

Transport for London Audit and Assurance Committee

Internal Audit Plan – September 2022 to March 2023 (Phase 2) mapped against new Level 0 Enterprise Risks

Appendix 1

Enterprise Risk 1	Inability to deliver safety objectives and obligations		Overall Control Rating TBC
<p>Quality, Security and Safety Assurance will deliver a portfolio of engagements at the second line relating to safety assurance in addition to the Safety, Health and Environment and Engineering assurance teams.</p>			
Enterprise Risk 2	Attraction, retention, wellbeing and health of our employees		Overall Control Rating TBC
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 (EqIAs) 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.	Alex Williams Interim Chief Customer and Strategy Officer
	Audit Objective	To provide assurance on the adequacy and effectiveness of key controls in the implementation of EqIAs within TfL.	
Enterprise Risk 3	Environment including climate adaptation		Overall Control Rating TBC
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 Matson Chief Safety, Health and Environment Officer

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	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.	
Enterprise Risk 4	Significant security incident		Overall Control Rating TBC
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Third Parties with OneLondon Access (Risk driven)	Why now?	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.	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 is 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.	Richard Bevins Head of Information Governance and Data Protection Officer
	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			

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engagements at the second line relating to the Payment Card Industry Data Security Standard.			
Enterprise Risk 5	Procurement including supply chain		Overall Control Rating TBC
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Management of Critical (key) suppliers by P&C (Risk driven)	Why now?	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.	Rachel McLean Chief Finance Officer / Procurement & Commercial
	Audit Objectives	To provide assurance on the development of the key supplier management process to improve the security of suppliers.	
Enterprise Risk 6	Deterioration of operational performance		Overall Control Rating TBC
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.	Vacant 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.	
Elizabeth line Transition from a Capital Programme to BAU (Risk driven)	Why now?	Since the opening of the central section, TfL's Rail for London directorate has been accountable for the running of the railway. While 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.	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.	
Engineering Resource Model - interaction	Why now?	The first single TfL Engineering Directorate was created in September 2018 and brought together 1,400 engineers from 22 disparate departments. This	Isabel Coman

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between delivery lead and business (Risk driven)		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. 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. This audit will look at the interaction with the business and the delivery leads within Engineering to agree resourcing requirements needed.	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 7	Financial resilience		Overall Control Rating TBC
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 London Transport Museum's (LTM) key financial controls.	
Arts Council England (ACE) - funded projects: MEND DCMS grant (Core work)	Why now?	As per the LTM's 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.	

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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.	Alex Williams Interim Chief Customer and Strategy Officer/ 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.	Rajiv Sachdeva Interim 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 TBC
<p>Project Assurance will deliver a portfolio of assurance reviews at the second line of defence, in addition to work undertaken by Safety, Health and Environment and Project Management Office teams.</p> <p>The Independent Investment Programme Advisory Group will deliver a portfolio of assurance reviews at the third line of defence.</p>			
Enterprise Risk 10	Governance and controls suitability		Overall Control Rating TBC
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client

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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 of Information Governance and Data Protection Officer
	Audit objective	To provide assurance on the adequacy and effectiveness of controls transferring hardcopy documents from Crossrail to TfL.	
Compliance with new Pensions Code of Practice (Business led)	Why now?	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. 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.	Stephen Field Director of Compensation & Benefits
	Audit objective	To provide assurance on the adequacy and effectiveness over key controls for management of the TfL Pension Fund in line with the new code of practice.	