

Independent Investment Programme Advisory Group – Quarterly Report to Audit and Assurance Committee September 2021

This paper will be considered in public

1. Introduction

- 1.1. This report to the Committee describes IIPAG's activities in the period from June to August 2021. It contains no new strategic recommendations but reports the outcome of our annual review of the first and second lines of defence.

2. IIPAG activity

- 2.1. We engaged in a number of reviews ahead of the July meeting of the Programmes and Investment Committee:

Sub-Programmes

Public Transport

Healthy Streets

Piccadilly Line Upgrade

Four Lines Modernisation (continuous assurance)

Targeted Reviews

Grid to Gate

- 2.2. We were also briefed on Road User Charging and the DLR Housing Infrastructure Fund bid, and reviewed the submission to the Programmes and Investment Committee on Elephant and Castle Station. We undertook a review of Rotherhithe Tunnel for Executive governance.
- 2.3. The accompanying paper from TfL Project Assurance describes management progress in implementing IIPAG's recommendations from sub-programme and project reviews.

3. Cross-cutting work

- 3.1. We have recently completed our annual review of the first and second lines of defence, and a copy of our report is attached for the Committee's consideration. This short report assesses the progress made against the recommendations that we made last year. It is not easy, in such an unusual year, to draw firm conclusions, but we do think we can detect progress in the impact of first and second lines of assurance. The tighter financial situation, in itself, inevitably increases the attention paid to project scrutiny.
- 3.2. We are, however, sure that there is more to do to strengthen the first line of defence. This is not a reflection on the quality of people involved, but is a result of the weaknesses in definition and deployment of project processes that we have reported on in other cross-cutting reviews. The various cross-TfL improvement initiatives provide the opportunity to address some of these process and system weaknesses.

- 3.3. The Project Assurance (second line of defence) team is stronger than it was, although it is losing key individuals, the replacement of whom will determine whether this improvement is sustained.
- 3.4. We have also completed our report on Asset Information. This has been sent to TfL management, and we plan to submit it to the October meeting of the Programmes and Investment Committee.
- 3.5. Our cross-cutting work programme continues to address the systemic issues that we have identified in sub-programme and targeted reviews. We have two further reports in preparation:
 - Progress report on value for money
 - Contract form
- 3.6. IIPAG is also undertaking an independent 'lessons learned' exercise in relation to the Silvertown Tunnel procurement review. We will report on this in October 2021.
- 3.7. Issues have been raised about staff shortages in most of the sub-programme and targeted reviews we have undertaken. Shortages have been reported in several areas, notably engineering, commercial, and sponsorship. We have not made a new recommendation on this subject, but we have raised it with the Programmes and Investment Committee and understand that it is receiving attention.

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