

Date: 24 February 2022

Item: Safety, Health and Environment Assurance Report

This paper will be considered in public

1 Summary

- 1.1 The purpose of this report is to give the Panel an overview of the effectiveness of the risk controls for Enterprise Risk 1 – Major safety, health or environmental incident or crisis (ER1) based on second line of defence audit work by the Integrated Assurance team.
- 1.2 The appendices provide a list of audits undertaken in the last quarter as part of the second line of defence. Audits against Enterprise Risks 12 – Asset Condition unable to support TfL outcomes (ER12) have been included as they correlate to ER1. 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.
- 1.3 Performance data is provided on progress against the audit plan, audit ratings, rating trends by Enterprise Risk and business unit and progress against actions.

2 Recommendation

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

3 Annual Integrated Assurance Audit Plan

- 2.1 The annual Integrated Assurance audit plan contains a series of second line of defence audits that address ER1 and ER12. Audits against both risks have been included as there is a correlation between risks ER1 and ER12.
- 2.2 The audit plan is developed in consultation with the Safety, Health and Environment (SHE), Operational and Engineering Directorates and Security teams to identify where assurance is required or where there are performance or compliance concerns. Each of the audits is sponsored by the relevant risk or management system owner, to whom assurance will be provided. The SHE section of the audit plan includes audits of SHE management system compliance within a defined team or audits that assess a specific procedure within the SHE management system.

3 Work of Note this Quarter

- 3.1 It has been agreed that in Quarter 4 of 2021/22 (Q4) the Integrated Assurance team will change its name to 'Quality, Safety and Security Assurance'. Feedback from stakeholders was that 'Integrated Assurance' was not self-explanatory and not understood across the business, the team therefore did not identify with and take ownership of the team name. 'Quality, Safety and Security Assurance' provides a more accurate description of the work the team does, the subjects addressed and the key stakeholders we work with. The name change does not alter the work the team does, the methodology or the standards to which they work.
- 3.2 Risk and Assurance has revised one of the team roles to have greater focus on data analytics, using the output from the new audit database and complementary software such as 'Power BI'. This work will provide more sophisticated graphical displays of performance trends and analysis as requested at the meeting of the Panel in December 2021. The initial work is looking at audit conclusion by department, strategic risk and audit findings with analysis of trends over time.
- 3.3 Ten topic audits and nine Integrated Systems audits were completed in Quarter 3 of 2021/22 (Q3): of the 10 topic audits one audit was concluded as 'poorly controlled':
- (a) 21 735 – Surface Transport Electrical Inspections: We were requested to undertake this audit by the team responsible for electrical testing to test the robustness of their inspection and monitoring arrangements. Compliance with the requirements of British Standard 7671 (Requirements for Electrical Installations) could not be fully demonstrated. There was a gap across the asset areas in data collection, information, recording, storage and document management of reports/certificates.
- 3.4 Four audits were concluded as requires improvement:
- (a) 21 741 – Management of Dockland Light Railway (DLR) Rolling Stock Assets and Configuration: There was one high priority finding relating to the absence of a configuration management process for fleet assets and their associated systems. Medium priority findings included no records for a six monthly 'first in first out' stock rotation and incomplete paperwork. These controls are required to ensure that assets are fit for purpose and remain compatible with other assets and systems following changes in design.
 - (b) 21 744 – London Underground (LU) Service Control Training and Competence: The findings related to an absence of risk-based training needs analysis and there were gaps in the assurance of assessor competence and assurance activities. There were no issues directly concerning control room employee competence.

- (c) 21 748 – LU Track Drainage Management: Evidence was available to show that inspection and maintenance of assets was being undertaken and recorded, although not all parts of the standard were complied with. Data gaps were identified within the track drainage asset area, these gaps were known to the business and an action plan was already in place to address these.
- (d) 21 763 – LU Rolling Stock Competence Management. Elements of Competence Management System reference document R0623 and the associated London Underground Skills Development management documents had not been fully implemented.

All 'poorly controlled' and 'requires improvement' audits have agreed actions that are in progress and being tracked by the team. See Appendix 1 for the full detail of audits completed in Q3.

- 3.5 The Integrated Assurance team undertook a consultancy assignment for the Compliance, Policing, Operations and Security (CPOS) Directorate to provide assurance in relation to the Local Security Action plans (LSAPs) to determine if the preventative security measures designed by CPOS had been effectively implemented across TfL. The report considered the roll out of the LSAPs and provided quantitative and qualitative analysis of the results of interviews undertaken as part of the LSAP process and interviews conducted in the fieldwork for the report. The report concluded that the roll out had been successful and there were agreed logical next steps to further mature the TfL security culture. Consultancy reports are not given a conclusion as they are not compliance orientated. A briefing on the report and next steps for action were presented and agreed at the TfL Executive Security Group.
- 3.6 Integrated Systems audits assess compliance against a range of key requirements of the TfL management systems including SHE, competence, security, finance and operational rules. These audits are not given an overall conclusion given the range of subjects, risks and findings covered. These audits were developed with subject matter experts from SHE, Security, Finance and Revenue and LU Customer Operations teams and audit Station, Train and Service Control teams. They are also undertaken on LU Asset Performance and Capital Delivery maintenance teams (e.g. track, rolling stock depots and signals teams). Feedback on Integrated Systems audits is provided quarterly to LU Senior Management.
- 3.7 In Q3, nine integrated systems were delivered providing assurance of key management system requirements addressing local SHE, security, assets, competence and finance controls. The full list of Integrated Systems audits conducted in Q3 is provided in Appendix 1.

4 Cancelled and Deferred Work

- 4.1 Audits are only cancelled or deferred at the request of, or in agreement with the audit sponsor or risk owner with the decision rationale recorded in the audit database. In Q3 nine audits were cancelled and two deferred. For transparency these are summarised below.

Title	Reference	Comment
LU Operations Integrated Systems Audits – five in total	711, 712, 713, 721 722 (C)	Cancelled due to Covid-19 restrictions in place at the time of the audits preventing site visits.
LU Earth Structures Inspector Competence	21 750 (D)	Deferred to enable the Inspectors to complete the required training in Q4.
Transfer of Dial-a-Ride, Victoria Coach Station and Woolwich Ferry Premises to Surface Transport (ST) Asset Operations	21 756 (D)	Deferred to Quarter 1 of 2022/23 due to other audits of the same team planned at the same time.
LU Handover of track asset data from projects to maintenance teams	21 757 (C)	Cancelled as no longer required following the co-location of the two teams into one Directorate.
Approval of project technical specifications by Rolling Stock Engineering	21 768 (C)	Cancelled following a change in Engineering Professional Head and no longer consider a priority.
TfL Asbestos Management	21 770 (C)	Cancelled to allow implementation of a new hazardous materials standard due in March 2022. To be audited as part of the 2022/23 programme.
Handover of ST Highways assets and asset data	21 775 (C)	Cancelled as the scope of audit 21 747 was expanded to provide assurance of this subject.

5 Performance and Trends

- 5.1 At the end of Q3 progress through the Integrated Assurance audit plan stood at 50 per cent (see Appendix 2). Whilst this is still behind schedule, there has been significant progress in Q3 compared with the end of Quarter 2 when progress stood at 25 per cent. The combination of successful recruitment and a back loaded audit plan is delivering the required improvement in performance for Q3 and Q4.
- 5.2 Across the last six periods there has been a steady trend of 64 per cent of actions closed on time. Seventeen per cent of actions were granted an extension (in compliance with our procedure), this is a decreasing trend. The combination of these two trends means there has been an increase in the number of overdue actions. There are currently 53 overdue actions out of a total of 85. It is noted that the actions from five audits make up a significant proportion of the total number of overdue actions (36 out of 53). Actionees receive routine reminders from the audit team and overdue actions are escalated to the applicable management teams.

6 Improving SHE Assurance Tools and Processes

- 6.1 Progress in digitising SHE assurance continues in Q3, with the SHE Directorate starting the procurement process for a digital assurance solution. This solution will enable local management teams to confirm compliance with the SHE management system easily and systematically, highlighting areas for improvement. This self-assurance capability ('first line assurance') will give senior officers in TfL greater visibility of how well the SHE management system is being implemented in their areas of accountability. It will also provide a valuable leading indicator (an indicator of potential SHE risk before it manifests as harm) that can inform decision making. The timeline for completion of the procurement process is early Quarter 1 of 2022/23.
- 6.2 In Q3 the SHE Assurance Forum completed its work to establish a document that outlines roles and responsibilities for TfL assurance on SHE risks. This is part of an effort by forum members to establish a collaborative, co-ordinated approach to providing SHE assurance. The RACI document will serve as a communication tool for inclusion within the revised SHE management system.
- 6.3 Following the SHE assurance RACI work, the audit planning for 2022/23 has commenced with the SHE Assurance team co-ordinating and undertaking the initial intelligence gathering. This is the first time the audit planning has been undertaken in this way and is an important step towards SHE providing the data and intelligence driven centralised focal point for SHE assurance.
- 6.4 The review of SHE assurance procedures in the SHE management system progressed in Q3. An initial exercise to identify all SHE assurance related processes and procedures in the organisation was completed in Q3. In Q4 SHE will begin the review of requirements outlined in the identified material as part of a 'start, stop, continue (with/without amendments)' exercise. The aim is to complete that exercise by end of Quarter 1 of 2022/23.

List of appendices:

Appendix 1 – Integrated Assurance Audits Completed in Q3 against ER1 and ER12

Appendix 2 – Integrated Assurance Audit Data

List of Background Papers:

None

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