

Audit and Standards Committee

15 July 2021

Internal Audit Recommendations Tracker Report

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Discussion
Funding Stream:	Not applicable
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

Ruth Adams, Deputy Chief Executive

Report Author(s):

Internal Audit – Grant Thornton

Executive Summary:

The Audit and Standards Committee is responsible for overseeing and reviewing the Authority's internal audit strategy, and receiving reports, as appropriate, from the Internal Auditor. This report presents an update on the implementation of the recommendations made by Internal Audit.

What does this mean for businesses, people and places in South Yorkshire?

Internal Audit supports the organisation in helping to achieve its objectives by giving assurance on its internal control and governance arrangements. Good governance enables the MCA to pursue its ambitions and objectives in the most effective and efficient way, bringing about better outcomes for residents and businesses in South Yorkshire.

Recommendations:

Members are asked to review the progress of the implementation of internal audit recommendations.

Sheffield City Region Mayoral Combined Authority

Internal Audit Recommendation
Tracker Report

July 2021





Implementation of recommendations

Purpose

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

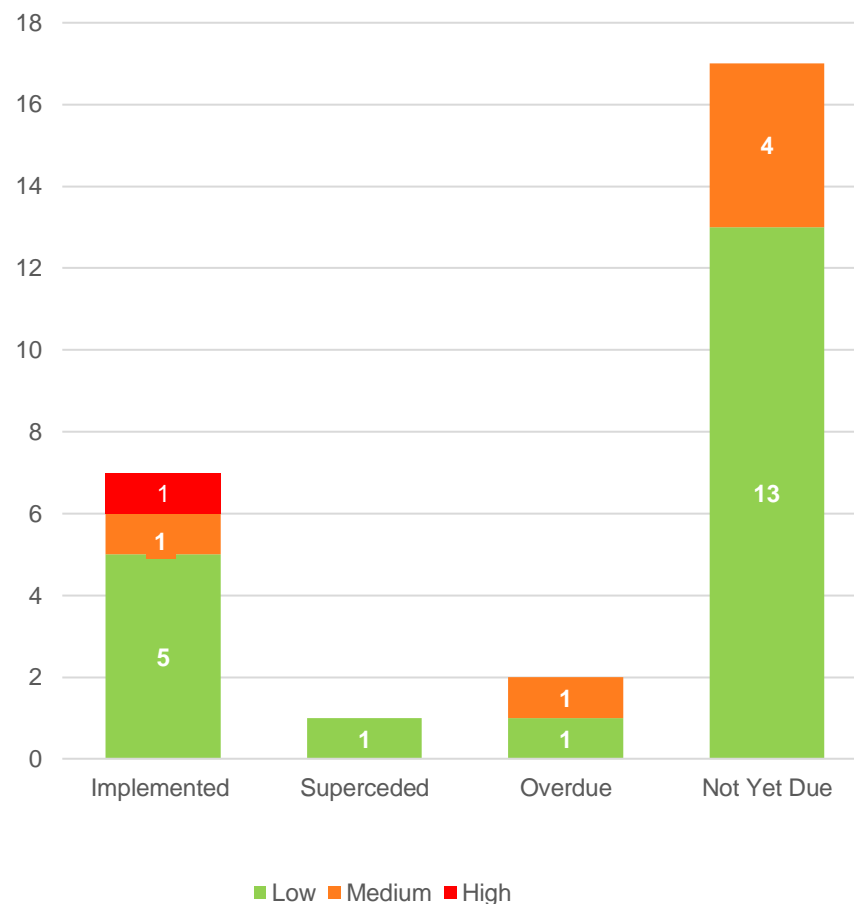
Respective responsibilities

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

Analysis of outstanding recommendations

As at the date of finalising this report, there were two overdue recommendations agreed with management which remained outstanding. Management confirmed seven have now been implemented since the last Audit and Standards Committee meeting.

There are 17 recommendations that are not yet due and one is considered superseded. We have summarised opposite the current status of all outstanding recommendations as at 06 July 2021.

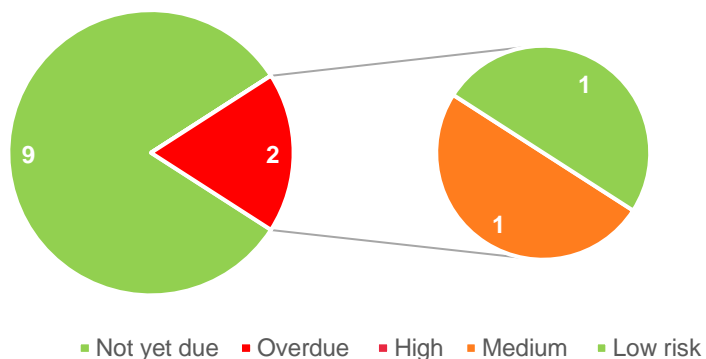




Overdue recommendations

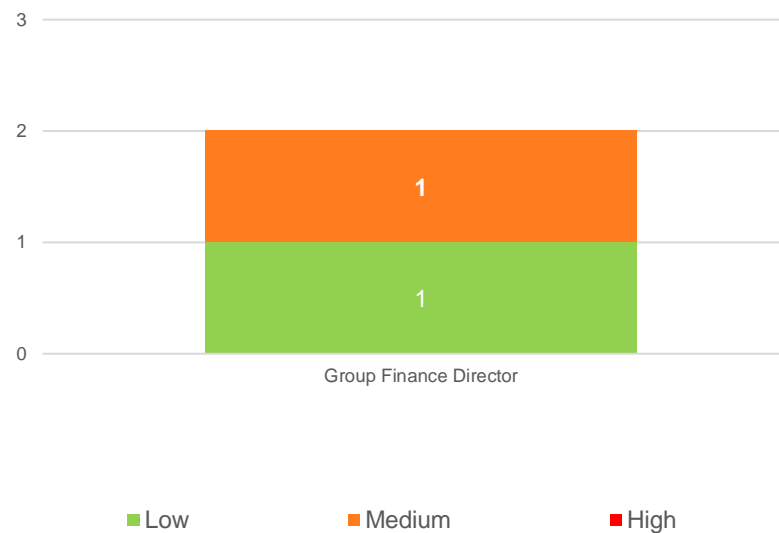
Recommendations due for implementation

An analysis of the two recommendations that were required to be implemented prior to this Audit and Standards Committee meeting is shown below. There are no high risks, one is medium risk, and one is low risk.



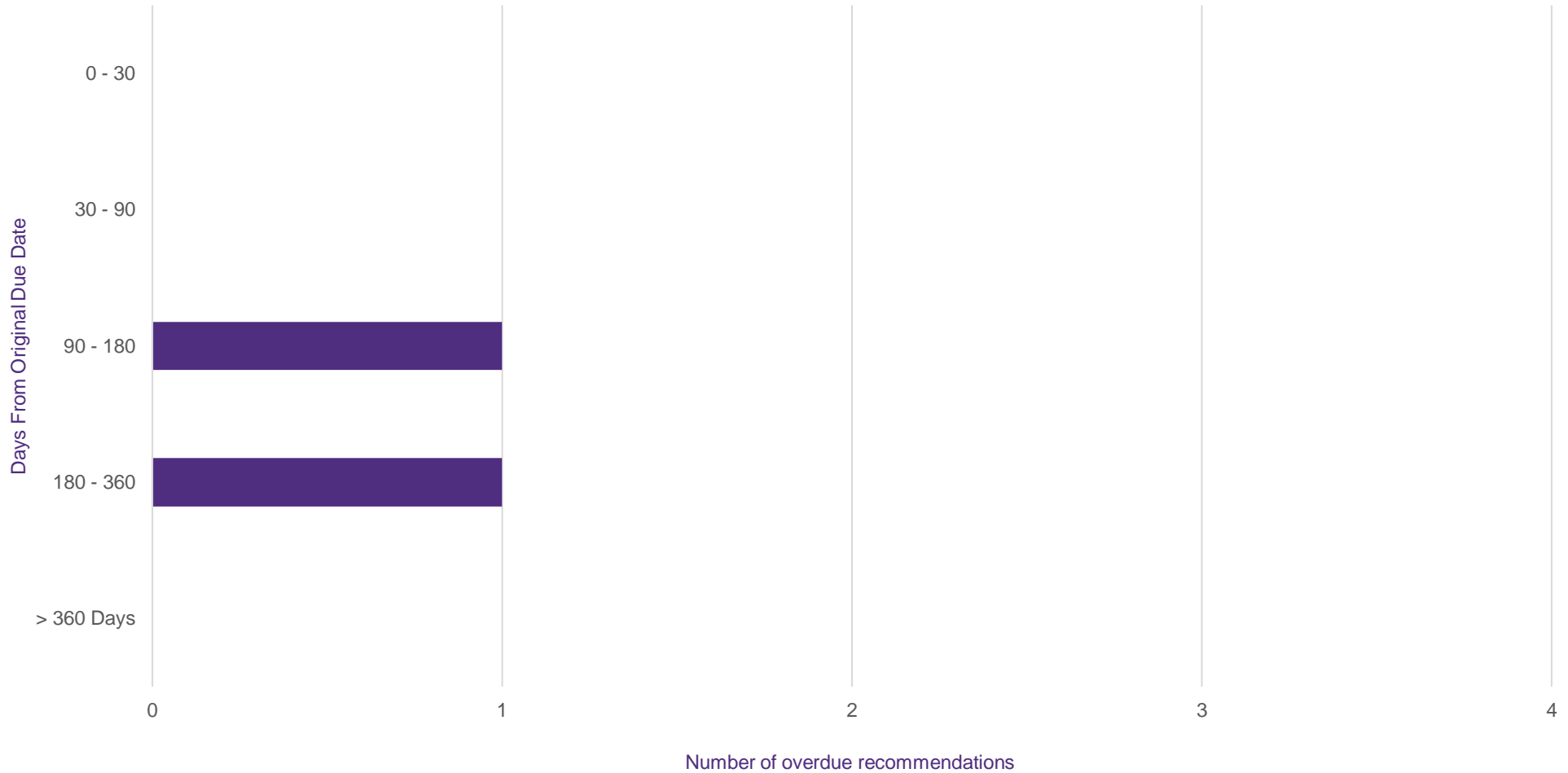
Overdue recommendation by department

An analysis of overdue recommendations by Executive Ownership is shown below. On the remaining pages of this report, we show the ageing of overdue recommendations and provide the responses provided by management on the overdue recommendations from previous reports.





Ageing of overdue recommendations – number of days since original due date





Recommendation detail

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

The following recommendations remain outstanding. This exposes the Trust to risk greater than initially accepted. The Audit and Standards 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
AMP Technology Centre	Medium	<p>Recommendation:</p> <p>The impact of wedging doors on the buildings' fire certification and insurances should be considered and actions agreed with the MCA.</p> <p>Management should ensure that any future changes to the Covid-19 Risk Assessment be highlighted to MCA Health and Safety teams for their awareness and consultation.</p> <p>Actions:</p> <p>MCA H&S Advisor to engage directly with Creative Space Management (CSM) to ensure measures on site and Risk Assessments are in accordance with H&S regulations.</p> <p>Responsible Officer: Health & Safety Advisor & Business Operations Manager</p>	Group Finance Director	31 Dec 2020	Overdue	The AMP is now on the schedule of 6 monthly health and safety audits of premises. A meeting took place 29 June 2021 with the MCA's Health and Safety Advisor and CSM to progress H&S standards on site further.



Recommendation detail continued

Review / Investigation Area	Risk Rating	Recommendation and Management Action	Executive lead	Due date	Status	Management comment & GT comment
AMP Technology Centre	Low	<p>Recommendation</p> <p>The joint process around Bad Debt Management at the AMP Technology Centre should be documented to allow clarity around roles and responsibilities, and when aged debt letters should or should not be used.</p> <p>During periods where management are offsite, aged debt letters should be used and actions recorded for monitoring.</p> <p>The procedures and letters should also be clear around the application of the 4% base interest charge on overdue rental.</p> <p>Action:</p> <p>Debt recovery procedures will be formalised. This will include clarifying the respective roles and responsibilities of CSM and the MCA and escalation procedures where tenants fall into arrears.</p> <p>Owner: Finance Manager</p>	Group Finance Director	31 Jan 2021	Overdue	Agreed that during the recovery period following the pandemic that arrears will be considered on a case by case basis. Formal debt recovery procedures will be introduced thereafter. Debt collection rates remain high.

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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