

Audit & Standards Committee

29th October 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:

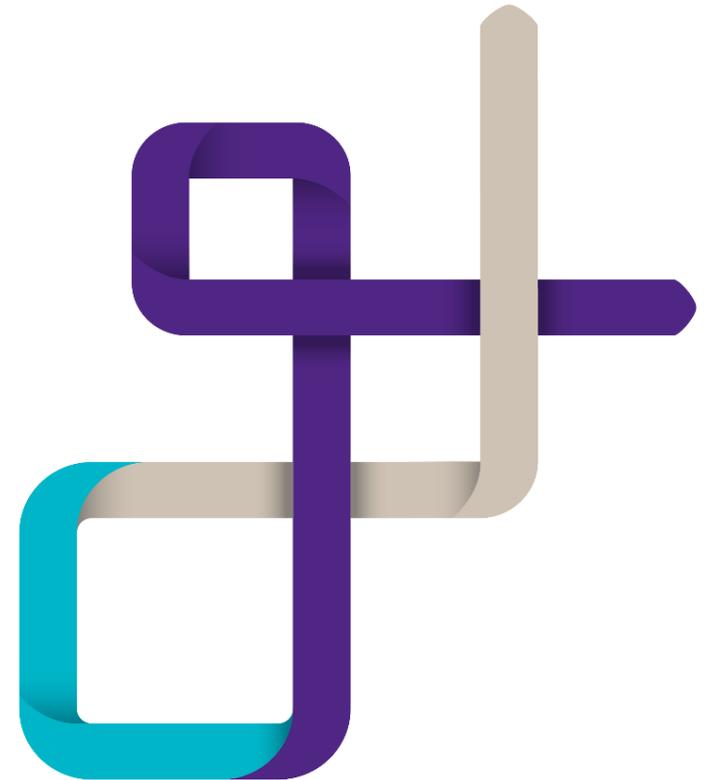
- Joint MCA & SYPTE audits
- MCA audits
- SYPTE audits



Internal Audit Progress Report

Sheffield City Region Mayoral Combined Authority

October 2020



Introduction & headlines

Purpose

This report provides an update on progress against the outstanding reviews within the 2019/20 internal audit plan and the 2020/21 internal audit plan.

We have delivered 31 of the 71 days in respect of SCRMCA reviews (44%) and a total of 98.5 the 272 days (36%) in the joint audit plan, a full detailed breakdown can be found at pages 3 & 4.

Final reports issued

Since the last meeting of the Audit Committee, we have completed the grant certification work and issued the sign off certification letter in respect of the Growth Hub and Local Transport Capital Funding

We have also finalised two audit reports, a copy of the reports are attached with the agenda papers:

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

Our assurance levels are shown at appendix 1.

Work in progress

The following reviews are at draft report stage::

- Public Engagement and Consultation
- Programme Management – Follow up
- AMP Technology Centre

Planning and scoping has also commenced in respect of:

- Climate Emergency

Resourcing

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

Due to the outbreak of COVID-19 and the uncertainty of its impact, we will continue to keep the audit plan under review and will reflect on the scope of each review to include emerging issues.

Following discussions with the Deputy Section 73 Officer, the following changes have been proposed:

- The review of the SCRMCA ledger implementation be cancelled as this will be undertaken by External Audit as part of their work. Eight days to be moved into contingency.
- The requirements of the Adult Education Budget have not yet been agreed, therefore it is proposed to postpone this review from Quarter 1 and will be confirmed by management when this is required.
- The Inward Investment Business Plan is not yet fully developed, therefore it is proposed that the review of Inward Investment be postponed from Quarter 2 to Quarter 4.

Additional work undertaken outside of the audit plan

In light of COVID-19, the Department for Transport have made available additional grant funding which requires Head of Internal Audit certification.

In addition, the Executive has requested an additional review in respect of concessionary reimbursement, tendered services and community transport budgets.

Scoping around the arrangements and work requirements are still being sought and it is still to be decided as to whether we agree additional days or replace a review in the existing 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									0.5
Procurement	18	Quarter 4									0
Public Engagement and Consultation	12	Quarter 1									11
Follow up of recommendations	10	Ongoing									5
Attendance at Audit Committee & other client meetings	25	Ongoing									14
Sub-total	131										30.5

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
Sheffield City Region Mayoral Combined Authority											
Grant Claims: • Growth Hub • Local Transport Capital Funding	8	Quarter 1/2									8
Ledger Implementation	0	Cancelled									0
Adult Education Budget	8	To be confirmed									1
AMP Technology Centre	13	Quarter 2									11
Programme Management – Follow up	4	Quarter 2									3
Inward Investment	12	Quarter 4									8
Travel and Expense Claims	12	Quarter 3									0
Back Office Systems	14	Quarter 3									0
Sub-total	71										31
South Yorkshire Passenger Transport Executive	57										37
Contingency	13										0
Total Plan	272										98.5

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>

