

Internal Audit reports issued in Quarter 2 (23 June to 14 September 2024)

Appendix 1

Fourteen draft 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 Operating Officer	24 002	Bus Safety Programme	Project management arrangements for the Retrofit programme are in the process of being formalised. Risk management arrangements are still developing, there is no change control, a gate strategy is yet to be confirmed and project business cases need updating. It was difficult to ascertain programme progress from the reporting provided.	Requires Improvement
ER04 Significant security incident including cyber security	Chief Customer and Strategy Officer	24 033 U	Ransomware project	We found that good progress had been made in the delivery of the cyber vault project and associated infrastructure. However, there are some risks and challenges to be addressed.	Requires Improvement
ER04 Significant security incident including cyber security	Chief Operating Officer	24 011	Business Continuity – non operational	The business continuity Policy and Strategy has yet to be approved and communicated via the TfL Management System. Despite the best efforts of the team, this has led to a lack of compliance across the organisation.	Requires Improvement
ER04 Significant security incident including cyber security	Chief Customer and Strategy Officer	24 007	Datacentre Network Refresh	Risks identified include the failure to define and implement the strategy for the migration of key applications and services from the legacy (old) network to the new network, the absence of a clearly defined assurance framework, and the skills needed to provide an adequate level of assurance on the work that is delivered and tested by the supplier.	Requires Improvement

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ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Operating Officer	24 018	Management of Lifts and Escalator Contract	Although the Delivery of Planned Preventative Maintenance services and fault repair under the Lift Asset Management Services contract is closely monitored by the TfL Lifts, Pumps and Vents Team, the quality of management information being presented by the supplier and its consistency with individual job tasking, documented services, dates and time recording, needs to be improved.	Requires Improvement
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Customer and Strategy Officer	24 014	Procurement of the TfL Advertising Concessions Contract (Live audit) - Phase 2	The procurement of the New Advertising Concessions Contract up to the Contract Award Recommendation stage has been well managed despite some resourcing issues at the start of the procurement. The working group has been very diligent in making sure everything stayed on track and risks were managed and mitigated as far as is possible.	Memo
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Finance Officer	23 042	SAP Ariba - Source to Contract	The Source to Contract (S2C) element of SAP Ariba has been implemented but needs further work for the effectiveness to be fully evaluated. The accountability and responsibility for SAP Ariba is spread across several teams. The Global Process Owner for S2C sits in Procurement and Commercial, along with most users, but other key responsibilities sit within the Business Services Function and Information Technology. The approval workflow process is effective but not always fully utilised.	Requires Improvement
ER07 Financial resilience	Chief Customer	24 025	Arts Council England Museum	We confirmed that London Transport Museum (LTM) income and expenditure accounted for reflects the chargeable project work.	Memo

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	and Strategy Officer		Estate and Development Fund Round 1		
ER07 Financial resilience	Chief Finance Officer	24 022	Use of Consultants	The procurement, management and monitoring of consultants across TfL is unclear. This has resulted in a lack of assurance of the effectiveness of existing controls in managing and mitigating associated risks.	Poorly Controlled
ER07 Financial resilience	Chief Customer and Strategy Officer	24 019	Procurement at the LTM	LTM management were unable to provide information regarding the number of supplier contracts it has, where the documents are kept or if they were procured in-line with the policy. There was insufficient evidence of who had approved a sample of supplier invoices for payment.	Poorly Controlled
ER07 Financial resilience	Chief Operating Officer	23 045	Fraud controls in Licensing and Regulation Area	Licensing is generally well managed; staff are knowledgeable and well informed but more real time checks and balances are needed.	Requires Improvement
ER10 Governance and controls suitability	Chief Operating Officer	24 030	Accounting for London Underground station cash sales	Our evaluation of the key controls, including testing samples of transactions where appropriate, confirmed their adequacy and effectiveness. No issues were identified.	Well Controlled
ER10 Governance and controls suitability	Chief Finance Officer and Chief People Officer	24 029	Temporary Agency Recruitment	We found that some controls over temporary agency worker recruitment were adequately designed and operating effectively. However, other controls and processes such as justifying candidate selection in writing were not always done.	Requires Improvement

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ER10 Governance and controls suitability	Chief Finance Officer	23 022	Construction Industry Scheme (CIS)	Within Procurement and Commercial, there was a lack of knowledge and awareness by staff, about roles and responsibilities regarding the CIS scheme. The SAP Ariba system had several data integrity issues, which meant that outputs for CIS purposes, could not be fully relied upon.	Requires Improvement