



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Draft Annual Internal Audit Report 2023/24

30 May 2024

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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THE DRAFT ANNUAL INTERNAL AUDIT OPINION

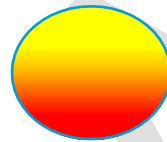
This report provides a draft annual internal audit opinion, based upon, and limited to the work performed to date, on the overall adequacy and effectiveness of the organisation's risk management, control, and governance processes. The draft opinion should contribute to the organisation's annual governance reporting.

The Opinion

For the 12 months ended 31 March 2024, the Head of Internal Audit Opinion for Cambridgeshire and Peterborough Combined Authority is as follows:

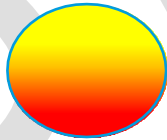
Risk Management:

— There are weaknesses in the framework of risk management, such that it could become, inadequate and ineffective.



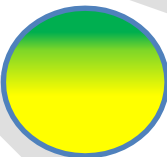
Governance:

— There are weaknesses in the framework of governance, such that it could become, inadequate and ineffective.



Internal Control:

+ The organisation has an adequate and effective framework for internal control. However, our work has identified further enhancements to the framework of internal control to ensure that it remains adequate and effective.



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

We note that whilst the opinion above is negative, significant and positive progress has been made in a number of areas in relation to strengthening the governance, risk management and internal control arrangements at the Authority.

The Authority needs to continue focussing on further embedding a number of the enhancements made and continue to implement agreed management actions and improvement plan actions and ensure that the momentum of the progress made in recent months is continued.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.

Scope and limitations of our work

The formation of our draft opinion is achieved through a risk-based plan of work, agreed with management, and approved by the Audit and Governance Committee, our draft opinion is subject to inherent limitations, as detailed below:

- Internal Audit has not reviewed all risks and assurances relating to the organisation;
- the draft opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS);
- the draft opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management:
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance; and
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR DRAFT OPINION

Risk Management

We have relied upon our cumulative knowledge of the Authority's risk management arrangements and drawn upon our attendance at the Audit and Governance Committee throughout 2023/24, where we have observed risk registers being presented and discussed, and key strategic risks being discussed and challenged, to inform our risk management opinion. We would specifically note that the Authority needs to ensure that the content of the Corporate Risk Register is kept under regular review, discussed and updated by risk owners.

We have also undertaken an internal audit review of the Authority's **Risk Management** arrangements in 2023/24 which resulted in a positive **Reasonable Assurance** opinion for the design of the control framework, and a negative **Partial Assurance** opinion for compliance with that framework. Overall, we confirmed through our review that the Authority has made a number of improvements in the design of the control framework for managing risks, demonstrating a positive trend in developing a revised Risk Management Framework, delivery of risk management training and the implementation of risk management guidance. However, there remains a number of issues in regard to the application and compliance with the revised framework that now need to be the focus for the Authority to fully address some of the previous weaknesses identified.

We identified application and compliance weaknesses relating primarily to the content, completeness, and timeliness and comprehension of the review of the risks held in the Project, Programme, and Corporate Risk Registers. We also identified that whilst there have been notable improvements in the design of the framework, there was no formal plan in place to guide the implementation of the revised risk management approach. We included an assessment of the progress to implement previously agreed actions in these areas and identified that out of six medium priority management actions, three had been addressed and three had not yet been fully implemented. It should be noted that it has taken some time to implement some of these improvements to the design of the framework, but the focus now needs to be on the compliance with the revised risk management control framework.

Our internal audit plan is driven by and linked to strategic risks facing the Authority. One of the risk-driven reviews (subsidiary company governance) resulted in a partial (negative) assurance opinion, and an advisory review on IT Change & Project Management was also driven from a strategic risk and identified one high and four medium priority actions to address. All of the other risk driven reviews resulted in a positive opinion.

Governance

We have relied upon a number of factors when informing our Governance opinion in 2023/24.

We have undertaken an Internal Audit review of the Authority's **Improvement Plan - Governance** which resulted in a (positive) **Reasonable Assurance** opinion.

We have also undertaken a review of Subsidiary Company Governance. This audit concluded with a **Partial Assurance** (negative) opinion. The review considered the effectiveness of the governance and support arrangements in place to manage the Authority's subsidiary company, Cambridgeshire and Peterborough Business Growth Company Limited (GrowthCo). The review considered the governance approaches adopted within GrowthCo, the formation and

formalisation of roles and responsibilities, and how matters are escalated or reported through to the Combined Authority Board for due oversight, challenge, and scrutiny. We agreed one high, three medium and two low priority actions.

Best Value Notices:

Whilst outside of our direct internal audit coverage in 2023/24, we need to take into account the fact that the Authority was issued a second Best Value Notice (BVN) issued on 30 January 2024. The Department originally issued a BVN to the Authority on 24 January 2023 as a formal notification of the Department's concerns regarding the Authority and requesting that the Authority engages with the Department to provide assurance of improvement.

The latest notice acknowledges the steps the Authority has taken to address the serious issues identified at the Authority since the previous BVN in January 2023, including the Authority's constructive engagement with both the independent Improvement Board and the Department over the last 12 months. The notice recognised the progress in delivering the Authority's improvement plan, which included making permanent appointments to the senior leadership team in a robust and timely manner.

The notice further notes that although the investigation into breaches of the member code of conduct was not concluded quickly, but that it now has been and is an important milestone for the Authority. The notice states that embedding cultural change across the organisation and ensuring that it is having the desired, long-term impacts is likely to take time and will require sustained effort from both officers and, indeed, members at CPCA. Further, the Department remained concerned that, despite efforts made, more work is needed to ensure effective partnership working between all levels of the Combined Authority and its constituent authorities, to enable the area to achieve its full potential. It was also noted that, whilst the Improvement Board "continues to draw assurance from the work of the officer team within [CPCA], this needs to be matched by the actions of the [Combined Authority] Board itself."

Ministers remain concerned as to CPCA's capacity to comply with its Best Value Duty under the Local Government Act 1999. The notice went on to say that the Authority is expected to continue to improve and, specifically, to:

- Continue with the independent Improvement Board, making full use of its support and engaging with its recommendations over the next six months.
- Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.
- Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes.
- Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area that will benefit local residents, and a credible delivery strategy for progressing these. We hope that this can be achieved through consensus but, if not all stakeholders are ready to fully engage, the opportunity should be left open for them to do so when they feel ready to. This work is also important in informing CPCA's approach to further devolution.
- Continue to engage regularly with the Department at official level throughout the period of this Notice.

The notice also stated that the Department will continue to closely monitor CPCA's progress, including by looking to the Improvement Board and your external auditor for updates and assurance that the necessary changes are being made at sufficient pace.

RSM work in this area in 2023/24 - The CPCA have put an Improvement Board in place and agreed an Improvement Plan that is regularly reported on, including to the A&GC. We have undertaken three reviews focusing on specific workstreams, as outlined in our work summary below, for which we have

provided positive assurance opinions. Albeit these audits did not provide assurance as to the adequacy of the delivery frameworks created as part of the Improvement Plan or whether they were being applied in practice, nor did they provide assurance that the best value notice will be lifted.

We have further work in the 2024/25 internal audit plan that will review the forward plan and subsequent stages and iterations of the improvement plan which is focussing on the embedding of the changes implemented in the early stages of the process. From our review of key documents, our internal audit work, review of the best value notice and conversations held with the Chief Executive of the Authority and Chair of the Independent Improvement Board we can see the progress made by the Officer team in particular. We will continue to work with the Officer team, but we recognise some of the significant challenges still facing the Authority and the further work still required to ensure all element of the BVNs are addressed.

Audit and Governance Committee - We have also noted the Authority's governance arrangements by our regular attendance at the Audit and Governance Committee throughout 2023/24, where we have observed robust governance arrangements at this Committee and appropriate challenge and engagement, and discharge of the committee's terms of reference. This forum has been a particular strength in the Authority's governance arrangements in 2023/24.

Internal control

As detailed below, we have undertaken ten assurance assignments in 2023/24 that resulted in assurance opinions during the year. Of these we issued:

- One **Minimal Assurance** (negative opinion);
- Two **Partial Assurance** (negative opinion);
- A split opinion (Risk Management); a positive **Reasonable Assurance** opinion for design but a negative **Partial Assurance** opinion for compliance;
- Four **Reasonable Assurance**; (positive opinion) and
- One **Substantial Assurance** (positive opinion)

A **Reasonable Progress** opinion was also issued in regard to our **Follow Up** review. All outcomes, by audit area, are summarised below and further detail is provided in Appendix B.

Budget Setting and Budgetary Control 1.23/24 **Reasonable Assurance**

Our review found that overall, controls were well designed and complied with in practice. We did note from a positive perspective that there was significant challenge and scrutiny surrounding the formation and performance of various budgets in the 2022/23 financial year across the (Combined Authority) CA and that material variance forms were being utilised as intended. We also noted that both virements had been formally approved by Combined Authority's Board (CAB) and that figures reported throughout the CA reconciled back to source data. In addition, meeting forums reviewed evidenced that there was established budgetary control reporting and oversight over the 2022/23 budget.

We did identify some minor control weaknesses in regard to an absence of comprehensive guidance documentation to staff, and a full formally structured training programme for those involved in the 2023/24 budget processes. Furthermore, the 2023/24 budget had only just been uploaded to Agresso at the time of the audit review (June 2023) leading to an absence of financial reporting for 2023/24, an inconsistency in approach and documentation of key discussion between Finance Leads and Budget Holders during the budget setting process and a risk-based approach to review budgetary performance to facilitate effective planning for forthcoming financial years had not been applied.

Improvement Plan – Governance 2.23/24 Reasonable Assurance

We confirmed that the Improvement Plan clearly identified the outcomes and actions required to be implemented by the Governance Workstream, with owners and due dates consistently assigned. This was approved by the CPCA Board in October 2022. The outcomes and actions for the Governance Workstream were based on the findings of the external governance review completed in April 2022, whilst also incorporating the concerns of External Audit and Department for Housing, Levelling Up and Communities (DLUHC).

The progress of the Governance Workstream was monitored by a Project Group, with overdue tasks scrutinised, monthly highlight reports were being produced, and reviewed by the established governance forums with the progress of the Programme reported and scrutinised. Following Phase One of the Programme, the achievement of planned outcomes was assessed, with a reframed Plan developed covering the further concerns raised by external audit and DLUHC, whilst lessons learnt were also acted upon.

Key Financial Controls 3.23/24 Partial Assurance

General Ledger - We identified control weaknesses in regard to a lack of guidance documentation for General Ledger processes, including for the setting up and removing users, the creation, suspension, and closure of cost centres, or month-end processes such as control and bank account reconciliations. We also noted a lack of independent review and approval of new cost centres, journals, and month-end control account reconciliations and the Authority's 2023/24 SLA with PCC had not been signed.

Income and Debtors - We identified weaknesses in relation to the Authority's Finance Process and Procedure document being out of date and not reflective of the current sales invoice process in place and the absence of a formalised procedure document for chasing and managing aged debts. We also noted the Finance team were in the process of validating the level of debt (and supporting information) held in the old Sales Invoice Register. The debt outstanding was c£536k (excluding invoices to subsidiary companies), although we were not provided details of the debts and the aged debt profile at the time of the review.

Risk Management 4.23.24 Control - Reasonable Assurance, Compliance - Partial Assurance

Overall, we confirmed through our review that the Authority has made a number of improvements in the design of the control framework for managing risks, however there remained a number of issues in regard to the application and compliance with the revised framework.

Specifically, we identified application and compliance weaknesses relating primarily to the content, completeness, and timeliness and comprehension of the review of the risks held in the Project, Programme, and Corporate Risk Registers, no formal plan in place to guide the implementation of the revised risk management approach, areas for improvement regarding the recording of actions from the CMT monthly meetings and a governance point relating to the content and the need to review the Performance and Risk Meetings and Audit and Governance Terms of Reference documents.

Business Continuity Planning 5.23/24 Minimal Assurance

Throughout our review, we identified significant control issues in regard to the CA's business continuity and disaster recovery arrangements.

Specifically, we identified that CA's Business Continuity Plan, the Business Continuity Policy, Information Security Event Assessment Procedure and Serious Incident Procedure had not been subjected to formal approval, there were inconsistencies in uploads to SharePoint, the Information Security Event Assessment

Procedure only provided a framework to respond to IT events and was not a defined recovery plan, and links between the CA's plans and its local partners were yet to be established.

Additionally, the ICT Support Services Contract with Socitm did not outline the roles and responsibilities for business continuity, a dedicated business continuity and disaster recovery planning group had not been established, and communication plans had not been shared with staff. We also found that test plans did not consider multiple scenarios which could threaten business continuity, plans which had been developed had not actually been tested, training was yet to be shared with relevant stakeholders, gaps were noted in regard to the completion of Business Impact Questionnaires and Business Impact Analysis' documentation and that the Business Continuity Policy described the key role that the Emergency Planning Manager has, however the CA had not appointed an Emergency Planning Manager at the time of the review.

Project Planning and Delivery - Improvement Plan 6.23/24 Reasonable Assurance

Overall, we found that the CPCA was able to demonstrate that Workstream E of the Improvement Plan captured the key improvement themes identified and was subject to robust approval and monitoring processes. We found that key deliverables had been reported as achieved in line with the timeframes set out in the reframed Improvement Plan, whilst the organisation demonstrated collaboration with key stakeholders in the creation of frameworks designed as part of the workstream.

In a highlight report to the CPCA Board meeting in November 2023, the Project Planning & Delivery Workstream was RAG rated green by the organisation for the period up to the end of October 2023, meaning that successful delivery of the workstream in terms of cost, time and quality was highly likely. It should be noted that the frameworks will not be in operation until the following financial year and we have identified scope for improvements in relation to ensuring that the organisation has documented how it will assure itself that the new frameworks are being effectively applied in practice.

Strategic Planning 7.23.24 Reasonable Assurance

Overall, we found controls in place to be well designed and complied with in practice. The Authority had ensured appropriate engagement and consultation with stakeholders, established a robust process for review of its Corporate Strategy and is aligning this refreshed strategy with its MTFP, setting out a draft timeline and process for this refresh. The Authority had developed a Quarterly Performance Report for reporting on progress against the Corporate Strategy periodically, and can demonstrate it had developed a Performance Management Framework and Single Assurance Framework, building on requirements required as part of the Improvement Plan. We additionally found that various forums are in place that meet regularly to consider progress, or provide a forum for early engagement, and to provide assurance. However, we found that these forums lacked Terms of Reference.

We also identified weaknesses with respect to the Directorate Business Plans (DBPs) where it was found that a regular and formal process to report on progress internally had not been put embedded during 2023/24, and the plans were not consistently supported by detailed delivery plans such as Gantt charts, plans were not evidenced as approved by CMT, and some details in the plans were not fully complete. Additionally, our observation was that evidence was required to provide assurance that DBPs are signed off by Executive Directors, who must demonstrate ownership and accountability for their respective areas.

Subsidiary Company Governance 8.23/24 Partial Assurance

We identified a number of control weaknesses and agreed one high, three medium and two low priority management actions. Specifically, we identified that the Growth Co. Subsidiary Company Board did not have a Terms of Reference in place, that the Programme Management Committee (PMC) meetings had ceased

since March 2023, performance against the annual business plan was not being consistently monitored throughout the year by the PMC, and we were not provided with evidence to demonstrate the support arrangements in place for subsidiary companies.

We further noted the absence of interim governance measures to oversee subsidiary companies' activities until the establishment and operation of the new Investment Committee and that since April 2023, the Combined Authority Board had not received any updates on Growth Co.'s operations and performance for due oversight, challenge, and scrutiny which could potentially affect the winding up of the Growth Works Programme.

Procurement Workstream - Improvement Plan 9.23/24 Substantial Assurance

We confirmed through our review that the Authority had developed a reframed Improvement Plan clearly outlining the actions and outcomes required to deliver improvement within the Procurement Workstream and that the Plan had been subject to appropriate review and approval by the CA Board. Additionally, we identified that the Authority had clearly developed actions or individual tasks for the implementation of the recommendations from the PWC procurement review.

We also identified well-established and sound governance arrangements for monitoring progress and slippage against the Phase Two Improvement Plan, including the escalation of issues to senior forums and the CA Board. The Authority has completed a lesson learnt exercise to identify the lessons learnt from the completion of Phase Two of the Improvement Programme. In the Highlight Report presented to the CPCA Board in January 2024, the Procurement Workstream was RAG-rated green, indicating that as of December 2023, the delivery of the action plan and agreed outcomes were on target and within budget. We also identified that the Combined Authority has in place a Continuous Improvement Project Plan that included a specific timeline of tasks to support the embedding of the Procurement Improvements.

IT Change & Project Management - Advisory

We identified one significant control weaknesses for which we agreed a high priority action. We also agreed a further four medium and one low priority management actions. The high priority action related to a lack of no formal data migration strategy or framework for IT projects. This increases the risk of data loss, corruption, or incompatibilities during system transitions. Whilst we understand there had not been a significant amount of Data Migration IT projects in 2023/24, however, a strategy / framework is an important control to have in place when undertaking IT projects that involve data migration. We also identified a range of controls that demonstrated a strong control framework and processes in place in a number of areas.

Follow Up - The implementation of agreed management actions agreed during the course of the year are an important contributing factor when assessing the overall opinions on control. Our Follow Up review resulted in a positive outcome where we have provided an assessment that **Reasonable Progress** had been made in implementing the actions agreed.

Please note two reports are still in DRAFT (Follow Up and IT Change & Project Management).

Additional factors and findings informing our opinion - Please refer to the commentary contained above relating to the best value notice in place from 23 January 2023 – January 2024, and the new best value notice issued on 30 January 2024 and in place for 6 months until 30 July 2024.

The references to some significant Governance weaknesses and challenges at the Authority have been used to further inform our opinion, as noted in the Governance section above. We note some very good progress being made by Officers, particularly through the work we have carried out on the Improvement Plan and the updates provided to the Improvement Board and the Audit and Governance Committee against the actions agreed. However, the best value notice makes it clear that this will take time, that further work is still required to embed some of the changes made and embedding cultural change will take time and

require sustained effort from officers and members at the Authority. We would also note that whilst the Improvement Board “continues to draw assurance from the work of the officer team within [CPCA], this needs to be matched by the actions of the [Combined Authority] Board itself.”

Topics judged relevant for consideration as part of the annual governance statement.

The Combined Authority should consider including the findings from the following internal audit reviews which concluded with negative opinions or the advisory review which identified some significant issues, in the AGS, together with the actions taken and/or planned to address the control weaknesses identified from the following reviews:

- **Business Continuity (Minimal Assurance)**
- **Risk Management (Compliance - Partial Assurance)**
- **Subsidiary Company Governance (Partial Assurance)**
- **Key Financial Controls (Partial Assurance)**

In forming our draft annual opinion, we have also taken into account some of the wider governance issues that we refer to above in relation to the best value notices, that are being addressed via the Improvement Plan and Improvement Board. The Combined Authority should therefore also include the receipt of the latest Best Value Notice issued in January 2024 by the Department for Levelling Up, Housing and Communities, the Authorities response to that Notice and the work ongoing in response to both this Notice, and the previous Notice issued to the Authority in January 2023.

OUR PERFORMANCE

Wider value adding delivery.

Area of work	How has this added value?
Client Briefings	Issued briefings relating to the sector within our progress reports presented to the Audit and Governance Committee (AGC) to assist officers and committee members in being informed on the latest developments within the sector.
The NED Network	The role of the Non-Executive Director is crucial. Whilst not typically involved in the day-to-day operations of a firm, they should be influencing policy, culture and accountability. RSM launched The NED network to help non-executive directors stay abreast of key issues, networking with peers and share ideas. Non-executive directors are invited to join free of charge. We have delivered an annual programme of events, along with supporting insights, articles and blogs.
RSM's Emerging Risk Radar	We provided our latest Emerging Risk Radar, which analyses the responses from board members and professional advisors in relation to emerging events or threats that could impact a business either negatively or positively.
Webinar invitations	Various invitations have been sent to management to attend webinars to inform of any sector and wider sector updates.
Audit and Governance Committee attendance	We have attended all AGCs and contributed to the wider agenda, providing advice, guidance and challenge as appropriate.
Communication	We have held scheduled monthly calls with the Deputy Chief Finance Officer, and numerous ad hoc calls as required with the Executive Director for Resource and Performance and other Directors.
Best practice	Shared best practice across the sector through the management actions we have agreed as part of our work.
Specialist expertise	We have provided specialist support through the audit plan as required including the IT Change & Project Management review.
Sector experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the local government sector to provide areas for consideration.
Ad hoc reviews	We have responded to requests to undertake additional ad hoc reviews and allocated the appropriate level of skill or expertise to each assignment.

Conflicts of interest

During 2023/24 we have completed several reviews of grant funding received by the Combined Authority as part of the requirements of the Authority to confirm to funding providers that expenditure has been appropriate in line with the terms of the grants. We were also requested to undertake some risk management support and training and work in regard to the administration of devolved Adult Education Budget funding.

All this work was undertaken via separate letters of engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We have considered as part of all of these additional engagements the safeguards required to be in place and are satisfied that these have been met. When asked to undertake any additional roles / responsibilities outside of the internal audit programme, the Head of Internal Audit has discussed these areas with the Executive Director for Resource and Performance and highlighted any potential or perceived impairment to our independence and objectivity. We have also reminded the Executive Director for Resource and Performance of the safeguards we have put in place to limit impairments to independence and objectivity and how these continue to be managed.

RSM has not therefore undertaken any work or activity during 2023/2024 that would lead us to declare any conflict of interest.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

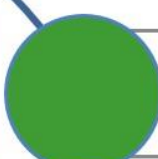
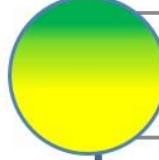

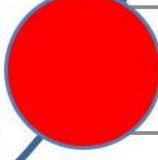
Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework 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 are used to inform the training needs of our audit teams.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"> • inherent risk in the area being audited; • limitations in the individual audit assignments; • the adequacy and effectiveness of the risk management and / or governance control framework; • the impact of weakness identified; • the level of risk exposure; and • the response to management actions raised and timeliness of actions taken.
<p>+</p>  <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p>	
<p>-</p>  <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p>	
 <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2023/24

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Business Continuity Planning 5.23/24	Head of Programme Management Office	Minimal Assurance [●]	4	6	4
Key Financial Controls 3.23/24	Assistant Director of Finance	Partial Assurance [●]	4	5	1
Subsidiary Company Governance 8.23/24	Executive Director for Resource and Performance	Partial Assurance [●]	2	3	1
Risk Management 4.23/24	Head of Programme Management Officer	Design - Reasonable Assurance [●] Compliance - Partial Assurance [●]	3	1	1
Budget Setting and Budgetary Control 1.23/24	Assistant Director of Finance	Reasonable Assurance [●]	4	1	0
Governance Improvement Plan 2.23/24	Interim Programme Director, Transformation	Reasonable Assurance [●]	2	1	0
Project Planning and Delivery – Improvement Plan 6.23/24	Interim Programme Director - Transformation	Reasonable Assurance [●]	3	1	0
Strategic Planning 7.23/24	Director of Policy and Engagement	Reasonable Assurance [●]	4	4	0
Procurement Workstream - Improvement Plan 9.23/24	Interim Programme Director - Transformation	Substantial Assurance [●]	0	0	0
Follow Up 11.23/24 (DRAFT)	Executive Director for Resource and Performance	Reasonable Progress [●]	4	5	0

Assignment

Executive lead

Assurance level

Actions agreed

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IT Change & Project Management 10.23/24 (DRAFT)

Executive Director for Resource and Performance

Advisory – some significant findings

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APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:

	<p>Taking account of the issues identified, the board can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<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(s).</p>
	<p>Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>

YOUR INTERNAL AUDIT TEAM

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rsmuk.com

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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