



TRANSPORT FOR THE NORTH

TfN Offer

Final Internal Audit Report: 4.24/25

7 November 2024

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AUDIT OUTCOME OVERVIEW





In line with our scope, included at Appendix C, the overview of our findings is detailed below.

Conclusion: Embedded procedures and mechanisms for the provision and management of TfN Offer requests were identified throughout the course of this review. In doing so, we have identified that a Project Initiation Document (PID) was approved by the Strategy Director and Deputy Chief Executive which outlines project remit within the parameters of the Department for Transport (DfT) additional funding, and process flow maps have been implemented to guide the Offer process. In addition, TfN Offer updates and lessons learnt have been reported to Operational Business Team (OBT) and Executive Board on an ad hoc basis.

However, we acknowledge that TfN is on a longer term transformational journey in relation to the management of TfN Offer requests. Specifically, through our sample testing on 10 Offer requests completed since September 2023, we have noted that the design of the control framework could be further enhanced in relation to the management of silver requests and increased central oversight on request delivery. Two 'medium' priority management actions have been raised in this area.

Through inspection of evidence and in discussions with management, we also recognise that work is ongoing in relation to formalising TfN reporting requirements. However, we noted that the performance information captured by the Strategy, Policy and Research Team and reported to Senior Management Team (SMT) and Executive Board could be strengthened as part of determining reporting requirements. A further two 'low' priority management actions have been raised in this area.

Internal audit opinion:

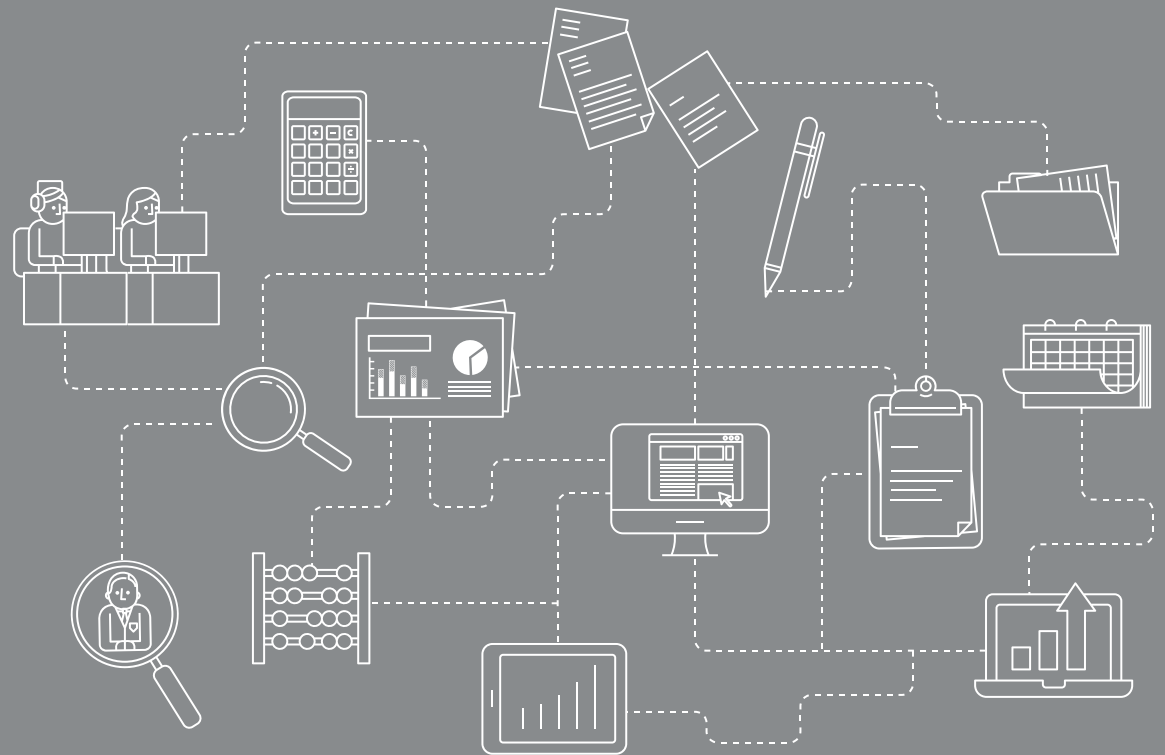
				<p>Taking account of the issues identified, the Board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p> <p>However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk.</p>
Minimal Assurance	Partial Assurance	Reasonable Assurance	Substantial Assurance	

Audit themes:

- The design of the control framework could be enhanced by defining a minimum standard for the management and delivery of silver level requests, as well as implementing a central repository for storing key elements of the TfN Offer process (such as Director sign-off and the Quality Assurance (QA) review process).
- Whilst lessons learnt have been identified and reported since roll-out in September 2023, a TfN Offer survey has been drafted to obtain feedback from Local Transport Authorities. Following Director sign-off (expected November 2024), management will roll out the survey on a continual basis to identify areas for improvement. As management are progressing this area forward, a management action was not required in this area.
- The Local Transport Plan (LTP) Support Request tracker does not capture the date which requests were fulfilled or rejected.
- The details included within the TfN Offer reporting to OBT and Executive Board has been inconsistently reported. In addition, we did not evidence any reporting to SMT.

Summary of Actions for Management

01



SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

High

Immediate management attention is necessary.

Medium

Timely management attention is necessary.

Low

There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	Management will determine and document minimum standards for the management of silver level requests dependent on requirements. Minimum standards will be inclusive of audit trail requirements for director sign-off and documented QA process. Once documented, minimum standards will be complied with in practice.	Medium	Chris Storey, Service Manager	31 December 2024
2	A central repository will be implemented which will store key parts of the TfN Offer process (such as stakeholder correspondence, Director sign-off and confirmation of completion of the Offer). As part of this process, the Policy Owner will cross-reference and confirm all relevant documents/evidence is held within the central repository prior to confirming completion on the LTP Support Request tracker (or equivalent).	Medium	Rachel Ford, Head of Strategy, Policy and Research	31 December 2024
3	The LTP Support Request tracker (or equivalent) will be updated to capture the date that the request was completed or rejected.	Low	Rachel Ford, Head of Strategy, Policy and Research	31 December 2024
4	As planned by management, senior management and Board TfN Offer reporting requirements will be formalised. As part of this process, consideration will be made in relation to reporting upon the following: <ul style="list-style-type: none"> TfN Offer performance; TfN Offer impact; Resource constraints; Lessons learnt; and Data analysis. 	Low	Rachel Ford, Head of Strategy, Policy and Research	31 March 2025

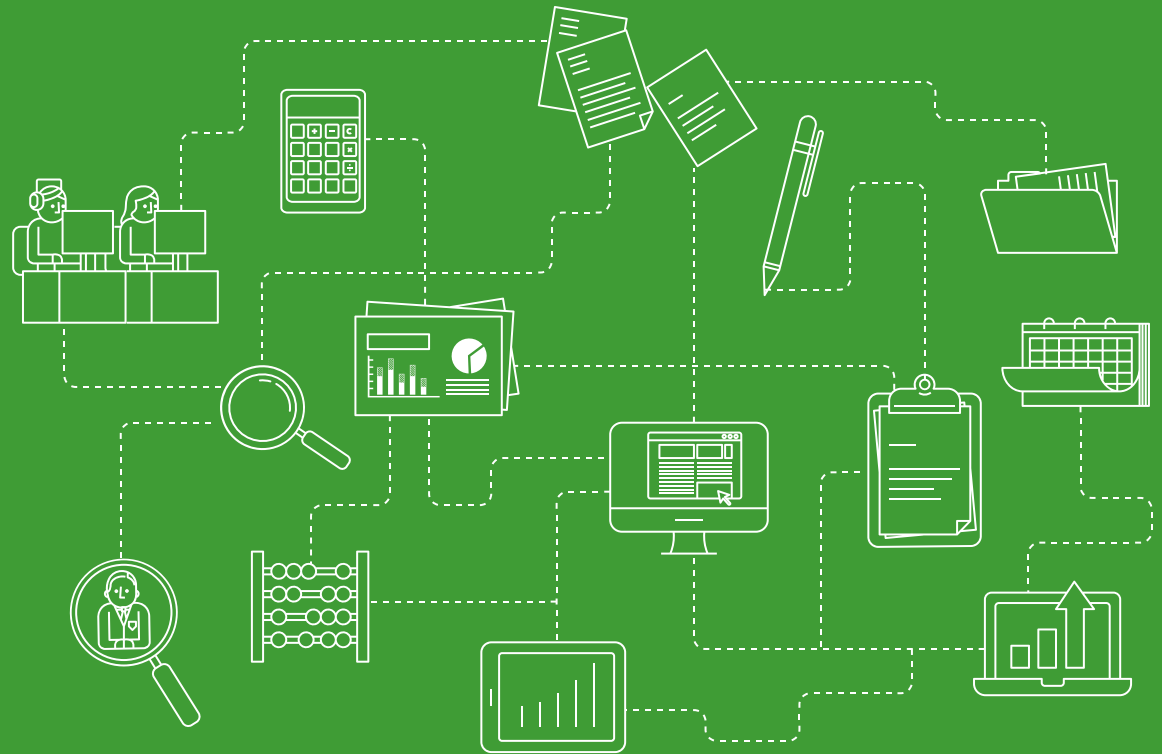
* Refer to Appendix B for more detail

Ref	Action	Priority	Responsible Owner	Date
	Once formalised, reporting will be complied with in practice.			

* Refer to Appendix B for more detail

Detailed Findings and Actions

02



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 audit testing undertaken.

Background / Why we did the audit

Transport for the North ('TfN') second Strategic Transport Plan (STP) outlines how increased connectivity across the North can transform economic performance and realise opportunities for people, businesses and communities. Successful delivery of the STP is achieved through a collective effort nationally, regionally and locally to unlock effective transport planning.

As a Sub-national Transport Body (STB), TfN can support Local Transport Authorities (LTA) in their planning and development of transport strategies and potential solutions. In September 2023, the TfN Offer was published setting out how the data, evidence, tools, and advice available can support LTAs with the development and implementation of their Local Transport Plans (LTPs).

The TfN Offer Brochure was developed by the Strategy, Policy and Research Team and TfN Executives in consultation with national partners. The Brochure outlines three different Offer levels to classify and manage Offer requests:

- Bronze - 'Off the shelf' evidence and tools, available on the website or data that can be made available;
- Silver - General advice/guidance/training on the application of tools, as well as topic specific regional partner engagement/facilitation; and
- Gold - Bespoke advice and/or support using tools/evidence.

The TfN Offer process is managed within the Strategy, Policy and Research Team, with the requests fulfilled by the Technical Assurance, Modelling and Economics (TAME) function. The Policy and Strategy Officer is responsible for the overseeing the triage process, working with the relevant TAME colleagues, which is completed for each request. The triage process includes a review of timescales, and assessment of the effort/output required to complete the request and how it aligns with the objectives of TfN. The TAME team have led on the development of the processes, maintaining the tracking process and delivering the requests for LTAs and MCAs.

As per the 'Priorities to Inform Business Planning' report presented to the TfN Board in September 2024, the following number of requests have been received and completed by TfN since September 2023 (when the Brochure was issued) to August 2024:

	Fulfilled	In Progress	Unfulfilled	Total
Bronze	51	6	7	64
Silver	21	4	10	35
Gold	1	0	5	7
Total	73	10	22	105

The purpose of our review was to consider how TfN has developed the Offer to support local partners in developing their LTPs. We have considered how TfN prioritises, delivers, measures and monitors against the Offer.

Area: 1. Assessment and approval of Offer requests

Control	As defined within the process flows, Offer requests are assessed by the Strategy, Policy and Research Team, TAME team and relevant business unit, and approved by a Director in line with the request level (bronze, silver and gold), as well as workflow and resource requirements.	Assessment:	
		Design	Partial
		Compliance	N/A

Findings / Implications

Requests are managed on a case-by-case basis dependent on a range of requirements. For example:

- Silver and gold requests require Director sign-off;
- Written advice, such as review of a business case (as opposed to attendance at events / run through of existing systems and data) require independent review as part of the Quality Assurance (QA) process; and
- Project documentation may be required for gold requests / requests that require TfN to customise its Offering.

For the same sample of 10 TfN Offer requests taken from the LTP Support Request tracker, we completed testing to confirm Offer requests were assessed and approved in line with the process maps. Specifically, we have assessed whether requests were managed in line with the request level (bronze, silver and gold), as well as workflow and resource requirements. The sample is made up of three bronze requests, five silver requests and two gold requests. Testing identified the following exceptions:

- In 3/5 cases relating to silver requests, Director approval was not captured. These cases related to the following:
 - In 2/3 cases we were informed by management that the requests did not require Director approval due to the nature of the request. In these cases, meetings were arranged with the local authorities to run-through the use of a TfN pre-existing tools, and Technical, Assurance, Modelling and Economics (TAME) provided data / answered a query in relation to projected number of residential charge points; and
 - In 1/3 cases, Director sign-off was not documented. This case related to providing feedback on a scope of a transport plan. However, we confirmed that a QA process was completed and documented prior to completion.

As part of the lesson learnt from the TfN Offer roll-out, in April 2024 the TAME Service Manager designed an LTA Requests Silver Offer tracker which captures the key elements of the management and completion of silver Offers. This is inclusive of Director sign-off at inception, review and advice, QA and director approval for advice. However, at the time of our review, only one silver request had been fully managed utilising the tracker, which is not inclusive of the review of the transport plan case within our sample where Director sign-off was not captured. This request was completed in August 2024. In addition, the LTP Support Request tracker does include a 'sign off by' section, however this has been completed inconsistently within the tracker.

Through conversations with management we appreciate that different silver requests require different levels of management. For example, the level of scrutiny and oversight required to provide bespoke feedback on a transport plan may be different to providing advice on the utilisation of TfN data and answering queries. However, where a minimum standard for the management of silver requests are not defined, there is a risk that silver Offer

Area: 1. Assessment and approval of Offer requests

requests are managed in an inconsistent manner, including sufficient oversight. As part of the minimum standards, management should determine audit trail requirements regarding Director sign-off and documented QA process as part of delivery requirements.

Management Action 1	Management will determine and document minimum standards for the management of silver level requests dependent on requirements. Minimum standards will be inclusive of audit trail requirements for director sign-off and documented QA process. Once documented, minimum standards will be complied with in practice.	Responsible Owner: Chris Storey, Service Manager	Date: 31 December 2024	Priority: Medium
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Area 2. Monitoring and measurement of delivery and support

Control	The scope of work and monitoring requirements differ dependent on the request level (bronze, silver and gold), as well as workflow and resource requirements. Since April 2024, the TAME Service Manager has developed a LTA Requests Silver Offer tracker captures responsible owners and monitors completion on an Offer-by-Offer basis. Due to the nature of requests, completion of bronze Offers are managed and recorded as complete on the LTP Support Request tracker (which captures completion of all requests).	Assessment:	
		Design	Partial
		Compliance	N/A

Findings / Implications	For the same sample of 10 Offer requests taken from the LTP Support Request tracker, we completed testing to confirm whether requests were managed and monitored in line with the process maps and request requirements. Specifically, we completed testing to confirm evidence is in place to demonstrate the completion of requests which aligns to the LTP Support Request tracker. Testing identified the following exceptions: <ul style="list-style-type: none"> In 2/10 cases, the 'date of request' recorded within the tracker did not align to the date of request identified via review of email trails. We were informed by management that the Policy and Strategy Officer has a two-week reminder to update the tracker, and recorded the date of the meeting as opposed to the date of request; and In 1/10 cases for a gold request which was not fulfilled, a formal response regarding the level of support TfN could provide was sent to the local authority on the 6 December 2023 which was aligned with the bronze Offer with limited advice on the data. However, we were informed by management that the local authority declined the revised support, however evidence was not provided to demonstrate that support was declined as part of our testing.
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Whilst the Principle Developer, Service Manager and Policy and Strategy Officer are responsible for managing the TfN Offer process, key resources are leveraged throughout TfN dependent on the type of request. Therefore, as evidenced as part of our testing, key correspondence and output in relation to the completion of the request is stored locally with Offer leads. Where key elements of the TfN Offer process (such as stakeholder correspondence, sign-off and confirmation of completion of the Offer) is not held centrally, there is a risk that management do not have timely accessibility of key documents. The introduction of a central repository would support with continuity planning in the event that an Offer lead would leave the organisation or have a period of absence.

In addition, as outlined above, in one case management could not provide the full audit trail, and two cases whereby the date of request did not align

Area 2. Monitoring and measurement of delivery and support

to the underpinning evidence. Storing documents centrally will support with the accurate completion of the tracker and case management and oversight. A management action has been raised in this area.

Further, we appreciate that timescales for completing requests are agreed with the local authority on a per-request basis. For our sample of 10 requests, our testing identified that on average silver requests were completed within 30 days. However, the LTP Support Request tracker does not capture the date that the request was fulfilled. In the absence of capturing the date of completion, key performance information in relation to the timescales taken to complete requests are not documented which can be utilised for future decision-making.

<p>Management Action 2</p>	<p>A central repository will be implemented which will store key parts of the TfN Offer process (such as stakeholder correspondence, Director sign-off and confirmation of completion of the Offer).</p> <p>As part of this process, the Policy Owner will cross-reference and confirm all relevant documents/evidence is held within the central repository prior to confirming completion on the LTP Support Request tracker (or equivalent).</p>	<p>Responsible Owner: Rachel Ford, Head of Strategy, Policy and Research</p>	<p>Date: 31 December 2024</p>	<p>Priority: Medium</p>
<p>Management Action 3</p>	<p>The LTP Support Request tracker (or equivalent) will be updated to capture the date that the request was completed or rejected.</p>	<p>Responsible Owner: Rachel Ford, Head of Strategy, Policy and Research</p>	<p>Date: 31 December 2024</p>	<p>Priority: Low</p>

Area: 3. Monitoring and Reporting - Senior Management Team

<p>Control</p>	<p>Monitoring and reporting to the Senior Management Team (SMT) and Operational Business Team (OBT) is currently ad hoc.</p>	<p>Assessment:</p>	
		<p>Design</p>	<p>Partial</p>
		<p>Compliance</p>	<p>N/A</p>

Findings / Implications We were informed by the Head of Strategy, Policy and Research that following development of the TfN Offer Brochure in September 2023, reporting to senior leadership (via SMT and OBT) in relation to TfN Offer updates has been ad hoc and informal. For example, a TfN Offer update was presented to OBT in April 2024, and periodic updates have been presented within wider business planning reporting, however the specific updates provided have not been consistent. This is, in part, consistent with the TfN Offer updates reported to the Board within the last year.

Therefore, we were informed that management are planning to introduce monthly TfN Offer update reports to SMT. These have not previously been

Area: 3. Monitoring and Reporting - Senior Management Team

introduced as TfN is still in the process of formalising TfN Offer procedures and performance reporting requirements.

As identified through the review of TfN Offer updates reported through the governance structure, management must determine and formalise senior management and Board reporting requirements. As part of this process, consideration should be made in relation to reporting upon the following:

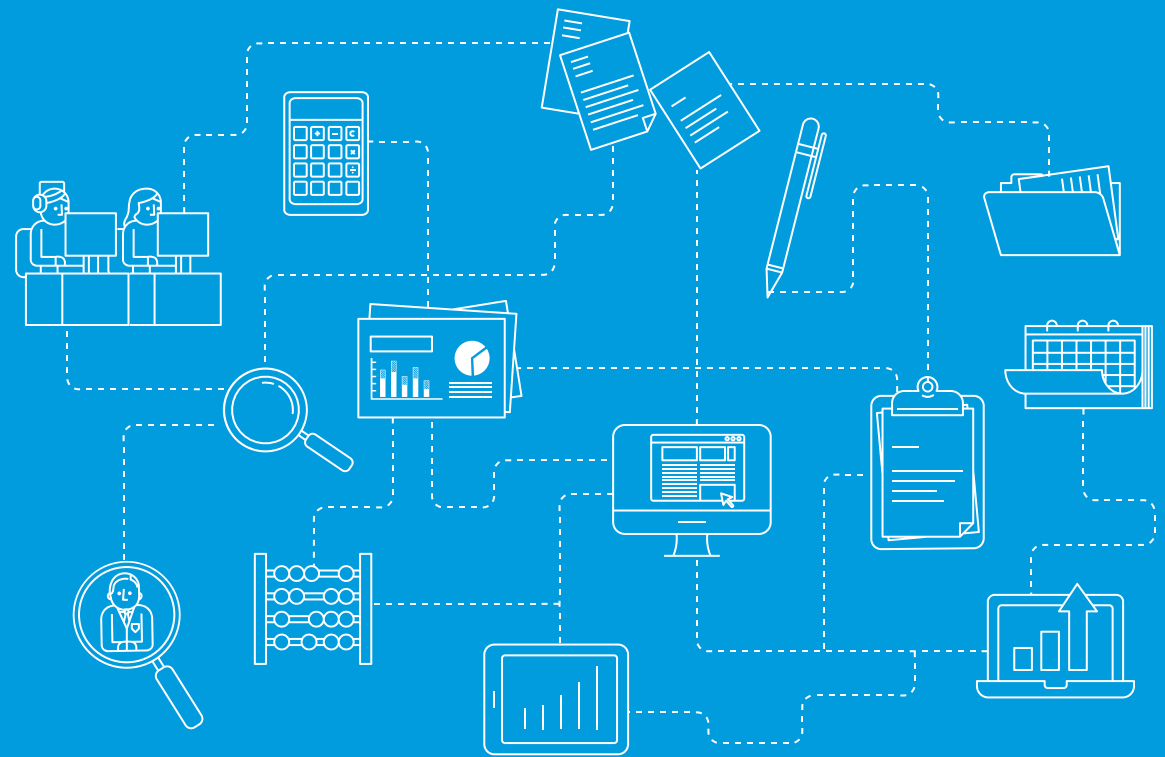
- TfN Offer performance (such as the completion of Offer requests and time taken to complete the request);
- TfN Offer impact (such as estimated cost savings);
- Resource constraints (such as technology);
- Lessons learnt; and
- Data analysis (such as trending in number and types of requests (classifications), geographical trends, rationale for requests and reasons for rejecting requests).

Overall, we appreciate that TfN is on a longer-term journey in relation to the management of the TfN Offer, as detailed within the Project Initiation Document (PID). In addition, as part of this review we have confirmed that regular updates have been presented to the Board in relation to the TfN Offer roll-out and performance. However, we have raised a management action to support management in strengthening the control framework this area.

Management Action 4	<p>As planned by management, senior management and Board TfN Offer reporting requirements will be formalised. As part of this process, consideration will be made in relation to reporting upon the following:</p> <ul style="list-style-type: none"> • TfN Offer performance; • TfN Offer impact; • Resource constraints; • Lessons learnt; and • Data analysis. <p>Once formalised, reporting will be complied with in practice.</p>	<p>Responsible Owner: Rachel Ford, Head of Strategy, Policy and Research</p>	<p>Date: 31 March 2025</p>	<p>Priority: Low</p>
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Appendices

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APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Low

There is scope for enhancing control or improving efficiency.

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.

Risk	Control design not effective*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
<i>Mismatch between the TfN Offer and what resources TfN currently have in place.</i>	3 (10)	1 (10)	2	2	0
		Total	2	2	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.

APPENDIX C: 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 risk and objective:

Objective of the risk under review	Risks relevant to the scope of the review	Risk source
This review will consider how TfN has developed their Offer to support our local partners in developing their Local Transport Plans. We will consider how TfN prioritises, delivers, measures and monitors against this Offer.	Mismatch between the TfN Offer and what resources TfN currently have in place.	Corporate risk register

When planning the audit, the following were agreed:

Areas for consideration:

TfN has developed its 'Offer' to support local partners with transport planning and launched the initial Offer to local transport authorities (LTAs) in September 2023 to utilise TfN's broad strategy and policy work, as well as their Analytical Framework. Our review will focus on the framework in place to deliver the TfN Offer, including the following areas:

- Processes for prioritising requests and approval;
- Assessment of and approval of requirements;
- Monitoring and measurement of delivery and support;
- Plans for lessons learnt with LTAs and how these have been documented, shared and applied to future requests;
- Finance and resource budgets have been identified and are monitored appropriately;
- Reporting to the Leadership Team and the Board is undertaken on a regular basis; and
- A Grant Fund is in place which details the scope of the TfN Offer.

Limitations to the scope of the audit assignment:

- We will only review the areas detailed above, and not all aspects of TfN's business;
- The scope of the work will be limited to those areas examined in the context of the objectives set out for this review. It should not, therefore, be considered as a comprehensive review of all aspects of non-compliance that may exist now or in the future;
- We will not confirm if the TfN Offer or any requests will be delivered on budget or within agreed timescales;

- We will not comment on the appropriateness of any agreements with the Department for Transport, only whether agreements are in place;
- We will not comment on the outcome of requests or that correct decisions were made throughout the course of the request;
- We will not comment on whether all stakeholders have been identified and engaged with;
- We will not comment on the accuracy or quality of any data reported as part of requests;
- The results of our work are reliant on the quality and completeness of the information provided to us; and
- Our work will not provide an absolute assurance that material errors, loss or fraud do not exist.

Debrief held 17 October 2024
Additional information received 18 October 2024
Draft report issued 23 October 2024
Responses received 7 November 2024
Final report issued 7 November 2024

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