

Integrated Audit and Assurance Schedule TTL Properties Limited

October 2022

Audit and Assurance – Areas to be covered

Priority	Topic	Evidence of Need	Targeted Review / Continuous Assurance	Who	When	Objectives
1	Property transfer accounting	<ul style="list-style-type: none"> New financial processes and controls have been implemented. 	Targeted	Internal Audit (IA)	Underway (Q2 2022/23)	<ul style="list-style-type: none"> To assess the maturity and understand financial reporting requirements.
2	Resourcing	<ul style="list-style-type: none"> Reported staff shortages across multiple teams at all levels and reliance on secondments/non-permanent labour. People Plan still in development. Internal audit review of the Financial Sustainability Plan recommended a resource review and establishment of Programme Management Office. 	Targeted	Project Assurance(PA) /Independent Investment Programme Advisory Group (IIPAG)	Q3 2022/23	<ul style="list-style-type: none"> To understand how resourcing risks are identified and managed and to assess the impact on the delivery plan. To consider whether there is an understanding of the skills required and whether the right skills currently exist? To understand challenges in filling vacancies and make recommendations to help improve recruitment and retention.
3	Retail`	<ul style="list-style-type: none"> Considerable uplift in retail income assumed in Business Plan. Resource shortages impacting ability to deliver new retail opportunities. Responsibilities split across a number of teams and roles and responsibilities/handover points may be unclear. Wider economic factors are likely to impact viability of existing tenants resulting in more unoccupied units/rising levels of debt. 	Targeted	IIPAG	Q3 2022/23	<ul style="list-style-type: none"> To assess the likelihood that the retail strategy can deliver the required uplift in income. To identify challenges in securing additional retail income and make recommendations which will improve delivery confidence.

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3	First line assurance /project controls / information and data management	<ul style="list-style-type: none"> No evidence of effective first line assurance or effective project controls or reporting. Minimum reporting requirements are not understood and there are no consistent data sources/data storage arrangements. Roles and responsibilities are not always clear, particularly where there is an interface with the operational business. IIPAG review of August 2020 recommended first line assurance improvements, assurance training, standard reporting on Joint Venture projects and creation of management dashboards. 	Continuous	PA	Q3 2022/23	<ul style="list-style-type: none"> To assess the effectiveness of existing first line assurance/project controls/project reporting. To consider potential risks resulting from existing arrangements and the suitability of any improvement plans. To consider requirements for data management and storage.
4	Lillie Bridge depot - vacant possession of site for development	<ul style="list-style-type: none"> High value/complex project with significant operational interfaces and a large number of stakeholders. Governance arrangements developing but not yet finalised. Opportunities to deliver operational efficiencies have been identified but funding for anything above the basic vacant possession scope is unclear. 	Targeted	PA/IIPAG	Q3 2022/23	<ul style="list-style-type: none"> To establish whether requirements are clear and reflect the needs of the development and the operational business? To consider whether the proposed governance structure and delivery model is appropriate?
5	Risk management (projects)	<ul style="list-style-type: none"> Lack of specialist risk managers to support project teams. Risk reporting/escalation routes are unclear. 	Continuous	PA	Q3 2022/23	<ul style="list-style-type: none"> To assess the effectiveness of existing risk management process and the suitability of any proposed changes.

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7	Procurement and commercial	<ul style="list-style-type: none"> Traditionally used existing TFL frameworks but new specialist frameworks are being considered. Resourcing issues have impacted on procurement and contract/supplier management activities. IIPAG report from August 2020 recommended commercial team involvement in the development of project execution strategies. 	Targeted	PA/IIPAG	Q3 2022/23	<ul style="list-style-type: none"> To assess the appropriateness of proposed commercial strategy and any interim arrangements. To consider any risks to the successful implementation of new frameworks and commercial strategy and make recommendations to minimise any risk.
8	Health and safety	<ul style="list-style-type: none"> Currently no Head of Health and Safety within TTLP although intention is to have one. TfL Safety Health and Environment provide support for TTLP. Work ongoing to improve tenant compliance and compliance monitoring. 	Continuous	PA/Quality Safety and Security Assurance	Q3 2022/23	<ul style="list-style-type: none"> To consider whether the emerging strategy is appropriate. To assess whether the balance of responsibilities between TfL and JV partners is appropriate. Assess the appropriateness of processes and actions taken to achieve tenant compliance.
9	Project management	<ul style="list-style-type: none"> Significant resourcing issues. IIPAG review of August 2020 identified the need to develop project management strategies, practices and processes, the development of project management tools and process and the recruitment of experienced staff. 	Continuous	PA	Q4 2022/23	<ul style="list-style-type: none"> To establish where gaps exist in existing project management processes. To assess the effectiveness of proposals and challenges to successful implementation.
10	Accounting and Cash Management processes	<ul style="list-style-type: none"> Considerable work to be done to set up the new financial structure but work is not complete. Leadership and resourcing concerns. 	Targeted	IA	Q4 2022/23	<ul style="list-style-type: none"> To assess financial readiness maturity. To gain an understanding of financial reporting including cash flow and financial commitments.
11	Property disposal	<ul style="list-style-type: none"> Significant source of income. Resource shortages are impacting on this activity - particularly where operational assets need to be moved. Operational interface can be complex. 	Targeted	IIPAG/PA	Q4 2022/23	<ul style="list-style-type: none"> To identify challenges to successful disposal of assets and make recommendations to improve business confidence. To understand internal stakeholder management process.
12	Pipeline development and delivery strategy	<ul style="list-style-type: none"> Development pipeline has not been seen. 	Targeted	PA/IIPAG	Q4 2022/23	<ul style="list-style-type: none"> To consider the appropriateness of pipeline development and delivery strategy. To understand the prioritisation and appraisal process.