

## Transport for London Audit and Assurance Committee

### Internal audit reports issued in Q1 2021/22

### Appendix 2

- There were 11 reports issued during the quarter

Enterprise Risk	Directorate	Ref	Audit title	Summary of Finding	Conclusion	H	M	L
<b>ER01 Major health, safety or environmental incident or crisis</b>	Surface Transport	20 004	Fatigue Risk Management	<p>There were three medium issues identified as follows:</p> <p>1) Projects awarded funding under the Bus Safety Innovation Challenge or equivalent, were not being adequately monitored.</p> <p>2) Invoices received for payment are not being recorded against project award.</p> <p>3) There was no overarching plan in place to help identify all the various projects taking place under working groups within the bus safety team and related projects taking place outside bus safety.</p>	Requires Improvement	0	3	0
<b>ER04 Major security incident</b>	Customers Communication & Technology	20 404	Privileged Access to Mission and Business Critical Systems	<p>Whilst a number of controls are in place, opportunities for control improvement exists, in particular:</p> <p>- TfL has not formally determined and classified privileged account types and a privileged access inventory has not been completed.</p> <p>- Section 3.4.3 of the TfL System Access Control Standard (S1735 A2) requires that privileged user access reviews should be completed bi-annually. However, we found that privileged users' access rights are not reviewed on this basis in order to ensure that all users with elevated access are appropriate and required.</p>	Requires Improvement	2	4	1

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<b>ER07 Financial sustainability</b>	Customers Communication & Technology	21 023	ACE-funded projects: The Cultural Recovery Fund Part 1	The London Transport Museum (LTM) successfully applied to the Arts Council England (ACE) for a grant of £1.75m towards its running costs. Certain conditions had to be met before payment was made; one of which was a certified statement of income and expenditure. Internal Audit confirmed that the statement, in all material aspects, accurately reflects the LTM's income and expenditure during the financial period ended 31 March 2021.	Memo	0	0	0
<b>ER07 Financial sustainability</b>	Finance	21 034	TfL Scorecard	- All measures reviewed, for both the H1 and H2 scorecards, exceeded their targets. In all cases we are satisfied that the outcomes have been accurately reported. - Two mitigations were proposed for the 2020/21 TfL Scorecard results. These have been submitted to the Chief Finance Officer and Commissioner for review and approval. In our opinion these mitigations are reasonable. - There were no issues identified in the course of this review.	Memo	0	0	0
<b>ER07 Financial sustainability</b>	Human Resources	20 108	Transitioning to the new Additional Voluntary Contributions provider	Key controls to ensure the effective transition to the new Additional Voluntary Contributions provider were found to be well designed and operated effectively. No issues or actions were identified or raised.	Well Controlled	0	0	0
<b>ER07 Financial sustainability</b>	Surface Transport	20 113	Additional Dedicated Home to School and College Transport Funding	Provision of extra Covid-secure buses and associated services, e.g. cleaning and communications via posters, to enable school pupils to be transported to school when there was reduced capacity due to social distancing on public service buses. This review certified £9,230,276.74 of expenditure was spent in line with the terms and conditions attached to the grant.	Memo	0	0	0

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<b>ER13 Governance and controls suitability</b>	Customers Communication & Technology	20 403	Compliance with GDPR Requirements – Concessions System	<p>Our audit identified the following:</p> <ul style="list-style-type: none"> <li>- Inadequate governance over access control matrix used to grant users access to the InNovator application has resulted in users having more permissions than required.</li> <li>- There is no regular review of the InNovator logs recording all user activity.</li> <li>- The requirement for the TfL Contact Centre Operations Executive team to encrypt personal data before sending it to data subjects is not included in its documented procedures.</li> </ul>	Adequately Controlled	0	3	1
<b>ER13 Governance and controls suitability</b>	Surface Transport	20 006	Bus Service Delivery Model	<p>There were six high priority issues found:</p> <ol style="list-style-type: none"> <li>1) The merging of three roles into the Senior Delivery Manager (SDM) role has meant that the job combines many complex and disparate facets that SDMs feel are difficult to manage.</li> <li>2) The ability of the Senior Service Delivery Manager to fulfil their role is dependent on the knowledge, skills and abilities of the SDMs that they manage.</li> <li>3) There is a lack of management information which is impeding senior management’s ability to have strategic oversight and management of their business operations.</li> <li>4) Operational staff in Bus Service Delivery have not been subject to performance reviews and poor performance is not being effectively managed in line with established TfL policies and procedures.</li> <li>5) There is insufficient management information to assess the work capacity of Network Traffic Controllers in providing support to the SDM role.</li> <li>6) Issues affecting the safety of TfL bus stations are not being escalated by some SDMs to Bus Operators.</li> </ol>	Poorly Controlled	6	4	0

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<b>ER13 Governance and controls suitability</b>	General Counsel	20 610	TfL Governance and Decision Making	<p>Four medium and one low issue were raised. The medium issues are as follows:</p> <p>1) Some Terms of Reference (ToR) had not been changed to reflect the new guidance on names of meetings, there is no standard template and levels of detail vary.</p> <p>2) Decisions do not include the decision maker's name in the minutes or are not supported by a separate decision note which sets out the decision.</p> <p>3) TfL is subject to the Public Sector Equality Duty, which requires it to have due regard to the impacts of its decisions on people with protected characteristics. The guidance does not provide granular detail on how and when an Equality Impact Assessment is to be evidenced.</p> <p>4) The Processes &amp; Systems Group ToR require decisions up to the value of £0.5m to be on 'Group' consensus basis rather those with delegated authority.</p>	Requires Improvement	0	4	1
<b>ER14 Opening of the Elizabeth Line</b>	Crossrail	20 508	Demobilisation of Tier 1 contractors	<p>There were no issues identified as part of this audit. However, some were noted that will be reported as part of audit 20 504 on the Alternative Delivery Model. This audit (20 508) was also split into two parts, the second part of which will be undertaken as part of the 2021/22 plan.</p>	Well Controlled	0	0	0

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Enterprise Risk	Directorate	Ref	Audit title	Summary of Finding	Conclusion	H	M	L
<b>ER14 Opening of the Elizabeth Line</b>	Crossrail	20 505	Management of Staff costs	<p>Four medium and one low issue were raised. The medium issues are as follows:</p> <p>1) Formal guidance to staff covering Workforce Planning does not reflect current practice, or in the case of contract extensions needs to be put in place. Formal guidance to staff covering Workforce Planning does not reflect current practice, or in the case of contract extensions needs to be put in place.</p> <p>2) Arrangements for verifying and approving timesheet or timecard entry vary across the contractor base. Adherence to process can be patchy, and in some areas not sufficient to provide assurance that time is monitored consistently through to invoice.</p> <p>3) Annual Conflict of Interest exercises are focused on the Senior Leadership Team and do not provide sufficient coverage of the business. Frequency needs to increase, and the timeframe within which escalations considered improved.</p> <p>4) Staff change is not yet consolidated as a Directorate level input to Workforce Planning. Previously proposals were grouped together and templated through the Internal Resourcing Group.</p>	Requires Improvement	0	4	1