

Places for London (Places) 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"> • Governance arrangements are changing – links into wider TfL Executive are not fully defined. • Governance can be complex where there is an operational interface. 	Targeted	Project Assurance (PA)	Complete	<ul style="list-style-type: none"> • To consider appropriateness of existing governance arrangements and any proposals to improve governance.
2	Lillie Bridge – vacant possession of site for development	<ul style="list-style-type: none"> • High value/complex project with significant operational interfaces and multiple 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/ Independent Investment Programme Advisory Group (IIPAG)	Complete	<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.
3	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. • Affordable housing requirement will impact viability. 	Targeted	IIPAG	Complete	<ul style="list-style-type: none"> • To consider appropriateness of residential strategy. • To assess delivery confidence and understanding/mitigation of key risks.

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4	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	Complete	<ul style="list-style-type: none"> • To assess rationale for JV creation. • To consider the process for ensuring maximum value for Places when developing JVs. • To assess governance and management arrangements for existing and proposed JVs.
5	Revenue collection/debt management	<ul style="list-style-type: none"> • Debt recovery activities are an important part of managing the revenue stream. • There has been increasing levels of arrears in recent years. 	Audit	Internal Audit (IA)	Underway	<ul style="list-style-type: none"> • To provide assurance over the effectiveness and adequacy of the debt collection process.
6	Due diligence process (new tenants)	<ul style="list-style-type: none"> • 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. • A new vetting process was introduced over a year ago and has yet to be tested for effectiveness. 	Audit	IA	Underway	<ul style="list-style-type: none"> • To provide assurance on the adequacy and effectiveness of the due diligence process for bringing new tenants on board.

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