

South Yorkshire Passenger Transport Executive and Mayoral Combined Authority

Internal Audit
Recommendation Tracker
Report

January 2022

A background image showing a group of people in a meeting, with their hands and arms visible as they work at a table. The image is partially obscured by a large, curved, semi-transparent graphic element that transitions from white to a dark blue/purple gradient.



Implementation of recommendations

Purpose

This report provides an overview of the status of internal audit recommendations.

Respective responsibilities

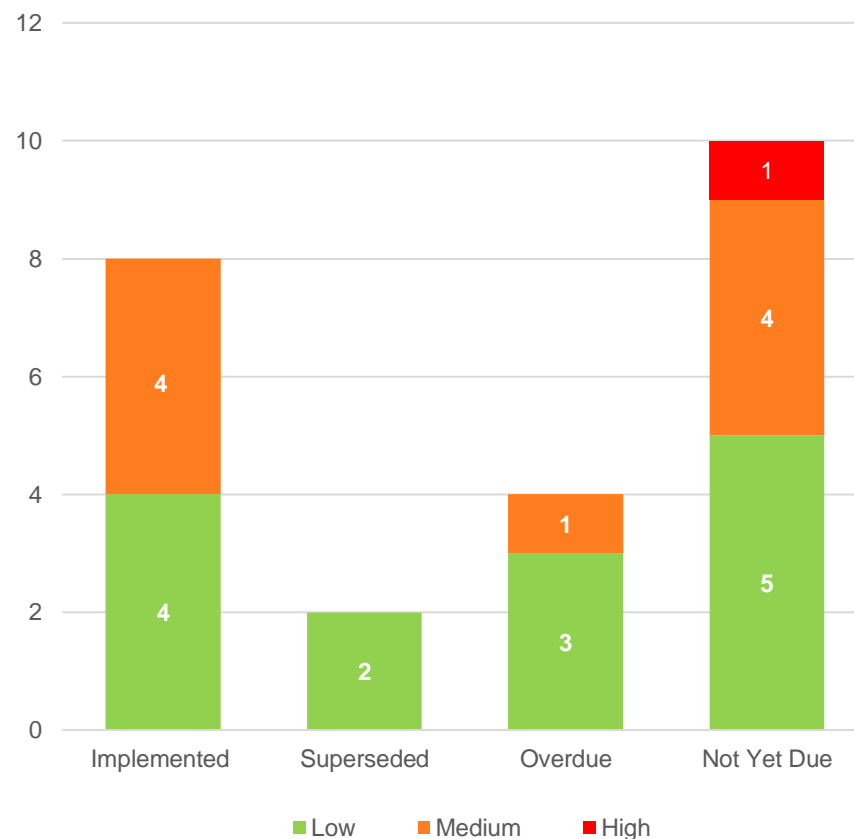
We follow up recommendations and report progress to the Audit, Standards and Risk Committee. It is the responsibility of management to implement audit recommendations on time and provide updates for the Action Tracker.

Analysis of outstanding recommendations

This report provides an update in respect of actions arising from reviews carried out in respect of the PTE, MCA and group audits.

At the date of finalising this report, there were four overdue recommendations agreed with management which remained outstanding. Management confirmed eight actions have now been implemented since the last meeting of the Committee and two are considered to be superseded. There are 10 recommendations which are not yet due.

We have summarised opposite the current status of all outstanding recommendations as at 5th January 2022.

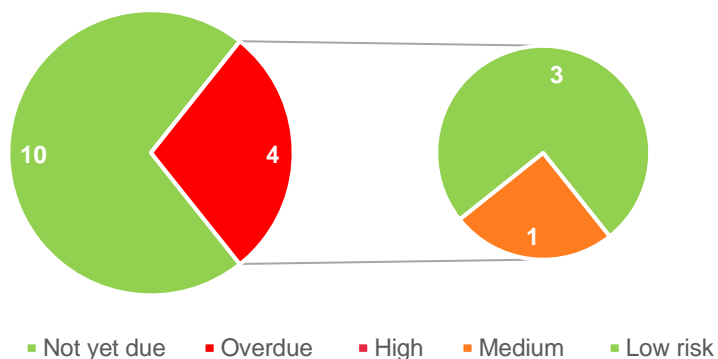




Overdue recommendations

Recommendations due for implementation

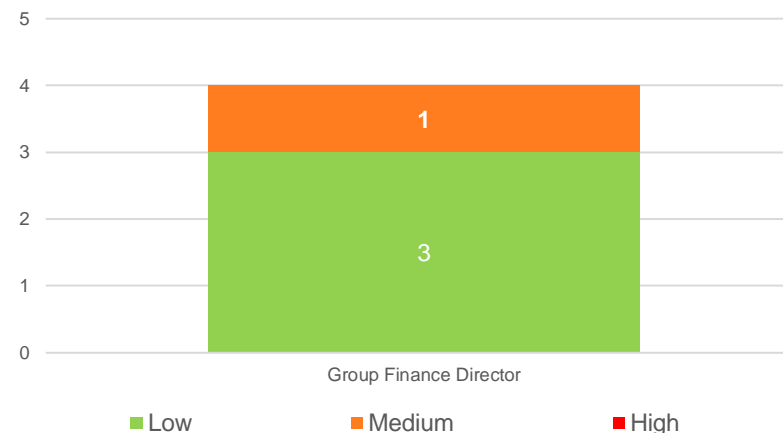
An analysis of the four recommendations that were required to be implemented prior to this Audit, Standards and Risk Committee meeting is shown below. There are one medium and eight low risk recommendations.



The medium risk action relates to the implementation of the CRM2 System, arising from the follow up of the Concessions Review and the three low risk actions relate to the updating of Contract Procedure Rules across the Group.

Overdue recommendation by department

An analysis of the overdue recommendation by Executive Ownership is shown below. On the remaining pages of this report we provide the responses provided by management on the overdue recommendations rated as high or medium risk, from previous reports.





Recommendation detail

Recommendations to bring to the Audit, Standards and Risk Committee's attention

The following recommendations remain outstanding. This exposes the Authority to risk greater than initially accepted. The Audit, Standards and Risk Committee should consider what action Management should take to address this risk, or understand why this risk is now acceptable.

Review / Investigation Area	Risk Rating	Recommendation and Management Action	Executive lead	Due date	Status	Management comment & GT comment
SYLTE – Concessions (Follow-up)	Medium	<p>There is a risk that the implementation of the new CRM2 system will slip further due to ongoing resourcing issues within the IT Department.</p> <p>The Executive should ensure the risk of project slippage is fully documented, managed and reported.</p> <p>Actions:</p> <p>Progress in increasing resource is being made with planned recruitment to a Project Manager role.</p> <p>Implementation is planned to commence in November/ December 2021.</p> <p>Regular and timely oversight will continue to be reported to Group Management Board via the quarterly progress reports.</p> <p>Responsible Officer: Head of IT</p>	Group Finance Director	31 Dec 2021 Revised: 31 March 2022	Overdue	<p>Management Comment</p> <p>Phase 1 of implementation, which addresses the issues raised by the audit will be completed by the end of March 2022.</p> <p>Management have proposed to extend the implementation date to 31st March 2022.</p> <p>GT Comment:</p> <p>Progress being made to address the issues raised by the audit is noted. The risk of unauthorised access to the system and the ability to process a fraudulent pass still remains within the current system, although we recognise that management consider the risk to be low.</p>

Appendix 1:

Our recommendation ratings

The table below describes how we grade our audit recommendations based on risks:

Rating	Description	Possible features
High	Findings that are fundamental to the management of risk in the business area, representing a weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> • Key activity or control not designed or operating effectively • Potential for fraud identified • Non-compliance with key procedures/standards • Non-compliance with regulation
Medium	Findings that are important to the management of risk in the business area, representing a moderate weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> • Important activity or control not designed or operating effectively • Impact is contained within the department and compensating controls would detect errors • Possibility for fraud exists • Control failures identified but not in key controls • Non-compliance with procedures/standards (but not resulting in key control failure)
Low	Findings that identify non-compliance with established procedures, or which identify changes that could improve the efficiency and/or effectiveness of the activity or control but which are not vital to the management of risk in the business area.	<ul style="list-style-type: none"> • Minor control design or operational weakness • Minor non-compliance with procedures/standards
Improvement	Items requiring no action but which may be of interest to management or which represent best practice advice	<ul style="list-style-type: none"> • Information for management • Control operating but not necessarily in accordance with best practice



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