

# WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

## AUDIT AND GOVERNANCE COMMITTEE

DATE: 16 MARCH 2010

AGENDA ITEM NO: **8**

### SUBJECT: MONITORING OF AUDIT RECOMMENDATIONS

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

#### 1. MATTER FOR CONSIDERATION

- 1.1. To inform the Committee of the processes in place for monitoring the implementation of audit recommendations.

#### 2. INFORMATION

- 2.1. At its last meeting the Audit and Governance Committee requested further information on the processes and procedures with respect to audit recommendations. This report sets out these details with a proposal for formalising the Committee's involvement in this process.
- 2.2. At the conclusion of an internal audit review a report is prepared setting out the scope of the audit, the risks identified, any issues arising and a proposed recommendation for each of these. The draft report is discussed with the appropriate manager and any audit recommendations accepted. The manager is required to provide a response to the recommendation and clarify the timescales and responsibilities for implementation.
- 2.3. This draft report is presented to the Executive's Audit Committee which considers whether the recommendations and management response and timescales are suitably clear and effective in addressing the issue identified. Further clarification may be sought prior to approving the release of the report.
- 2.4. Once an internal audit report is issued all the findings, recommendations and agreed actions, including timescales and responsibilities, are transferred to a tracker which is reviewed at every meeting of the Audit Committee. Where possible an agreed action is translated to a MetroPlan action and can therefore be monitored through Covalent. All other actions are considered by the Committee and transferred to an implemented actions schedule once the Chair is satisfied that they have been actioned. If there appears to be a delay in achieving the actions the Chair has a number of options available to him, ranging from referring the matter to the PTE Executive Board, requesting that the Internal Audit Manager meets with the relevant

manager to inviting the manager to attend Audit Committee to explain the position.

2.5. It is proposed that this arrangement continues whereby the PTE's Audit Committee carries out this monthly scrutiny of the progress on implementing recommendations. It is further proposed that the Internal Audit Manager include in his report an update each quarter to report, by exception, any high priority recommendations which have not been actioned in accordance with the agreed timescales. The current position with such recommendations is set out in **Appendix A**.

2.6. All external audit reports are also considered by the PTE's Audit Committee or the Audit and Governance Committee as appropriate. Any recommendations in these reports are added to the tracker and managed in the same way as described above. It is therefore proposed that any high priority recommendations which are not progressed in accordance with the agreed timescales are also reported to this Committee.

### 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.

6.2. That the Committee agree that the Internal Audit Manager report on outstanding audit recommendations by exception as set out in paragraphs 2.5 and 2.6.

Clerk and Chief Financial Officer  
West Yorkshire Integrated Transport Authority

## Appendix A

### Audit & Governance Committee Meeting 16 March 2010 Outstanding “High Priority” Audit Recommendations.

#### Bus & Rail Survey Systems 2009

OBSERVATION	RECOMMENDATIONS	IMPLEMENTATION	COMMENTS
<p><b>Audit Trail</b> The CoSA system has a module that provides a level of audit trail. However, the audit trail does not report on data elements that were changed “from” and “to”. The report only states when a user has accessed a particular part of the system. – e.g. bus surveys. However these edits can not be detected or tracked within the CoSA system.</p> <p>There is concern that any alterations to data are not transparent.</p>	<p>It is recommended that audit trail reporting be developed in order to show clearly any key changes to data in relation to all stages of the reimbursement process.</p> <p>That the process be adequately documented and significant changes reported on the audit trail be reviewed by management.</p> <p><b>Priority: High</b></p>	<p>Management/Audit trail functionality to be developed</p> <p>Responsibility: IS Project Manager/ Service Monitoring Manager</p> <p>Due: July 2009</p>	<p>Software has been ordered to provide a level of auditing suitable for the forensic needs of Internal Audit and also for the day-to-day control over the Survey/ Reimbursement business process.</p>