

Detailed TfL 2022-23 Internal Audit Plan – September 2022 to March 2023 (Phase 2)

Enterprise Risk 1	Major Health, Safety or Environmental Incident or Crisis		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Climate Adaptation Risk Assessments (Risk driven)	Why now?	This is the final audit in the series of Climate Adaptation audits. This is a high-risk area which if not addressed now may lead to assets being degraded /inoperable. This audit will support the aims of the Green Roadmap in preparing for climate change and lessening its impacts as well as embedding environmental considerations in all decision making.	Lilli Matsou Chief Safety, Health and Environment Officer
	Audit objective	To review the plan and scope for climate risk assessments, thresholds, and measures, including the impact of reduced options on safety, service and financial sustainability.	
Quality, Security and Safety Assurance will deliver a portfolio of engagements at the second line relating to safety assurance in addition to the SHE and Engineering assurance teams.			
Enterprise Risk 2	Protecting the Wellbeing of our Employees		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Diversity and Inclusion Strategy (Business led)	Why now?	As a public body TfL needs to respond positively to the Public Sector Equality Duty (PSED). This part of the Equality Act 2010 requires public bodies and organisations that carry out public functions to consider everyone's needs when doing so. This covers all activities that TfL is required to carry out as well as those it is allowed to carry out. Equality Impact Assessments (EqlAs) are a tool to ensure that the PSED duties have been met. Failure to comply may result in legal action or the need to revisit decisions leading to unnecessary cost and reputational damage	Gareth Powell Chief Customer and Strategy Officer
	Audit Objective	To provide assurance on the adequacy and effectiveness of key controls in the implementation of EqlAs within TfL	

Enterprise Risk 3	Major Service Disruption		Overall Control Rating Adequately Controlled
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Engineering Resource Model - interaction between delivery lead and business (Risk driven)	Why now?	<p>The first single TfL Engineering Directorate was created in September 2018 and brought together 1,400 engineers from 22 disparate departments. This was a significant change in how engineering resource was delivered within TfL and was intended to maximise the use of TfL's Engineering resource to work in a more cohesive, efficient and innovative way. Engineering would work more like a consultancy or professional services organisation. This would require the business areas who require this resource to plan and request the required skills, experience and knowledge to deliver their projects.</p> <p>In 2021, Internal Audit reviewed the process within Engineering to agree the type and amount of resource needed between delivery leads and capability leads. Engineering delivery leads work directly with the business to understand and define the demand for resource. Delivery leads discuss resource demand requests with the capability leads who allocate and provide the personnel.</p> <p>This audit will look at the interaction with the business and the delivery leads within Engineering to agree resourcing requirements needed.</p>	Isabel Coman Director TfL Engineering Asset Strategy
	Audit Objective	To assess the adequacy of the processes and controls in place for planning and communication between Engineering Delivery Leads and the business.	
Enterprise Risk 4	Major Security Incident		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Third Parties with OneLondon Access (Risk driven)	Why now?	<p>This is an area that has not been audited before, covering cyber security risks relating to data breaches and ransomware that may cause economic loss, regulatory issues and damage to reputation. In addition, issues have been noted whereby access removal of accounts pertaining to third parties are not always conformed with.</p>	Shashi Verma Chief Technology Officer
	Audit Objective	To provide assurance on the adequacy and effectiveness of the joiners, movers and leavers controls to third parties.	

Deletion of SAP data (Risk driven)	Why now?	Under General Data Protection Regulation (GDPR), data controllers and processors are obliged to return or delete all personal data after the end of services, or on expiry of a contract or agreement, unless it's necessary to retain the data by law. GDPR breaches result on average in fines £1-5m. System Applications and Products (SAP) is managed by Technology and Data (T&D), but its data is managed and owned by parties other than T&D. There is a potential exposure to GDPR.	Howard Carter General Counsel
	Audit Objective	To determine the extent of compliance of SAP record keeping in line with GDPR requirements.	
Safety and Security of Controls Rooms and Stations (Risk driven)	Why now?	In recent years, Customer Service Assistants on the London Underground (LU) network have seen an increase in abuse against them. In addition, there have been examples of members of the public trying to force entry into control rooms located on stations. There is a much-heightened risk of a major security incident if they were to gain entry.	Nick Dent Director of Customer Operations - LU
	Audit Objective	To provide assurance on the adequacy and effectiveness of the arrangements for the physical security of control rooms and any other restricted areas.	
Quality, Security and Safety Assurance will deliver a portfolio of compliance and consultancy engagements at the second line relating to the Payment Card Industry Data Security Standard			
Enterprise Risk 5	Supply Chain Disruption		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Management of Critical (key) suppliers by P&C (Risk driven)	Why now?	It is that TfL has effective processes in place to identify and appropriately manage supply chain disruption which could result in an increase in TfL's costs, delays to project delivery and interruptions to the operating business.	Patrick Doig Group Finance Director
	Audit Objectives	To provide assurance on the development of the key supplier management process to improve the security of suppliers.	
Enterprise Risk 7	Financial Sustainability		Overall Control Rating Adequately Controlled
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client

LTM Financial Controls (Core work)	Why now?	There are core areas of the business which are audited on a cyclical basis. These tend to be key financial, people and procurement controls. We last audited this area two years ago when it was rated as Requires Improvement.	Sam Mullins Director and CEO London Transport Museum
	Audit objective	To determine the adequacy and effectiveness of the LTM's key financial controls.	
Arts Council England (ACE) - funded projects: MEND DCMS grant (Core work)	Why now?	As per the London Transport Museum's (LTM) Audit and Risk Committee, availability of corporate funding significantly impacts budget. Certification of grants from the ACE are a priority for LTM.	Sam Mullins Director and CEO London Transport Museum
	Audit objective	To certify costs in respect of funding for the Museum Estate and Development Fund (MEND) Department for Digital, Culture, Media and Sport (DCMS) grant.	
Accounting and Cash Management processes TTL Properties Limited (TTLP) (Risk driven)	Why now?	Important to have assurance that accounting and cash management process are effective, and any control weaknesses identified and strengthened quickly near start-up of the TTLP business.	Graeme Craig TTLP/CFO TTLP
	Audit objective	To provide assurance the accounting and cash management processes for TTLP are adequate and effective.	
Accounts Payable (Core work)	Why now?	There are core areas of the business which are audited on a cyclical basis. These tend to be key financial, people and procurement controls. The last time this area was audited it was rated as Requires Improvement.	Maureen Jackson Director of Business Services
	Audit objective	To provide assurance on the adequacy and effectiveness of the accounts payable process.	
Accounts Receivable (Core work)	Why now?	There are core areas of the business which are audited on a cyclical basis. These tend to be key financial, people and procurement controls. The last time this area was audited it was rated as Requires Improvement.	Maureen Jackson Director of Business Services
	Audit Objective	To provide assurance on the adequacy and effectiveness of the accounts receivable process.	
LU Payroll (Core work)	Why now?	This is one of several cyclical payroll related audits. LU accounts for the majority of TfL employees, and with such a critical eye on TfL finances, it is imperative adequate controls are in place to manage employee payments over and above salaries.	Rachel McLean CFO Crossrail and Finance Director, TfL Operations
	Audit Objective	To provide assurance on the adequacy and effectiveness of payroll controls in LU for overtime, allowances, higher duty pay and expenses.	
Enterprise Risk 8	Delivery of TfL key investment programmes and projects		Overall Control Rating

			Requires Improvement
<p>Project Assurance will deliver a portfolio of assurance reviews at the second line of defence, in addition to work undertaken by SHE and PMO teams</p> <p>IIPAG will deliver a portfolio of assurance reviews at the third line of defence</p>			
Enterprise Risk 12	Asset condition unable to support TfL outcomes		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Impact of Extreme Weather (Risk driven)	Why now?	The past 12 months have tested TfL's ability to respond to adverse weather. Recent examples include flooding and extreme heat. Evidence suggests these extreme weather events are becoming more regular and will continue to impact our assets and the service we provide. It is vital we are adequately prepared to deal with these now, and in the future.	Glynn Barton Director of Network Management & Resilience
	Audit objective	To provide assurance on the adequacy and effectiveness of controls in place to deal with the impact of extreme weather.	
<p>Quality, Security and Safety will deliver a portfolio of assurance reviews at the second line of defence, in addition to work by the Engineering Maintenance Assurance team</p>			
Enterprise Risk 13	Governance and Controls Suitability		Overall Control Rating Adequately Controlled
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Information Management and Transfer – Hardcopy Documents (Risk driven)	Why now?	As Crossrail staff continue to leave the organisation, there is an increased risk that information will not be transitioned across to TfL in a timely manner. This is the second of a two-part review (the first part looked at electronic data and was reported in Q1 2022/23 as Requires Improvement).	Richard Bevins Head Information Governance
	Audit objective	To provide assurance on the adequacy and effectiveness of controls transferring hardcopy documents from Crossrail to TfL.	
Movers and Leavers (Core work)	Why now?	This was last audited in 2017 with a rating of Requires Improvement. This is one of the core audits that is conducted on a cyclical basis and is due for a review.	Maureen Jackson Director of Business Services

		<p>The audit will build on any issues raised by the external auditors and will review any improvements that have been implemented as a result of their findings.</p> <p>It is essential that this process is managed effectively to reduce the risk of unauthorised access to TfL systems when personnel leave the organisation or move jobs.</p>	
	Audit objective	To provide assurance on the adequacy and effectiveness of the joiners, movers and leavers process.	
<p>Compliance with new Pensions Code of Practice</p> <p>(Business led)</p>	Why now?	<p>A consultation on the new code of practice was launched by the Pensions Regulator between March and May 2021. This change will combine the previous 15 codes of practice into a single code.</p> <p>Although the code has not yet been introduced the business would like to ensure that we are compliant ahead of the introduction of the new code</p>	Stephen Field Director of Compensation & Benefits
	Audit objective	To provide assurance on the adequacy and effectiveness over key controls for management of the pension fund in line with the new code of practice	
Enterprise Risk 14	Opening of the Elizabeth Line		Overall Control Rating Requires Improvement
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
<p>Elizabeth line Transition from a Capital Programme to BAU</p> <p>(Risk driven)</p>	Why now?	<p>Since the opening of the central section, TfL's Rail for London directorate has been accountable for the running of the railway. Whilst elements of the Elizabeth line are still being run as a capital programme, it has started transitioning into a business as usual (BAU) operation within TfL, with a managed demobilisation of Crossrail Limited. This transition includes support functions across TfL. There is a risk the transition to BAU may not be effectively managed, adversely impacting service levels and stakeholder confidence.</p>	Howard Smith Director, Elizabeth line
	Audit Objective	To provide assurance on the effectiveness of the Elizabeth line's transition from a capital programme to a BAU operation.	

Phase 2 October 2022 - March 2023

Phase 1 April 2023 - September 2023

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