

Internal Audit reports issued in Quarter 4 (10 December 2023-31 March 2024)

Appendix 1

- 19 draft/final reports (excluding Places for London) were issued during the quarter.

Enterprise Risk	Directorate	Ref	Audit title	Summary of Findings	Conclusion
ER01 Inability to deliver safety objectives and obligations	Chief Customer and Strategy Officer	23 030 U	Safety Complaints Process	<p>The audit covered the processes in place from receipt, recording, investigation, action taken, reporting of the results and the assurance of safety complaints across TfL.</p> <p>Inconsistencies were found in the way processes were carried out and there was limited evidence to support compliance with the process. Actions to address all areas have been agreed and are being actioned as a priority.</p>	Poorly Controlled
ER03 Environment including climate adaptation	Chief Operating Officer	23 040	Impact of extreme weather - Wind	The seasonal plans have not been reviewed and updated to accommodate new information on wind as an extreme event in isolation or as part of a combined event with another weather hazard.	Requires Improvement
ER03 Environment including climate adaptation	Chief Operating Officer	23 038	Impact of extreme weather - Snow	TfL's climate risk assessment indicate that there will be less cold-weather disruption due to lower than normal chance of ice and snow. Due to this lower risk, an adjustment of the current severe and adverse weather plans for snow and ice as extreme events is not necessary. Actions to improve weather plans for audits for extreme events of heavy rain and flooding, heat and wind will result in improvements to all weather plans, including those for snow and ice.	Memo
ER04 Significant security incident	Chief Customer and Strategy Officer	23 006	Review of Strategix (application)	The design of certain controls, particularly those around the allocation of strategic and operational ownership of reconciliation, and the associated governance framework, require improvement. Opportunities to improve internal control were identified relating to data validation, accessibility to appropriate data sources and reporting and quality assurance checks.	Requires Improvement

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ER04 Significant security incident	Chief Customer and Strategy Officer	23 049 U	Third-Parties with OneLondon Access (Phase 2)	Based on the work performed in Phase 2 of the audit, we found some weaknesses relating to the absence of a defined quality assurance process over the third-party processes. We also identified issues with the joiners, movers and leavers processes and how unused third-party vendor accounts were flagged and deprovisioned.	Memo
ER04 Significant security incident	Chief Customer and Strategy Officer	23 050 U	Legacy Technology – Public Services Telephone Network (PSTN) services for telephony and data (Phase 2)	The overarching Technology and Data End-of-Life Network Services – PSTN/Integrated Services Digital Network project remains well governed and effectively managed; it was on track to identify where in-scope Wholesale Line Rental products were used across TfL and the types of business applications that they support, as well as overseeing the migration of these services to alternative technologies and solutions before the end of December 2025.	Adequately Controlled
ER06 Deterioration of operational performance	Chief Capital Officer	23 009	Engineering Resource Model - interaction between delivery lead and business	The Resource Model is operating effectively, with business stakeholders largely receiving outcomes required. Introduction of enhanced governance arrangements should provide Senior Management with detailed performance data that allows any weaknesses to be identified and addressed.	Adequately Controlled
ER07 Financial resilience	Chief Customer and Strategy Officer	23 007	Ultra Low Emission Zone (ULEZ) Extension Scrappage Scheme	Applications for funds to scrap, replace or retrofit non-compliant ULEZ vehicles, with cleaner motorcycles, cars, vans and minibuses requires applicants to provide satisfactory supporting documents. We established that TfL have not instructed Capita, who process the applications, to verify these supporting documents with the issuing organisations. Additional checks have been introduced to identify duplicate claims.	Requires Improvement

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ER07 Financial resilience	Chief Finance Officer	23 015	Journals	There is a robust control framework in place to support the preparing, review and posting of journals. Key controls and process/control owners have been identified, and there is a clear segregation of duties when processing journals. The audit evaluation and sample testing identified minor weaknesses in the preparation of the journal template.	Adequately Controlled
ER07 Financial resilience	Chief People Officer	23 044	Cost of Change	There is a defined methodology for executing change programmes, key aspects of which are a governance regime and documented procedures. These ensure the existence of key controls for the efficient and effective management of programmes. Continuous improvements are being made to the processes in order to further strengthen the control environment. We identified that the controls for identifying and recording financial and non-financial benefits and calculating costs need to be improved in order to accurately determine the viability of programmes.	Requires Improvement
ER07 Financial resilience	Chief Finance Officer	23 046	Group Treasury	We found that treasury management controls were adequately designed and operating effectively.	Well Controlled
ER07 Financial resilience	Chief Finance Officer	23 047	National Rail Reimbursement Scheme (Pay As You Go (PAYG))	There are adequate controls in place for processing staff travel reimbursement claims within the National Rail PAYG scheme. However, there is the potential for errors, omissions and delays to occur due to the manual processes involved in recording and calculating amounts due to employees. This is a known issue and action is being taken to address.	Adequately Controlled

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ER08 Delivery of key investment programmes and projects	Chief Capital Officer	23 018	Project Cost Estimation	Cost Estimates are prepared by the Cost Estimation Team (CET) to a consistent standard, and tracked internally, stakeholder feedback on CET work is good. However, project teams are not completing the Estimate Request Form process in a way that fully informs estimates. Following issue, estimates are often in draft, waiting business approval and sign off. The role CET plays in central oversight of cost estimation policy across TfL is still to be agreed and will remain a risk to TfL until responsibilities are formalised.	Requires Improvement
ER10 Governance and controls suitability	Chief Capital Officer	23 017	Stage Gate Compliance	<p>Readiness Assessment is an established part of Pathway system and effectively supports the Gate process and its operation. Inconsistencies in the completion of the Certificate need to be addressed to improve the clarity with which actions are recorded and pre-Gate assessment sign off applied.</p> <p>Any future review of the Pathway process should consider the balance of compliance versus quality checks that are undertaken at the pre-gate stage. Instances of documentation being supplied describing a programme approach (as opposed to project specific assessment) were noted, alongside unsigned documentation.</p>	Requires Improvement
ER10 Governance and controls suitability	Chief Operating Officer	23 020	Privacy and Data Protection: Surveillance Cameras in London Underground (LU) and Elizabeth Line Trains	The high priority risks identified related to the LU fleets that were part of the audit sample. Restructuring of the team responsible for management actions has led to a delay in agreeing dates for completion. However, the findings include the absence of clear ownership and accountability for the in-car CCTV systems and the management of data generated across LU fleets. Arrangements for the EL were found to be adequately controlled.	Poorly Controlled

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ER10 Governance and controls suitability	General Counsel	23 025	Gifts and Hospitality	The Gifts and Hospitality policy and procedure is well established, but overall, compliance is not fully embedded across the organisation with TfL advisory groups not being visible TfL of Gifts and Hospitality reporting, and it is not clear whether the policy applies to Trustees and Non-Executive Directors of the London Transport Museum.	Requires Improvement
ER10 Governance and controls suitability	Chief People Officer	23 034	Effectiveness of the TfL Pension Fund Trustee Board	The TfL Pension Fund operates within a strictly regulated and controlled environment. There are rules, regulations and guidelines which govern all aspects and activities of the pension funds trustees. We found that the Trustee Board works effectively and complies with Pensions Regulator guidance.	Well Controlled
ER10 Governance and controls suitability	Chief Operating Officer	23 036	Privacy and Data Protection: Surveillance Cameras in Buses	The audit assessed three bus operators, based on the result of this audit, there were control weaknesses in the privacy and data protection for the surveillance camera system fixed of one of the three operators in our sample, which resulted in the overall rating.	Requires Improvement