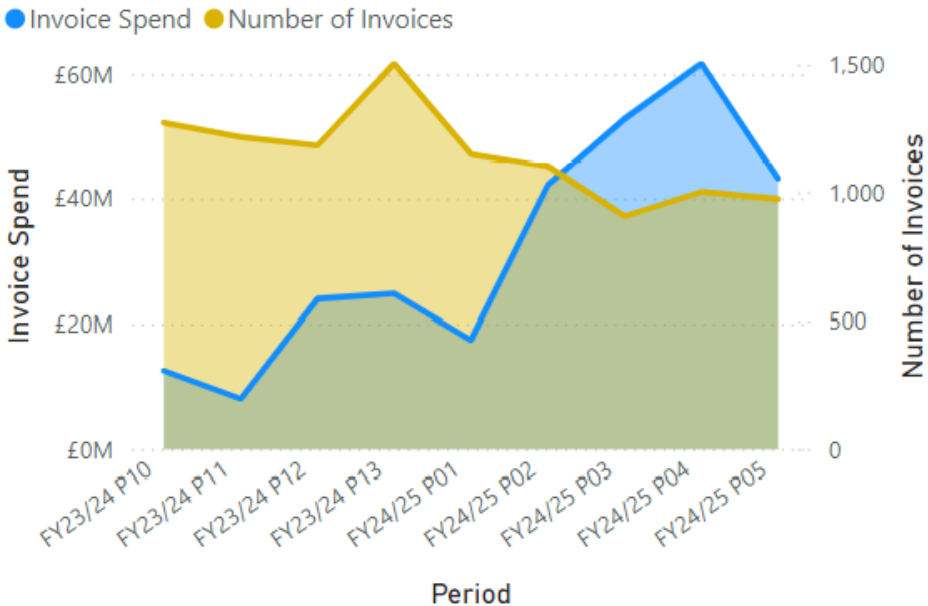
Cash Releasing Benefits Validated Per Period (£M)



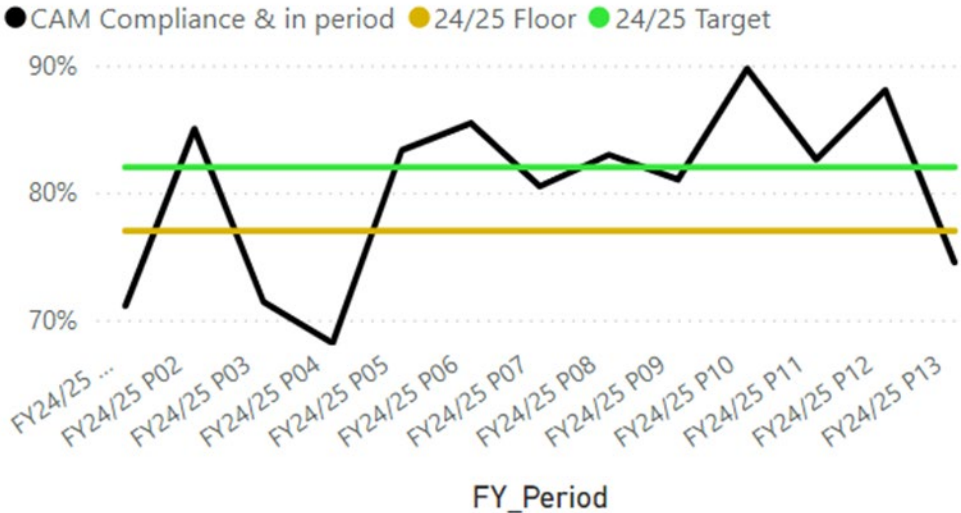
Over threshold single source % (number)



Retrospective Spend



Commercial Approvals Meeting Compliance by Period



Processing payments

Q4, FY24/25

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

Value of open items > 30 days on the bank reconciliation sits at £1.97m for Q4. The volume of open items in Q3 > 30 days sits at 4,463.

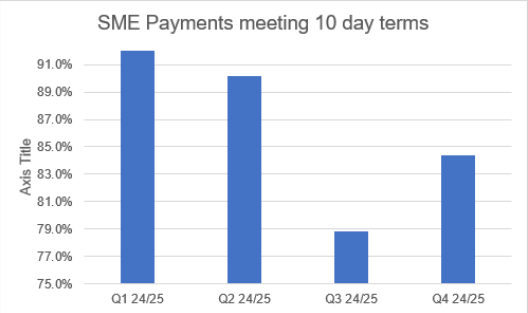
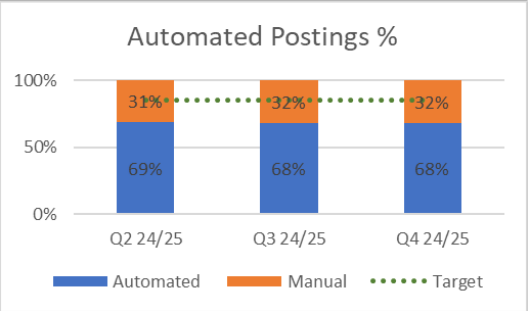
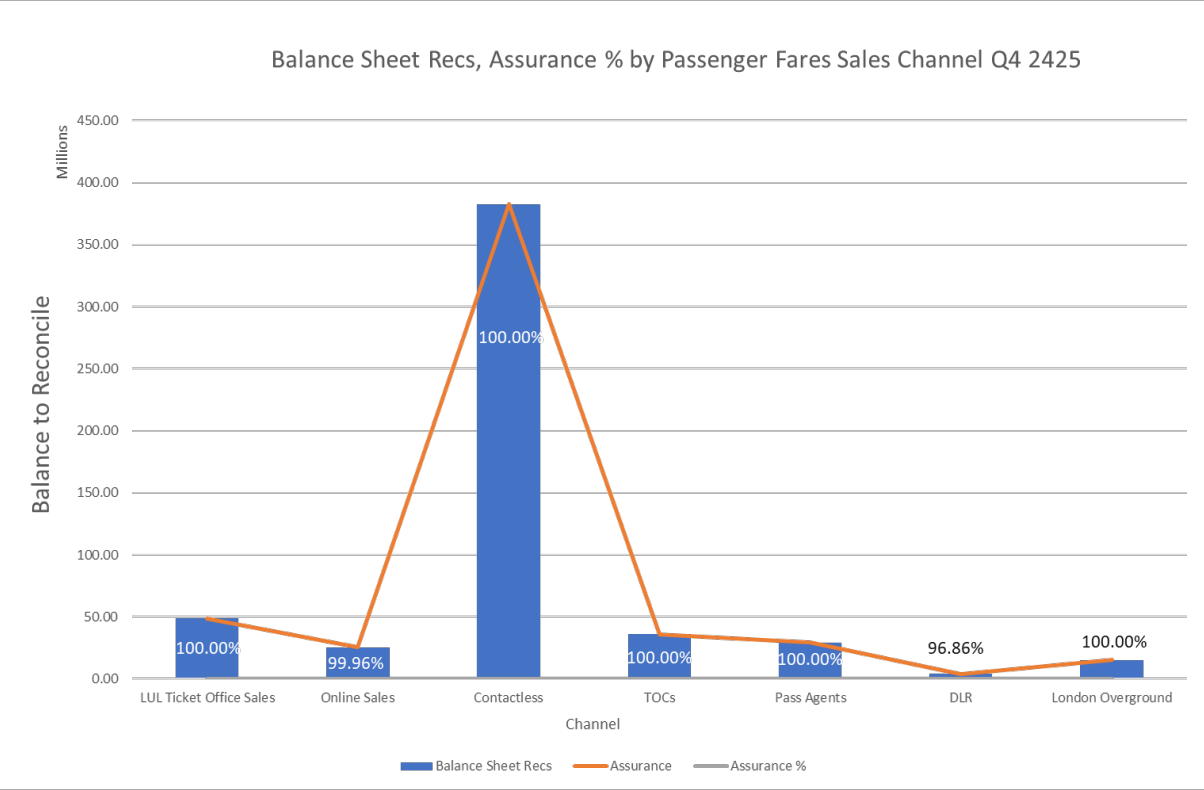
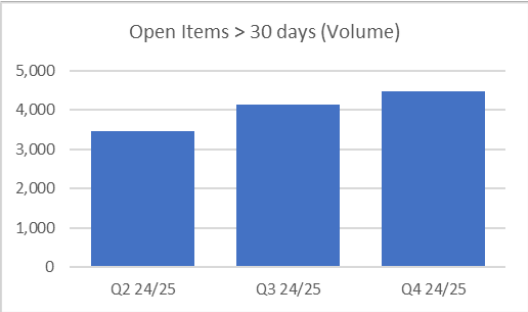
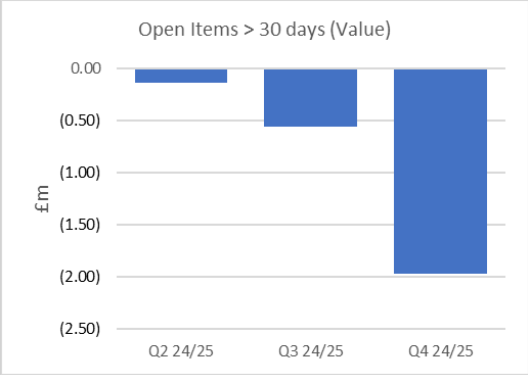
Automated Posting % measures the proportion of transactions which are automatically reconciled in SAP. For Q4 this amounts to 68%.

A full review of all allocations made found additional manual allocations processed from a second unallocated account. This has led to a revision of the yearly % automatic allocations. A subsequent review of our annual target is recommended.

The percentage of SME payments meeting the 10 day terms has increased this quarter to 84.4%. Although this is a significant increase on the previous quarter, it is still below the 90% target. The main cause of late payments is staff unable to approve invoices remotely post the cyber incident. With remote working scheduled to return in Q1 25/26, it is expected that the percentage meeting the target will continue to steadily increase.

Quarterly Figures

£m	Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25
Open Items < 30 days (£m Value)	35.68	482.88	39.76	11.69
Open Items > 30 days (£m Value)	1.71	(0.14)	(0.56)	(1.97)
Open Items < 30 days (Volume)	373	229	342	453
Open Items > 30 days (Volume)	2,755	3,464	4,127	4,463
Automated Postings %				
Automated	11,610	11,360	9,872	14,034
Manual	3,688	3,546	3,187	4,527
Automated	68%	69%	68%	68%
Manual	32%	31%	32%	32%
Target	85%	85%	85%	85%



Audit and Assurance Committee



Date: 4 June 2025

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

This paper will be considered in public

1 Summary

- 1.1 This paper provides the Committee with a summary of gifts and hospitality declared by Board Members and senior staff at TfL (Chief Officers, Directors and senior leaders reporting directly to a Chief Officer). In line with the Greater London Authority Group Framework Agreement, we provide a quarterly report to the Committee on gifts and hospitality accepted by Members and senior staff, attached as Appendix 1 to this paper.
- 1.2 This report covers a three-month reporting period, from 1 February to 30 April 2025. During this period, there were two accepted offers for Members and 58 accepted offers for senior staff. There were 116 declaration of offers made by senior staff in this period, of which 58 were declined.

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 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. A guidance section is included with the policy and 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 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. Senior staff are required to make a declaration every month, including a nil return for those months where no gift or hospitality has been offered. 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.

4 Reporting Period and Issues for Consideration

- 4.1 All Board Members, along with specific senior staff at TfL, were invited to attend a preview event on 3 April 2025 prior to the opening of BOXHALL at Liverpool Street Arcade, delivered by Places for London in conjunction with BOXPARK. Two Members of the Land and Property Committee attended this event. The two Members' attendance is included in the accepted figure in Table 2A below but Members who did not attend are not included in the declined figure.
- 4.2 There were no other declarations made by Members during the three-month period from 1 February to 30 April 2025. A total of 116 declarations of offers were made by senior staff in this period and 58 of these were declined, with 58 accepted.
- 4.3 Table 1 below provides a summary of the number of offers accepted and declined by senior staff who received more than 10 offers during the period.

Table 1: Senior staff receiving more than 10 offers during the reporting period

Name and Role	Offers	Accepted	Declined
Andy Lord, Commissioner	33	7	26

- 4.4 Table 2A below shows the current period and the previous two periods. Table 2B shows the same reporting periods for the previous year.
- 4.5 The offers received and accepted are set out in Appendix 1 and have been reviewed for compliance with the policy and guidance. There are no issues to raise with the Committee.

Table 2A: Figures reported to this meeting

Three-month period	01/08/24-31/10/24	01/11/24-31/01/25	01/02/25-30/04/25
Total offers	144	130	118*
Total declined	67	67	58
Total accepted	77	63	60*
Monthly average			
Total offers	48	43.3	39.3
Total declined	22.3	22.3	19.3
Total accepted	25.6	21	20

*Includes two Member acceptances (details of which are included in paragraph 4.1 above)

Table 2B: Figures reported to previous meetings

Three-month period	01/08/23- 31/10/23	01/11/23- 31/01/24	01/02/24- 30/04/24
Total offers	75	106	73
Total declined	41	47	45
Total accepted	34	59	28
Monthly average			
Total offers	25	35.3	24.3
Total declined	13.6	15.6	15
Total accepted	11.3	19.6	9.3

List of appendices to this report:

Appendix 1: Gifts and Hospitality Register (covering 1 February to 30 April 2025)

List of Background Papers:

Previous Gifts and Hospitality reports to the Audit and Assurance Committee

Contact Officer: Andrea Clarke, General Counsel
Email: AndreaClarke@tfl.gov.uk

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Appendix 1: Gifts and Hospitality Register (covering 1 February to 30 April 2025)

Name of Officer	Offer Status	Donor/Provider of Gift/Hospitality	Detail of Gift/Hospitality	Reason for Accepting Gift/Hospitality	Date of Event/ Hospitality
Anne McMeel (Board Member)	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Sara Turnbull (Board Member)	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Alex Williams	Accepted	BKK Budapest	EMTA Chair paid for evening meal	Maintaining stakeholder relationships, attending EMTA board in Budapest	19/02/2025
Alex Williams	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening (along with Board Members and other senior officers)	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Andy Lord	Accepted	Mayor of London / A Taj Hotel	Mayor's International Diplomatic Reception	Networking opportunity	18/02/2025
Andy Lord	Accepted	LCCI (London Chamber of Commerce and Industry)	LCCI Patron Lunch	Guest speaker	19/02/2025
Andy Lord	Accepted	PA Consulting, Mark Harper	Dinner with PA Consulting and Fiona Brunskill	Networking opportunity	25/02/2025
Andy Lord	Accepted	CBI, Rain Newton-Smith, CEO	CBI Leaders Dinner	Networking opportunity	01/04/2025
Andy Lord	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening (along with Board Members and other senior officers)	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Andy Lord	Accepted	Secretary of State for Transport, DfT	Ministerial Reception	To hear Secretary of State's vision to rebuild a transport system Britain can be proud of	10/04/2025
Andy Lord	Accepted	Rail Forum Board, Baggy Shanker MP, Catherine Atkinson MP	Rail Forum Annual Parliamentary Reception	To discuss current issues and opportunities for future	28/04/2025
Carl Eddleston	Accepted	4OC	Spotlight Rail Awards reception	Shortlisted for an award	20/03/2025
Christina Calderato	Accepted	Arup	Flights to attend and speak at the 'Public Trust, Political Will: The Path to Successful Implementation' conference in Amsterdam	Attendance and speaking at conference at Arup's request	31/03/2025 - 02/04/2025
Christina Calderato	Accepted	Arup	Amsterdam hotel accommodation provided whilst speaking at conference	Attendance and speaking at conference at Arup's request	31/03/2025 - 01/04/2025
Christina Calderato	Accepted	Arup	Dinner provided whilst speaking at conference in Amsterdam	Attendance and speaking at conference at Arup's request	01/04/2025
Claire Mann	Accepted	Kelios	Dinner with Alistair Gordon of Kelios	Dinner meeting for general catch up and to discuss any current operational issues	06/02/2025
Claire Mann	Accepted	Secretary of State for Transport, DfT	Ministerial Reception	Attended along with the Commissioner to hear the Secretary of State's vision to rebuild a transport system Britain can be proud of	10/04/2025
Claire Mann	Accepted	Hitachi ZeroCarbon	Site visit to Hitachi ZeroCarbon first bus depot in Leicester	Stakeholder bus depot site visit which included lunch and a taxi to/from the station	16/04/2025
Daniel Lovatt	Accepted	BOXPARK	Lunch with Matthew McMillan, Development Director of BOPARK	Lunch meeting to discuss completion of Liverpool Street Arcade	26/02/2025
Daniel Lovatt	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening (along with Board Members and other senior officers)	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Digby Nicklin	Accepted	Elliott Saunders, Helical	Helical Southwark Over Station Development (OSD) social drinks reception	Involvement in development in Southwark OSD project	26/03/2025
Elizabeth Mckay	Accepted	Sam Mullins (previous LTM Director and CEO)	House of Lords Reception	Networking in the cultural / heritage sector	04/03/2025
Elizabeth Mckay	Accepted	Jill Viner Patrons	Stakeholder lunch meeting	Stakeholder lunch meeting with LTM	26/03/2025
Emma Strain	Accepted	JC Deceaux	Public launch of JC Deceaux new adverting contract	Guest speaker at event, which included a drinks reception	04/02/2025
Emma Strain	Accepted	Jessica Dracup-Holland, Outernet	Invited to the Fabric of London launch event at The Outernet, Charing Cross Road, London	Invited as a guest speaker at the launch event by Chief Marketing Officer of Outernet	06/02/2025
Emma Strain	Accepted	Matt Bushby, Rightmove	Introductory lunch	Relationship building with Chief Marketing Officer of Rightmove	26/02/2025
Emma Strain	Accepted	Simon Pitts, Global	Dinner	Relationship building with CEO of Global, our rail advertising partner	23/04/2025
Fiona Brunskill	Accepted	Mark Harper, PA Consulting	Dinner	Introduction to head of newly appointed Change Consultancy	25/02/2025
Graeme Craig	Accepted	Helical	Drinks at Sophie's Soho, London, W1D 7NB	Networking event and celebration of successful planning consent organised by our joint venture partner	26/03/2025
Graeme Craig	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening (along with Board Members and other senior officers)	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Graeme Craig	Accepted	BOXPARK	Attended opening event for BOXHALL at Liverpool Street Arcade	Networking with our partner, BOPARK, and key stakeholders at the formal opening	09/04/2025
Helen Chapman	Accepted	TCS (Tata Consulting Services)	Bottle of wine gifted	The gift was not used/consumed, it was gifted to a raffle for charity	31/03/2025
Howard Smith	Accepted	Project Leaders	Future London - Visionary Insights - Speakers event	Networking and supporting TfL speakers	05/02/2025
Howard Smith	Accepted	Arthur D. Little	Rail roundtable discussion and dinner	Networking / industry knowledge share	09/04/2025
Kumaran Nagiah	Accepted	Arcadis	Annual Arcadis Ramadan Iftar Social-CNG event - food/soft drinks	Stakeholder event	11/03/2025
Lilli Matson	Accepted	Autonomy	Reception Dinner at Summit in Paris	Attending the Summit	18/03/2025
Lilli Matson	Accepted	Judith Batchelar Food Mi	Dinner	Networking opportunity	24/03/2025
Lisa-Jane Risk	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening (along with Board Members and other senior officers)	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Lucinda Turner	Accepted	LCA	Landing Lunch at MIPIM Conference	Introduction and networking lunch at MIPIM Conference with the Mayor / Deputy Mayor	10/03/2025
Lucinda Turner	Accepted	BusinessLDN	Landing Dinner at the MIPIM Conference	Networking dinner at the conference	10/03/2025
Lucinda Turner	Accepted	LCA / Barratt and Opportunity London	Dinner at the MIPIM Conference	Dinner with other attendees at the conference	11/03/2025
Lucinda Turner	Accepted	London Property Alliance / Opportunity London	Lunch at the MIPIM Conference	Networking lunch with others at the conference	12/03/2025
Lucinda Turner	Accepted	Opportunity London and Berkeley Group	Dinner at the MIPIM Conference	Dinner and meeting with the Mayor, Deputy Mayor and others at the conference	12/03/2025
Lucinda Turner	Accepted	BusinessLDN	Lunch at the MIPIM Conference	Lunch meeting with others at the conference	13/03/2025
Luke Jarvis	Accepted	Executive Leaders Network	Procurement Leaders Dinner	Networking opportunity	26/02/2025
Luke Jarvis	Accepted	Bruton Group	Energy and Infrastructure Leaders Reception	Networking opportunity	29/04/2025
Manish Gupta	Accepted	Invite to the IJGlobal Awards Europe & Africa - Wednesday 5 March 2025 The Peninsula London	Invite to the IJGlobal Awards Europe & Africa - Wednesday 5 March 2025 The Peninsula London	To represent Transport for London	05/03/2025
Nick Fairholme	Accepted	CECA Southern	Lunch and TfL speech	Networking opportunity / promotion for upcoming TfL projects	06/03/2025
Nick Fairholme	Accepted	The Bruton Group	Networking Event	Networking event. Offer was initially accepted but event was not attended	29/04/2025
Sagal Dirie	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening (along with Board Members and other senior officers)	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Scott Haxton	Accepted	Taylor Woodrow	Supply chain framework partner engagement event	To discuss committed step-free access project delivery	25/02/2025
Shashi Verma	Accepted	Government of India (LBSNAA civil services academy)	Flights to India	Lecture for senior civil servants in India	08/04/2025

Appendix 1: Gifts and Hospitality Register (covering 1 February to 30 April 2025)

Name of Officer	Offer Status	Donor/Provider of Gift/Hospitality	Detail of Gift/Hospitality	Reason for Accepting Gift/Hospitality	Date of Event/ Hospitality
Siwan Hayward	Accepted	Mitie	Lunch provided as part of a visit to Mitie Security	Visit to Mitie Security for them to showcase their provision of security services	28/02/2025
Stephen Field	Accepted	Chris Gawke, Senior Consultant, XPS Group	TfL Savings for Retirement Plan Trustee service review meeting followed by dinner	Networking opportunity	03/02/2025
Stephen Field	Accepted	Neil Lalley, Partner, XPS Group	Meeting and lunch	Review meeting and networking. Invite was initially accepted but event was not attended	07/02/2025
Stephen Field	Accepted	Jonathan Hazlett, Partner, Osborne Clarke	Dinner	Networking opportunity	26/02/2025
Stephen Field	Accepted	Peter White, Director, Law Debenture	Meeting followed by lunch	Networking opportunity	10/03/2025
Stephen Field	Accepted	Catherine McFadyen, Head of Pensions, Hymans and Robertson	Pensions & Retirement Conference	CPD and networking opportunity	27/03/2025
Steve Heeley	Accepted	BOXPARK	Attended preview event of BOXHALL prior to opening (along with Board Members and other senior officers)	Demonstration of new asset delivered in conjunction with Places for London delivery partner, BOPARK	03/04/2025
Will Norman	Accepted	Secretary of State for Transport, DfT	Ministerial reception on vision to rebuild transport system Britain can be proud of	Representing the Mayor's Office, maintaining relationships with stakeholders	10/04/2025

Audit and Assurance Committee



Date: 4 June 2025

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 items for future discussion.

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 Places for London Limited assurance and Independent Investment Programme Advisory Group (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, which may 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 the Chief Finance Officer. These discussions are scheduled after the following Committee dates:

4 June 2025	Chair of IIPAG
17 September 2025	External Auditors
27 November 2025	Director of Risk and Assurance
4 March 2026	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: Andrea Clarke, General Counsel
Email: AndreaClarke@tfl.gov.uk

Audit and Assurance Committee Forward Plan

Appendix 1

Membership: Mark Phillips (Chair), Keith Richards OBE (Vice Chair), Cllr Ross Garrod, Anurag Gupta, Deborah Harris-Ugbomah, Tanya Joseph and Marie Pye

Standing Items		
Financial Control Environment Trend Indicators	Chief Finance Officer	Quarterly
Risk and Assurance Quarterly Report	Director of Risk and Assurance	Quarterly
Places for London 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 for Members and Senior Staff	General Counsel	Quarterly

2 July 2025		
TfL Annual Report and Statement of Accounts	Statutory Chief Finance Officer	Annual
EY Letter on Independence and Objectivity	EY	Annual
EY Report to Those Charged with Governance	EY	Annual
Review of Governance and the Annual Governance Statement for Year Ended 31 March 2025	General Counsel	Annual

17 September 2025		
Effectiveness Review of the External Auditors	Chief Finance Officer	Annual
EY Audit Results Report – Year Ended 31 March 2025	EY	Annual
Freedom of Information Update	General Counsel	Annual
Finalisation of TfL's Statement of Accounts for Year Ending 31 March 2025	Chief Finance Officer	Annual
Draft Auditor's Annual Report – Year Ended 31 March 2025	EY	Annual

27 November 2025		
External Audit Plan TfL, TTL and Subsidiaries - Year Ending 31 March 2026	EY	Annual
Legal Compliance Report (1 April 2025 - 30 September 2025)	General Counsel	Bi-annual
Annual Tax Compliance Update	Chief Finance Officer	Annuals

Audit and Assurance Committee Forward Plan

4 March 2026		
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
Enterprise Risk Update – Governance and Controls Suitability (ER10)	General Counsel	Annual

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of the Local Government Act 1972.

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