



SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY

Risk Management

Internal audit report 6.23/24

Final

1 December 2023

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1. EXECUTIVE SUMMARY

With the use of secure portals for the transfer of information, and through electronic communication means, 100 per cent of our audit has been conducted remotely. Remote working has meant that we have been able to complete our audit and provide you with the assurances you require. Based on the information provided by you, we have been able to sample test, or undertake full population testing using data analytics tools, to complete the work in line with the agreed scope.

Why we completed this audit

South Yorkshire Mayoral Combined Authority (SYMCA) has invested time and resources over the past few years in risk management. We have undertaken a risk management review to provide assurance that the Combined Authority has an effective risk management framework in place that allows for risks to be managed effectively, and how this has been embedded at both corporate and directorate level.

An effective risk management framework is essential for ensuring that the Combined Authority is identifying risks in a timely manner, putting in place mitigating actions to ensure the likelihood and impact of the risks materialising are limited and that the risks are within their approved appetite. SYMCA uses the 4risk software to maintain its risk registers. At the time of our review, the Combined Authority has a Corporate Risk Register and five Directorate Risk Registers.

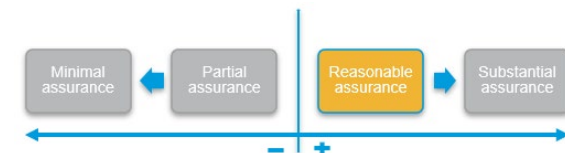
Conclusion

Overall, the risk management framework is well designed and operating effectively. Our testing confirmed that SYMCA has adequate governance and reporting in place to ensure that there is a holistic approach to managing risk. However, our testing highlighted a number of areas for improvement regarding risk identification process and the use of risk appetite. In addition, we noted that SYMCA has not identified the assurances in relation to the risks. As a result of our review, we have agreed one medium priority and five low priority actions.

Internal audit opinion:

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk.



Key findings

Our audit review identified that the following controls are suitably designed, consistently applied, and are operating effectively:



South Yorkshire Mayoral Combined Authority (SYMCA) has a Risk Management Framework in place, which sets out the approach to risk management, the roles and responsibilities and processes relating to the risk management activities. The Framework was approved by the Board and is made available to all staff on the Intranet.



All roles that have been stipulated within the MCA organisational structure have been listed within the roles and responsibilities of the risk management framework with relevant responsibilities relating to risk. These include the SYMCA Board, Audit, Standards and Risk Committee (ASRC), Local Enterprise Partnership, Thematic Boards, Statutory Officers and Executive Leadership Board (ELB), Directorate Leadership Teams.



We noted that risks are defined against the delivery of the objectives which are set out within the Corporate Plan. SYMCA also has a Corporate Risk Register which contains risks that have an impact on the strategic objectives.



We noted that the ELB receives reports on risks scored high and medium / high on a quarterly basis. We selected a sample of five risks scored high or medium/high from the five Risk Registers, and through testing we confirm that all five risks had been included in the Risk Management Update reports, which were reviewed by ELB. We also noted that the ASRC receives reports on corporate risks regardless of the score. We obtained the Risk Management Monitoring Reports and minutes from the ASRC meetings held on 22 March 2023, 21 June 2023 and 20 September 2023. Through review, we confirmed that a corporate risk update was presented to the Committee, which contains corporate risks by score, corporate risks by strategic group and a corporate risk heat map. We also confirmed that in all three cases, the ASRC reviewed the Corporate Risk Register, which included all corporate risks regardless of the score.

However, we have identified the following exception against which one medium priority action has been agreed with management:



We identified that SYMCA does not have a documented assurance map in place. During our fieldwork, we noted that SYMCA has controls in place which is in line with the 'three lines of defence' model used in assurance mapping. However, there were no assurances documented for each risk. Where this is the case, there is a risk that the Board and ASRC cannot easily and clearly assess the assurance mechanisms in place for each risk area and hence effectively identify and assess the vulnerable risk areas. (**Medium**)

Details of the findings which resulted in the agreement of five low priority management actions can be found in section 2.

A questionnaire was issued to the Combined Authority to gauge perceptions and views on the Combined Authority's risk maturity status. Responses are detailed within Appendix A for management consideration.

We have assessed the risk maturity of the Combined Authority from Emerging through to Enabling for various risk areas. This is detailed within Appendix B. Overall the Combined Authority is between Developing and Maturing.

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Area: Risk Identification			
Control	SYMCA uses the Directorate meeting as the main forum to identify the risks. SYMCA also holds risk management workshops for particular Directorates that need further risk management training.	Assessment:	
		Design	✓
		Compliance	×
Findings / Implications	<p>Directorate Meeting</p> <p>Through review of Risk Management Framework, we noted that it identified various methods for risk identification, such as horizon scanning and Root Cause Analysis, Political, Economic, Sociological, Technological, Legal and Environmental (PESTLE) analysis, Strengths, Weaknesses, Opportunities and Threats (SWOT), Learning lessons from internal experience and external events. In addition, the Framework also provided a process when identifying risks:</p> <ul style="list-style-type: none"> • Considering the reason for occurrence, source or cause of a risk; • Considering the risk itself, an event; and • Considering the consequence and the result of a risk. <p>However, we did not receive any evidence to confirm that the methods were used by the Authority for risk identification. Without a use of risk identification method, the Authority might fail to identify crucial risks that hamper the achievement of corporate and strategic objectives.</p> <p>We noted that currently there are four Directorates in SYMCA, including Growth, Business and Skills Directorate, Policy and Strategic Development Directorate, Resources and Investment Directorate, and Transport Directorate. Each risk would be recorded within the 4Risk system following agreement with relevant Executive Director of the Directorate, and a Risk Register can be extracted from the 4Risk management system. SYMCA currently has the following forms of Risk Registers:</p> <ul style="list-style-type: none"> • Corporate Risk Register: This contains risks that have an impact on SYMCA's strategic objectives; • Directorate Risk Registers: These contain risks specific to the five Directorates, including Growth, Business and Skills Risk Register, Policy and Strategic Development Directorate Risk Register, Resources and Investment Directorate Risk Register as well as Transport Directorate Risk Register. <p>Through discussion with the Head of Corporate Governance, we noted that the Authority now uses Directorate monthly meeting as the main forum to review existing risks that may change and identify new risks that may arise. The meeting is led by the senior management, including the Executive Director.</p> <p>We obtained the meeting minutes and through review we identified the following:</p>		

Area: Risk Identification

- Growth, Business and Skills Directorate : This Directorate just finished the first risk management workshop with the second soon to be scheduled. Once they completed the workshop (the date was not confirmed), they would start to use the meeting for discussion around risk identification;
- Policy and Strategic Development Directorate: Through discussion with the Governance and Compliance Officer, we noted that, during our fieldwork, this Directorate was in the middle of risk management workshop. Once the team finished their training, they would start to use the meeting for discussion around risk identification (the date was not confirmed);
- Resources and Investment Directorate: We obtained the meeting minutes dated 25 October 2023 (draft version) and 27 September 2023, and through review we confirmed the discussion around risk identification;
- Transport Directorate: We obtained the meeting agenda dated 31 October 2023, 12 September 2023 and 9 August 2023. However we noted that there were no meeting minutes or action log maintained for the meeting, therefore we were unable to confirm that there is a discussion around risk identification.

Without a continuous process for risk identification, there is a risk that the Directorate might fail to identify and manage both new and altered risks in a timely manner, which might lead to a failure of achieving strategic objectives.

Risk Management Workshop

Through discussion with the Head of Corporate Governance, during our fieldwork, SYMCA is holding risk management workshop for Policy and Strategic Development Directorate and Growth, Business and Skills Directorate, since the risk management process is to be embedded further in these two Directorates.

We obtained the slides of workshop conducted on 15 August 2023 for Policy and Strategic Development Directorate, and workshop conducted on 4 October 2023 for Growth, Business and Skills Directorate,. Through review we noted that the material was developed in line with the Risk Management Framework. Through review of the slides, we identified that key areas of the Risk Management Framework were included, such as the responsible owner, risk scoring (inherent risk score and residual risk score) and actions. In addition, we obtained the slides of workshop conducted on 18 October 2023 Policy and Strategic Development Directorate, through review we noted that the attendees were also given opportunities to score the risks and discuss mitigating actions after reviewing the Risk Register.

We noted the workshop were conducted in person and we obtained the attendee list of workshop conducted for Policy and Strategic Development Directorate and Growth, Business and Skills Directorate. Through review we confirmed that the Executive Director and senior management were included in the attendee list, however we did not note any signature to confirm the attendance.

We queried if there was any similar workshops planned for other Directorates, and we noted that there was a plan to hold similar workshop with ELB for corporate risks next year, but the date had not been decided yet.

Management Action 1	Management will ensure that actions regarding existing or new risks discussed at the Directorate meetings will be captured appropriately.	Responsible Owner: Head of Corporate Governance	Date: 31 March 2024	Priority: Low
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Area: Risk Identification

Management Action 2	Management will consider using the following methods for risk identification, with the output maintained and recorded: <ul style="list-style-type: none">• Horizon scanning;• Root Cause Analysis;• Political, Economic, Sociological, Technological, Legal and Environmental (PESTLE) analysis;• Strengths, Weaknesses, Opportunities and Threats (SWOT); and• Learning lessons from internal experience and external events.	Responsible Owner: Head of Corporate Governance	Date: 30 June 2024	Priority: Low
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Area: Risk Scoring Methodology

Control	SYMCA utilises a five by five Probability Impact Matrix (PIM), which incorporates separate assessments of 'likelihood' and 'severity' for each risk using a defined scoring system.	Assessment:
		Design ✓
		Compliance ×
Findings / Implications	<p>Risk Scoring Methodology</p> <p>We noted that SYMCA utilises a five by five Probability Impact Matrix (PIM), which incorporates separate assessments of 'likelihood' and 'severity' for each risk. Through review of Risk Management Framework, we noted that the risks are described by multiplying probability rating (remote – highly probable) and impact rating (immaterial – critical) for the following key impacts, including:</p> <ul style="list-style-type: none"> • Environmental; • Financial; • Legal and Regulatory Compliance; • Reputational; • Health and Safety; • Employee; • Digital Security; and • Programmes and Projects. <p>The probability rating and impact rating are multiplied together to give an assessment outcome using a Red / Amber / Yellow / Green rating process. Each risk is assessed both in terms of its 'inherent risk score' (i.e., before taking into account any mitigating controls) and its 'residual risk score' (i.e., after taking into consideration any mitigating controls). The risk management system 4Risk calculates the risk score by multiplying the probability rating by impact rating. As such owners cannot incorrectly calculate the risk rating.</p> <p>We noted that the Risk Register can be extracted from the 4Risk system that was used manage risk. SYMCA currently has the following forms of Risk Registers:</p> <ul style="list-style-type: none"> • Corporate Risk Register: This contains risks that have an impact on SYMCA's strategic objectives. All corporate risks should be reported to ELB and ASRC regardless of the current or residual score. • Directorate and Team Risk Registers: These contain risks specific to the four Directorates, including Growth, Business and Skills Risk Register, Policy and Strategic Development Directorate Risk Register, Resources and Investment Directorate Risk Register as well as Transport Directorate Risk Register. <p>Through review of the Risk Register template and Corporate Risk Register, we confirmed the following information is recorded for each risk identified:</p> <ul style="list-style-type: none"> • The risk description (including cause and effect); 	

Area: Risk Scoring Methodology

- The inherent priority of risk;
- The residual priority of risk;
- The action plan (including controls and mitigating actions);
- Risk Owner; and
- Risk due date.

We selected a sample of 25 risks from five Risk Registers extracted from the 4Risk system, to test and ensure the risk had been calculated in line with the five by five PIM stated in Risk Management Framework. Our testing confirmed the following:

- In 25 cases the inherent risk score had been assessed in line with the five by five PIM; and
- In 25 cases the residual risk score had been assessed in line with the five by five PIM.

Escalation and De-escalation

In addition, we noted that for risks scored high and medium / high, they would be escalated to the ELB and the ASRC on a quarterly basis for awareness and any additional decision. Through review of the meeting minutes and reports, we confirmed there was an escalation of risks in line with the Risk Management Framework.

We noted that the risks are de-escalated by the responsible owners once the mitigating action is completed. We obtained the record for actions removed from 8 March 2023 to 25 August 2023. Through review we confirmed that all the risks were removed following completion of the actions. However, through review of the Risk Registers, we noted that there was no target risk score set for the risks. Without a target score set, resources might be focused on tasks which do not materially impact the Authority's strategy or objective.

Management Action 3	Management will set target scores for risks identified, in line with Risk Appetite. Risks will be de-escalated from Risk Registers in line with the set target score.	Responsible Owner: Head of Corporate Governance	Date: 31 December 2024	Priority: Low
	<p>Management will establish a formal de-escalation process. Risk will be de-escalated from Risk Registers when:</p> <ul style="list-style-type: none"> • The risk scoring is low and there are no further actions needed; • Target risk score is achieved; • Risk no longer exists; and • Risk has escalated into an issue, which will be taken into consideration at governance level. 			

Area: Controls and Mitigations

Control	Existing controls are documented on the risk register which reduce the risk from inherent to residual. Further mitigating actions are assigned to reduce the risk further and they are assigned to responsible owners, with a target implementation date included. The responsible owners receive reminders from the 4Risk System when actions are due for review or implementation.	Assessment: Design ✓ Compliance ×
Findings / Implications	<p>We noted that each risk should have a control in place, with mitigating actions, responsible owners, and target implementation date assigned in Risk Registers. We selected a sample of 25 risks from five Risk Registers extracted from the 4Risk system, and tested to confirm the existing controls are in place and further mitigation actions have been documented clearly. Our testing confirmed the following:</p> <ul style="list-style-type: none">• In five of the 25 cases, we identified that the controls documented were very high level and or were not controls but either statements or actions. It should be noted that each of these five cases was within a Directorate Risk Register and not the Corporate Risk Register. <p>Without documented existing controls, there is an increased risk that the inherent score may not be accurate, which could lead to actions being agreed where they are not necessary or the risk register scoring not providing an accurate status of the risk.</p> <p>Review of actions identified the following:</p> <ul style="list-style-type: none">• In one out of 25 cases, the mitigation action and target implementation date had not been documented. It is a new risk that is still in draft status in the system, which will be assigned with action and date after the date of system shut down on 17 November 2023;• In two out of 25 cases, the mitigation action and target implementation date had not been documented. Through discussion with the Governance and Compliance Officer, we noted that the risks will be reviewed by the Directorate after completion of training;• In three out of 25 cases, the mitigation action and target implementation date had not been documented. It is a low scoring risk and the Authority is still in discussion on whether they should be removed from Risk Register; and• In the remaining 19 cases, the mitigation action and target implementation date had been documented clearly. <p>Without target implementation dates, actions may not be implemented within a timely manner.</p> <p>Through our walkthrough testing of the 4Risk system, we noted that the users can check the details of the actions that were assigned to them, and each action has a description, a responsible owner as well as a target implementation date. We noted that the responsible owners can see all risks using the system, but can only edit those that they either own or have been assigned. Responsible owners receive automatic email notification from 4Risk system to review their risk on a monthly basis. The reminder also sets out the system shutdown dates where the system will be is frozen in order to generate reports for the ELB and the ASRC.</p> <p>We also noted that there is a dashboard function built into the 4Risk system, which is utilised by the Head of Corporate Governance as well as the Governance and Compliance Officer to track the completion of assigned actions. Through review of the dashboard, we identified that it included the following:</p> <ul style="list-style-type: none">• Open risks;	

Area: Controls and Mitigations

- Actions overdue;
- Actions closed in the last 90 days; and
- Actions due in the next 30 days.

We noted that both the Head of Corporate Governance and the Governance and Compliance Officer would produce a dashboard report and present it to each monthly Directorate Meeting, for further discussion and decision regarding the overdue actions. Through review of the Resources and Investment Directorate meeting minutes dated 28 June 2023 and 30 May 2023, we confirmed that the risk dashboard reports were presented and discussed during the meeting.

Management Action 4	Management will provide further training and reminders to staff on the definition of a control and monitor the controls documented on the risk registers to ensure they are of sufficient detail.	Responsible Owner: Head of Corporate Governance	Date: 31 March 2024	Priority: Low
Management Action 5	Management will monitor the completion of actions to ensure that responsible owners complete the actions within the due implementation date. Management will re-assign expired the actions if necessary.	Responsible Owner: Head of Corporate Governance	Date: 31 March 2024	Priority: Low

Area: Assurance Mapping

Control	<u>Missing control</u> SYMCA's Risk Registers capture descriptions of the assurance mechanisms for each related risk or control.	Assessment:		
		Design	×	
		Compliance	N/A	
Findings / Implications	Through discussion with the Head of Corporate Governance, we also noted that SYMCA does not have a documented assurance map in place, in line with the three lines of defence model. Where this is the case, there is a risk that the Board and ASRC cannot easily assess the assurance mechanisms in place for each risk area and hence effectively identify and assess the Authority's vulnerable risk areas. During our fieldwork, we identified that SYMCA actually had controls in place which was in line with the 'three lines of defence' model used in assurance mapping, as follows: <ul style="list-style-type: none">• Management First Line: SYMCA has a Risks Management Framework in place, which sets out the Authority's approach to risk management, the roles and responsibilities and processes relating to the risk management activities. This Framework was followed by each Directorate. In addition, for risks scored high and medium / high, the ELB receives reports on a quarterly basis; and• Independent Third Line: The ASRC receives reports on risks scored high and medium / high on a quarterly basis. The ASRC also receives reports on all corporate risks regardless of the score. However, we noted there was no documented assurance map in place. Where this is the case, there is a risk that the Board and ASRC cannot easily and clearly assess the assurance mechanisms in place for each risk area and hence effectively identify and assess the Authority's vulnerable risk areas.			
Management Action 6	Management will establish an assurance map, to include the main areas of risk for SYMCA and setting out where SYMCA gets assurance in each area. This assurance mapping will also include: <ul style="list-style-type: none">• A specific explanation of what the actual assurance source/mechanisms is in each case and how this provides assurance over the effectiveness of the controls in place;• The 'three lines of defence'; and• Any gaps where no assurance is provided.	Responsible Owner: Head of Corporate Governance	Date: 31 December 2024	Priority: Medium

APPENDIX A: QUESTIONNAIRE RESULTS

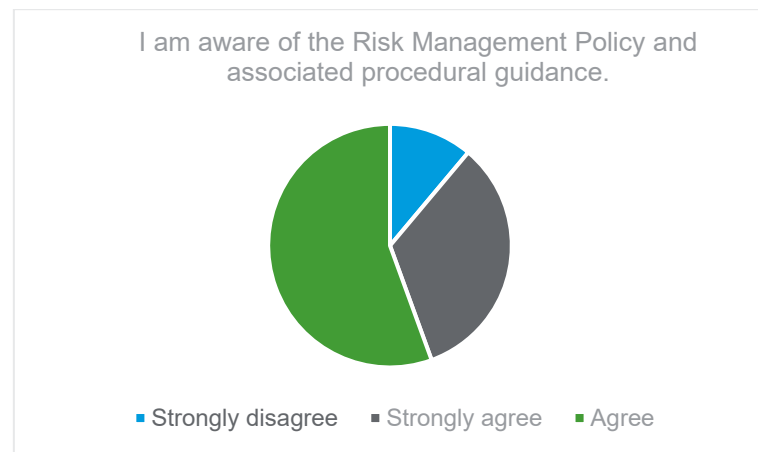
We created a questionnaire consisting of 13 questions that was shared across the Combined Authority between 9 November in order to gauge perceptions and views on the Combined Authority's risk maturity status. In total, we received nine responses and we have provided analysis of the questions as follows:

Analysis Findings

The following key themes were identified:

1. I am aware of the Risk Management Policy and associated procedural guidance.

Eight respondents strongly agree or agree with this statement, one respondents strongly disagree with this statement.



2. There is a consistent tone for risk management set from the top.

Five respondents strongly agree or agree, three respondents disagree or strongly disagree, and one respondents neither agree nor disagrees.

3. The Board provides consistent, coherent, sustained, and visible leadership in terms of how the Authority expects people to behave and respond when dealing with risk.

Three respondents strongly agree or agree, three respondents disagree or strongly disagree and three respondents neither agree nor disagrees.

4. Roles and responsibilities for managing risks have been well defined.

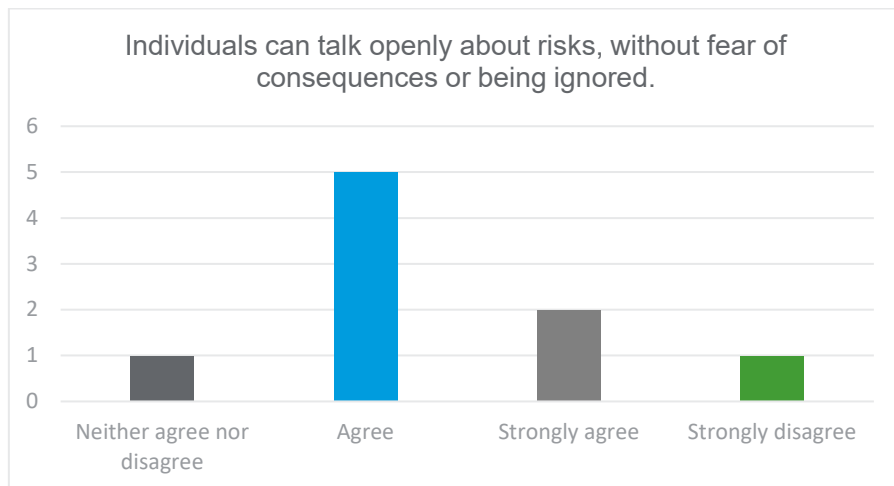
Five respondents strongly agree or agree, three respondents disagree or strongly disagree and one respondent neither agree nor disagrees.

5. Risk management is well embedded in the Authority.

Four respondents strongly agree or agree, two respondents disagree or strongly disagree and three respondents neither agree nor disagrees.

6. Individuals can talk openly about risks, without fear of consequences or being ignored.

Seven respondents strongly agree or agree, one respondent disagree or strongly disagree and one respondent neither agree nor disagrees.



7. Significant risks are identified and brought to the attention of Senior Management and the Board.

Seven respondents strongly agree or agree, one respondent disagree or strongly disagree and one respondent neither agree nor disagrees.

8. I believe risks are being well covered and reviewed in team meetings and/or governance groups.

Five respondents strongly agree or agree, one respondent disagree or strongly disagree and three respondents neither agree nor disagrees.

9. I believe there is sufficient risk information sharing across the Authority.

Four respondents strongly agree or agree, four respondents disagree or strongly disagree and one respondents neither agree nor disagrees.

10. I have had sufficient training with respect to my responsibilities for risk management.

Six respondents strongly agree or agree, two respondents disagree or strongly disagree and one respondent neither agree nor disagrees.



11. Risks are promptly escalated or de-escalated.

Six respondents strongly agree or agree, one respondent disagrees or strongly disagrees and two respondents neither agree nor disagrees.

12. Are there any other comments you would like to make about the risk management culture at your Authority?

13. From the nine respondents we received four responses:

- *Assigned some risks but have not been walked through them or how process works here at SYMCA.*
- *'The introduction of 4risk and the way the finance and resources directorate regularly reviews has been a really positive step forward. I am less clear on how consistent this is across other directorates.'*
- *'There remain inconsistencies in the relative maturity of how teams and departments treat and manage risks (corporate and operational) across SYMCA. This may be in part a legacy of the pre-integration organisations and their vastly different approach to risk management which existed. Risk management shouldn't be seen as a supplementary activity, necessary to achieve compliance, but as a way of improving operational performance and resilience.'*
- *'Inconsistent approaches and lack of consistency for risk management across the organisation.'*

APPENDIX B: RISK MATURITY ASSESSMENT

Increasing risk maturity				
	Emerging	Developing	Maturing	Enabling
	Informal approach to risk management	Risk management approached and adopted to meet basic expectations of stakeholders	Risk management approach built into normal business practise	Risk management supports the delivery of strategic objectives
Governance	Risk management only considered at certain levels of the business	A defined risk management approach and risk is captured at all levels of the business	An established risk management approach with clear linkages between each risk level	Risk management directly informs business planning and supports business decisions
Risk Identification	Ad hoc risk identification	Annual risk assessment	Continuous risk identification undertaken with clearly defined risks using cause and effect	In the activities of the organisation Risk identification embedded for all operations
Risk Assessment	Basic risk assessments using impact and likelihood	Identification of a risk scoring matrix with clearly defined definitions for impact and likelihood	Consistently applied risk scoring methodology assessing risk both inherently and residually	Management challenge and consider risk appetite for each risk type
Risk Mitigation	Mitigations identified that manage risk	Mitigations are specifically separated between existing controls and identified actions	Efficient and effective mitigations established	Mitigations are achieving the required outcomes
Assurance	Assurance mechanisms in place	Assurance mechanisms are defined and reported on	Direct linkage between assurances and mitigations	Assurance outcomes are used to drive to inform the organisational risk profile
Monitoring & reporting	Informal communication of risk	Cyclical risk management reporting	Risk management 'check and challenge' at all levels of the business	Risk management used to optimize decision making

APPENDIX C: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings	
Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*	Non Compliance with controls*	Agreed actions		
			Low	Medium	High
Risk Management	1 (9)	4 (9)	5	1	0
Total			5	1	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

It should be noted that multiple actions have been raised against one control.

APPENDIX D: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following objective:

Objective of the risk under review

The MCA has invested time and resources over the past few years in risk management. This review will assess the maturity of the risk management framework and how this has been embedded at both strategic and operational level. We will utilise a 4Questionnaire to help gauge engagement and understanding of the risk management processes.

We will also assess the Board Assurance Framework to identify how the Board are getting assurances over key risks from both internal and external sources.

When planning the audit, the following areas for consideration and limitations were agreed:

The audit will consider the following;

- Whether risk management policies and procedures are in place, these are up to date, regularly reviewed and have been communicated to relevant staff.
- Whether the MCA's risk appetite has been defined and documented.
- Whether key roles and responsibilities for risk have been established formally at both strategic / operational level and this has been clearly communicated to those staff involved.
- How the risk register is linked to corporate and strategic objectives.
- How the MCA identify new and emerging risks including whether horizon scanning is conducted. We will also identify how risks are escalated and de-escalated within the risk registers.
- Whether a risk scoring methodology has been established and is consistently applied across the risk registers with appropriate challenge and updating of the risk scores.
- Whether controls have been identified for each risk and whether mitigating actions have been documented and monitored for completion to reduce the risk to the MCA's appetite or target risk score.
- How the MCA obtain assurance that the controls and mitigations are in place and are effectively managing the risks. This includes how the MCA map their assurances to identify any assurance gaps and action taken to reduce these gaps.

- Whether risk management is widely reported through the MCA at both an operational and strategic level to ELB and through the governance forums such as Audit, Standards and Risk Committee.
- Using our questionnaire software, 4Questionnaires, we will look to gauge the level of risk maturity within the MCA.

Limitations to the scope of the audit assignment:

- The scope of the work is limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out for this review.
- This review will not comment on whether individual risks are appropriately managed, or whether the MCA has identified all of their risks.
- We are not providing assurance that all relevant assurances have been identified or applied.
- This audit does not confirm the achievement/performance against delivery of strategic objectives.
- This review does not endorse a particular means of risk management or assurance models.
- In relation to the identification of assurance, we will not provide an opinion as to whether all key sources of assurance have been identified to demonstrate control effectiveness.
- We will not comment on the decisions made by the key forums, only on whether there is evidence of appropriate challenges and the timeliness of the decision-making process.
- Testing will only be completed on a sample basis.
- Our work does not provide assurance that material error, loss or fraud do not exist.

Debrief held	3 November 2023
Draft report issued	16 November 2023
Revised Draft report issued	21 November 2023
Responses received	1 December 2023

Final report issued	1 December 2023
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[RSM post-engagement survey](#)

We thank you again for working with us.

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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.

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