

South Yorkshire Mayoral Combined Authority

2021/22 Internal Audit Progress Report

May 2022

Emily Mayne

Head of Internal Audit
T: 0121 232 5309
E: emily.j.mayne@uk.gt.com

Lisa MacKenzie

Internal Audit Manager
T: 0121 232 5157
E: lisa.p.mackenzie@uk.gt.com





Introduction & headlines

Purpose

This report provides an update on progress against the reviews within the 2021/22 internal audit plan. We have delivered 198 days of the 211 days within the revised joint plan. This is equivalent to 94%.

Reports issued

We have shared one report in draft since the last meeting of the Audit, Standards and Risk Committee:

| Audit Completed | Overall Assurance Level |
|-----------------|-------------------------------------------------------------|
| Risk Management | Significant assurance with some improvement required |

Our assurance levels are shown at Appendix 1.

Work in progress

Fieldwork is in progress in respect of the Governance review.

Changes to the audit plan since the last meeting

We continue to keep the audit plan under review and will reflect on the scope of each review to include emerging issues. There have not been any changes to the Audit Plan since the last meeting of the Audit, Standards and Risk Committee meeting.

Additional work undertaken outside of the audit plan

There has been no additional work carried out outside of the Audit Plan since the last meeting of the Audit, Standards and Risk Committee.



2021/22 Internal Audit Plan progress

| Audit | Planned days | Start date | Planned Audit Committee Date | Status | Assurance Opinion | Days used |
|----------------------------------------|--------------|-------------|------------------------------|-----------------------|------------------------------------------------------|------------|
| Annual reviews for HOIA opinion | | | | | | |
| Core Financial Controls | 30 | Quarter 3 | January 2022 | Complete | Significant assurance with some improvement required | 30 |
| Risk Management | 15 | Quarter 4 | March 2022 | Complete | Significant assurance with some improvement required | 15 |
| Governance | 15 | Quarter 3 | January 2022 | Fieldwork in progress | | 2 |
| Critical IT Controls | 15 | Quarter 2 | January 2022 | Complete | Significant assurance with some improvement required | 15 |
| Group audits | | | | | | |
| Integration of MCA & PTE | 2 | Quarter 3/4 | N/A | Cancelled | 24 Audit days re-distributed | 2 |
| Assessing the Risk of Fraud | 10 | Quarter 1 | October 2021 | Complete | Partial assurance with improvement required | 10 |
| Asset Management | 25 | Quarter 1/2 | January 2022 | Complete | Partial assurance with improvement required | 25 |
| Supplier Resilience | 20 | Quarter 2 | January 2022 | Complete | Partial assurance with improvement required | 20 |
| Sub-total | 132 | | | | | 119 |



2021/22 Internal Audit Plan progress

| Audit | Planned days | Start date | Planned Audit Committee Date | Status | Assurance Opinion | Days used |
|----------------------------------|--------------|---------------|------------------------------|----------|-------------------------------------------------------------------------------------------------------------|------------|
| MCA | | | | | | |
| Grant Claims | 12 | Quarter 1 & 2 | N/A | Complete | N/A Grant Certification | 12 |
| Procurement | 10 | Quarter 2 | October 2021 | Complete | Significant assurance with some improvement required | 10 |
| AEB | 2 | Quarter 4 | N/A | Scoping | 28 Audit days rolled forward to 2022/23 | 2 |
| AMP Technology Centre: Follow-up | 10 | Quarter 1/2 | September 2021 | Complete | N/A Follow-up. Some actions remain outstanding and revised implementation dates have been agreed. | 10 |
| PTE | | | | | | |
| Grant Claims | 10 | Quarter 3 | N/A | Complete | N/A Grant Certification | 7 |
| Sub-total | 44 | | | | | 41 |
| Follow up of recommendations | 10 | | | | | 10 |
| Contract Management: | 25 | | | | | 28 |
| Total | 211 | | | | | 198 |

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> |



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