



TRANSPORT FOR THE NORTH

Annual Summary of Assignments 2019/20

**Presented at the meeting of the Audit and Governance
Committee meeting: 12 June 2020**

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1 INTRODUCTION AND SCOPE

RSM Risk Assurance Services LLP was appointed by Transport for the North (TfN) to deliver a series of internal audit assignments, addressing areas where management and/or the Audit and Governance Committee required coverage or testing to inform their decisions and knowledge of the governance, risk and control environment.

1.1 Scope of our work

These assignments are just one of the elements of Transport for the North's assurance framework and, if used properly, the results of our work can help management to inform and update the organisation's risk profile.

The purpose of this report is to provide a summary of our work delivered during the year. Our work has been planned and delivered as a series of 'agreed upon procedures', delivering reviews and testing in areas at the request of management and the Audit and Governance Committee.

This report is prepared solely for the use of the Board and senior management of Transport for the North.






This report does not provide a formal annual internal audit opinion that would accord with Public Sector Internal Audit Standards and should not be taken to provide such an opinion.

Our internal audit work for 2019/20 was completed prior to the advent of the substantial operational disruptions caused by the Covid-19 pandemic. As such our audit work and annual opinion does not reflect the situation which has arisen in the final weeks of the year. We do, however, recognise that there has been a significant impact on both the operations of the organisation and its risk profile.

The work we have undertaken during the year is set out in section 2 of this report.

2 SUMMARY OF WORK COMPLETED

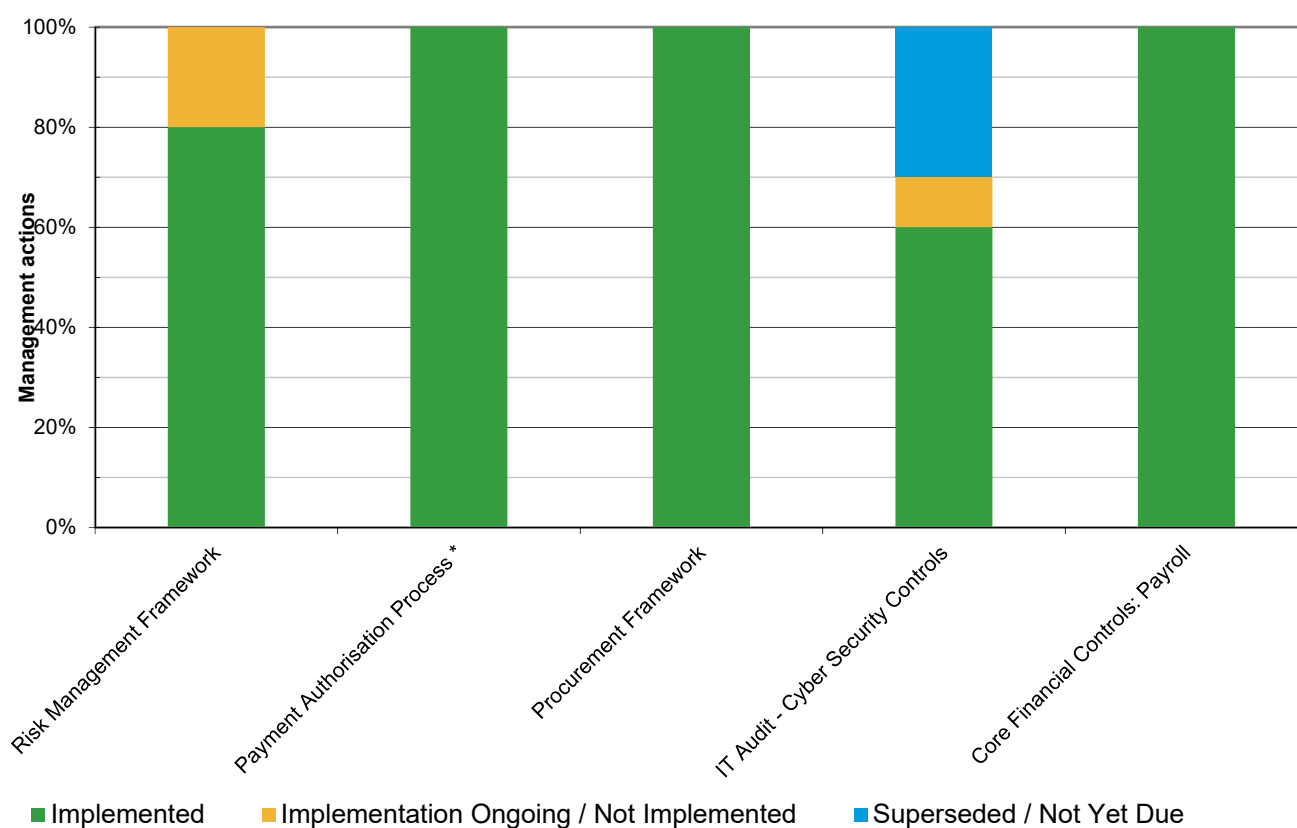
2.1 Assignments completed in 2019/20

Assignment	Opinion	Management actions agreed by priority			
		High	Medium	Low	Advisory
Risk Management – Risk Register Deep Dive (1.19/20)		0	1	2	0
Framework for Corporate Governance: Strategic Development Corridors Programme (2.19/20)		0	0	0	0
Treasury Management Framework (3.19/20)		0	0	0	0
Review of SharePoint (4.19/20)		0	2	3	0
Absence Management and Wellbeing (5.19/20)		0	1	2	0
Governance – Northern Powerhouse Rail Programme* (6.19/20)	N/A - Advisory	0	0	0	5
Follow Up (7.19/20)	Good Progress	1 medium action and 1 low categorised action were identified as being not implemented			

* The Governance – Northern Powerhouse Rail Programme review was undertaken as an addition to the 2019/20 internal audit plan.

2.2 Implementation of management actions

In January 2020, we performed a follow up review to assess the progress made by management in implementing actions agreed to address findings from our assignments in previous years. Through testing and discussions with key members of staff we confirmed that 17 of the actions had been implemented, with implementation ongoing for two actions and three actions being superseded.



3 OUR PERFORMANCE

3.1 Wider value adding delivery

As part of our client service commitment, during 2019/20 we have undertaken the following:

Area	How this has added value
Sector briefings and articles	<p>Over the past year we have issued a number of client briefings including (but not limited to):</p> <ul style="list-style-type: none">• Decoding the Charity Governance Code;• Off-Payroll and IR35;• Fraud and Bribery;• Salary Diversion Fraud Alert;• Employment Legislative Updates; and• Trust in the Boardroom.
Invitations	<p>We have hosted a number of events across the region to provide our clients with expert guidance, practical tips and insight. Management have been invited to events relating to the following:</p> <ul style="list-style-type: none">• Beyond Brexit seminar;• VAT webinar; and• Employment Matters webinars.

3.2 Performance indicators

Our performance during 2019/20 is summarised below across a range of performance indicators:

- All of our assignments were appropriately scoped in advance of the audit start date;
- In all instances we agreed an Assignment Planning Sheet with management setting out the areas for consideration;
- All of our work was debriefed with management whilst on site;
- All of our work in the year resulted in written reports which were clear and concise;
- We responded in a timely manner to management responses and finalised reports in time to meet Audit and Governance Committee deadlines;
- We were responsive to management requests in terms of telephone and email communications; and
- We have provided information on sector matters to management and the Audit and Governance Committee as appropriate during the year.

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.

Our report is prepared solely for the confidential use of Transport for the North and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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