

South Yorkshire Passenger Transport Executive Value for Money Interim Report

Year ended 31 March 2023

05 September 2024

05 September 2024



South Yorkshire Passenger Transport Executive
11 Broad Street West
Sheffield
S1 2BQ

Audit, Standards and Risk Committee Members

2022/23 Value for Money Report

We are pleased to attach our interim commentary on the Value for Money (VFM) arrangements for South Yorkshire Passenger Transport Executive. This commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit year 22/23.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. The National Audit Office (NAO) issued a consultation on 8 February 2024 seeking views on changes to the Code of Audit Practice (the Code) to support auditors to meet backstop dates and promote more timely reporting of their work on value for money arrangements. The consultation proposes to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. At this stage, we are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code.

This report is intended solely for the information and use of the Audit Committee and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the next Audit, Standards and Risk Committee meeting.

Yours faithfully

A handwritten signature in black ink, appearing to read 'H. Rohimun', written in a cursive style.

Hassan Rohimun
Partner
For and on behalf of Ernst & Young LLP
Encl

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/auditquality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to Audit, Standards and Risk Committee and management of South Yorkshire Passenger Transport Executive in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit, Standards and Risk Committee and management of South Yorkshire Passenger Transport Executive those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit, Standards and Risk Committee and management of South Yorkshire Passenger Transport Executive (the Executive) for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary



Executive Summary

Purpose

Auditors are required to be satisfied that the Executive has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditor's provide an annual commentary on arrangements published as part of the Auditor's Annual Report. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

The purpose of this interim commentary is to explain the work we have undertaken during the period 2022/23 and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit year 22/23.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the Financial Reporting Council (FRC), as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. As part of the NAO consultation issued on 8 February 2024, there is a proposal to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. However, the consultation states that where auditors have begun or already undertaken work that no longer falls under the reduced scope (if agreed once the consultation closes), they may still report on it in accordance with Schedule 4. We are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

The report sets out the following areas which have been assessed up to the point of issuing this interim report:

- Any identified risks of significant weakness, having regard to the three specified reporting criteria;
- An explanation of the planned responsive audit procedures to the significant risks identified;
- Findings to date from our planned procedures; and
- Summary of arrangements over the period covered by this report (Appendix A).

We will summarise our final view of the value for money arrangements as part of the Auditor's Annual Report once the audit report has been issued for 2022/23.



Executive Summary (continued)

Risks of Significant Weakness

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of the Executive's committee reports;
- meetings with the Chief Finance Officer and Monitoring Officer;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with the Executive's management and the finance team.

We completed our risk assessment procedures and did not identify any significant weaknesses in the Executive's VFM arrangements.

We identified a significant risk related to Financial Sustainability and Governance as part of our risk assessment procedures. We set out our planned response to address this risks in the table on the next slide.

Executive Summary (continued)

Risks of Significant Weakness

Description of risk identified	Work planned to address the risk of significant weakness
Financial Sustainability: Reduction in funding from Central Government	<ul style="list-style-type: none">➤ Discuss and understand by discussion with the key officers:<ul style="list-style-type: none">➤ the current situation of the funding from the Department for Transport;➤ how the reduction in funding from central government is affecting the overall transport network; and➤ the plan the MCA has in place to mitigate these effects.➤ Review the minutes of meetings to check the progress;➤ Review the plan which the MCA has implemented from July 2023 for the sustainability funded network;➤ Review the actual utilization of budgets and reserve;➤ Review the entity's medium term financial strategy to ensure that the management has identified all of the funding gaps and how these are being fulfilled by the management; and➤ Review the budgets vs actual comparison for revenue and expenditure specifically for the bus services.
Governance: Reorganization of SYPTe and SYMCA	<ul style="list-style-type: none">➤ Discuss and understand by discussion with the key officers the changes which have taken place due to reorganization;➤ Obtain and review the updated documents due to reorganization including the updates made to the constitution of the MCA to reflect the governance arrangements;➤ Review the minutes of the meetings to ensure that these have been properly approved by the Board;➤ Review the subsequent internal audit reports to confirm whether any significant deficiencies in the control environment has been identified after the application of updated MCA Constitution.

Executive Summary (continued)

Reporting

Our interim commentary for 2022/23 is set out over pages 11 to 13. The interim commentary on these pages summarises our understanding of the arrangements at the Executive based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2022/23. We include within the VFM commentary below the associated recommendations we have agreed with the Executive.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2021/22 Auditor's Annual Report and have been updated for 2022/23.

In accordance with the NAO's 2020 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this interim report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Executive plans and manages its resources to ensure it can continue to deliver its services	Reduction in funding from Central Government	No significant weakness identified
Governance: How the Executive ensures that it makes informed decisions and properly manages its risks	Reorganization of SYPTE and SYMCA	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Executive uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



Executive Summary (continued)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Executive, and its members and senior management and its affiliates, including all services provided by us and our network to the Executive, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 01/04/2022 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2023

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023:

[EY UK 2023 Transparency Report | EY UK](#)



02

Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Executive plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The Executive and SYMCA have been working ever closer together since it was agreed in September 2020 that responsibilities and functions of the Executive would be fully integrated in to the SYMCA. This effectively meant that during 2022/23 both bodies were managed on a unified basis with a common set of: strategic decision making processes; corporate governance arrangements; financial and business planning; and financial reporting. The process of integration formally concluded on 01 April 2023, when the Executive integrated with SYMCA under the South Yorkshire Passenger Transport Executive (Transfer of Functions) Order 2023 and all of its functions, property, rights and liabilities were transferred to the MCA.

The MCA Group Finance function has responsibility for leading the business planning process. The Finance Business Partners oversee the entire group budget which is informed by an assessment of operational and strategic priorities to build a budget model that addresses medium-term financial challenges. This model is subject to regular review by the Group Finance Director and the Deputy Finance Director during the year and serves as the foundation for the annual budget report.

The Executive acknowledges financial sustainability as a strategic risk and the risk register contains a set of measures aimed at mitigating this risk and managing its impact on the Executive's service delivery in both the short and medium term. The Executive assesses financial risks via a system of formal monthly internal reporting on financial pressures, tracking progress against targets and plans. Liquidity and medium-term financial planning are also subjects of management review and reporting. The risk register is a regular item on the Board's agenda and is subject to periodic review by the Audit, Standards and Risk Committee.

In addressing funding gaps and identifying achievable savings, the Authority employs a strategic approach that aims to ensure financial stability and prudent resource allocation. Savings proposals from management areas are subject to an established review process, overseen by a panel of senior business partners from Finance, HR, and IT. The outcomes of these reviews are subsequently presented to the Management Board under the guidance of the Group Finance Director for agreement and prioritisation. The MCA Group has also established levels of reserves to mitigate against the impact of any unforeseen non delivery of savings. As of the end of the 2022/23 fiscal year, the MCA Group reported a revenue reserve balance of £99.6 million (2021/22: £90 million) and capital reserves totalling £71.2 million (2021/22: £65.9 million). This financial prudence provides a crucial safety net for bridging funding gaps and ensuring financial sustainability.

The Executive's long-term strategic plan outline its commitment to fulfilling statutory responsibilities. This commitment is further delineated in the annual operating plan, which includes financial strategies to ensure the sustainable service delivery. Business plans align with the strategic priorities outlined in the Strategic Economic Plan (SEP), Renewal Action Plan (RAP), and Corporate Plan. Funding allocation decisions, reflecting these priorities, are made by the Management Board and subsequently approved by the MCA Board as part of the annual budgeting process.

The Executive reports on key performance areas, including Finance, Sustainability, People, and Partnerships, at each Board meeting. Financial plans encompass reporting on these broader areas, serving as integral mechanisms for tracking progress toward target achievement in each performance area. In instances where the Executive identifies risks jeopardizing target attainment, it incorporates identified mitigating actions into the Integrated Plan together with the impact on financial resources. The Executive maintains a risk management and governance processes. Risks are outlined in the business plans of each management area, and these risks inform the development of the reserves strategy. The Board is regularly presented with formal mid-year and year-end outturn reports, alongside quarterly proposed revised budgets for approval. These reports serve to address risks to achieving the planned outturn position, accommodate any changes to the original plan, and outline actions taken to mitigate emerging risks.

Conclusion: Based on the work performed, the Executive had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services

Value for Money Commentary (continued)

Governance: How the Executive ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Executive has an appropriate Assurance Framework, subject to annual review to align with strategic objectives, priorities, and risks. This framework delineates the Executive's actions aimed at assuring the mitigation of risks to an acceptable level. The senior management team is responsible for the continuous review and updating of this framework. Oversight of the Assurance Framework falls under the purview of the Board of Directors and the Audit, Standards and Risk Committee. The Executive has a strategic risk monitoring and reporting system that underpins the Assurance Framework, facilitating the oversight of risks, controls, and mitigations by the Board and its Committees. The Executive has established a sound control environment, supported by relevant policies and procedures, including those dedicated to fraud prevention. Internal audit conducts an annual program to assess the risk of fraud, which is endorsed by the Audit, Standards and Risk Committee.

The Finance Business Partners exhibit a good understanding of the group budget, employing available information to identify potential financial pressures when preparing the budget. Their approach extends beyond the immediate fiscal year, encompassing the medium-term horizon. The budget model undergoes regular scrutiny by the Group Finance Director and Deputy Director throughout the business planning process and serves as the foundation for the annual budget report. Input from the Management Board, Transport Officers Board, and Transport and Environment Board further informs this process. The Executive has established effective mechanisms for setting, approving, and monitoring budgets. The internal budgeting and monitoring process operates throughout the year, with regular reporting to various committees. Board reports encompass a spectrum of non-financial management information pertaining to key performance areas. Quarterly reports to the Board provide insights into progress against budget, explanations of variances, and proposals for mitigating actions, all subject to approval.

The Executive has established appropriate mechanisms for setting, approving, and monitoring budgets. Its internal budgeting and monitoring processes operate continuously throughout the year and report to various committees. Reporting to the Board encompasses the financial data along with the non-financial management information on key performance areas. Quarterly reports to the Transport and Environment Board and Transport Officers Board provide updates on progress against the budget, explanations of variances, and proposals for mitigating actions requiring approval.

The Executive has established governance structures to ensure adherence to appropriate standards and regulations. Declarations of interest are a routine agenda item in all Board and committee meetings. Policies and procedures are in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements. These policies and procedures undergo regular review and revision. Specific policies addressing gifts, hospitality, conflicts of interest, and the conduct of staff and members further reinforce ethical standards within the organization. The Executive's governance practices reflect a commitment to transparency, accountability, and effective risk management, providing a foundation for responsible stewardship of resources and compliance with regulatory obligations. From 01 April 2023, the Executive has been merged with the SYMCA and the Governance arrangements of SYMCA has been directly applied to the Executive.

Conclusion: Based on the work performed, the Executive had proper arrangements in place in 2022/23 to make informed decisions and properly manage its risks.

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Executive uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Board regularly monitors financial performance through quarterly transport revenue budget and performance reports. In addition to monitoring financial performance these reports outline risks and mitigating options to ensure the financial position is appropriately managed.

Performance management is informed by the tracking of key performance indicators (KPIs) across service areas. These KPIs are subject to review by the Board to facilitate the identification of corrective actions where performance falls short of targets. The Executive places a strong emphasis on strategic reporting with performance data consolidated in the Strategic Economic Plan reporting to the Board as well as actual performance this reporting includes development plans for areas in need of improvement.

Formal reports evaluating the effectiveness of partnerships are presented to the Transport Officer Board and the Executive Board. The quarterly Transport Officers Board dashboard, keeps a track of contractual compliance, strategic developments, and stakeholder engagements. These dashboards function as performance barometers, highlighting risks and mitigating actions to ensure that performance aligns with the desired standards.

The Executive has a procurement management arrangement in place which adheres to relevant legislation and guidelines to ensure there is a transparent and accountable procurement of services. There is regular monitoring of procurement outcomes by the Board to assess the achievement of financial efficiency and effectiveness.

Finally, the Executive has been fully integrated by SYMCA on 01 April 2023 which created an efficiency among the group as well. Accordingly, both bodies are now being managed on a unified basis with a common set of strategic decision making processes, corporate governance arrangements, financial and business planning and financial reporting.

Conclusion: Based on the work performed, the Executive had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.



03

Appendices

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

Finance Business Partners within the group possess a good understanding of the budgetary framework. In working with colleagues across the organisation they use internal and external information sources to identify potential financial pressures in the short and medium term. These insights are used to construct a budget model that not only focuses on the immediate year but also extends to the medium term. Throughout the business planning cycle, the budget model is regularly reviewed to ensure that it properly reflects the Executive's financial landscape. This model serves as the foundation for the annual budget report, aligning financial planning with the medium-term objectives of the Executive. Furthermore, inputs are also taken from the Management Board, Transport Officers Board, and Transport and Environment Board within the Executive's framework. Financial sustainability risks are identified within the Executive's risk register together with actionable strategies aimed at mitigating their impact on service delivery in the short and medium term. The Executive has regular reporting to the Board and management team including updates on financial pressures and progress against targets.

How the body plans to bridge its funding gaps and identifies achievable savings

In addressing funding gaps and identifying achievable savings, the Authority employs a strategic approach that aims to ensure financial stability and prudent resource allocation. Savings proposals from management areas are subject to an established review process, overseen by a panel of senior business partners from Finance, HR, and IT. The outcomes of these reviews are subsequently presented to the Management Board under the guidance of the Group Finance Director for agreement and prioritisation. The Authority has also established levels of reserves to mitigate against the impact of any unforeseen non delivery of savings. As of the end of the 22/23 fiscal year, the Mayoral Combined Authority Group reported a revenue reserve balance of £99.6 million (21/22: £90 million) and capital reserves totalling £71.2 million (21/22: £65.9 million). This financial prudence provides a crucial safety net for bridging funding gaps and ensuring financial sustainability.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Executive adopts a systematic approach to financial planning that ensures the sustainable delivery of services. The Executive's long-term plan provides the framework for fulfilling its statutory responsibilities. These guiding documents articulate how the Executive will meet its obligations to the community it serves. To translate these strategic intentions into tangible actions, the Executive formulates an annual operating plan that incorporates financial plans. These financial plans are designed to enable the sustainable delivery of services in line with the established strategic priorities. Integral to this process is the alignment of all business plans with the strategic priorities outlined in documents such as the SEP, RAP, and Corporate Plan. These plans serve as the foundation upon which the Executive's operational and financial strategies are built. Within the Executive's governance structure, the Management Board is responsible for prioritising the allocation of available funding to the outlined strategic priorities and submitting actions to the Mayoral Combined Authority Board for approval which culminate in the endorsement of the annual budget.

Appendix A - Summary of arrangements

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

Key performance areas, including Finance, Sustainability, People, and Partnerships, are regularly reported to each Board meeting. Within these reports, the Executive incorporates elements related to its financial plans as part of a strategy to monitor the achievement of targets across these key performance areas. Should the Executive identify potential risks to the achievement of targets action is taken to identify appropriate mitigating actions which are then built into the Integrated Plan. This Integrated Plan provides a framework to identify and allocate financial resources against identified actions. Each management area within the Executive is tasked with developing a business plan to deliver agreed actions against identified resources. Regular review sessions are conducted at the conclusion of each planning cycle, with a central focus on evaluating the alignment of these resource plans with other components, including workforce, capital, and investment considerations.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

The Executive demonstrates a sound approach to identifying and managing risks to financial resilience, which includes addressing unplanned changes in demand and challenging the assumptions underlying its plans. Risks are systematically addressed within the planning framework of each management area, with a dedicated section in their business plans specifically outlining identified risks. The Group Finance Director and deputy director play a pivotal role in effectively managing financial risks against overall financial plans and the group's reserves strategy. This strategy is incorporated into the annual budget report and is subject to approval by the Mayoral Combined Authority Board, ensuring alignment with the Executive's overall financial objectives. To manage financial resilience, the Executive receives quarterly budget reports and formally reviews the mid-year and end-of-year outturn reports. These reports and budgets serve as mechanisms for addressing risks that may impact the planned financial outturn providing a structured platform for assessing any changes in circumstances or assumptions that may have arisen during the year.

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

A new risk management framework has been implemented strengthening the group's approach to the management of risk. Regular reporting to the Executive's Leadership Board and the Audit, Standards and Risk Committee has ensured effective oversight of risks presenting the highest level of threat to the achievement of the Executive's objectives. The Executive has monitored and assessed risk throughout the year through use of the strategic risk monitoring and reporting system which supports the Mayoral Combined Authority's board and oversight by those charged with governance at the Executive of risks, controls and mitigations. The Executive also receives, from Internal audit, a risk management report. The Executive has fraud prevention policies in place.

How the body approaches and carries out its annual budget setting process

The Finance Business Partners exhibit a deep and thorough understanding of the group budget, utilising available information to identify potential financial pressures when preparing the budget. The approach extends beyond the immediate fiscal year, encompassing the medium-term horizon. The budget model undergoes regular scrutiny by the Group Finance Director and Deputy Director throughout the business planning process and serves as the foundation for the annual budget report. The Executive has established effective mechanisms for setting, approving, and monitoring budgets.

The internal budgeting and monitoring process operates throughout the year, with regular reporting to various committees. Board reports encompass a spectrum of non-financial management information pertaining to key performance areas. Quarterly reports to the Board provide insights into progress against budget, explanations of variances, and proposals for mitigating actions, all subject to approval

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

The Executive ensures effective budgetary control through regular budgeting and budget monitoring processes, including reporting the management team and the Board. Performance reporting includes non-financial management information related to key performance areas. Quarterly reports presented to the Board provide insights into progress against the budget, explanations of variances, and proposals for mitigating actions, ensuring timely and relevant information dissemination. The Executive maintains appropriate monitoring of financial information at both board and committee levels and follows a structured process for the preparation and review of the annual accounts.

Appendix A - Summary of arrangements

Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2022/23.

Reporting criteria considerations

Arrangements in place

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

The Executive ensures that its decision-making processes are informed and foster an environment of challenge and transparency. A structured governance framework is in place, which encompasses the reporting of performance against plans and with identified mitigating actions where relevant. Board reports adhere to a standardised format that includes a checklist to confirm relevant consideration of areas such as Legal, Finance, HR, and IT. The minutes of meetings provide evidence of the challenges posed during the decision-making processes. The Audit, Standards, and Risk Committee comprises appropriately skilled and experienced members, operating with defined terms of reference. An annual work plan guides the Committee's focus on governance, internal control, and financial reporting aspects. This encompasses the agreement on an annual internal audit plan and consideration of internal audit reports and recommendations. The MCA group also maintains an assurance framework that is regularly reviewed, with reporting on performance, risks and mitigations both internally and through internal audit reports.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

The Executive has established governance structures to ensure adherence to appropriate standards and regulations. Declarations of interest are a routine agenda item in all Board and committee meetings. Policies and procedures are in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements. These policies and procedures undergo regular review and revision. Specific policies addressing gifts, hospitality, conflicts of interest, and the conduct of staff and members further reinforce ethical standards and expected standards of behaviour among its members and officers.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2022/23.

Reporting criteria considerations	Arrangements in place
How financial and performance information has been used to assess performance to identify areas for improvement	Financial and performance information is used to assess performance and identify areas for improvement within the Executive. The Board and Audit, Standards and Risk Committee maintain a formal oversight of financial performance through quarterly transport revenue budget and performance reports. Performance reporting provide an overview of performance against planned targets and desired outcomes together with planned actions to address areas where performance is below expectation. The reports are subject to Board oversight and monitoring. The Mayoral Combined Authority Board and Audit, Standards and Risk Committee, formally oversee financial performance through quarterly Capital and revenue monitoring reports, inclusive of risks and mitigating options.
How the body evaluates the services it provides to assess performance and identify areas for improvement	The integrated performance and finance report serve as the key mechanism for assessing performance and identifying areas for improvement, as it identifies the progress against key performance indicators for core service areas. These indicators are subject to regular monitoring by the Board and in cases where performance falls below target requirements, the Executive takes appropriate action to identify plans to address performance issues. The Executive also uses a range of metrics to measure its performance across its operations which are consolidated within the Strategic Economic Plan reporting, which is also presented to the Board. This report includes details regarding the evidence base of actual performance, highlighting areas that require improvement and the corresponding development plan in place to achieve the necessary enhancements. From 01 April 2023, the integration of South Yorkshire Passenger Transport Executive with the Mayoral Combined Authority has also created efficiencies across different business process.
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	The Executive places significant emphasis on ensuring the effective delivery of its role within significant partnerships and the engagement of stakeholders. To monitor performance against expectations and drive improvement, a structured approach is employed. Evaluation reports pertaining to programs and major projects are systematically presented to both the Mayoral Combined Authority and Local Enterprise Partnership (LEP) Boards. These reports are subject to a review, encompassing projects, programs, and partnerships funded by the Mayoral Combined Authority and LEP. The review process analyses the delivery and impact of initiatives, capturing lessons learned, encountered issues and delivery-related risks. This information is also used in the design and management of future Mayoral Combined Authority and LEP-funded projects, programs, and partnerships.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2022/23.

Reporting criteria considerations

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

Arrangements in place

The Executive ensures that its commissioning and procurement of services adhere to relevant legislation, professional standards, and internal policies through established procurement management arrangements. Standing financial instructions are in place to facilitate the procurement process, to ensure that services are acquired and authorised in accordance with the group's internal policies and regulatory framework. Procurement activity is subject to Mayoral Combined Authority Board oversight to assess if planned benefits are being realised.

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