

# South Yorkshire Mayoral Combined Authority

Internal Audit  
Recommendation Tracker  
Report

May 2022





# 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.

Following the last meeting of the Audit, Standards and Risk Committee there were 28 live actions agreed with management.

At the date of finalising this report, management confirmed 14 actions have been implemented. There are 14 live actions being tracked, five actions are overdue and nine are not yet due.

We have summarised opposite the current status of all outstanding recommendations as at 23<sup>rd</sup> May 2022.

On the remaining pages of this report, we provide the responses provided by management on the overdue recommendations which are high or medium risk.





# 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	Responsible Officers	Executive lead	Due date	Management comment & / or GT comment
<b>Joint – Assessing the Risk of Fraud</b>	Medium	<p><b>Agreed action:</b></p> <p>An anti-fraud control gap analysis will be performed in Q3 and reported to the Committee in Q4.</p> <p>As part of Work Package 3 of the integration project, we will review the risk management policies and processes taking into account the good practice set out in the functional standard.</p>	Deputy Section 73 Officer	Group Finance Director	31 March 2022	<p><b>GT Comment:</b></p> <p>The action is noted as overdue</p>



# Recommendation detail

Review / Investigation Area	Risk Rating	Recommendation and Management Action	Responsible Officers	Executive lead	Due date	Management comment & GT comment
<b>Joint – Asset Management</b>	Medium	<p><b>Agreed Action:</b></p> <p>Lifecycle maintenance and capital planning has been agreed as a Financial priority for the new TOM and integrated team. Standards are in the process of being documented and will be issued and implemented in line with the service delivery and asset management plan</p>	Interim Asset Manager	Group Finance Director	30 April 2022	<p><b>GT Comment:</b></p> <p>The action is noted as in progress.</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"> <li>Key activity or control not designed or operating effectively</li> <li>Potential for fraud identified</li> <li>Non-compliance with key procedures/standards</li> <li>Non-compliance with regulation</li> </ul>
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"> <li>Important activity or control not designed or operating effectively</li> <li>Impact is contained within the department and compensating controls would detect errors</li> <li>Possibility for fraud exists</li> <li>Control failures identified but not in key controls</li> <li>Non-compliance with procedures/standards (but not resulting in key control failure)</li> </ul>
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"> <li>Minor control design or operational weakness</li> <li>Minor non-compliance with procedures/standards</li> </ul>
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"> <li>Information for management</li> <li>Control operating but not necessarily in accordance with best practice</li> </ul>



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