

Date: 14 September 2021

Item: Safety, Health and Environment Assurance Report

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## This paper will be considered in public

### 1 Summary

- 1.1 This paper updates the Panel on our proposed approach to continuing to strengthen and improve our safety, health and environment (SHE) assurance activities. The Office of Rail and Road (ORR) has highlighted the importance of continuing to have appropriate arrangements in place to monitor and review the effectiveness of risk controls.
- 1.2 Recent discussion with our Audit and Assurance Committee identified a need for more visibility and scrutiny of SHE risk management and the assurance processes we have in place to ensure and evidence compliance with our own standards and processes. The Audit and Assurance Committee has asked that we provide more SHE assurance information to this Panel. This is consistent with the request from Panel Members in June 2021 for a more detailed discussion on TfL's Enterprise Risks.
- 1.3 The opportunity for improving SHE assurance was identified in the Transformation business case for the SHE Directorate and was incorporated into the SHE Directorate operating model, and there are several workstreams currently in development or at an early stage of delivery.
- 1.4 Therefore, starting from September 2021, we propose to start reporting SHE assurance information to this Panel. As the digital assurance capabilities currently in development are rolled out, we will have progressively more data and insight to report to the TfL Committees and Panels providing risk oversight.
- 1.5 This paper sets out our proposal for providing information on our assurance activity and findings; and identifies areas where further development is proposed or underway. For context, two appendices are attached: Appendix 1 – Three Lines Model of Assurance; and Appendix 2 – Key SHE Risks and Oversight.

### 2 Recommendation

- 2.1 **The Panel is asked to note the paper, identify any further development areas and agree to regular reporting to this Panel.**

### 3 Background

- 3.1 Successful SHE assurance improves the effectiveness of SHE management. It is not sufficient to have good processes and procedures in place to manage key risks, we need to generate evidence that we are following those processes and improving our performance. This is true for our own management purposes and it is also necessary to provide that evidence to the TfL Committees and Panels

that provide risk oversight, regulators and potentially key stakeholders such as the London Fire Brigade. Particularly in a context where serious injuries or incidents are relatively rare, effective assurance provides us with leading indicators and the opportunity to proactively address risks before they are realised.

- 3.2 The ORR has advised industry, including TfL, to beware of complacency. This includes effective monitoring, audit and review, which was listed as a “key area of focus” in the ORR’s 2019/20 feedback to us.
- 3.3 Providing assurance within the complex landscape of TfL, and across multiple topics, is challenging. Enterprise Risk 1 – Major safety, health or environmental incident or crisis (ER1) includes monitoring and reviewing key strategic SHE risks. We also note recent discussions at the Audit and Assurance Committee and this Panel, which have identified a need for more visibility and scrutiny of our risk management.
- 3.4 An integrated approach has been adopted to deliver this improvement, based on two complementary strands of work. The first of these concerns ensuring sufficient visibility, including reporting to senior executives on SHE assurance and key SHE risks in a unified and consistent way. The second strand includes improvement of our assurance processes to ensure the required tools and processes are in place. This work is being developed collaboratively between SHE, General Counsel and other relevant teams such as Engineering.

## **4 Improving reporting**

- 4.1 Assurance trends and analysis are currently reported to the Audit and Assurance Committee and TfL’s Executive Committee. Audit reports issued are given a conclusion of ‘well controlled, adequately controlled, requires improvement or poorly controlled’. Individual findings within audit reports are rated as high, medium or low priority.
- 4.2 Most of the assurance data currently available relates to audits carried out by the Integrated Assurance team in relation to health and safety, security and engineering compliance. Over time, and based on the digitisation workstream described below, it will also be possible to develop more comprehensive data around assurance activities carried out by local management teams.
- 4.3 Moving forward, we propose providing a quarterly update to the Panel, detailing the assurance activities regarding ER1 controls. Reports to other TfL Committees and Panels include lists of completed and scheduled audits. These are currently being revised with more of an emphasis on data and intelligence.
- 4.4 From September 2021 it is proposed to provide assurance data to the Panel in the form of:
  - (a) progress against the agreed audit plan;
  - (b) year on year trends of audit ratings;
  - (c) breakdown of audit conclusions by Enterprise Risk;

- (d) breakdown of audit conclusion by business unit; and
- (e) audit action closure.

## **5 Improving Tools and Processes**

- 5.1 The opportunity for improving SHE assurance was identified in the business case for the SHE Directorate and was incorporated into the SHE Directorate operating model and there are a number of workstreams currently in development/delivery.
- 5.2 Working within the three lines model of assurance, which is the assurance model adopted by TfL to ensure our arrangements for managing risk are effective (see Appendix 1 for full details), the current SHE assurance improvement workstreams include:
- (a) a collaborative cross-TfL Assurance Forum bringing together SHE, TfL Engineering, and General Counsel to coordinate activity, share information and provide peer review and support. This is designed to provide a common approach to SHE assurance, support continuous improvement and minimise duplication of effort. The Forum has been established and currently meets quarterly, with an agreed Terms of Reference and key deliverables;
  - (b) work to further strengthen robust and consistent SHE assurance reporting for our management of suppliers has started. Work to develop a pan-TfL SHE compliance monitoring capability is also currently underway;
  - (c) a defined SHE assurance planning process for SHE and the wider TfL assurance community. This is being piloted in the Construction and Projects area and will be rolled out more widely in the latter part of this year; and
  - (d) as part of the SHE Management System (SHEMS) improvement project, we will be:
    - I. updating assurance requirements for all SHE topics in the SHEMS; and
    - II. digitising assurance processes and tools, which allows for more integrated tools, makes data available for strategic analysis and reporting and provides simplification for the business. Over time, this will change the way in which the business captures assurance data, using digital tools to put the forms 'in the pocket' of the member of staff and also allowing them to be configured to the role of the individual.
- 5.3 The SHEMS project is proceeding in tranches with the first tranche due for completion in October 2021. Overall these improvements will enable new comparative analysis to be conducted, providing insight that will inform SHE related decision-making, contribute to our ability to take a more forward-looking stance in relation to SHE risk management, and enhance the data we are able to provide the TfL Committees and Panels that provide risk oversight.

**List of appendices:**

Appendix 1 – Three Lines Model of Assurance  
Appendix 2 – Key SHE Risks and Oversight

**List of Background Papers:**

None

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