

TRANSPORT FOR THE NORTH

Internal Audit Progress Report

17 February 2023

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1 Key messages

The internal audit plan for 2022/23 was approved at the February 2022 Audit and Governance Committee meeting.

This report provides an update on progress against that plan and summarises the results of our work to date.

 One audit assignment has been completed since the last Audit and Governance Committee meeting. This relates to the General Data Protection Regulation (GDPR) Governance Framework (4.22/23) review. This was an advisory report and hence a formal assurance opinion was not given, but four 'uncategorised' management actions were agreed with management. [\[To discuss and note\]](#)

 We are also presenting our annual plan of proposed audit areas for 2023/24. [\[To discuss and note\]](#)

 No changes have been made to the internal audit plan 2022/23 since the last Audit and Governance Committee meeting. [\[To note\]](#)

2 Reports

2.1 Summary of final report being presented to this committee meeting

This section summarises the report that has been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		L	M	H
<p>General Data Protection Regulation (GDPR) Governance Framework (4.22/23)</p> <p>We were commissioned by TfN to undertake an assignment which considers GDPR current data governance processes, procedures and controls at a high level.</p> <p>Our assignment report is a factual report and we do not provide a level of assurance, or internal audit opinion, and the assignment report should not be taken to provide such. We confirmed that TfN has some elements of a data governance framework in place. However, we have raised a four management actions which will assist in improving and embedding the current framework.</p>	Advisory			Four 'uncategorised' management actions raised

2.2 Themes arising from control observations in 2022/23 reports

	Advisory	Low	Medium	High
Planning	0	0	0	0
Policies and / or procedures	0	0	0	0
Non-compliance with policies / procedures	0	0	0	0
Design of the control framework	4	0	1	0
Training / awareness for staff	0	0	0	0
Management or performance information	0	0	0	0
Lack of segregation of duties	0	0	0	0
Poor record keeping	0	1	0	0
Risk Management	0	0	0	0
Governance weaknesses	0	2	0	0
Information technology	0	0	0	0
Management actions from previous audit reports	0	0	1	1
Total	4	3	2	1

No arising themes have been detected through our work conducted at this time. Themes will continue to be analysed throughout 2022/23 following the completion of each audit assignment.

Appendix A – Progress against the internal audit plan 2022/23

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target Audit and Governance Committee (as per IA plan 2022/23)	Actual Audit and Governance Committee
		L	M	H		
Follow Up (1.22/23)	Reasonable Progress	19 of 21 actions completed			June 2022	June 2022
Payroll (2.22/23)	Substantial Assurance	0	0	0	November 2022	September 2022
Risk Maturity Review (3.22/23)	Advisory	3	1	0	November 2022	November 2022
General Data Protection Regulation Arrangements (4.22/23)	Advisory	Four 'uncategorised' management actions raised			February 2023	February 2023
Project Management Arrangements)	Debrief completed 27 January 2023/ Draft report to be issued shortly				February 2023*	n/a
Equality, Diversity and Inclusion Framework (5.22/23)	Draft report issued				February 2023*	n/a

* The fieldwork for the Project Management Arrangements and Equality, Diversity and Inclusion Framework audits commenced in December 2022 and continued in January 2023 to accommodate the Christmas period and TfN staff availability.

Appendix B – Other matters

On-going liaison and internal audit plan 2022/23

The internal audit plan 2022/23 and three year strategy were approved at the February 2022 Audit and Governance Committee meeting. Ongoing liaison has taken place between RSM and the Interim Finance Director throughout the year to discuss progress against the internal audit plan. Our Internal Audit Plan for 2023/24 is included under a separate agenda item.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit, we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department. This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

Updates and briefings

Since the last Group Audit and Governance Committee meeting, we have issued the following:

- We have shared with management details regarding the following events:
 - Invitation to the Future of Finance webinar, on the role of finance in leading a data and analytics strategy (held on 16 November 2022);
 - National Minimum Wage event, held on 30 November 2022;
 - NEDs as mentors to the Board, that will take place on 25 January 2023; and
 - RSM and CIPFA Public Procurement webinar, held on 30 January 2023.
- Autumn Statement (November 2022);
- Employment Matters (November 2022) <https://www.rsmuk.com/ideas-and-insights/employment-matters>;
- Counter Fraud – Secondary Employment Risk Spotlight (November 2022);
- Review of 2021/22 internal audit high priority management actions (December 2022).
- The Real Economy Business Resilience – Lead generation opportunities (December 2022);
- RSM Emerging Risk Radar (December 2022); and
- Procurement and Contract Management newsletter (January 2023).



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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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