

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

Appendix 1

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
1	Governance	<ul style="list-style-type: none"> <li>• Governance arrangements are changing – links into wider TfL Executive Committee are not fully defined.</li> <li>• Governance can be complex where there is an operational interface.</li> </ul>	Targeted	Project Assurance (PA)	Complete	<ul style="list-style-type: none"> <li>• To consider appropriateness of existing governance arrangements and any proposals to improve governance.</li> </ul>
2	Lillie Bridge – vacant possession of site for development	<ul style="list-style-type: none"> <li>• High value/complex project with significant operational interfaces and a large number of stakeholders.</li> <li>• Governance arrangements developing but not yet finalised.</li> <li>• Opportunities to deliver operational efficiencies have been identified – governance/funding route needs to be confirmed.</li> </ul>	Targeted	PA/ Independent Investment Programme Advisory Group (IIPAG)	Complete	<ul style="list-style-type: none"> <li>• To establish whether requirements are clear and reflect the needs of the development and the operational business.</li> <li>• To consider whether the proposed governance structure and delivery model is appropriate.</li> </ul>
3	Residential sector	<ul style="list-style-type: none"> <li>• Target doubled from 10,000 to 20,000 units.</li> <li>• Delivery is challenging – often taking longer than expected.</li> <li>• Impact of external market influences including inflation.</li> </ul>	Targeted	IIPAG	Complete	<ul style="list-style-type: none"> <li>• To consider appropriateness of residential strategy.</li> <li>• To assess delivery confidence and understanding/mitigation of key risks.</li> </ul>

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		<ul style="list-style-type: none"> <li>Affordable housing requirement will impact viability.</li> </ul>				
4	Joint Venture (JV) structuring and management	<ul style="list-style-type: none"> <li>High reliance on JV partners to deliver residential targets.</li> <li>IIPAG review from August 2020 recommended introduction delivery metrics, change control, risk management, progress reporting for JV.</li> </ul>	Targeted	IIPAG	Complete	<ul style="list-style-type: none"> <li>To assess rationale for JV creation.</li> <li>To consider the process for ensuring maximum value for TTLP when developing JVs.</li> <li>To assess governance and management arrangements for existing and proposed JVs.</li> </ul>
5	Revenue collection/debt management	<ul style="list-style-type: none"> <li>Debt recovery activities are an important part of managing the revenue stream.</li> <li>There has been increasing levels of arrears in recent years.</li> </ul>	Audit	Internal Audit (IA)	Underway	<ul style="list-style-type: none"> <li>To provide assurance over the effectiveness and adequacy of the debt collection process.</li> </ul>
6	Due diligence process (new tenants)	<ul style="list-style-type: none"> <li>Tenants need to be financially secure so that they do not default on rent payments. They need to be fully vetted to ensure this is the case.</li> <li>A new vetting process was introduced over a year ago and has yet to be tested for effectiveness.</li> </ul>	Audit	IA	Underway	<ul style="list-style-type: none"> <li>To provide assurance on the adequacy and effectiveness of the due diligence process for bringing new tenants on board.</li> </ul>

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7	Property disposal strategy	<ul style="list-style-type: none"> <li>• Disposals are a significant part of generating funds to support the capital investment programme.</li> <li>• Disposal activities have not been progressing as forecast.</li> </ul>	Targeted	IIPAG	Underway	<ul style="list-style-type: none"> <li>• To assess the impact on the capital investment programme.</li> <li>• To provide assurance over the effectiveness and adequacy of the process for identifying and executing disposals.</li> </ul>
8	Project financial hurdles	<ul style="list-style-type: none"> <li>• Large projects and investments are appraised using financial hurdles.</li> <li>• Some hurdles are being considered as unnecessary as investment decisions are made.</li> </ul>	Targeted	IIPAG	Underway	<ul style="list-style-type: none"> <li>• To consider the application and governance regarding exemptions.</li> </ul>
9	Electric vehicle charging hubs	<ul style="list-style-type: none"> <li>• Programme is preparing to procure a delivery partner.</li> </ul>	Continuous	PA/ IIPAG	Underway	<ul style="list-style-type: none"> <li>• To assess key decisions including business model and investment appraisal.</li> <li>• To consider readiness to go to market.</li> </ul>
10	Limmo development	<ul style="list-style-type: none"> <li>• Complex site with significant constraints.</li> <li>• Programme is preparing a procurement strategy.</li> </ul>	Continuous	IIPAG	Underway	<ul style="list-style-type: none"> <li>• To provide assurance on the procurement strategy.</li> </ul>
11	Continuous assurance activities	<ul style="list-style-type: none"> <li>• A number of functions and strategies are emerging, such as first line assurance.</li> <li>• There are a number of large, complex development programmes and sites.</li> </ul>	Continuous	PA	Ongoing	<ul style="list-style-type: none"> <li>• To increase understanding of the TTLP business.</li> <li>• To highlight areas for targeted assurance.</li> </ul>