

TRANSPORT FOR THE NORTH

Internal Audit Progress Report

15 December 2023

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1 Key messages

The internal audit plan for 2023/24 was approved at the February 2023 Audit and Governance Committee meeting.

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



Fieldwork dates have been agreed for the remaining internal audit reviews for 2023/24. Scoping meetings to discuss the focus of these reviews are currently taking place.

For two reviews we have recently concluded their fieldwork, these relate to our Staff Mental Health and Wellbeing and IT: Security Review audits. See Appendix A for further details. [\[To note\]](#)



One change has been made to the internal audit plan 2023/24 since the last Audit and Governance Committee meeting This is outlined in Appendix A below. [\[To note\]](#)



We have shared with management several briefings and invites. These are outlined in Appendix B below. [\[To note\]](#)

2.1 Themes arising from control observations in 2023/24 reports

	2022/23	Advisory	Low	Medium	High
Planning	0	0	0	0	0
Policies and / or procedures	3	0	1	0	0
Non-compliance with policies / procedures	1	0	1	1	0
Design of the control framework	10	0	0	0	0
Training / awareness for staff	0	0	0	0	0
Management or performance information	2	0	0	0	0
Lack of segregation of duties	0	0	0	0	0
Poor record keeping	1	0	0	0	0
Risk Management	0	0	0	0	0
Governance weaknesses	3	0	0	0	0
Information technology	0	0	0	0	0
Management actions from previous audit reports	2	0	1	0	0
Total	22	0	3	1	0

No arising themes have been detected through our work conducted at this time. Themes will continue to be analysed throughout 2023/24 following the completion of each audit assignment.

Appendix A – Progress against the internal audit plan 2023/24

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target Audit and Governance Committee (as per IA plan 2023/24)	Actual Audit and Governance Committee
		L	M	H		
IT and Remote Working Asset Management (1.23/24)	Reasonable Assurance	2	1	0	July 2023	July 2023
Follow Up (2.23/24)	Good Progress	12 of 13 actions completed			July 2023	July 2023
Staff Mental Health and Wellbeing	Fieldwork Complete	-	-	-	November 2023 (revised February 2024)	-
IT: Security Review	Fieldwork Complete	-	-	-	November 2023 (revised February 2024)	-
Performance Management and Appraisals	Due to commence 29 January 2024	-	-	-	February 2024 (revised July 2024)	-
Value for Money*	Due to commence 12 February 2024	-	-	-	July 2024	-

*Dates for our Value for Money review were amended as TfN has a new Head of Procurement in post.



Appendix B – other matters

On-going liaison and changes to the internal audit plan 2023/24

The internal audit plan 2023/24 and three year strategy were approved at the February 2023 Audit and Governance Committee meeting. Ongoing liaison has taken place between RSM and the Finance Director throughout the year to discuss progress against the internal audit plan.

RSM's Alex Hire also met with TfN's Finance Director and Risk Manager on 15 September 2023 to discussing timings for the remaining audits in the internal audit plan 2023/24. With these changes, there has been a requirement to revisit the timings of presentation to the Committee.

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:
 - Employment Matters Webinar, held on 18 October 2023; and
 - Post-Budget webinar, held on 22 November 2023;

We have also shared the following briefings:

- National Minimum Wage ('NMW') Risk Area Flyer (July 2023);
- RSM Emerging Risk Radar (July 2023); and
- Autumn Budget 2023 (October 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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