

Programmes and Investment Committee



Date: 13 October 2017

Item: Independent Investment Programme Advisory Group (IIPAG) – Review Implementation

This paper will be considered in public.

1 Summary

1.1 This paper sets out the proposed action plan to implement the recommendations from the independent review of IIPAG carried out by TC Chew, which was considered at the meetings of the Programmes and Investment Committee on 28 June 2017 and the Audit and Assurance Committee on 13 July 2017. This paper and action plan will also be considered by the Audit and Assurance Committee meeting on 11 October 2017.

2 Recommendation

2.1 **The Committee is asked to note the paper and approve the action plan.**

3 Background

3.1 IIPAG was established in May 2010, with no material changes to its Terms of Reference since October 2010. In October 2016, the Audit and Assurance Committee agreed to a proposed review of the role and remit of IIPAG. TC Chew was appointed to lead the review.

3.2 TC Chew's final report was presented to the Programmes and Investment Committee on 28 June 2017. The Committee noted the final report and endorsed its recommendations to the Audit and Assurance Committee. The Audit and Assurance Committee, in turn, endorsed the review's recommendations at its meeting on 13 July 2017.

3.3 An update on the consideration of the action plan by the Audit and Assurance Committee at its meeting on 11 October 2017 will be provided at the meeting.

4 Action Plan

4.1 TfL has developed an action plan for the implementation of the recommendations made by TC Chew. This is contained in Appendix 1.

List of appendices to this report:

Appendix 1 – IIPAG Review Recommendations and Action Plan.

List of Background Papers:

Audit and Assurance Committee Paper – IIPAG Review – 13 July 2017.

Contact Officer: Howard Carter, General Counsel
Number: 020 3054 7832
Email: HowardCarter@TfL.gov.uk

Recommendation		Action	Owner	Due Date
B2	IIPAG should support the continuous improvement of the first and second lines of assurance.	<p>Revise Terms of Reference. IIPAG Terms of Reference to be revised to reflect this and other review recommendations.</p> <p>Revised draft to be submitted to the Audit and Assurance Committee (AAC) for its December 2017 meeting following consultation with the Chairs of the AAC and the Programmes and Investment Committee (PIC) and the Deputy Mayor. The revised Terms of Reference will be submitted to the TfL Board at its January 2018 meeting for information.</p>	Head of Project Assurance	Jan 2018
Section C: Balance of Work Areas				
C1	IIPAG should propose a high level annual work plan with input from TfL. This should be considered by the TfL Executive before being put to the AAC for formal approval. The work plan should be reviewed by both PIC and AAC twice per year.	<p>Revise Mayoral Direction. TfL will draft revised wording for a Mayoral Direction to reflect this and other recommendations. This proposed drafting will be submitted to the GLA for implementation.</p> <p>This recommendation will also be incorporated into the revised terms of reference (see B2 above).</p>	<p>General Counsel</p> <p>General Counsel</p>	<p>Nov 2017</p> <p>Jan 2018</p>
Section D: The Breadth of the IIPAG Assurance Remit				
D1	IIPAG should work collaboratively with TfL to prioritise their work based on the risk to the business. The final determination of the work plan should however remain with the AAC.	<p>This requirement will be reflected in the revised Mayoral Direction (see C1 above).</p> <p>This requirement will also be documented in the MoU (see A1 above).</p>	<p>General Counsel</p> <p>General Counsel IIPAG</p> <p>General Counsel</p>	<p>Nov 2017</p> <p>Feb 2018</p> <p>Nov 2017</p>

Recommendation		Action	Owner	Due Date
		Amend AAC and PIC Terms of Reference to reflect this recommendation.		
Section E: Benchmarking and Asset Management				
E1	IIPAG's role in benchmarking should be to assure the benchmarking process, to advise on the work plan and to produce public reports that help to interpret key information and advise TfL on how they might act on the information. IIPAG's involvement in Asset Management Plans should be limited to specific commissions by either the PIC or the AAC.	<p>This requirement will be reflected in the revised Mayoral Direction (see C1 above).</p> <p>This will also be incorporated into the revised terms of reference (see B2 above).</p>	<p>General Counsel</p> <p>General Counsel</p>	<p>Nov 2017</p> <p>Jan 2018</p>
Section F: Reporting Requirements				
F1	The reporting requirements contained in the IIPAG Terms of Reference should be adjusted to reflect those outlined in the table in Section F.	<p>This requirement will be reflected in the revised Mayoral Direction (see C1 above).</p> <p>This will also be incorporated into the revised terms of reference (see B2 above).</p> <p>Amend AAC and PIC Terms of Reference to reflect this requirement (see D1 above).</p>	<p>General Counsel</p> <p>General Counsel</p> <p>General Counsel</p>	<p>Nov 2017</p> <p>Jan 2018</p> <p>Nov 2017</p>
F2	The AAC should hold a private meeting with IIPAG annually, in line with the private meetings held with the Director of Internal Audit and Chief Finance Officer.	<p>Amend AAC Terms of Reference to include this requirement (see D1 above).</p> <p>This will also be incorporated into the revised IIPAG terms of reference (see B2 above).</p>	<p>General Counsel</p> <p>General Counsel</p>	<p>Nov 2017</p> <p>Jan 2018</p>

Recommendation	Action	Owner	Due Date
Section G: The Role of Government			
G1	The Mayoral Direction establishing IIPAG and the IIPAG Terms of Reference should be amended. These amendments should remove the requirement for the Secretary of State for Transport to be involved in the management of IIPAG, but retain an expectation that IIPAG's reports will be shared with the Department for Transport.	General Counsel General Counsel	Nov 2017 Jan 2018
Section H: Governing IIPAG			
H1	An IIPAG Panel should be formed to provide strategic advice. This core Panel should draw on expertise from a Pool of Experts for advice on specific issues.	General Counsel Head of Project Assurance	Jan 2018 Oct 2017
H2	The Chair of the IIPAG Panel should be appointed by the Deputy Chair of the TfL Board. The Chair of the AAC should be responsible for further appointments to the IIPAG Panel. Appointments should be made on the basis of a two plus two year contract.	General Counsel General Counsel Head of Project Assurance	Nov 2017 Jan 2018 Oct 2017
Section I: The Affordability and Cost of IIPAG			
I1	The IIPAG Budget should be agreed annually with the AAC when agreeing to the high level annual work plan.	General Counsel General Counsel	Nov 2017 Jan 2018

Recommendation		Action	Owner	Due Date
		<p>This will also be incorporated into the revised terms of reference (see B2 above).</p> <p>Amend AAC and PIC Terms of Reference to reflect this requirement (see D1 above).</p>	General Counsel	Nov 2017
Section J: IIPAG Remuneration				
J1	IIPAG Panel members remuneration should be set in line with that of other TfL advisory groups.	This will also be incorporated into the revised recruitment plan (see H1 above).	Head of Project Assurance	Oct 2017

[page left intentionally blank]