

Audit & Standards Committee

16th July 2020

Group Internal Audit Plan Progress Report

Purpose

This report provides an update on the progress of the 2020/21 Group Internal Audit Plan.

Freedom of Information & Section 12A of the Local Government Act 1972

Under the Freedom of Information Act this paper and any appendices will be made available under the Mayoral Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

Recommendations

The Audit and Standards Committee are asked to note the progress of 2020/21 audit activity undertaken by Grant Thornton for:

- Joint SCR & SYPTE audits
- SCR MCA audits
- SYPTE audits



Internal Audit Progress Report

Sheffield City Region Mayoral Combined Authority & South Yorkshire Passenger Transport Executive

July 2020



Introduction & headlines

Purpose

This report provides an update on progress against the 2020/21 internal audit plan. We have delivered 5 of the 79 days in respect of SCRMCAs reviews (6%) and a total of 24 of the 272 days in the joint audit plan, a full detailed breakdown can be found at pages 3 and 4.

Final reports issued

We have finalised two audit reports since the last Audit Committee meeting, a copy of the reports are attached with the agenda papers:

Audit Completed	Overall Assurance Level
Core Financial Controls (2019/20)	Significant assurance with some improvement required
Governance (2019/20)	Significant assurance with some improvement required

Our assurance levels are shown at appendix 1.

Work in progress

As at the date of preparing this report we are currently working on the following reviews:

- Capital Programme (2019/20)
- Grant Claim Certification (Growth Hub)
- Public Engagement and Consultation
- Ledger Implementation
- Adult Education Budget

Resourcing

Due to the outbreak of Covid-19 and the uncertainty of its impact we will keep discussing our progress with management

We confirm that we have sufficient internal audit team members available to deliver the internal audit plan on time. We will flex the plan where needed for emerging priorities and to accommodate timescales requested by management.

Changes to the audit plan since the last meeting

The audit plan currently reflects the risks discussed and prioritised by the Board earlier in the year. Clearly, this was pre Covid-19 and as such, you may wish to reflect at a future point about how the days within our plan are directed and the timing of some of the work. We still have to complete core reviews and we have a view on the reviews which we still consider to be key for your Board's overall assurance, but will welcome a discussion with you both later in the year to confirm your assessment of risk and make sure that our plan is responsive to your risks post Covid-19.

In light of Covid-19, the Department for Transport have made available a Light Rail Recovery Revenue Grant which requires Head of Internal Audit certification. Clarity around the arrangements and requirements are still being sought. It is still to be decided as to whether we agree additional days or replace a review in the existing plan.

Additional work undertaken outside of the audit plan

There has been no work undertaken outside of the Audit Plan.

Progress against 2020/21 Internal Audit Plan

Audit	Planned days	Start date	Scope meeting held	APB agreed	Fieldwork started	Fieldwork completed	Debrief held	Draft report sent	Mgt response received	Final report sent	Days used
Annual Reviews for HOIA opinion and Joint Authority Audits											
Core financial controls	30	Quarter 3									0
Risk Management	12	Quarter 4									0
Governance	12	Quarter 4									0
Climate Emergency	12	Quarter 2									0
Procurement	18	Quarter 4									0
Public Engagement and Consultation	12	Quarter 1									4
Follow up of recommendations	10	Ongoing									1
Attendance at Audit Committee & other client meetings	25	Ongoing									4
Sub-total	131										9
Reviews brought forward from 2019/20											
Capital Programme	12	Ongoing									10

Progress against 2020/21 Internal Audit Plan

Audit	Planned days	Start date	Scope Meeting held	APB agreed	Fieldwork started	Fieldwork completed	Debrief held	Draft report sent	Mgt response received	Final report sent	Days used
Sheffield City Region Mayoral Combined Authority											
Grant Claims	8	Quarter 1/2									3
Ledger Implementation	8	Quarter 2									1
Adult Education Budget	8	Quarter 1									1
AMP Technology Centre	13	Quarter 2									
Programme Management – Follow up	4	Quarter 2									
Inward Investment	12	Quarter 2									
Travel and Expense Claims	12	Quarter 3									
Back Office Systems	14	Quarter 3									
Sub-total	79										5

Progress against 2020/21 Internal Audit Plan

Audit	Planned days	Start date	Scope meeting held	APB agreed	Fieldwork started	Fieldwork completed	Debrief held	Draft report sent	Mgt response received	Final report sent	Days used
South Yorkshire Passenger Transport Executive											
Grant Claims	3	Quarter 2									0
Health and Safety Compliance	16	Quarter 1									5
Policy Management Framework	12	Quarter 2									0
Ticketing and Concessions	14	Quarter 1/2									5
Business Continuity, Resilience and Disaster Recovery Planning	12	Quarter 3									0
Sub-total	57										10
Reviews brought forward from 2019/20											
Ticketing and Concessions	18	2019/20									14
Contingency	5										
Total	272										24

Appendix 1 - Our assurance levels

The table below shows the levels of assurance we provide and guidelines for how these are arrived at. We always exercise professional judgement in determining assignment assurance levels, reflective of the circumstances of each individual assignment.

Rating	Description
Significant assurance	<p>Overall, we have concluded that, in the areas examined, the risk management activities and controls are suitably designed to achieve the risk management objectives required by management.</p> <p>These activities and controls were operating with sufficient effectiveness to provide significant assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by no weaknesses in design or operation of controls and only IMPROVEMENT recommendations.</p>
Significant assurance with some improvement required	<p>Overall, we have concluded that in the areas examined, there are only minor weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by minor weaknesses in design or operation of controls and only LOW rated recommendations.</p>
Partial assurance with improvement required	<p>Overall, we have concluded that, in the areas examined, there are some moderate weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were operating with sufficient effectiveness to provide partial assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by moderate weaknesses in design or operation of controls and one or more MEDIUM or HIGH rated recommendations.</p>
No assurance	<p>Overall, we have concluded that, in the areas examined, the risk management activities and controls are not suitably designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were not operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review</p> <p>Might be indicated by significant weaknesses in design or operation of controls and several HIGH rated recommendations.</p>

