

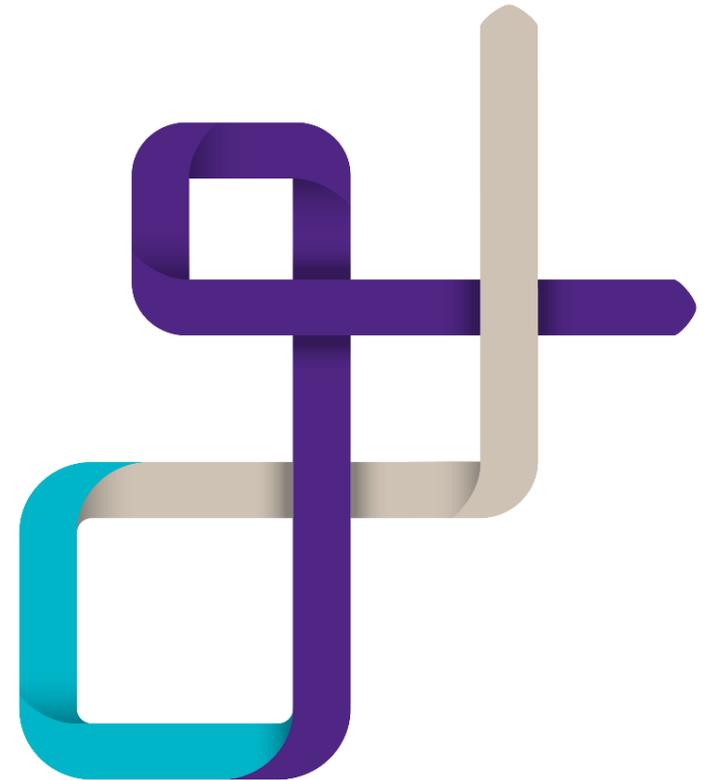


# Internal Audit Progress Report

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Sheffield City Region Mayoral Combined Authority

January 2021



# Introduction & headlines

## Purpose

This report provides an update on progress to date against the 2020/21 internal audit plan. We have delivered 32 of the 71 days in respect of the MCA reviews, this is equivalent to 45%. We have delivered a total of 123 days of the 272 days in the joint audit plan which is equivalent to 45% overall. A 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
Programme Management – Follow up	Significant assurance with some improvement required
Public Engagement and Consultation	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 the following reviews are in progress:

- A final draft report has been issued in respect of the AMP Technology Centre review.

Fieldwork is currently in progress in respect of the following:

- Core Financial Controls
- Travel and Expense Claims

Scoping and planning has also commenced in respect of:

- Risk Management
- Governance

## 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.

In light of COVID-19, the Department for Transport have made available additional grant funding which requires Head of Internal Audit certification. Scoping around the arrangements and work requirements are still being sought.

Following our discussions with the Executive Officers, we are proposing the following changes to the Audit Plan:

- postpone the review of Climate Emergency as the original risk is now mitigated through the strategy. It is proposed that a wider review of how Climate Emergency is featuring within the Authorities decision making processes will be included within the Governance review in Q4. The 12 planned days to be moved to contingency.
- the Procurement review to be completed in two phases, phase one to be completed in Q4 focussing on the design effectiveness of the procurement process and phase two to be completed in 21/22 focussing on embeddedness and operational effectiveness. The additional planned days to be used to carry out a high level review of contract standing orders compliance.
- postpone the review of Back Office Systems which was originally planned to be undertaken in Q3 to Q4

## 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
<b>Annual Reviews for HOIA opinion and Joint Authority Audits</b>											
Core financial controls	30	Quarter 3									10
Risk Management	12	Quarter 4									0.5
Governance	12	Quarter 4									0.5
Procurement	18	Quarter 4									2
Public Engagement and Consultation	12	Quarter 1									12
Follow up of recommendations	10	Ongoing									7
Attendance at Audit Committee & other client meetings	25	Ongoing									20
<b>Sub-total</b>	<b>119</b>										<b>52</b>

# 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
<b>Sheffield City Region Mayoral Combined Authority</b>											
Grant Claims: • Growth Hub • Local Transport Capital Funding	8	Quarter 1/2									8
Adult Education Budget	8	To be confirmed									1
AMP Technology Centre	13	Quarter 2									13
Programme Management – Follow up	4	Quarter 2									4
Inward Investment	12	Quarter 4									0
Travel and Expense Claims	12	Quarter 3									5.5
Back Office Systems	14	Quarter 4									0.5
<b>Sub-total</b>	<b>71</b>										<b>32</b>
<b>South Yorkshire Passenger Transport Executive</b>	<b>57</b>										<b>39</b>
<b>Contingency</b>	<b>25</b>										<b>0</b>
<b>Total Plan</b>	<b>272</b>										<b>123</b>

# 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
<b>Significant assurance</b>	<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>
<b>Significant assurance with some improvement required</b>	<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>
<b>Partial assurance with improvement required</b>	<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>
<b>No assurance</b>	<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>

