

Transport for London Audit and Assurance Committee

Internal audit reports issued in Q2 2022/23

Appendix 3

- There were six reports, excluding the Elizabeth line, issued during the quarter

| Enterprise risk | Chief Officer responsibility | Ref | Audit title | Summary of Finding | Conclusion |
|---|-------------------------------------|--------|----------------------------|--|----------------------|
| ER8 Delivery of key projects and programmes | Chief Customer and Strategy Officer | 2I 036 | Benefits Realisation | Three high and three medium issues were identified. The issues rated high are: 1) TfL has not identified and communicated a systematic process for benefits oversight and monitoring at the highest level; 2) The role of the business area in supporting preservation of benefits during delivery and transition of benefits after project close is not clear; and. 3) There is no policy on which business area should own and manage a benefits realisation budget, or a SAP code to track this. | Requires Improvement |
| ER10 Inability to support new ways of working | Chief Customer and Strategy Officer | 2I 039 | Hub Disposal Strategy | We looked at the early stages of the implementation of the Hub Disposal Strategy – part of the TfL Estates Office Estate Strategy. This included evaluation of the strategy, governance and commercial arrangements. We found that the approach taken and controls in place confirmed that the early stages were being well managed. | Memo |
| ER4 Major security incident | Chief Customer and Strategy Officer | 2I 014 | Data Loss Prevention (DLP) | A project to introduce data classification and labelling for a control environment designed to prevent data leakage is currently on hold. There is no overall end point data leakage prevention solution in place. There is a wide range of different data management systems with no clear consolidation timeline and no overall USB ports lockdown control is enabled. | Requires Improvement |

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| <p>ER4 Major security incident</p> | <p>Chief Customer and Strategy Officer</p> | <p>22 023</p> | <p>Review of Datacentres</p> | <p>The most significant weakness related to the physical condition of two TfL owned and managed telecom rooms, through which the two data centres connect to the TfL network. Although the two rooms were being wound down as part of a wider project to upgrade the TfL network, there was a significant risk to the ongoing availability of the Circuit Switched Data room.</p> <p>Further opportunities to improve the design and/or effectiveness of internal controls were found in relation to data centre risk management, some of the data centre physical and environmental controls and in relation to data centre service provider contracts, assurance and service review meetings. Therefore, the control environment in relation to data centres is assessed as Requires Improvement.</p> | <p>Requires Improvement</p> |
| <p>ER7 Financial sustainability</p> | <p>Chief People Officer</p> | <p>22 013</p> | <p>Group Saving Portfolio tracking process</p> | <p>We found there is a robust process and control framework in place to support the tracker process, and Divisions are updating the single tracker which is used to produce the dashboard reported to the Change Steering Group. However, opportunities exist to strengthen controls and bridge gaps in the process. These relate to improving the audit trail supporting savings, updating and evidencing adherence with the governance framework, making the tracker secure and reporting easier to increase useability and reduce staff input time.</p> | <p>Requires Improvement</p> |

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| <p>ERI Failure to prevent SHE incident or meet commitment</p> | <p>Chief Safety Health and Environment Officer</p> | <p>22 001</p> | <p>Digital Assurance - Procurement of Digital Monitoring and Assurance System</p> | <p>The procurement for work package 2 of the new Safety, Health and Environment (SHE) management system was effectively managed through engagement with stakeholders, the development of requirements and the Request for Proposal process. Suitable and robust processes were in place that ensured that TfL guidance, including PR0172 – Procurement and Contracting Guidance, was followed. An issue was raised by Internal Audit around the need for formal terms of reference to be issued for the Technology and Data Working Group as the project moves into the implementation phase. There was effective communication during the bidding process and meetings were held prior to contract award to confirm that all functional and non-functional requirements of the system could be met. At the conclusion of the evaluation, a decision was taken to award the contract to Safety Culture and the contact was signed on 19 May 2022.</p> | <p>Memo</p> |