

Date: 14 June 2016

Item: Internal Audit Annual Report 2015/16

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to summarise Internal Audit activity for the year ended 31 March 2016, to account for the use of resources and provide an opinion on the internal controls as required by the Public Sector Internal Audit Standards.

2 Recommendation

- 2.1 **The Committee is asked to note the report.**

3 Audit Opinion

- 3.1 Based on the work the department has completed during the course of the year, which is set out in more detail below, and taking into account other sources of assurance including:
- (a) project reviews carried out as part of the Integrated Assurance Review Process (including the work of the Independent Investment Programme Advisory Group);
 - (b) the work of other management assurance teams;
 - (c) a review of the Control Risk Self Assurance exercises within TfL; and
 - (d) the assurance letters prepared for HSE and Resilience;
- we have concluded that TfL's control environment is adequate for its business needs and operates in an effective manner.
- 3.2 Internal Audit's work has been carried out in accordance with Public Sector Internal Audit Standards.
- 3.3 There have been no matters arising from any of the work we have completed that need to be brought to the attention of the Audit and Assurance Committee.
- 3.4 There have been no restrictions imposed on the scope of the internal audit function.

- 3.5 In addition, using assurance gained from our audit work on governance matters we can conclude that TfL's code of governance, including internal control, is adequate and effective.

4 Work Done

Introduction

- 4.1 Internal Audit work falls into two main areas namely audit assurance as set out in the Audit Plan; and Fraud Awareness, Prevention, Detection and Investigation. In addition, we provide advice on controls and processes both via reviews and by attendance at working groups. The sections below explain the work that has been done in these areas in the past year.

Audit Assurance

- 4.2 In any year, the Audit Plan generally changes significantly as projects and procurements are revised or re-programmed and new or changing risks take priority. For this reason, we use a "rolling" plan which means we confirm our audit schedule on a quarterly basis, although we have a view as to the work we aim to complete during the next twelve months.
- 4.3 The proportion of Internal Audit time spent against the TfL Strategic Risks and other key areas, compared to the plan was as follows:

Risk	Actual 2015/16 %	Plan 2015/16 %
Maintaining a long term strategic balanced plan	8.1	6.6
People Risk	7.7	6.4
Delivery of Capital Investment Portfolio	13.6	13.3
Technology Risk	6.7	9.9
Disruption to Quality of Service	21.1	23.2
Major/ Catastrophic Incident	20.8	18.6
Financial and Governance Controls	13.9	12.8
Crossrail	6.1	7.3
London Transport Museum	2.0	1.9
	100.0	100.0

- 4.4 The actual time analysed above includes time spent on audits brought forward from the 2014/15 plan.
- 4.5 The planned and actual time allocations are similar. The most significant variation relates to Technology Risk where a lower proportion of time was allocated than planned, due to the IM and Security audit section being one auditor and one manager below budgeted headcount for much of the year.

- 4.6 A number of audits in the 2015/16 Audit Plan were still in progress at 31 March. We also completed some audits carried forward from the 2014/15 Audit Plan during the year. The number of Interim Audit Reports, other outputs, including advisory reports and memorandums, and HSE and Technical reports issued during the year and in 2014/15 are set out in the table below.

	Interim Audit Reports					HSE and Technical Audit (HSE&T) Reports					Other Outputs (Advisory Reports/ Memos)	Total
	WC	AC	RI	PC	Total	WC	AC	RI	PC	Total		
2015/16	16	13	30	4	63	2	34	30	1	67	33	163
2014/15	14	27	21	1	63	7	62	27	2	98	43	204

- 4.7 The total number of reports issued during the year is lower than in 2014/15. This is primarily due to a reduction in the number of HSE&T reports issued. We took a conscious decision in the 2015/16 plan to carry out a smaller number of more in-depth and wide ranging audits, many of which were in areas that hadn't been audited for some time. By their nature, these audits are more likely to identify issues, which is reflected in the higher proportion of reports concluded as 'requires improvement' during the year.
- 4.8 The Interim Audit Reports issued have a higher proportion of 'poorly controlled' and 'requires improvement' conclusions than in the previous year, 54 per cent compared with 35 per cent in 2014/15. There were four reports issued with a 'poorly controlled' conclusion, compared with just one in the previous year (although it is worth noting that there were five 'poorly controlled' reports in 2013/14). We have been unable to identify any underlying cause for the increased proportion of 'requires improvement' and 'poorly controlled' reports and it is likely that this simply reflects the mix of areas audited this year.
- 4.9 Three of the four 'poorly controlled' reports issued related to audits of HR activities: People Management Documentation; Movers and Leavers; and Recruitment Processes. A common theme from these audits is that HR 'owns' the processes, but is often reliant on the business to ensure that controls are operating effectively. We will be attempting to work closer with HR during 2016/17 as they reassess their strategic risks and key controls in order to identify where there may be areas that would benefit from specific assurance work. The other 'poorly controlled' report was in respect of Contractor Payment Application Forms (CPAFs), which are the mechanism for authorising the cost of work done by a contractor to support the invoicing process.

- 4.10 The HSE&T reports show a similar increase in the proportion of 'requires improvement' or 'poorly controlled' reports, 46 per cent compared to 30 per cent in 2014/15. This reflects the change in focus of the HSE&T audit work this year as noted in para 4.7 above. One HSE&T report, on Change Control of Engineering Asset Information was concluded as 'poorly controlled'.
- 4.11 A more detailed summary of audit work carried out during the year can be found in Appendix 1.
- 4.12 We follow up all previously issued interim audit reports to confirm that agreed management actions have been implemented, and issue a final audit report of our findings. Follow up audits and resulting final reports indicate that management action plans agreed as part of the audit process are being completed effectively and on a timely basis. Out of 64 final audit reports issued (2014/15: 63), there were only four that we were not able to close as a result of actions being incomplete. These were the audits of Procurement Authority and Associated Controls; JNP Payroll Data Integrity; Cost Planning and Control of IM Initiatives; and Security of LU Tenants. The first of these has subsequently been closed, and we will carry out second follow-up reviews on the others during 2016/17 to confirm that the remaining actions have been addressed.

Other Work

- 4.13 In addition to the planned audit work above, we have also continued to be involved in a range of steering groups and other governance bodies, and have been represented on the following during the year:
- (a) Assurance Delivery Group;
 - (b) Commercial Leadership Group;
 - (c) SLT Strategy and Governance Steering Group;
 - (d) Technology and Data Group;
 - (e) Enterprise Resource Planning Business Steering Group;
 - (f) Community of Interest for Cyber Security;
 - (g) SAP Security Governance Council;
 - (h) Resilience Steering Team;
 - (i) TIQ Project Board;
 - (j) Crossrail Integrated Assurance Group;
 - (k) Crossrail Fraud Risk Assurance Group;
 - (l) Ensuring Efficient and Effective Support Solutions; and
 - (m) Engineering NPL Recruitment Services Tender Steering Group.

- 4.14 This involvement enables us to provide input on risk management and control matters at an early stage in major projects as well as allowing observation of project and other governance processes.

Other Assurance Providers

- 4.15 Throughout the year, we have received regular updates on the work of the project assurance team delivered through the Integrated Assurance Review (IAR) process, including the work of IIPAG. Copies of reports prepared by these teams have been shared with us as required. A summary of this work has been included in the Director of Internal Audit's quarterly reports to the Audit and Assurance Committee, and it has been taken account of in arriving at the overall conclusion on the effectiveness of TfL's control environment.
- 4.16 In Crossrail, there is a range of other assurance activity that we take into account in arriving at an overall opinion on control effectiveness in Crossrail, as follows:
- (a) Crossrail compliance audits, managed by the Senior Audit Manager – Crossrail, which are technical audits of compliance with the Crossrail Management System;
 - (b) Contractor HSQE audits, also managed by the SAM – Crossrail, providing assurance across a range of contracts and themes that contractors have effective HSQE systems in place;
 - (c) A Contractor Commercial Review function providing assurance over the commercial performance of contractors, covering cost; contract management; risk management; commercial value; supply chain and procurement; and anticipated final cost management and controls; and
 - (d) External Lloyds Register Quality Assurance (LRQA) review of the Crossrail Management System.
- 4.17 The outcomes from this work are reported quarterly to the Crossrail Audit Committee, and summarised for the Audit and Assurance Committee as part of the Internal Audit quarterly reports. There are no significant issues that need to be brought to the Committee's attention.

Control Risk Self Assurance (CRSA) including assurance letters

- 4.18 CRSA is a process that enables management to assure themselves that key controls are operating across a whole process. It can reduce, but not eliminate, the need for internal audit. The CRSA returns are reviewed by Internal Audit to ensure they are in line with audit findings during the year and to ensure the assurance gained is taken into account for the internal audit opinion.
- 4.19 The CRSA process is managed by the Financial Services Centre (FSC). The process would benefit from a thorough review and refresh to ensure it is still relevant

and fit for purpose. This review will be taken forward by the new Controls Team within FSC, in liaison with Internal Audit, which will work to ensure that CRSA links effectively with risk management and assurance mapping processes.

- 4.20 Separately to the CRSA process, TfL produces annual assurance letters for HSE and Resilience, which are also reviewed by Internal Audit.
- 4.21 The resilience letters process has served the organisation well for many years. However, it was introduced at a time when the HSE management systems around TfL were under development and at varying stages of implementation. The TfL HSE Management system has now reached a sufficient level of maturity that there would be benefit in taking a new approach to self-assurance. TfL currently uses the Office of Rail and Road's HSE management system model and tool to report on the maturity of its HSE Management system. It is, therefore proposed to use the outcomes of this maturity assessment to provide assurance to the TfL Board on the effectiveness and continual improvement of the management system. This new approach will be introduced during 2016/17.

Fraud Prevention, Detection and Investigation

- 4.22 As part of our fraud prevention strategy 15 awareness sessions were held over the course of the year for TfL members of staff and six targeted at Crossrail Tier 2 contractors.
- 4.23 Work has continued on promoting the online Fraud Awareness Course available on Ezone. This has resulted in take up increasing from 168 members of staff to over 600. A similar online course has been developed for Crossrail's Learning Management System.
- 4.24 We have continued to promote the work of the Fraud Team, including highlighting successful prosecutions following fraud investigations, through the use of the TfL intranet, 'Source', and weekly newsletters. Information published has also included alerts and information on current scams. The team also supported International Fraud Awareness Week through lunchtime learning sessions and an on-line quiz with over 240 participants.
- 4.25 A new online fraud page has been developed as part of the TfL Management System to ensure that staff have access to a consistent 'one-stop shop' of information. In addition a fraud and corruption page has been developed for the Crossrail intranet, 'Connect Online', to ensure that relevant information, including policies and procedures, is readily accessible to staff from a central resource.
- 4.26 There were 43 new investigations during 2015/16, and 34 cases brought forward from 2014/15. There was a significant increase in the number of investigations concerning the use of compromised credit and debit cards to top up Oyster cards.
- 4.27 The disposal of cases throughout the past year (previous year's totals in brackets) is as follows:

	Investigations	
In Progress at 1 April 2015		34 (20)
New since 1 April 2015		43 (45)
Closed since 1 April 2015	No Crime/ Offence established	23 (14)
	Disciplinary Action Taken	4 (4)
	Police/ Judicial Action Taken	23 (13)
	Sub Total	50 (31)
In Progress at 31 March 2016		27 (34)

4.28 The number of closed cases during the year that led to police/ judicial action demonstrates the Fraud Team's effective working relationship with Law Enforcement Agencies, and the quality of the evidence compiled to support the cases.

4.29 The 43 (45) new investigations consist of 42 (42) fraud cases, 1 (2) report of theft and 0 (1) 'other' types of case.

4.30 Reports were received from the following sources:

Source	2015/16	2014/15
Internal Audit	1	0
Internal Control	6	6
Staff Member	23	27
Member of Public	4	7
Law Enforcement Agency	5	5
Anonymous	3	0
National Fraud Initiative	1	0
Totals	43	45

5 Internal Audit Strategy

5.1 Our Internal Audit Strategy was presented to the Audit and Assurance Committee in December 2013. The purpose of the Strategy is to set out the department's priorities for developing its services to the business over a three to five year period. The Strategy is aligned with the four TfL strategic pillars – Customers, People, Delivery and Value for Money – and under each heading sets out a number of key deliverables for the development of the Internal Audit Service.

5.2 Over the course of the year, the IA Leadership Team has continued to progress the specific actions through which these deliverables will be implemented. The status of the deliverables is set out in Appendix 2.

- 5.3 In light of the substantial programme of business change that TfL is taking forward, we plan to refresh the Internal Audit Strategy during 2016/17 to ensure it remains aligned to TfL's priorities.

6 Resources

Staff

- 6.1 The department's budgeted headcount increased from 59 to 65 during the year as a result of the transfer of the Crossrail Audit Team, consisting of an audit manager and five auditors, into TfL with effect from 1 March 2016.
- 6.2 There have been a small number of other staff changes during the year, with two audit managers, two internal auditors, one fraud and audit analytics specialist and one member of business support leaving. We are currently trying to fill the two audit manager and one auditor vacancies.

Staff Training and Development

- 6.3 We have in place documented guidance setting out the standards we require for all staff both to maintain their existing professional qualifications and to ensure they receive sufficient continuous training in internal audit and fraud investigation (as appropriate) to keep them up to date with best practice. All of our joiners into audit positions who do not have previous audit experience must complete the IIA's Certificate of Internal Audit during their first year in the department.
- 6.4 We monitor training to ensure all staff are achieving the requisite standard. We manage the cost of training through judicious selection of courses, including making use of free or discounted courses where possible, and are comfortable that the training provision is sufficient for us to maintain our high standard of professionalism.

Co-sourcing

- 6.5 A GLA-wide contract for Specialist Internal Audit Services with Baker Tilly is in place that we could use to help us resource our audit work if required. However, we have not made use of the contract during the year.

7 Internal Audit Processes

- 7.1 In accordance with CIPFA and IIA standards, we carry out an annual internal review of the department's performance. In addition, every three to five years, we commission an external review of our performance. The most recent external review was carried out by KPMG in 2012 which, while generally positive, highlighted a number of areas for further development, and we agreed an action plan to take forward the matters raised. All of these actions have either been completed, or have been incorporated into the Internal Audit Strategy. The next external review is scheduled for later this year.

- 7.2 During the year we carried out an internal review to evaluate our performance and conformance with IIA Standards, our Audit Manual and performance measures. The overall assessment was that we conformed with the International Professional Practices Framework (IPPF). The relevant structures, policies, and procedures, as well as the processes by which they are applied, complied with the requirements of individual Standards and elements of the Code of Ethics in all material respects. Some opportunities for improvement were noted, and action is being taken forward to address them.
- 7.3 We seek to continuously review and enhance our audit processes to ensure they are best practice and meet the needs of the business. During the year we have carried out a thorough refresh of our Audit Manual to ensure that it meets the needs of all sections of the department.

8 Integrated Assurance

- 8.1 In March 2016, the fifth annual Integrated Assurance Plan (IAP), covering all Internal Audit and Project Assurance work planned for 2016/17, was approved by this Committee.
- 8.2 Over the past few years Internal Audit has led a programme of activities designed to make the delivery of assurance increasingly integrated across TfL. The Assurance Delivery Group (ADG), chaired by General Counsel has acted as project sponsor for this activity.
- 8.3 Some of the key activities include the following:
- (a) There is now regular reporting of assurance activities to the R&U and Surface Transport operating boards and a report is also circulated periodically to Specialist Services directors.
 - (b) We have established a 'community of auditors' to improve liaison with various 'embedded' auditors around the business, and our progress reports now summarise the activity of the embedded auditors.
 - (c) A pan-TfL approach to assurance mapping has been developed. Assurance mapping provides a valuable mechanism for linking assurance into TfL's risk management processes, giving visibility of the assurance in place over key risks and highlighting areas of under/over control.
- 8.4 In February 2016, we presented a paper to TfL's Executive Committee, setting out progress with integrated assurance to date and requesting the Committee's endorsement of plans for further development. This was approved. The agreed actions to take forward include the following:

- (a) Adoption of the common pan-TfL approach to assurance mapping across the organisation.
- (b) Adopt a 'OneTfLAudit' approach across all audit work within TfL, including embedded auditors, to bring about greater commonality in procedures, documentation, reporting and sharing of audit plans.
- (c) Further develop the role of self-assurance as a key element of TfL's overall assurance activities (see paras 4.18 to 4.21 above).
- (d) Closer collaboration between Internal Audit and the Project Assurance team and the Programme Management Office.
- (e) Develop improved mechanisms for sharing lessons learned from assurance activities across the organisation.

9 Networking

- 9.1 To ensure that TfL's Internal Audit department remains up to date and understands best practice, it is important that we engage with other Internal Auditors and Fraud Investigators as well as attending and speaking at conferences relevant to our professional and business needs. The department has memberships of the Chartered Institute of Internal Auditors (IIA), CIPFA and the Association of Certified Fraud Examiners among others, which means we receive copies of publications, newsletters and updates from these bodies that assist in ensuring that we are up to date.
- 9.2 Members of the team also belong to a range of external bodies, including the London Audit Group; the IIA Guidance and Editorial Committee; the Information Systems, Audit and Controls Association (ISACA); the Association for Project Management (APM) Specific Interest Group on Assurance; the APM Audit Committee; the APM Board; the Institute of Risk Management; the Institute of Occupational Safety and Health; the Security Institute; the London Fraud Forum; the National Federation of Fraud Forums; the London Committee of Crimestoppers; and the Fraud Advisory Panel.

10 Customer Feedback

- 10.1 At the end of every audit, we send out a customer feedback form to the principal auditee(s) requesting their views on the audit process and the report. The form is questionnaire based so it can be completed easily and quickly. A list of the questions, including a detailed analysis of the results, is included in Appendix 3.
- 10.2 The return rate for feedback forms in 2015/16 was 40 per cent, a similar level to the 42 per cent achieved in 2014/15. The summary of scores received in the year is as follows:

	Very good %	Good %	Satisfactory %	Poor %	Very poor %
2015/16	46	36	12	5	1
2014/15	53	33	13	1	0
2013/14	34	44	16	6	0
2012/13	35	41	18	5	1

10.3 The majority of respondents continue to be satisfied with the way we carry out our work, although there has been an increase in the proportion of 'poor' scores following the very positive results in 2014/15. All feedback which is less than satisfactory is followed up by the Director of Internal Audit to ensure the concern is understood, discussed with the audit team and lessons learned where appropriate.

List of appendices to this report:

Appendix 1: Overview of Internal Audit and Other Assurance Work 2015/16

Appendix 2: Internal Audit Strategy – Status Update

Appendix 3: Customer Feedback Form – Summary of Responses for 2015/6

List of Background Papers:

Audit reports.

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TRANSPORT FOR LONDON

**AUDIT AND ASSURANCE COMMITTEE
OVERVIEW OF INTERNAL AUDIT AND
OTHER ASSURANCE WORK - 2015/16**

1 Background

- 1.1 The following paragraphs set out our work done against each of the TfL Strategic Risks and other key areas during 2015/16.

2 TfL01: Maintaining a Long Term Strategic Balanced Plan

- 2.1 Work under this risk heading includes audits of the ongoing programme of Commercial Development activities, controls over ticket revenue, and assurance in relation to delivery of efficiencies.
- 2.2 We carried out real time audits on two significant procurements within Commercial Development: the Property Development Framework, and the Pan-TfL Advertising Services Contract. In both cases we made recommendations, as the procurements progressed, for how governance could be strengthened. However, we were satisfied that the procurements were conducted in line with TfL and regulatory requirements and the outcomes were appropriate.
- 2.3 We also carried out an audit of programme management within Commercial Development. We found that the programme delivery mechanisms were not fully aligned with the requirements of Pathway, and the programme governance arrangements were not well defined. The audit was concluded as requires improvement.
- 2.4 Our audit of the Property Asset Register (PAR), requested by the Audit and Assurance Committee, identified that records on the PAR had not been consistently created and updated which precluded a reliable automated matching to Land Registry title records and site plans. The property acquisitions process needed to be improved by reinforcing the control process with those responsible for buying and selling, as well as seeking further supporting information. We concluded that the control environment required improvement.
- 2.5 Other work within Commercial Development included the following:
- a review of the financial modelling of property developments, which concluded that the models were generally robust;
 - a lessons learned review of the Embankment station development. Our report, issued since the year end, highlighted a range of factors that have

led to this project costing twice the original business case, and made recommendations to avoid similar issues occurring on future projects.

- An audit of financial controls within Commercial Development was in progress at the year end.
- 2.6 An audit was carried out on the revenue inspection controls over contactless ticketing. We raised a number of issues around governance, roles and responsibilities and the hand held devices in use. Overall we concluded that the control environment required improvement.
- 2.7 We also carried out an audit of cash management following the installation of the new cash handling devices (CHDs) at stations as part of Fit for Future Stations. This audit report, issued after the year end, noted that at stations where CHDS had been installed there had been improvements noted in staff time and efficiency in handling cash. We raised a number of issues including timely completion of reconciliations and the documentation of the complex reconciliation process. The conclusion was 'requires improvement'.
- 2.8 Continuing our work on the TfL savings and efficiencies (S&E) programme we worked with the efficiencies virtual team to provide independent assurance over the integrity of the S&E databases. A number of issues were identified to be addressed to minimise the risk of erroneous data. Following the decision to integrate the efficiencies programme into financial reporting, our recommendations have largely been superseded.

3 TfL02: People Risk

- 3.1 During the year we issued seven reports to HR in respect of People Risk. Of these three were concluded as 'poorly controlled'. This is in the context of only five poorly controlled reports in total being issued across TfL during the year. We will be attempting to work closer with HR during 2016/17 as they reassess their strategic risks and key controls in order to identify where there may be areas that would benefit from specific assurance work. A common theme from these audits is that HR 'owns' the processes, but is often reliant on the business to ensure that controls are operating effectively.
- 3.2 The three audits concluded as 'poorly controlled' were as follows:
- People Management Documentation - we reviewed the effectiveness of controls over the storage and processing of people management related documentation held by the business. The audit found inconsistent and ineffective controls over maintenance of staff records, with a lack of a strategy and communication plan for delivering the policy and weaknesses in procedures and guidance in some areas.
 - Movers and Leavers – The audit found insufficient guidance for line managers and a lack of ownership by line managers of the process. This had led to line managers failing to promptly notify HRS of movers and leavers resulting in processing delays and increasing the risk of making inappropriate payments to movers and paying leavers' salaries and pension contributions beyond their leaving dates.

- Recruitment Processes – The audit identified a number of positive findings, but also several issues, including a lack of clear planning for recruitment campaigns, inadequate documentation of assessment and selection, and inconsistencies and omissions in employment screening.

3.3 Two other audits were concluded as ‘requires improvement’:

- The audit of processes and controls over managing attendance, raised a number of issues including instances of line managers not managing absence infringements in line with the policies and procedures.
- The audit of controls over the management and use of preferred suppliers within HR found issues concerning the out of date preferred supplier list, lack of a policy or procedure regarding preferred suppliers and a lack of awareness of preferred suppliers resulting in an increase in the volume of single source procurement with non-preferred suppliers.

3.4 For the first time we carried out a review of the efficiency and effectiveness of the structure and processes in relation to the employee relations machinery in Rail and Underground. Our advisory report identified a number of areas for improvement that are being examined by the business. A similar piece of work is to be carried out across TfL in 2016/17.

3.5 We also reviewed the procedures and key controls around TfL’s graduate schemes. There were no issues identified and we concluded that this area was well controlled.

3.6 We provided support to the HR Equality and Inclusion team with its submission to the Equalities Framework for Local Government. Specifically, Internal Audit carried out a peer review of the evidence supporting TfL’s application, prior to this being presented to the external assessors. We highlighted a number of areas where the submission could be improved, and following our review the evidence was reassessed and TfL maintained its ‘excellent’ rating.

3.7 As usual, we carried out a programme of audits on the TfL Pension Fund the results of which are also reported to the Pension Fund’s Audit Committee. There were no significant issues arising from this work.

4 TfL03: Delivery of Capital Investment Portfolio

4.1 We issued nine interim internal audit reports against this risk heading in 2015/16 and nine memorandums. Three of the reports had a ‘requires improvement’ conclusion, one was ‘adequately controlled’, and the remaining five were ‘well controlled’.

4.2 Five of the memorandums relate to real time audits of significant procurements, and capture our findings at key stages of the procurement process. This type of audit concludes with a full audit report, and accounts for four of the five reports issued with a ‘well controlled conclusion’, confirming TfL’s generally effective controls over procurements.

- 4.3 The fifth 'well controlled' conclusion related to TfL's management of a transformation programme within Commercial.
- 4.4 The three audit reports concluded as 'requires improvement' were as follows:
- A review of the LU estimate review and validation process noted that process and template documents in Pathway, which define how the governance of the estimating process should operate, are not followed in all cases.
 - The audit of management of the new Taxi and Private Hire contract identified a number of issues, including an unsystematic approach to risk management.
 - The audit of Value for Money in small contracts found inconsistent processes for managing the Total Purchased Services contracts, including arrangements for tracking of project status and certification of works.
- 4.5 Audits of TfL's role in supporting procurement across the GLA family, and of transport modelling arrangements were both concluded as adequately controlled.
- 4.6 One significant piece of work was our audit of the design and development procurements in relation to the Garden Bridge. Our memorandum highlighted a number of areas where the procurement process followed did not comply with TfL policy and procedures. The memorandum made a number of recommendations for improving controls and we are working with both Group Planning and Commercial to ensure that these recommendations are properly acted upon.
- 4.7 Other consultancy-style engagements undertaken during the year covered: project management resource planning; implementation of category management; and the effectiveness of the standstill letter process.
- 4.8 Significant audit work that we had underway at the end of the year included: purchase and supply of New Routemaster buses; project closure and handover within Surface Transport; and supplier relationship management.
- 4.9 The HSE&T team also carried out work under this risk heading and issued eight reports focused on the delivery of safe and reliable assets. One of these reports had a 'poorly controlled' conclusion, four had a 'requires improvement' conclusion and three had an 'adequately controlled' conclusion
- 4.10 The 'poorly controlled' report related to the updating of LU's asset management databases (Ellipse and Maximo) on the introduction of new or changed assets by a project. This was found to not be happening within suitable timescales to ensure these assets were subject to a suitable maintenance regime. Processes were in place within TfL Pathway but these were not being consistently followed.
- 4.11 Of the reports concluded as 'requires improvement', two relate to the adequacy of Pathway products; Inspection and Test Plans, Scope Definition Reviews and

Design Reviews, and their implementation. The other two relate to the controls around the introduction of new or overhauled signalling assets.

- 4.12 There was a common theme in several of the audits carried out during the year of aspects of the Pathway methodology not being followed and templates not being used. In some cases the outputs could be judged as being comparable to Pathway products, but in others they fell short of their intended purpose. We therefore issued a memorandum to the Head of PMO pulling together the various issues that we had found. The Head of PMO is leading on a piece of work to refresh Pathway, which should address the points raised in the Internal Audit memo.

5 TfL04: Technology Risk

- 5.1 This section includes threats to TfL's IT systems and to the security of data. In 2015/16 we issued 10 interim audit reports and two memorandums related to different aspects of technology and security assurance. Six of the reports were concluded as 'requires improvement', two were 'adequately controlled' and two were 'well controlled'.
- 5.2 Two of the audits concluded as requires improvement covered aspects of delivery of IM services within TfL:
- The audit of IM Business Partnership noted that arrangements for managing engagement between IM business partners and their stakeholders were inconsistent. There had been a low score in the customer satisfaction survey for business relationship management, particularly in relation to identifying and communicating technological solutions that meet business needs.
 - The audit of IM Incident and Service Request Management found that management of problem resolution was not fully effective and the impact of the changes prior to implementation could not be accurately assessed due to data integrity issues.
- 5.3 Our audit of Data Centre Management welcomed the implementation of a data centre strategy, which would provide realisable and tangible benefits for TfL. An audit of Delivery of Technology Projects in Surface Transport found effective management of resources and well defined roles and responsibilities, whilst highlighting some areas where processes could be improved. Both of these audits were concluded as 'adequately controlled'.
- 5.4 An audit of IT change control in Customer Experience, specifically focused on changes to Oyster systems, found a strong control environment to be in place and was concluded as well controlled.
- 5.5 We carried out a review of controls over social media, which was the first time we had audited this topic. The audit noted some good practice, but also highlighted a need to improve governance arrangements in a number of areas, including clarifying roles and responsibilities, updating documentation, and

enhancing the reporting of social media performance. We concluded that controls required improvement.

5.6 Three of the audits concluded as 'requires improvement', related to elements of physical security, all of which also had potential implications for security of data/technology:

- The audit of security at visitor information centres highlighted a number of areas where controls could be strengthened, including improved risk management, awareness training for staff, and inadequate incident management procedures.
- The audit of security of power assets found weaknesses in physical security at a number of sites housing power assets. All of these have now been resolved.
- The audit of access control arrangements to the Surface Transport and Traffic Operations Centre (STTOC) found some effective controls in place and noted that there had been no reported instances of unauthorised access to the STTOC or recovery control rooms. However, controls could be improved by the implementation of a process to regularly review the appropriateness of access rights.

5.7 We carried out a consultancy style review of the implementation of TfL's Information Security Controls Framework (ISCF). This is an important step forward in bringing increased consistency to the protection of TfL's IT assets and data. We noted some areas of good practice, but also highlighted a need for improved communication of the strategy to relevant staff, better alignment with other IM policies, and mechanisms for ongoing review and update of the ISCF.

5.8 During the year we have continued our support of TfL activities aimed at obtaining compliance with the Payment Card Industry Data Security Standard (PCI DSS). Our accredited PCI DSS Internal Security Assessor has been working in alignment with the external Quality Standards Assessor (QSA) to drive forward TfL's work to enhance PCI DSS controls throughout the business.

5.9 We have also continued to work in partnership with the business on reviews of the security of LU SCADA (Supervisory Control and Data Acquisition) systems and their resilience against external cyber attacks, applying the Centre for Protection of National Infrastructure (CPNI) SCADA risk assessment tool.

5.10 Throughout the year we have maintained close contact with key technology, data and security stakeholders through regular meetings and attendance at relevant governance groups. This has enabled us to provide input into the development of TfL's Technology and Strategy, the ERP strategy and other key developments on a real time basis.

6 TfL05: Disruption to Quality of Service

6.1 The majority of work against this risk is carried out by the HSE&T team, which undertook 26 audits against this strategic business risk in 2015. This resulted in

one 'well controlled', 13 'adequately controlled' and 12 'requires improvement' audit conclusions.

- 6.2 The audits undertaken against this strategic risk are focused on asset areas which can impact on service reliability or operational incidents that may have a service or safety impact. Areas covered include track and signal maintenance, lifts and escalators, and a number of audits of quality standards at key suppliers. The majority of audits are undertaken in LU where a significant proportion of asset maintenance work is completed by TfL employees. The audit programme is aligned to the LU 'Asset Risk Model' to ensure that the assurance work is proportionate to the business risk. The audits seek to provide assurance that maintenance or assurance regimes are in place and that monitoring regimes provide feedback to the business that identifies where management intervention is required.
- 6.3 The 'requires improvement' conclusions are typically reached where the audit has identified that aspects of the control regime are either not in place, or are not being effectively implemented or complied with, but where there has not been an overall breakdown in control. Examples of issues typically identified include documented procedures/ templates that are not in place, are ambiguous, or are overdue for review; and failure to adequately document completion of inspections.
- 6.4 There has also been some other audit work against this risk heading. In 2014, Internal Audit carried out a consultancy review of the Taxi and Private Hire compliance activities performed by Enforcement and On Street Operations (EoS) to provide input into a major business improvement project. We have now carried out further work to provide assurance on the compliance control environment by reviewing the extent to which the EoS business improvement action plan had been delivered. We found that progress had clearly been made but many actions had either not yet been addressed or were only partially addressed. Revised dates have been agreed for completing the remaining actions and we will follow these up during 2016/17.
- 6.5 We also carried out an audit on bus accessibility and found that this area was adequately controlled

7 TfL07: Major/ Catastrophic Incident

- 7.1 The majority of work against this risk is carried out by the HSE&T team, which issued 36 reports in 2015/16. One was concluded as 'well controlled', 20 were 'adequately controlled', and 15 were 'requires improvement'. This heading includes our work on health and safety risk, and these numbers should be seen in the context of an audit programme that focuses on business areas and topics where management believe control may be weak and audit will help to improve control. The significant areas of risk identified by these audits are detailed below, together with a summary of the work carried out.
- 7.2 We continued our rolling programme of audits aimed at providing assurance that business units with significant HSE risk are managing these risks in

compliance with legislation and the HSE Management System. The majority of the audits are in LU and trends were identified from these audits and those of the previous year. We issued a memorandum to the Director of Safety and the LU Chief Operating Officer setting out common findings from our audits. This highlighted inconsistent compliance in the maintenance areas of LU COO, with retention of some old practices following the transfer of this part of the business from Metronet to LU in 2008. This increased the risk of legal non-compliances.

- 7.3 Reasons for the deficiencies included a lack of awareness of the management system, insufficient self-assurance, and a failure to learn lessons from audits resulting in repeat findings in another business unit.
- 7.4 A number of recommendations were made, which are largely incorporated into the scope of the HSE Transformation Project. The recommendations included improving visibility and profile of the Management System; promoting understanding of the HSE requirements; improving the culture of compliance and continuous improvement; and improving self-assurance through HSE and line management activities.
- 7.5 Following a recommendation from the Office for Road and Rail (ORR) the previous year, the audit programme included a number of topic audits aimed at providing assurance that management arrangements were effective at meeting legislative requirements and controlling risk adequately. These audits included the management of apprentices, lifting operations, manual handling, mobile plant, drugs and alcohol, hand arm vibration, asbestos and monitoring regimes. With the exception of hand arm vibration, all of these audits were concluded as Adequately Controlled.
- 7.6 Other work against this risk included an audit of progress against the safety action plans for cycling, pedestrian and motorcycling. We identified an opportunity for process improvement but overall concluded that the three plans were well controlled.
- 7.7 We also carried out a security audit of the Stratford Market Depot, which highlighted a number of issues relating to physical access control, and was concluded as requires improvement. The issues have all now been remediated.

8 Finance and Governance

- 8.1 This is a wide ranging heading that includes work on corporate governance issues, core financial controls and other sundry areas not directly linked to the TfL Strategic Risks.

Corporate Governance

- 8.2 Early in the year we carried out an audit of TfL's strategic risk management processes, and concluded that these required improvement. Subsequently, the Chief Finance Officer has initiated a project to implement an improved strategic risk management process. We will audit the new process once it is established and embedded.

8.3 A number of other audits were concluded as 'requires improvement' as follows:

- Declarations of Interest – there were issues relating to staff not following Commercial Directorate instructions for declaring interests in companies that TfL is purchasing from, or with which they are managing contracts. Also in many cases, staff were not making declarations of interests when they procure goods and services from suppliers.
- Freedom of Information – The audit noted the rapidly increasing volumes of FOI requests and the challenge this creates to achieving statutory deadlines for responding to these requests. An opportunity was highlighted to review the definition of a sensitive request and the process used to answer these.
- Privacy and Data Protection - Our audit noted that resource constraints meant it was not possible for the Privacy and Data Protection Team comprehensively monitor and enforce compliance with the Policy. There was an opportunity to implement a self-assessment process to enhance the level of assurance.

8.4 We carried out a review to determine the effectiveness of the processes for managing TfL's Standing Orders, and ascertain the compliance and monitoring framework. We concluded that Standing Orders are adequately controlled.

8.5 We reviewed the adequacy of TfL's preparations for the 2016 mayoral election and concluded that, as with previous elections, the preparations were on track and well controlled.

Core Financial Processes

8.6 Following issues identified by an ongoing fraud investigation, we carried out an audit of the Contractor Payment Approval Form (CPAF) process. CPAFs are the mechanism for authorising the cost of work done by a contractor to support the invoicing process. This audit found a number of significant issues, including a lack of a clear 'audit trail' supporting CPAF payments, unclear roles and responsibilities, inconsistent authorisation requirements and variable approaches to verification of supporting documentation. The audit was concluded as 'poorly controlled'.

8.7 Several audit reports were concluded as 'requires improvement':

- Our audit of payroll, in conjunction with an audit of the deduction and payment of pension contributions, did not identify any concerns over the overall accuracy of the payroll. The most significant issues related to service delivery by the outsourced JNP payroll provider, and an absence of monitoring of sensitive HR and payroll access permissions
- An audit of the adequacy and effectiveness of internal controls within Oracle Financials (used by JNP) highlighted a number of issues, including an unreconciled bank credit balance and an absence of a debt management and write off policy and procedure.

- Our review of the controls in place over business expenses and purchasing cards found that the policy required some additions and changes to strengthen it and ensure that it is fully enforceable and meets its objectives. The approvals matrix needed to be simplified to ensure that it is workable and there was scope to strengthen and automate the FSC validation process.
- The audit of the 'unsupported invoices' process found that the process, which is inherently risky, is sometimes used by business areas when other more controlled procurement routes should be used.

8.8 An audit of financial controls in Victoria Coach Station identified some areas where controls could be strengthened, but overall we concluded that this area was adequately controlled.

8.9 An audit of VAT accounting controls was in progress at the year end.

Sundry

8.10 We carried out two pieces of work on controls over enforcement agents, in Surface Transport and in Property. The audit in Surface Transport was concluded as 'well controlled'. However, the audit in Property found issues related to contracts, and the remittance of payments by the agents to TfL. This was concluded as 'requires improvement'

8.11 An audit of controls in operation over driver licensing and vetting within Taxi and Private Hire identified a number of issues, including one relating to data security and records management. We concluded that the controls require improvement.

8.12 An audit of controls over the use of TfL company vehicles provided for operational staff found a number of issues and was concluded as requires improvement.

8.13 We carried out a review of the effectiveness of controls over uniforms. This coincided with the roll out of the new uniform. We noted that in light of the planned increase in stock levels in the short term, the business continuity plan needed to be updated and fire risk needed to be adequately addressed. Stock issues based on manual requisitions were a known fraud risk and procedures needed to be improved to make sure that they are documented and authorised. The audit was concluded as requires improvement.

9 Crossrail

9.1 We issued 14 internal audit reports and four memorandums in respect of Crossrail during the year. Of the audit reports, none were concluded as 'poorly controlled', two were concluded as 'requires improvement', nine were 'adequately controlled' and three were 'well controlled'. This indicates that there is a generally good standard of internal control in place in Crossrail. The results of work in Crossrail are also reported to the Crossrail Audit Committee.

9.2 The internal audits concluded as 'requires improvement' were as follows. In both cases we have subsequently carried out a follow up review and confirmed that all agreed actions have been addressed.

- An audit of Rolling Stock design management at Bombardier Transportation identified one non-compliance relating to an Engineering Safety Management (ESM) report not being produced at the Gate Review during the preliminary design phase.
- We carried out an audit of the policies, processes, governance and controls in place to manage the Crossrail IT network infrastructure perimeter firewalls. The audit highlighted as a Priority 1 issue a lack of collaboration and dialogue between Crossrail IT and its service provider, Fujitsu, with Crossrail having limited understanding of Fujitsu's activities. The report also raised a number of other issues that we believe resulted, in part, from the weaknesses in the working relationship and engagement between the two parties.

9.3 In addition, the Crossrail compliance and contractor audit function, whose work is managed by the Senior Audit Manager – Crossrail carried out a further 23 technical, safety, quality and environmental audits of compliance with aspects of the Crossrail management system. One of these was concluded as 'requires improvement', eight were 'well controlled', with the remainder being 'adequately controlled'. Over 180, typically short, audits of contractors focussed on specific control areas were also performed.

9.4 In all cases, prompt action has been taken to address the issues raised, with 91 per cent of actions being closed on time, and all except eight being closed within 30 days of the due date. Five of the exceptions related to non-compliance by contractors in relation to health and safety requirements; the remaining three related to management within the Crossrail Technical Assurance Directorate. All have since been closed.

10 London Transport Museum (LTM)

10.1 We carried out a programme of audits at LTM, the results of which are also reported to the Museum's Audit Committee.

10.2 One review, carried out at the request of the LTM Audit Committee, revisited a sample of agreed actions from previous internal audit reviews over the last five years to confirm that the actions had been maintained and were embedded. It was pleasing to note that 25 of the 30 management actions reviewed had been sustained. However, there were five actions that were no longer effective and require further work. These will be followed up during 2016/17.

10.3 We carried out a review of the effectiveness of processes and controls in place to deliver the Youth Travel Ambassador Programme. We identified a number of areas where governance could be improved, including an opportunity to increase the number of schools that can be engaged with through improved

liaison with the Safety and Citizenship programme. We concluded that the processes and controls in place to deliver the programme require improvement.

- 10.4 An audit of controls over the operation of the LTM's heritage vehicles identified issues around policies and procedures and management and licensing of the volunteer bus drivers and conductors used by the LTM. We concluded that controls in this area require improvement.
- 10.5 An audit of the LTM online shop noted a formal contract was not in place with the third party service provider; only an interim service level agreement. In addition, a number of weaknesses in controls over super-user access were identified. This was also concluded as 'requires improvement'.

Internal Audit Strategy 2013 - Status Update

	Strategic Deliverable	Status
Our Customers		
1	Raise awareness with stakeholders around the business of the support that Internal Audit is able to provide through consultancy type assignments.	<p>In progress</p> <p>We have supported TfL Commercial in its development of a 'Consultancy' Category. This would require staff wishing to engage external consultants to first consider whether there is internal capability to carry out the work. Internal Audit would be one of a number of potential providers of consultancy services across TfL.</p> <p>We also developed a set of 'case studies' to demonstrate the types of consultancy work that Internal Audit can deliver.</p> <p>Further progress with this is now dependent on approval from the TfL Executive Committee to take the Consultancy Category forward. However, Internal Audit continues to deliver a range of consultancy style assignments as part of its annual plan.</p>
2	Improve the quality of our progress reporting on delivery of the Integrated Assurance Plan to ensure this provides useful focused information to senior management.	<p>Complete/Ongoing</p> <p>We now provide a periodic Assurance Progress Report to the Rail and Underground Value Programme Board (VPB) setting out assurance work delivered during the period, work in progress and planned, and the status of management actions. We report quarterly to the Surface Transport Board in a similar format.</p>

	Strategic Deliverable	Status
		During 2015/16 we have also started issuing a periodic assurance progress report to Specialist Services directors.
3	Develop our working relationship with IIPAG, looking for opportunities for joint working so as to further streamline assurance processes.	<p>In progress</p> <p>There have not been any opportunities for joint working with IIPAG. We continue to liaise regularly with the Project Assurance team and with the PMO to ensure awareness of each other's' work. We have agreed with Project Assurance to carry out some joint reviews during 2016/17 with Internal Audit leading on the commercial aspects of the reviews.</p>
4	Take on an oversight role with regard to the 'audit' activity embedded within Surface Transport and London Rail to ensure it is carried out to appropriate standards and that findings are reported appropriately, so as to further integrate the provision of assurance across TfL.	<p>In progress</p> <p>We have identified over 20 individuals around the business, outside of Internal Audit, who are responsible for carrying out audits as part of their job. We receive regular updates from some of these on the results of audits performed and include this information in quarterly reports to the Audit and Assurance Committee.</p> <p>We have held a number of 'Community of Auditors' meetings for this group during the year to discuss matters of mutual interest. We have recently had approval from the TfL Executive Committee to take forward a 'OneTfLAudit' approach across all audit work with the aim of ensuring greater commonality in procedures, documentation, reporting and sharing of audit plans.</p>

	Strategic Deliverable	Status
Our People		
5	Deliver a programme of change aimed at addressing the issues arising out of the Viewpoint survey, particularly around communication and consistency of management.	<p>Ongoing</p> <p>The Viewpoint survey is run each year, and we respond to the findings by implementing action plans to address issues raised. The current action plan is focused on communications, improving the consistency and effectiveness of management, and seeking to enhance the use of AutoAudit, our audit management software package.</p>
6	Identify opportunities for secondments both into and out of the department, with the aim of broadening the experience of our own staff and refreshing the team's skill sets.	<p>In progress</p> <p>We continue to support inward and outward secondments and see this activity as valuable, both to develop our own staff and to bring new perspectives into the department. We are discussing with the Group Financial Controller options for a formalised arrangement for reciprocal secondments, and will look for similar opportunities in other parts of the business.</p>
7	Draw on expertise from within the business to provide support in specialist areas where the skills/ knowledge are not available 'in house'.	<p>Complete/Ongoing</p> <p>We have had a small number of instances, for example in Crossrail, where we have drawn on expertise from elsewhere in the business where knowledge was not available within the team. This worked well, but is likely to be an infrequent occurrence. We therefore do not believe there is a need to develop any new procedures for dealing with this and it should be seen as 'business as usual' going forward.</p>

	Strategic Deliverable	Status
8	Develop a competency matrix for staff, having regard to the different skill sets required for consultancy assignments, and take action to address identified gaps.	<p>Complete/ Ongoing</p> <p>Each team within the department has identified relevant competencies (including qualifications, experience and knowledge). These vary significantly between teams and are well understood within those teams. We have therefore decided that there will be little practical benefit in seeking to develop this further into a single competency matrix for the department as a whole.</p>
9	Where appropriate implement a more structured approach to training and development to ensure greater consistency of skills and knowledge.	<p>Ongoing</p> <p>We continue to look for opportunities for a more structured approach to training, and have organised two in-house training courses for internal auditors during the year covering audit data security risks, and auditing fraud risk.</p>
Our Delivery		
10	Develop an enhanced performance management regime with improved visibility of the effectiveness of our delivery. Use this information to drive improvement in the timeliness of completion of audits and investigations.	<p>Ongoing</p> <p>We have continued to use our Performance Dashboard, incorporating a range of performance metrics. The dashboard is reviewed each period by the IA Leadership Team and at team meetings to ensure ongoing visibility of, and focus on, departmental performance. We have an ongoing process to refine the dashboard and improve the quality of data.</p>

	Strategic Deliverable	Status
11	Improve our use of technology within the audit process, through development of AutoAudit functionality, including Issue Track, and enhanced use of IDEA.	<p>Complete/Ongoing</p> <p>Issue Track functionality for our AutoAudit software is now live and provides improved real time visibility of the status of audit actions.</p> <p>We use IDEA on a regular basis to support audits and fraud investigations, and continue to maintain the software at the most recent release.</p>
12	Incorporate Internal Audit methodologies into the TfL Management System.	<p>Complete/Ongoing</p> <p>An Audit section is live on the TfL Management System, explaining our methodologies and with links to key documents. A Fraud page has also recently gone live.</p>
Value for Money		
13	Focus specific audit topics on value for money (VFM) and cost consciousness to help the business implement new initiatives to reduce cost.	<p>Ongoing</p> <p>We carried out specific audit work on TfL's savings and efficiencies programme during 2015/16, and value for money considerations form an element of many of our other audits.</p>

	Strategic Deliverable	Status
14	Identify best practice through audit activity, prioritise the most cost efficient options, and then promulgate these across the business.	<p>Ongoing</p> <p>We seek to promulgate good practice wherever possible and our audit reports often highlight areas of particularly good practice that could be used as exemplars elsewhere. We have also issued memorandums during the year, in relation to compliance with the Pathway methodology, and compliance with the HSE management system, that have pulled together common issues from across several audits that require attention on a business-wide basis.</p> <p>Our 2016/17 also includes some specific work on lessons learned from projects.</p>
15	Improve detection and prevention of fraud through intelligence led counter fraud activity.	<p>Ongoing</p> <p>An Anti-Fraud and Corruption Strategy is in place, and we have carried out a range of activities aimed at preventing fraud through improved awareness and detection, supported by a Fraud Communications and Engagement Plan. Activities include delivery of fraud awareness training; facilitation of fraud risk workshops; fraud awareness messages on Source including publicity for successful convictions of fraudsters; an online fraud e-learning package; and activities in support of International Fraud Awareness Week.</p>

INTERNAL AUDIT CUSTOMER FEEDBACK FORM SUMMARY OF RESPONSES FOR 2015/2016

We send a customer feedback form to our principal auditee at the conclusion of each audit. This table sets out the questions asked and the responses, including a selection of the freeform comments that we have received.

Customer Feedback Forms Sent (Period 1 – 13) = 174 (2014/15 = 247)

Customer Feedback Forms Returned (Period 1 – 13) = 70 (2014/15 = 103)

		No score given	Very poor	Poor	Satisfactory	Good	Very good
	ASSIGNMENT ASSESSMENT CRITERIA		1	2	3	4	5
PLANNING AND TIMING							
1)	The assignment timing was agreed with me and there was appropriate consideration of my other commitments as the work progressed	0 (1)	0 (0)	1 (1)	8 (9)	27 (34)	34 (58)
2)	The assignment was completed and the report issued within appropriate timescales	0 (0)	3 (1)	3 (3)	8 (10)	23 (32)	33 (57)
COMMUNICATION							
3)	Communication prior to the assignment was appropriate, including the dates and objectives	0 (1)	1 (0)	1 (1)	10 (8)	26 (39)	32 (55)
4)	Throughout the assignment I was informed of the work's progress and emerging findings	0 (1)	1 (0)	5 (3)	8 (16)	29 (32)	27 (51)
CONDUCT							
5)	The Internal Audit team demonstrated a good understanding of the business area under review and associated risks, or took time to build knowledge and understanding as the work progressed	0 (2)	0 (0)	5 (2)	11 (13)	24 (36)	30 (50)
6)	The Internal Audit team acted in a constructive, professional and positive manner	0 (0)	0 (0)	5 (3)	3 (8)	24 (30)	38 (65)
RELEVANT AND USEFUL ADVICE AND ASSURANCE							
7)	A fair summary of assignment findings was presented in the report	0 (1)	2 (1)	3 (1)	7 (15)	27 (34)	33 (51)
8)	Assignment recommendations were constructive, practical and cost-effective	0 (1)	0 (0)	5 (1)	11 (18)	23 (32)	31 (51)
9)	My concerns were adequately addressed and the review was beneficial to my area of responsibility and operations	0 (1)	0 (0)	5 (0)	7 (19)	26 (38)	31 (45)

Other comments including suggested improvements and areas of good performance:

Very professional approach, the opening meeting agreed the terms of the audit and then the audit followed those terms

As this was a follow up to an audit recorded as poorly controlled, the auditor had a good understanding of the subject and was able to fully appreciate the improvements

After the initial auditor left on maternity leave, there was a delay of approximately six weeks with no replacement in place.

The auditor noted challenges we had with some team availability and was very accommodating and worked around our commitments.

Good understanding of the business already and spent time with me to understand the specifics of the programme.

I found the auditors to be very pragmatic, they conducted their interviews and finalised their findings within the timescales set and with as little impact as possible on the project team.

There were some problems in terms of changes to the report and some miscommunications, (some of which, to be fair were my errors) on this matter but the audit team was able to meet with me and resolve them in a thoroughly professional manner.

The auditor had taken time to review the requirements prior to our meeting and was able to demonstrate a good understanding and the reason for the audit.

We were able to supplement the audit team by including one of our experts in the field of audit topic.

Very good engagement from the auditor, explaining clearly what she was doing and how she was progressing; [the team] showed good understanding of the logic behind working under legal privilege.

The audit team took a sensible, collaborative approach to the audit timing so that its value, relative to the delivery schedule, was optimised.

The consistent impression given was that the audit team were acting to improve the scheme, rather than find fault.

The review was not beneficial to my team and provided no real learnings or practical suggestions for future. It took up a lot of my team's time.

I was not informed of how the audit was going, any issues or problems until the draft report was sent and a meeting to agree an action with my name on it. I was not party to the action prior to the issuing of the draft only to seek agreement of what was in the draft.