

TTL Properties Limited (TTLP) Integrated Assurance and Audit Schedule – Work in Progress **Appendix 1**

| Priority | Topic | Evidence of Need | Type | 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 | <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 and reliance on secondments/ non-permanent labour. • People Plan still in development. | Targeted | Project Assurance (PA)/ Independent Investment Programme Advisory Group (IIPAG) | Underway | <ul style="list-style-type: none"> • To understand how resourcing risks are identified and managed and to assess the impact on the delivery plan. |
| 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 historically split across a number of teams. • Wider economic factors are likely to impact viability of existing tenants resulting in more unoccupied units/rising levels of debt. | Targeted | IIPAG | Underway | <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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| 4 | Lillie Bridge – 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 – governance/funding route needs to be confirmed. | Targeted | PA/IIPAG | Underway | <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 | Procurement and Commercial | <ul style="list-style-type: none"> • New specialist frameworks are being considered. • New commercial strategy and operating model is in development. | Targeted | PA/IIPAG | Underway | <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 to make recommendations to minimise any risk. |
| 6 | 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. • Resourcing concerns. | Targeted | IA | Underway | <ul style="list-style-type: none"> • To assess financial readiness maturity. • To gain an understanding of financial reporting including cash flow and financial commitments. |

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| 7 | Residential sector | <ul style="list-style-type: none"> • Target doubled from 10,000 to 20,000 units. • Delivery is challenging – often taking longer than expected. • Impact of external market influences including inflation. • Resourcing shortages. • Affordable housing requirement (50% across the portfolio) will impact viability. | Targeted | IIPAG | Underway | <ul style="list-style-type: none"> • To consider appropriateness of residential strategy. • To assess delivery confidence and understanding/mitigation of key risks. |
| 8 | Pipeline development and delivery strategy | <ul style="list-style-type: none"> • Robust development/delivery pipeline and prioritisation process is essential for successful delivery of residential targets. | Targeted | PA | Underway | <ul style="list-style-type: none"> • To consider the appropriateness of pipeline development and delivery strategy. • To understand the prioritisation and appraisal process. |
| 9 | Assurance of tenants' safety compliance | <ul style="list-style-type: none"> • Work ongoing to improve tenant safety compliance and compliance monitoring. | Audit | Quality, Safety, Security Assurance | Complete | <ul style="list-style-type: none"> • To assess the appropriateness of processes and actions taken to achieve tenant compliance. |
| 10 | Governance | <ul style="list-style-type: none"> • Governance arrangements are changing – links into wider TfL Executive are not fully defined. • Governance can be complex where there is an operational interface. | Targeted | PA | Underway | <ul style="list-style-type: none"> • To consider appropriateness of existing governance/first line assurance arrangements and any proposals to improve governance. |

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| 11 | Joint Venture (JV) Structuring and Management | <ul style="list-style-type: none"> • High reliance on JV partners to deliver residential targets. • IIPAG review from August 2020 recommended introduction delivery metrics, change control, risk management, progress reporting for JV. | Targeted | IIPAG | Underway | <ul style="list-style-type: none"> • To assess rationale for JV creation. • To consider the process for ensuring maximum value for TTLP when developing JVs. • To assess governance and management arrangements for existing and proposed JVs. |
| 12 | Continuous assurance activities | <ul style="list-style-type: none"> • First line assurance and project controls. • Digital strategy. • Risk management (projects). • Health and Safety. • Project management. • Bollo Lane, Platinum Portfolio, Lillie Bridge depot. | Continuous | PA | Ongoing | <ul style="list-style-type: none"> • To increase understanding of the TTLP business. • To highlight areas for targeted assurance. |