



TRANSPORT FOR THE NORTH

Internal Audit Progress Report

Audit and Governance Committee meeting of:

22 November 2019

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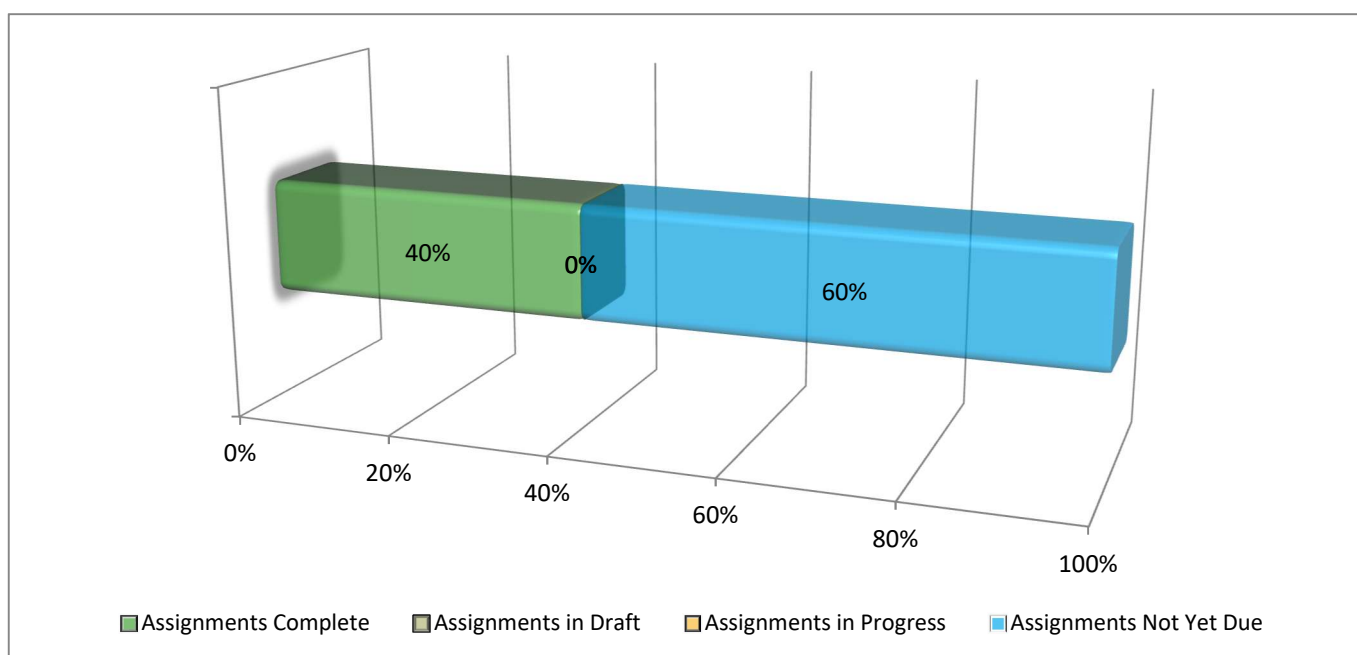


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1 INTRODUCTION

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.



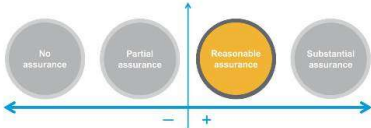
The following assignment report has been issued as a final report:

- Review of Sharepoint (4.19/20).

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

2 REPORT CONSIDERED AT THIS AUDIT AND GOVERNANCE COMMITTEE

The table below summarises the results of our work completed since the last Audit and Governance Committee meeting:

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
Review of Sharepoint (4.19/20)	Final		3	2	0

2.1 Impact of findings to date



Review of Sharepoint (4.19/20)

The audit has highlighted that some control improvements are required with a view to enhancing and strengthening the control framework. Two medium priority management actions and three low priority management actions have been raised for consideration by Management. Our medium priority management actions relate to the creation of sites and external access and the monitoring of user access to a site and removal when no longer required.

3 LOOKING AHEAD

Assignment area	Fieldwork status
Absence Management and Wellbeing	Fieldwork completed. Draft report to be issued shortly.
Governance - Northern Powerhouse Rail programme	Fieldwork in progress. See section 4 below.
Flexi-time	3 February 2020 – confirmed
Follow Up	3 February 2020 - confirmed
HR Policy Suite/Business Planning/Advice and Support	TBC following discussions with management and completion of the Governance review.

4 OTHER MATTERS

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

At the request of the Audit and Governance Committee, we have recently undertaken an advisory review of the governance arrangements relating to the Northern Powerhouse Rail programme (the fieldwork for this review was undertaken in the week commencing 4 November 2019). This review has been undertaken as an addition to the approved 2019/20 internal audit plan.

The report for this review is currently in the process of being finalised through consultation with TfN management and contacts in the RSM Consultancy Team. Whilst the outcomes of our review have not been finalised at this stage, observations were made during the review regarding the completeness and accuracy of some of the documents that support the NPR governance framework. Full details of the findings of this review will be included in the final audit report, which will be presented at the next Audit and Governance Committee meeting.

4.2 Information and Briefings

Salary Diversion Fraud Alert

We have recently come across a number of instances where there has been targeted effort by fraudsters regarding self-service functionality for employees. We have issued a guide which includes actions to proactively monitor this, what to do if a change in bank account has occurred, and actions for employees to take.

Trust in the Boardroom

With Boardrooms increasingly in the spotlight - effective corporate governance should be used as a passport to success to earn the trust of stakeholders and secure a more sustainable future.

We have issued a publication which covers the following four key areas:

- Compliance;
- Behaviour and Skills;
- Impact; and
- Transparency.


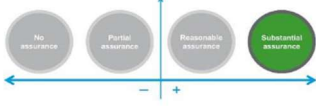

This includes a self-assessment document.

Employment Legislative Update – October 2019

Our October edition covers the following:

- Key points for employers to recognise following the amendment to The Employment Rights Act 1996
- Part-year / flexible working –ACAS holiday pay calculation risk holiday pay liabilities
- Holiday pay –are you making an expensive mistake?
- Off-payroll working –what is the impact of the small companies accounting regime?
- 75th Anniversary of VE Day moves the Spring bank holiday in 2020
- Planning ahead for the Christmas get together –Jingle bells, not alarm bells

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
Treasury Management Framework (3.19/20)	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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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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