

Date: 15 March 2023

Item: TTL Properties Limited Assurance Update

This paper will be considered in public

1 Summary

- 1.1 This paper reports on progress with assurance activity across TTL Properties Limited (TTLP) during Quarter 3 of 2022/23 (18 September to 10 December 2022) (Q3).
- 1.2 A paper is included on the Part 2 agenda which contains supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information in Part 2 of the agenda.**

3 Background

- 3.1 The TTLP Integrated Assurance Framework is based on a Three Lines of Defence model comprising:
 - (a) Line 1 – Management functions of TTLP and key interfaces;
 - (b) Line 2 (LoD2) – Project Assurance (PA) and Quality, Safety and Security Assurance; and
 - (c) Line 3 (LoD3) – TfL Internal Audit and a sub-group of the Independent Investment Programme Advisory Group (IIPAG-TTLP).
- 3.2 This paper reports specifically on Line 2 (PA), Line 3 (Internal Audit) and Line 3 (IIPAG-TTLP) assurance progress. Work in progress for LoD2 and LoD3 are set out in Appendix 1 and work starting in Quarter 4 of 2022/23 (11 December 2022 to 31 March 2023) (Q4) is set out in Appendix 2.

4 Line 2 (PA) Assurance

- 4.1 LoD2 has started to provide assurance on an ongoing continuous basis as well as commencing Targeted Assurance Reviews on key areas.

- 4.2 PA have had further meetings with the TTLP leadership team, and other team members to build understanding of the key challenges and emerging plans to tackle these issues.
- 4.3 Three targeted assurance reviews are in progress with two more planned to start in Q4. More detail is contained in Appendices 1 and 2.
- 4.4 PA and members of the IIPAG-TTLP sub-group were briefed on the Platinum Portfolio and Bollo Lane in advance of authority requests to the January 2023 meeting of the Land and Property Committee (LPC). We will continue to review them as they develop through the project lifecycle.

5 Line 3 (Internal Audit) Assurance

- 5.1 There are two audits in progress, Property Transfer Accounting and Accounting and Cash Management, and more detail is contained in Appendix 1. Fieldwork is complete and the draft report has been issued for one audit.

Audit Delivery

- 5.2 No audits were completed in this reporting period nor were any cancelled or deferred.

Management Actions

- 5.3 The team will monitor the implementation of all Internal Audit management actions and confirm whether they have been adequately addressed. There are currently no overdue actions from previous audits.

6 Line 3 (IIPAG-TTLP) Assurance

- 6.1 The Terms of Reference for the IIPAG-TTLP sub-group were approved by LPC and are attached at Appendix 3.
- 6.2 IIPAG-TTLP work for Q3 and Q4 is set out in Appendices 1 and 2. Activity will focus on retail income forecasts up to 2031 and delivery confidence in the short to medium term housing objectives.
- 6.3 As IIPAG-TTLP obtain a more detailed understanding of the business they will add additional workstreams to the Integrated Assurance and Audit Schedule.

7 Enterprise Risk Management

- 7.1 The TTLP leadership team has agreed the order of priority for reviewing the new Level 0 (L0) risks and the first risk workshop has been held.
- 7.2 LPC will receive an update on each risk once a year. Details of the seven TTLP L0 risks are set out in Appendix 4.

List of Appendices:

Appendix 1: Integrated Assurance and Audit Schedule – work in progress

Appendix 2: Integrated Assurance and Audit Schedule – forward plan

Appendix 3: IIPAG-TTLP sub-group Terms of Reference

Appendix 4: TTLP Enterprise Risks

Exempt supplementary information is contained in a paper on Part 2 of the agenda.

List of Background Papers:

None

Contact Officer: Lorraine Humphrey, Director of Risk and Assurance

Email: lorraine.humphrey@tube.tfl.gov.uk