

Audit and Standards Committee

15 July 2021

Internal Audit Plan 21/22 Progress Report

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Discussion
Funding Stream:	Not applicable
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

Ruth Adams, Deputy Chief Executive

Report Author(s):

Internal Audit – Grant Thornton

Executive Summary:

This report provides an update on the progress of the 2021/22 Group Internal Audit Plan and closes off the 2020/21 Plan.

What does this mean for businesses, people and places in South Yorkshire?

Internal Audit supports the organisation in helping to achieve its objectives by giving assurance on its internal control and governance arrangements. Good governance enables the Combined Authority to pursue its ambitions and objectives in the most effective and efficient way, bringing about better outcomes for residents and businesses in South Yorkshire.

Recommendations:

The Audit and Standards Committee are asked to note the progress of 2021/22 audit activity undertaken by Grant Thornton for:

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

Sheffield City Region Mayoral Combined Authority

Internal Audit Progress Report

July 2021

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Introduction & headlines

Purpose

This report provides an update on progress against the reviews within the 2021/22 internal audit plan. We have delivered 31 days of the 263 days within the joint plan. This is equivalent to 12%.

Reports issued

We have finalised the five remaining Audit Reports relating to the 2020/21 Internal Audit Plan, **copies of the reports are attached with the agenda papers and supports the final 2020/21 Head of Internal Audit Opinion.**

Audit Completed	Overall Assurance Level
Travel and Expense Claims	Significant assurance with some improvement required
Governance	Significant assurance with some improvement required
Risk Management	Significant assurance with some improvement required
Procurement	Significant assurance with some improvement required
Adult Education Budget	Significant assurance with some improvement required

Work in progress

Fieldwork has commenced in respect of the following 2021/22 reviews:

- Assessing the Risk of Fraud

Work in progress - Continued

- Supplier Resilience
- AMP Technology Centre – Follow Up

Scoping and planning has also commenced in respect of the following:

- Critical IT Controls
- Procurement – Phase 2
- Asset Management

Resourcing

We confirm that we have sufficient internal audit team members available to deliver the internal audit plan to the timescales set out in our Audit Plan. We will flex the plan where needed for emerging priorities and to accommodate timescales requested by management. Any material changes to the Audit Plan will be communicated to the Audit and Standards Committee for their agreement.

Changes to the audit plan since the last meeting

The plan has been formulated during the continued Covid-19 pandemic and is subject to flexibility to reflect the uncertainty of the longer term impact of the virus. We will continue to keep the audit plan under review and will reflect on the scope of each review to include emerging issues.

Following the scoping meeting in respect of the Supplier Resilience review, management has requested that this be completed as a Group review

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 and Standards 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	Not Started		0
Risk Management	15	Quarter 4	March 2022	Not Started		0
Governance	15	Quarter 3	January 2022	Not Started		0
Critical IT Controls	15	Quarter 2	October 2021	Scoping		1
Group audits						
Integration of MCA & PTE	26	Quarter 3/4	March 2022	Not Started		0
Assessing the Risk of Fraud	10	Quarter 1	October 2021	Work in progress		7
Follow up of recommendations	10					2
Contract Management:	25					7
Sub-total	146					17



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 & 3	N/A	Work in progress	Quarter 1 certification complete	5
Procurement – Phase 2	10	Quarter 2	October 2021	Scoping		0.5
AEB	30	Quarter 3	March 2022	Not Started		0
AMP Technology Centre – Follow Up	10	Quarter 1/2	October 2021	Work in progress		1
PTE						
Grant Claims	10	Quarter 3	N/A	Not Started		1
Asset Management	25	Quarter 1/2	October 2021	Scoping		1.5
Supplier Resilience	20	Quarter 2	October 2021	Work in Progress		5
Sub-total	117					14
Total	263					31

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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