



# TRANSPORT FOR THE NORTH

## Internal Audit Progress Report

**Audit and Governance Committee meeting of:**

**20 September 2019**

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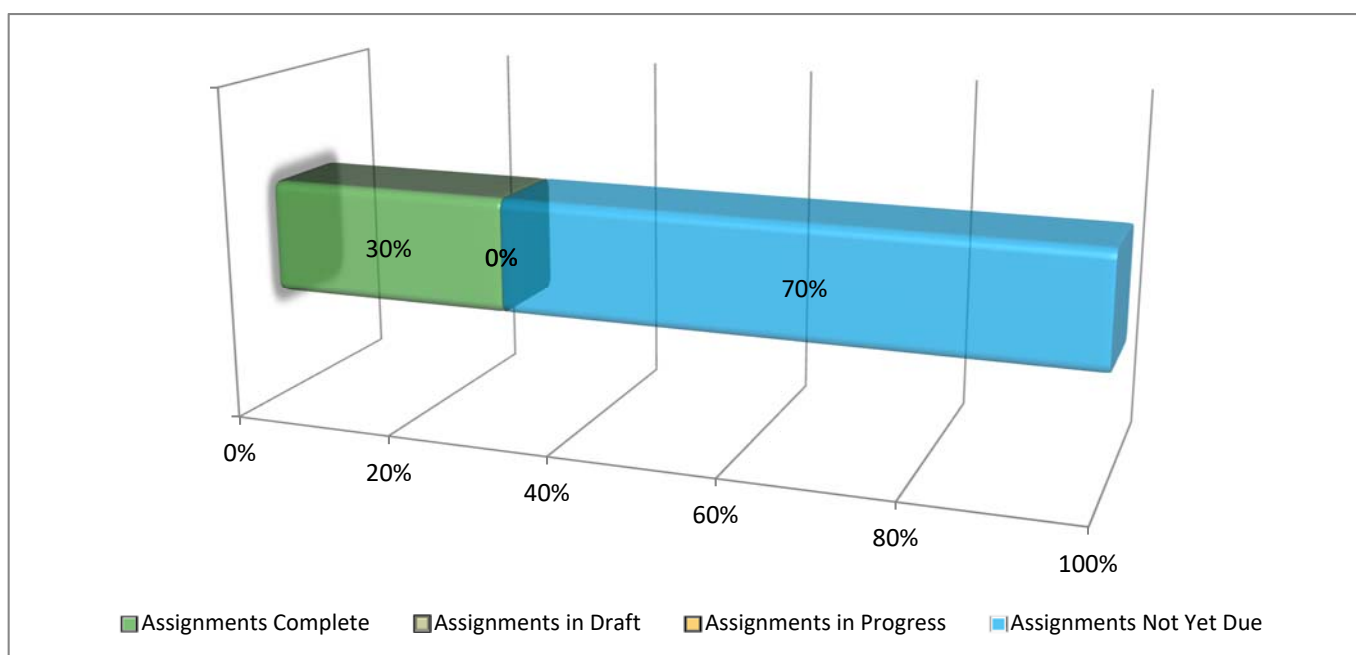


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# 1 INTRODUCTION

The internal audit plan for 2019/20 was issued and approved in March 2019. This progress report provides an update in relation to the delivery of the plan and summarises our work completed to date.




The following assignment report has been issued as a final report:

- Treasury Management Framework (3.19/20)

We have provided a summary of our findings at section 2 below.

## 2 REPORT CONSIDERED AT THIS AUDIT AND GOVERNANCE COMMITTEE

The table below provides a summary update on progress against the approved Internal Audit Plan and summarises the results of our work completed since the last Audit and Governance Committee, as well as details of work not yet due.

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
Treasury Management Framework (3.19/20)	Final		0	0	0

### 2.1 Impact of findings to date



#### Treasury Management Framework (3.19/20)

Through our review, we found that TfN compares to others in terms of the treasury management framework in place, and as a result, we have not raised any management actions for improvement. As such, a substantial assurance opinion has been given. We confirmed that TfN has appropriate control arrangements in place to manage its treasury management and cash flow monitoring function.

### 3 LOOKING AHEAD

Assignment area	Fieldwork Start Date
IT Audit – Review of SharePoint	23 September 2019 * - confirmed
Absence Management and Wellbeing	4 November 2019 - confirmed
Flexi-time	3 February 2020 – confirmed
Follow Up	3 February 2020 - confirmed
Project Assurance Framework	TBC following discussions with management and Audit and Governance Committee *
HR Policy Suite	TBC following discussions with management – rolled forward from 2018/19 plan *
Business Planning	TBC following discussions with management and Audit and Governance Committee *
Advice and Support	TBC following discussions with management and Audit and Governance Committee *

\* Please see section 4.1 below for changes to the Audit Plan.

## 4 OTHER MATTERS

### 4.1 Changes to the approved internal audit plan and on-going liaison

A meeting took place on the 30 August 2019 with Iain Craven, Finance Director, Kevin Willans, IT and Information Manager and Stephen Hipwell, Head of Human Resources. Alex Hire, Senior Manager, RSM and David Morris, Technology Assurance Director, RSM to discuss the audit plan further including timescales, scopes and those areas for consideration by the Audit and Governance Committee. In line with our Looking Ahead table, section 3 above, we propose to talk through these areas in more detail in terms of assurance and coverage with the Committee.

### 4.2 Information and Briefings

#### VAT webinar

Management were invited to our VAT webinar which took place in July 2019.

#### Employment Matters – July 2019

Our July edition, covered IR35 changes, off payroll works and the holiday season:

#### Off Payroll and IR35

Following consultation in Spring 2019, the Government has now published the draft legislation for extending and reforming the current off-payroll rules. These already apply in the public sector but are being amended and extended to the private sector from April 2020.

Users of off-payroll services need to understand, as a matter of urgency, the impact for them ahead of the change. When the rules were introduced in the public sector it took time for organisations to adapt their processes and procedures ahead of implementation and this announcement brings with it new requirements both for the public sector and for many other organisations, such as Charities and Housing Associations, not previously caught by these rules. The legislation is expected to be finalised in November 2019.


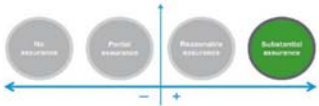
#### Employment Matters – August 2019

Our August edition, covered employee engagement, employers of casual workers, tax relief on travel and subsistence, current hot payroll topics, and the stronger enforcement of gender pay gap.

#### Fraud and Bribery

The Bribery Act 2010 has transformed the legal framework in relation to corruption and bribery in the United Kingdom and overseas by introducing new, chargeable offences. We have shared two flyers (one for Board, and one for recruitment) that outlines key considerations in relation to the Act.

## APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
Risk Management – Risk Register Deep Dive (1.19/20)	Final		2	1	0
Framework for Corporate Governance – Strategic Development Corridors Programme (2.19/20)	Final		0	0	0

## FOR FURTHER INFORMATION CONTACT

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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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