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# AUDIT

## Audit Strategy

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**Previous Document History:**

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1.0	05.05.11	████████	██████	████████	Updated to reflect reorganisation
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3.0	4.08.13	████████	████████	████████	Organisational changes

**Revision Changes:**

Revision	Status / Description of Changes
4.0	A few minor wording changes to section 3. Several changes to section 7 following changes in management of the audit team.

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## 1 Purpose

The purpose of this strategy is to set out the principles of how audit is managed in Crossrail.

## 2 Scope and Objectives

This document covers all Crossrail audits:

- Crossrail Internal Audits;
- Crossrail Compliance Audits;
- Industry Partner Audits; and
- Contractor Audits.

It also covers all audit types; for example

- Quality;
- Environment;
- Health & Safety;
- Technical; and
- Financial.

This strategy does not cover commercial or cost assurance reviews of contractor activity.

## 3 Audit Planning

A draft annual Audit Plan is presented by the Head of Audit to the Crossrail Audit Committee at the committee meeting immediately before 1 April each year. Audits that are approved by the Crossrail Audit Committee are included in the TfL Integrated Audit Plan. The Crossrail risk-based plan is updated at each Audit Committee meeting.

Audits in the Audit Plan will be selected and prioritised using:

- The risk register on Active Risk Manager;
- Information from discussions with senior management, including the environmental, quality and health & safety functional teams;
- Previous audit findings; audit trends; root cause analysis or significant incidents;
- Management Systems Requirements;
- Project Sponsor and Transport for London risk registers (as available);
- Discussions with representatives from the Notifiable Body (NoBo), Designated Body (DeBo), Assessment Body (AsBo), London Underground and Rail for London;
- Project progress and requirements; and
- Contractual requirements, contract value, or the use of new technology or processes.

The Audit Plan is developed and owned by the Head of Audit after consultation with HSQE Functional Heads of Department.

## 4 Internal Audits

Internal Audits are conducted by TfL Internal Audit resource using the TfL Internal Audit process. Audit topics will include:

- Finance;
- Risk Management;
- Procurement and Contract Management;
- Security and Fraud;
- Information Management, Technology and Security;
- Industry Partner interface and management; and
- Any other audit topics not covered by Sections 5, 6, and 7 of this Strategy.

## 5 Compliance Audits

Compliance audits are conducted by Crossrail audit resource using the Audit Procedure (Ref 1). Audit topics include:

- Technical Assurance;
- Quality Management Systems;
- Environment Management Systems and compliance with legal requirements; and
- Health & Safety Management Systems and compliance with legal requirements.

## 6 Contractor Audits

Contractor audits are conducted by Crossrail audit resource using the Audit Procedure (Ref 1). All Contractor Audits are included in the Crossrail Audit Schedule and include:

- The management of Tier 1 contractors by Crossrail;
- Quality Management;
- Environmental management;
- Health & Safety management;
- Contract and legal requirements, including consents and undertakings;
- Employment requirements;
- Technical requirements including 'design and construction', and 'testing and commissioning'.

## 7 Management of Audits

The Head of Audit is accountable to the Crossrail Audit Committee for all audits on the Crossrail Integrated Audit Plan. Responsibility for managing and delivery against the Plan is as follows:

- Contractor and Crossrail Quality/Technical assurance audits – the Audit Team Audit Manager;
- Health & Safety assurance audits – these are managed by the Head of Health & Assurance; and
- Environmental assurance audits – these are managed by the EMS Performance Manager.

The three managers are responsible for co-ordinating these audits to ensure that intrusion on the Project is as low as reasonably practicable. The Head of Audit will be the final arbiter where the three managers cannot agree.

## 8 External Audits

These audits are conducted by external bodies such as:

- Third-party UKAS accredited certification body - conduct management systems certification audits;
- TfL-appointed External financial auditors - conduct statutory financial audits; and
- Lloyd's Rail – conduct management systems audits in relation to Technical Specification for Interoperability (TSI) and Common Safety Methods (CSM).

Audit reports and findings are co-ordinated by the principal auditee in each audit, trends monitored through the management review process and reported to the Crossrail Audit Committee by the Head of Audit.

## 9 Auditing Reporting

All audit findings are tracked by the Head of Audit. Audit activity is reported as follows:

- A weekly report of current audit actions will be compiled and distributed to action owners and key senior managers;
- Audits undertaken, key findings, overdue corrective actions and significant trends will be reported in the Technical Director period report that feeds into the Programme Director's report;
- Audit trends will be monitored and reported during the annual Management Systems Review;
- Audit activity and findings will be reported to the Crossrail Audit Committee;
- Audit activity and significant trends will be reported in the Semi-Annual Crossrail Report to the Joint Sponsors; and
- Internal Audits will be reported to the TfL Audit Committee.

Health, safety and environment-related audit findings and trends identified through the management review process may be reported to other committees as appropriate.

**10 Reference Documents**

<b>Ref:</b>	<b>Document Title</b>	<b>Document Number:</b>
1.	Audit Procedure	CRL CR-XRL-O-GPD-CR001-50002

**11 Standard Forms / Templates**

<b>Ref:</b>	<b>Document Title</b>	<b>Document Number:</b>
A.	None	
B.		

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