

Detailed TfL 2023/24 Internal Audit Plan – October 2023 to March 2024 (Phase 2)

Appendix 1

Enterprise Risk 1	Inability to deliver safety objectives and obligations		
<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 (SHE) and Engineering assurance teams</p>			
Enterprise Risk 2	Attraction, retention, wellbeing and health of our employees		
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Headcount Controls Process (Risk Driven)	Why now?	TfL’s headcount controls process is in place to ensure that TfL has the right people with the right skills to meet the organisation’s goals within the current financial constraints. Since May 2023, the Chief People Officer is no longer required to review and approve all recruitment requests. Authority for this has been given to each of the Chief Officers.	Fiona Brunskill (Interim Chief People Officer)
	Audit objective	To provide assurance on the adequacy and effectiveness of controls governing the headcount controls process launched in May 2023.	
Enterprise Risk 3	Environment including climate adaptation		
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Impact of Severe Weather <ul style="list-style-type: none"> • Severe heat followed by heavy rain and flooding • Wind • Snow 	Why now?	As the impact of climate change is realised, severe weather extremes are likely to increase in frequency and severity. During the first half of the year we looked at heavy rain and flooding and heat and these final three elements will complete this series of work.	Carl Eddleston (Director of Network Management and Resilience)
	Audit objective	To provide assurance on the adequacy and effectiveness of controls in place to deal with the impact of extreme weather.	

(Risk Driven)			
Enterprise Risk 4	Significant security incident		
Quality, Security and Safety Assurance will deliver a portfolio of engagements at the second line relating to the Payment Card Industry Data Security Standard			
Enterprise Risk 5	Efficient and high performing supply chains and effective procurement		
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Readiness for the New Procurement Bill (Risk Driven)	Why now?	The government is reforming UK procurement rules via the new Procurement Bill. It would reform the way public authorities purchase goods, services and public works. The Cabinet Office has confirmed that it is now looking at a go-live date of October 2024. It is important that TfL are prepared and have sufficient time to address any issues identified.	Rachel McLean (Chief Finance Officer)
	Audit objective	To provide assurance over Procurement and Commercial's (P&C) readiness for complying with the new Procurement Bill.	
SAP Ariba – Source to Contract (Risk Driven)	Why now?	SAP Ariba should have strengthened controls and improved accuracy of information leading to better reporting of expenditure, planning future procurement activities, and fraud prevention. It is important that an audit is performed early to ensure controls are robust. The Source to Contract module of SAP Ariba has been identified as the highest risk for P&C activity.	Rachel McLean (Chief Finance Officer)
	Audit Objective	To provide assurance on the adequacy and effectiveness of controls governing SAP Ariba's Source to Contract module.	
Enterprise Risk 6	Deterioration of operational performance		

Quality, Security and Safety will deliver a portfolio of assurance reviews at the second line of defence, in addition to work by the Engineering Maintenance Assurance team

Enterprise Risk 7	Financial Resilience		
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Department of Culture Media and Sport (DCMS)/ Wolfson Museums and Galleries Improvement Fund (Business Led)	Why now?	In line with the conditions of the grant, this audit will certify costs in respect of funding towards the Covent Garden Photography Gallery.	Elizabeth McKay (Director of London Transport Museum)
	Audit Objective	To certify costs claimed in respect of funding from DCMS/Wolfson Museums and Galleries Improvement Fund comply with conditions of this grant.	
Arts Council England (ACE): Museum Estate and Development Fund Round 1 (Business Led)	Why now?	In line with the conditions of the grant this audit will certify costs in respect of funding towards the Covent Garden lift and chiller works.	Elizabeth McKay (Director of London Transport Museum)
	Audit Objective	To certify costs claimed in respect of funding from ACE comply with conditions of this grant.	
Group Treasury (Core Work)	Why now?	The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice (CIPFA Code) defines Treasury Management as ‘the management of an organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks’.	Joanna Hawkes (Corporate Finance Director)
	Audit objective	To review the adequacy and effectiveness of controls in place to manage Group Treasury activities in TfL.	

TfL Scorecard – Mid-year Review (Core Work)	Why now?	An annual audit of the TfL Scorecard is conducted at the end of every financial year to provide assurance that year-end results are being accurately reported. There has been some change to the metrics this year and the audit review will provide assurance on the efficiency, effectiveness and reliability of how data is gathered. The timing of this allows for any finding to be addressed before the end of the financial year.	Patrick Doig (Group Finance Director)
	Audit objective	To provide assurance on the adequacy of controls in place to gather data for the reporting of measures in the TfL Scorecard.	
Cost of Change (Risk Driven)	Why now?	The People Directorate drive and coordinate change across the organisation, providing central strategic oversight from a programme and operating model perspective, and provide expertise to support the business in delivering the Our TfL change programme. It is imperative that planned financial benefits are tracked so that savings can be accurately reported.	Fiona Brunskill (Interim Chief People Officer)
	Audit objective	To provide assurance that planned financial benefits of change and return on investment are being realised across the change landscape.	
National Rail Reimbursement Scheme (PAYG) (Risk Driven)	Why now?	<p>The National Rail Reimbursement Scheme (Pay As You Go) has been a popular scheme since launching last summer. The scheme was originally introduced for TfL staff coming into the office two days a week (on average) or eight times in four weeks.</p> <p>An extension of this scheme is now being introduced, so it can be used for 10 journeys in 28 days (four weeks); this enables those colleagues who are hybrid working over a five-day week, to spend the required amount of time working in one of our office environments.</p>	Maureen Jackson (Director of Business Services)
	Audit objective	To provide assurance on the adequacy and effectiveness of controls in place governing the National Rail Reimbursement Scheme (PAYG).	

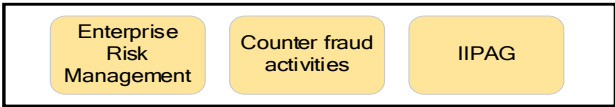
Fraud Controls in Licensing and Regulation (Risk Driven)	Why now?	The Licensing and Regulation Directorate are responsible for the licensing and regulation of London's taxi and private hire industry. There are a number of areas where robust fraud controls should be in place to ensure employees and applicants are not able to deceive TfL for personal or financial gain.	Helen Chapman (Director of Licensing and Regulation)
	Audit objective	To provide assurance on the adequacy and effectiveness of fraud controls in place within Licensing and Regulation.	
Management of Property Voids (Risk Driven)	Why now?	Commercial and residential properties should be occupied at all times to maximise income. There needs to be an effective process in place to minimise the period of time that properties are empty between tenants.	Graeme Craig (Director and Chief Exec TTLP)
	Audit objective	To provide assurance on the adequacy and effectiveness of controls to manage property voids.	
Enterprise Risk 8	Delivery of key investment programmes and projects		
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Project Cost Estimation (Risk Driven)	Why now?	Our early estimates for projects are often far lower than the Estimated Final Cost turns out to be at project completion. The estimating process used in the early stages may not provide realistic figures for business planning purposes and budgeting.	Stuart Harvey (Chief Capital Officer)
	Audit objective	To provide assurance over the adequacy and effectiveness of the controls over the early cost estimation processes.	
<p>Project Assurance will deliver a portfolio of assurance reviews at the second line of defence, in addition to work undertaken by SHE and Programme Management Office teams</p> <p>IIPAG will deliver a portfolio of assurance reviews at the third line of defence</p>			

Enterprise Risk 10			
Governance and Control Suitability			
Audit Title	Rationale and Outline Audit Scope		Chief Officer/ Directorate/client
Privacy and Data Protection: Surveillance Cameras in Buses (Risk Driven)	Why now?	<p>TfL's use, management and control of surveillance cameras inside buses had come under increased scrutiny by police forces for crime prevention and detection. Recordings are also provided to TfL staff to facilitate responses to Subject Access Requests, as well as for purposes such as safety investigations and staff disciplinary matters.</p> <p>Most of the recordings are Personal Data under the General Data Protection Regulation (GDPR). Non-compliance with GDPR can result in fines of up 20 million euros or four per cent of turnover (whichever is higher).</p>	Richard Bevins (Head of Information Governance)
		<p>To provide assurance that TfL's use, management and control of surveillance cameras inside buses are in accordance with GDPR.</p>	
Unblocking TfL Processes for the LTM (Business Led)	Why now?	<p>One of the London Transport Museum's (LTM) strategic priorities is the resolution of 'blockers' caused by the potential incompatibility of TfL processes with LTM's operating environment.</p>	Elizabeth McKay (Director of London Transport Museum)
	Audit objective	<p>This consultancy review will map out a TfL process, to be agreed with the LTM Board, identify any blockers, and determine potential routes to resolve without compromising corporate processes.</p>	
Documentation and Records Management for Procurements and Contracts (Risk Driven)	Why now?	<p>The lack of adequate supporting documentation, inconsistent approach to record keeping and document management was a key theme running through our work year ending March 2023. Having good documentation and records management is essential for all procurements and contracts, and identifying the root causes for any inadequacies is vital for to ensure P&C put in place robust processes. In addition, if TfL is subject to external challenges, it is imperative that documentation and records is robust and easily accessible.</p>	Rachel McLean (Chief Finance Officer)

	Audit objective	To assess the adequacy of the management of documentation and records in P&C.	
Effectiveness of the TfL Pension Fund Trustee Board (Core)	Why now?	<p>The TfL Pension Fund is managed by a Board of 18 Trustee Directors. Their role is to manage the Fund in the best interests of the Fund’s members and beneficiaries. Trustees must manage the Fund in line with the ‘Trust Deed and Rules’ document.</p> <p>The Trustees aim to invest the Fund’s assets to obtain the best long-term returns for members without putting the Fund at undue risk. Trustees should also ensure that employee and employer contributions are collected, and benefits are properly calculated and paid out.</p>	Stephen Field (Director of Pensions and Reward)
	Audit objective	To provide assurance over the effectiveness of the TfL Pension Fund's Trustee Board.	
Supplier Contract Management 1 and 2 (Business Led)	Why now?	<p>Good contract management is vital to ensure value for money and a good service from TfL’s suppliers. In order to ensure that are contractors are managing their obligations to sub-contractors effectively a series of audits of sub-contractors will be undertaken.</p>	Richard Jones (Director of Asset Performance and Facilities)
	Audit objective	To provide assurance on the effectiveness of sub-contractor contract management.	

Phase 2 October 2023 - March 2024

Potential Phase 1 April 2024 - September 2024



	Phase 2 October 2023 - March 2024				Potential Phase 1 April 2024 - September 2024				
Core work	DCMS/ Wolfson grant audit	ACE funded projects	ULEZ debt management	Group Treasury	Cash management in stations	London river service accounts	Compliance with new pensions guidance	P and C segregation of duties	Core work
	TfL scorecard mid-year review	Effectiveness of the TfL Pension fund and trustee board			Payroll	Freedom of Information process	TTLP 1	TTLP 2	
Risk-driven	Headcount controls process	Impact of extreme weather	Readiness for the new procurement bill	SAP Ariba - source to contract	TTLP spend, commitment and authority	Carbon reduction strategy - 24/25	Asset management and data information projects	Contract management - buses	Risk-driven
	Cost of change	National Rail reimbursement scheme	Documentation and record keeping P and C	Project cost estimation	Temporary agency recruitment	Cyber security improvement programme	Surveillance cameras on buses	Licensing - application and vetting	
	Fraud controls in licensing and regulation	Surveillance cameras on LU and EL trains	Management of property voids	Quality, Safety & Security Assurance	ESG planning	Safety Culture	Procurement enablement activities	Quality, Safety & Security Assurance	
	Unblocking TfL processes for LTM	Legacy technology - PSTN	Review of Strategics (application)	Supplier Contract Management 1	SAP permissions	Medical Assistance Programme	Re-let of concessions contracts	Quality, Safety & Security Assurance	
Business-led	Supplier Contract Management 2	Customer Complaints Process	Quality, Safety & Security Assurance	Project Assurance	Supplier Contract Management 1	Supplier Contract Management 2	Project Assurance		Business-led
	Key	Internal Audit	T&D Audit	Quality, Safety & Security Assurance	Project Assurance				