

Internal Audit reports issued in Quarter 4 (8 December 2024 to 31 March 2025)

Appendix 1

Twelve draft reports (excluding Places for London) were issued during the quarter. All have agreed actions plans in place that are tracked to completion.

Enterprise Risk	Directorate	Ref	Audit Title	Summary of Findings	Conclusion
ER02 Attraction, retention, wellbeing and health of our employees	Chief People Officer	24 042	Our People Leaders' Framework	Business areas are embedding the Framework, mostly through actions listed in their People Plans, with responsibility assigned to appropriate persons or teams, and with processes for reporting on and monitoring implementation of the actions.	Adequately Controlled
ER04 Significant security incident including cyber security	Chief Customer and Strategy Officer	24 049	Artificial Intelligence (implementation of Microsoft tools with built-in AI)	The audit found an absence of technical controls to enforce the requirements of the TfL Generative AI policy.	Requires Improvement
ER04 Significant security incident including cyber security	Chief Customer and Strategy Officer	24 051	London Transport Museum (LTM) Business Continuity	A comprehensive bottom-up Business Impact Analysis and corresponding business continuity risk identification and assessment exercise has not been done. Additionally, existing incident management plans do not consider all key risks and incident scenarios faced.	Requires Improvement
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Finance Officer	24 017	Supplier Contract management – KONE	The evidence of the validation of the actual maintenance work reported by Kone as completed, both physically and by value needs to be improved. The SAP reports of work done, including the value, is reformatted and re-summarised to suit TfL's needs. However, this reorganised information needs to be reconciled back to the Application for Payment to ensure that any errors introduced can be identified and corrected.	Requires Improvement

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ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Customer and Strategy Officer	24 036	Procurement of the new advertising contract – phase 3	Phase 3 of the procurement of the new advertising contract, a real time audit, was found to be well controlled and we confirmed that detailed feedback was provided to all bidders on how the bids were evaluated.	Well Controlled
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Finance Officer	24 046	Supplier contract management audits Dyer Butler	No major issues of concern were identified during the audit however the supplier's request for approval to purchase materials for the year was approved by a Commercial Manager who did not have the requisite level of Delegated Procurement Authority. We have reminded Procurement and Commercial of the necessity to ensure authority limits are adhered to.	Adequately Controlled
ER05 Supply Chain disruption and ineffective procurement and contract management	Chief Finance Officer	24 047	Supplier contract management audits – Otis	Progress against the agreed annual maintenance plan is tracked through various technical meetings, weekly reviews and evaluation of Key Performance Indicators. Checks on applications for payments and any variances need to be evidenced.	Adequately controlled
ER07 Financial resilience	Chief People Officer	24 026	Payroll	There are robust controls over the processing of payroll within the Employee Payments Delivery team. There is an opportunity for some processes to be improved in other parts of TfL to ensure consistency and accuracy.	Requires Improvement
ER07 Financial resilience	Chief People Officer	24 043	General Ledger	We found that most controls over general ledger access, finance master data and profit centre allocation were adequately designed and operating effectively. However,	Adequately Controlled

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				some controls and processes were not always operating effectively.	
ER07 Financial resilience	Chief Finance Officer	24 044	Savings Validation and Tracking	We confirmed that there is an appropriate governance framework and processes in place for the correct and accurate recording of savings. We identified one issue where two Chief Officer areas used the wrong baselines to calculate savings, this was immediately rectified.	Requires Improvement
ER10 Governance and controls suitability	General Counsel	24 039	Freedom of Information process	The Freedom of Information team has established a well-defined and documented process that has evolved over the years to support the timely response to public requests. The FOI audit identified some user accounts in the application user database that should be removed	Adequately Controlled
ER10 Governance and controls suitability	Chief People Officer	24 041	Compliance with the 2024 Pensions Code of Practice (PCoP)	Compliance with the 2024 PCoP is good. Most policies and procedures required by the 2024 PCoP have been in place prior to its introduction in March 2024. Management have made substantial progress in the development of the Effective System of Governance as stipulated within the code.	Adequately Controlled