

South Yorkshire Mayoral Combined Authority

Internal Audit Progress Report

20 September 2023

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1 Key messages

The Internal Audit Plan for 2023/24 was approved by the Audit, Standards and Risk Committee at the 28 April 2023 meeting. This report provides an update on progress against that plan and summarises the results of our work to date. We continue to work closely with management to deliver an internal audit programme which remains flexible and agile to ensure it meets your needs



Since the last meeting, two reports have been finalised to present to this committee, Cyber Risk Assessment (2.23/24) and Follow Up (3.23/24). A summary of the outcomes are included at Section 2. The Bus Data Quality Audit Report has been issued in draft and is awaiting management responses. This will now be presented at the next Audit, Standards and Risk Committee.



Fieldwork dates have been agreed with management for all of the internal audits scheduled for 2023/24 to ensure that all fieldwork will be completed by the end of the financial year, and our Head of Internal Audit Opinion can be provided at the first meeting of the 2024/25 financial year. Full details can be found in Appendix A.



We have met on a monthly basis with the Executive Director of Resources and Investment, and the Head of Corporate Governance to discuss progress with the audit plan and also to understand any updates from the MCA.

2 Reports

2.1 Summary of final reports being presented to this committee

This section summarises the reports that have been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		L	M	H
<p>Cyber Risk Assessment (2.23/24)</p> <p>Overall, we identified a number of controls designed to protect the information systems network. However, this review highlighted areas where controls need enhancement.</p>	Partial Assurance	2	6	5
<p>The diagram shows four levels of assurance in a horizontal sequence: Minimal assurance, Partial assurance, Reasonable assurance, and Substantial assurance. Arrows point from Minimal to Partial, and from Reasonable to Substantial. The 'Partial assurance' box is highlighted in orange, and a vertical line is positioned between 'Reasonable assurance' and 'Substantial assurance'.</p>				
<p>Follow Up (3.23/24)</p> <p>The 19 management actions considered in this review comprised of eight 'medium', nine 'low' and two 'improvements'. These actions were agreed as part of the audits completed by the previous internal auditor.</p> <p>Our testing found that 12 actions had been fully implemented, four actions partially implemented, two actions had not been implemented, and one action had been superseded and was no longer necessary due to a change in the control framework.</p>	Reasonable Progress	3	3	0

Appendix A – Progress against the internal audit plan 2023/24

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target Audit Committee (as per IA plan)	Actual Audit Committee
		L	M	H		
Bus Data Quality	Draft report issued / Awaiting Management Responses				September 2023 ¹	-
Cyber Security	Final Report Issued / Partial Assurance	2	6	5	September 2023	September 2023
Follow Up 1	Final Report Issued / Reasonable Progress	3	3	0	September 2023	September 2023
Tram Services Progress Healthcheck and Health and Safety Framework	Fieldwork due to commence 22 September 2023				December 2023	-
Purchasing and Creditors	Fieldwork due to commence 16 October 2023				December 2023	-
Risk Management	Fieldwork due to commence 30 October 2023				December 2023	-
Assurance Framework	Fieldwork due to commence 8 January 2024				March 2024	-
Adult Education Budget (AEB)	Fieldwork due to commence 15 January 2024				March 2024	-
Governance	Fieldwork due to commence 29 January 2024				March 2024	-
Follow Up 2	Fieldwork due to commence 11 March 2024				May 2024	-

¹ The Bus Data Quality Report has been issued in draft and is still awaiting management responses. This will be presented to the December 2023 meeting.



Appendix B – Other matters

Changes to the audit plan

Our approach to working with you is to respond to your changing assurance needs. By employing an 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery. There have been no changes to the internal audit plan since the last Audit, Standards and Risk Committee meeting.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you.

Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.

Updates and briefings

We have provided the following information and briefings to management since the last meeting:

Procurement and Contract Management
Newsletter – June 2023

In this our fifth newsletter of 2023 we cover the latest developments and news about public sector procurement and contract management in the UK.

In this edition:

- Update on the new Procurement Bill – feels like the timetable is slipping.
- Are your CCTV systems spying on you? How can procurement help?
- By how much can you change an existing contract? The answer is not a lot.
- The new Procurement Bill -Moving from MEAT to MAT –What Does It Mean for Procurement Teams?
- The Aussies and Kiwis are coming the Free Trade Agreements with Australia and New Zealand have prompted amendments to current procurement regulations.
- Will your contract management controls detect fictitious orders? Greenwich Council had to rely on whistle-blowers.
- Upcoming in-person Conferences and Free Webinars.

Emerging Risk Radar – July 2023

This document outlines emerging areas of risk as at July 2023 across areas such as:

- Societal and Community;
- Governance;
- Economic and Financial;
- People Resources;
- Policy and Regulation;
- Environmental;
- Technological; and
- Commercial.

Webinars / Conferences

We have issued an invite to the Industry Finance Connect Summer Drinks. We have also issued our invite to the 2023 Procurement Conference.

Appendix C - Key performance indicators (KPIs)

	Delivery				Quality		
	Target	Actual	Notes (ref)		Target	Actual	Notes (ref)
Audits commenced in line with original timescales	Yes	Yes	*	Conformance with PSIAS and IIA Standards	Yes	Yes	-
Draft reports issued within 10 days of debrief meeting	10 days	7 working days	-	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	-
Management responses received within 10 days of draft report	10 days	10 working days	-	Response time for all general enquiries for assistance	2 working days	2 days	-
Final report issued within 3 days of management response	3 days	1 day	-	Response for emergencies and potential fraud	1 working day	n/a	-

Notes

* This takes into account changes agreed by management and Audit Committee during the year. Through employing an 'agile' or a 'flexible' approach to our service delivery we are able to respond to your assurance needs.



For more information contact

Rob Barnett, Head of Internal Audit

Email: Robert.Barnett@rsmuk.com

Anna Mullen, Manager

Email: Anastasia.Mullen@rsmuk.com

Aaron Macdonald, Assistant Manager

Email: Aaron.Macdonald@rsmuk.com

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of South Yorkshire Mayoral Combined Authority, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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