



Transport for London

FINAL INTERNAL AUDIT REPORT

Development of the Commercial Development Business Plan (IA 12_634/F)

**Steve Allen, Managing Director,
Finance**

Audit Conclusion: Audit Closed

19 December 2013

Issue categories	Agreed actions	Satisfactorily addressed	Partially addressed	No longer applicable	Not addressed
Priority 1	0	0	0	0	0
Priority 2	7	7	0	0	0
Priority 3	5	5	0	0	0

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Draft versions issued	1
Fieldwork commenced	06/12/13
Fieldwork completed	12/12/13
Draft report issued	18/12/13

EXECUTIVE SUMMARY

Objective

This audit aimed to review development of the Commercial Development business plan to gain assurance that the proposed strategies to increase TfL's income from secondary revenue streams are reasonable and have been developed based on adequate consultation and research.

Scope

The audit focused on the control environment in relation to the following key risk areas:

- Development of income generation options
- Assessment and selection of preferred options, including financial analysis, risk assessments and modelled impact on passenger flow and footfall
- Plans and timelines for delivering the strategies, including use of feasibility studies and trials
- Plans for monitoring and reporting on actual revenue generated and evaluation of other benefits or impacts
- Identification of and consultation with relevant internal and external stakeholders and management of key dependencies.

Summary of findings

Our Interim Audit Report dated 21 May 2013; entitled Development of the Commercial Development Business Plan identified one Priority 2 issue, relating to the management of stakeholders and two Priority 3 issues.

Management have implemented all the recommendations made in respect of these findings. This audit is now closed.

STATUS OF AGREED ACTIONS

Ref	Agreed action	Owner & due date	Status	Further action required & due date
Priority 2 actions				
1.	Initiate a series of regular liaison meetings with the TfL PMO to get advice and guidance re. stakeholder engagement across TfL	Ian Bull 28 June 2013	Satisfactorily addressed Meetings were held with the TfL PMO regarding governance. Regular meetings have also been established with the relevant secretariat personnel.	N/a
2.	Identify key parts of the TfL organisation structure that are important in terms of stakeholder engagement and management, e.g. Legal, Communications, Procurement etc	Ian Bull 31 July 2013	Satisfactorily addressed Key directorates within TfL have been identified and regular stakeholder engagement sessions have been established, for example with Communications, Procurement and Finance.	N/a
3.	For key parts of the TfL organisation, identify and confirm individuals who are willing to act as lead representatives for their area from a stakeholder engagement perspective	Ian Bull 31 October 2013	Satisfactorily addressed Individuals have been identified as lead representatives for stakeholder engagement, from Rail and Underground (R&U), Surface Transport (ST) and Specialist Services directorates.	N/a

Ref	Agreed action	Owner & due date	Status	Further action required & due date
4.	<p>Agree with lead representatives how they will act as the co-ordinator of stakeholder engagement for their area of responsibility</p>	<p>Ian Bull 29 November 2013</p>	<p>Satisfactorily addressed</p> <p>Stakeholder engagement liaison groups have been formed for some areas, with agreed terms of reference and agendas.</p> <p>R&U and ST representatives attend the fortnightly Commercial Development Executive Team (CDET) meetings.</p>	<p>N/a</p>
5.	<p>Aggregate individual projects into coherent Programmes & submit Portfolio Plans. Ensure these are submitted for assurance and approval at an equivalent stage to Pathway Process Gate A to all relevant TfL Forums.</p> <p>This will help to simplify the engagement process and ensure that stakeholder engagement is timely; e.g. A Portfolio Plan for the commercial development of c.20 Surface Locations will be submitted to the Surface Transport Board for Gate A approval in September.</p>	<p>Ian Bull 30 September 2013</p>	<p>Satisfactorily addressed</p> <p>Commercial Development initiatives have been identified and grouped into programmes in the Commercial Development Initiatives Database.</p> <p>Proposals are submitted to CDET through the initiatives governance process.</p> <p>A business planning model is being used to generate a 10 year business plan. This is due to be finalised in 2014.</p> <p>The management of the commercial development programme will be</p>	<p>N/a</p>

Ref	Agreed action	Owner & due date	Status	Further action required & due date
			covered under a future audit.	
6.	Ensure that programme and project initiatives include a robust Integrated Approvals and Assurances Plan that can be reviewed at the relevant Stage Gates	Vicky Taylor Ongoing (29 November 2013)	Satisfactorily addressed The business case template for Commercial Development initiatives contains an Integrated Assurance Approvals Plan section, and routing sheets are completed to document key stakeholder approvals.	N/a
7.	Ensure that programme and project initiatives include a robust Stakeholder Engagement Plan that can be reviewed at the relevant Stage Gates	Vicky Taylor Ongoing (29 November 2013)	Satisfactorily addressed The project execution plan template for Commercial Development initiatives includes sections covering stakeholder identification, project interfaces and dependencies. The business case template also includes a summary of key internal and external stakeholders and an explanation of how these interfaces will be managed.	N/a
Priority 3 actions				
8.	Contact Information Governance and request a FOI and DPA awareness briefing session.	Anne Williamson 31 July 2013	Satisfactorily addressed Information Governance delivered a briefing session on FOI and DPA	N/a

Ref	Agreed action	Owner & due date	Status	Further action required & due date
			<p>requirements and TfL processes.</p> <p>Commercial Development staff have been encouraged to complete the Privacy & Data Protection and Information Governance Ezone training.</p>	
9.	<p>Identify and disseminate other relevant TfL corporate policies and guidance throughout the department.</p>	<p>Anne Williamson 30 September 2013</p>	<p>Satisfactorily addressed</p> <p>The Business Development team have been issued with copies of corporate TfL policies, such as the Bribery Act and Gifts and Hospitality Guidance, and links to relevant training on eZone.</p>	N/a
10.	<p>Complete a review of the document management systems products available through the EDRMS Framework.</p>	<p>Anne Williamson 31 July 2013</p>	<p>Satisfactorily addressed</p> <p>The TfL Management System Commercial & Procurement workstream lead liaised with the department to review existing document management systems.</p> <p>These are deemed adequate for current needs, though this will be kept under review going forward.</p>	N/a
11.	<p>Obtain guidance from Commercial, Information and Communications</p>	<p>Anne Williamson</p>	<p>Satisfactorily addressed</p>	N/a

Ref	Agreed action	Owner & due date	Status	Further action required & due date
	Technology (ICT), their IM business partner and the Information Governance Team regarding document management in general, the best solutions and other information systems currently used within TfL.	30 September 2013	As above.	
12.	Produce a report with recommendations on the actions that should be taken to improve document management within Business Development and Commercial Development. Present the report to CDET and confirm the agreed way forward.	Anne Williamson 31 October 2013	Satisfactorily addressed A report entitled 'Actions to Improve Document Management' was submitted to CDET, 14 October 2013, summarising the improvement actions and progress with implementation.	N/a

APPENDIX 1 – Distribution list

This report was sent to Steve Allen, Managing Director, Finance, by Clive Walker, Director of Internal Audit, and copied to:

Graeme Craig	Director of Commercial Development
Stephen Dadswell	Head of Business Development
Ian Bull	Senior Business Change & Reporting Manager as Key Risk Representative
Patrice Whyte	
Nigel Blore	Head of Group Insurance
Andrea Clarke	Director of TfL Legal
David Goldstone	Chief Finance Officer
Howard Carter	General Counsel
Robert Brent	KPMG