

# WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

## AUDIT AND GOVERNANCE COMMITTEE

DATE: 24 SEPTEMBER 2008

AGENDA ITEM NO: **7.**

### SUBJECT: INTERNAL CONTROLS AND FINANCIAL MONITORING

#### Report of the Clerk and Chief Financial Officer

#### 1. MATTER FOR CONSIDERATION

- 1.1. To consider any changes to the arrangements for internal control in the Authority since the last meeting of the Committee and to consider the current financial position.

#### 2. INFORMATION

##### **Internal controls**

- 2.1. There have been no significant changes to the arrangements for internal control within the Authority since the last meeting. The arrangements that have been in place during the last year are effectively reviewed via the Annual Governance Statement within the accounts which has been reviewed by this Committee. The AGS appears within the statutory accounts which are elsewhere on the agenda.
- 2.2. The terms of reference of this Committee were reviewed and approved at the last meeting of the Authority.
- 2.3. The Executive's Audit Committee receives quarterly schedules of key financial controls. At their last meeting the committee received a schedule indicating that all such actions were up to date. In addition quarterly governance meetings continue to be held with Leeds City Council to consider and review the transactions relating to investments.

##### **Financial monitoring – revenue budgets**

- 2.4. The usual update on revenue expenditure is provided through a separate report on the agenda as it explains the detail of the impact of the concessionary fares agreement with operators.

##### **Financial monitoring – capital budgets**

- 2.5. Appendix A sets out the current position with the capital programme for 2008/09. The overprogramming at the start of the year has now been managed out such that the appendix shows £1.5m of overprogramming

with some £600k of this deemed to be at risk. This is a reasonable position to be in at this point of the year, given that the intention is to utilise all available LTP resources in the year. The main way in which the programme has been managed is by reprofiling the timing and therefore the expenditure on certain projects, delays in delivery often arising due to the involvement of third parties, for example, on rail projects.

### **Risk Matters**

- 2.6. The Risk Register (Appendix B) for the Authority is reviewed bi-monthly by officers jointly with the Executive's Risk register. The main change in the level of risks from last time is the resolution of the risk arising from the First Group appeal and this risk can therefore now be removed from the register. All other risks have an acceptable level of residual risk other than that relating to future governance arrangements which, whilst under control with regular meetings and updates provided by Atkins, continues to require close monitoring.

### **3. FINANCIAL AND LEGAL IMPLICATIONS**

- 3.1. None directly arising from this report.

### **4. STAFFING IMPLICATIONS**

- 4.1. None directly arising from this report.

### **5. EQUAL OPPORTUNITY IMPLICATIONS**

- 5.1. None directly arising from this report.

### **6. RECOMMENDATIONS**

- 6.1. That the report be noted.

Clerk and Chief Financial Officer  
West Yorkshire Passenger Transport Authority