

SEMI-ANNUAL IMPLEMENTATION STATUS

INTERNAL AUDIT REPORT #18-02

Scope

This report reflects the status as of November 2017 of outstanding corrective action plans (CAP's) resulting from internal audits and other audit projects.

Status Highlights

Internal Audit tracked 8 audits during the Fall 2017 status cycle which included a total of 45 individual CAPs of which 39 (87%) are fully implemented or substantially complete. The timeliness of implementing CAPs on schedule has increased since the last status update.

CAP implementation updates are listed in chronological order by date of audit report issuance. The status highlights were selected based upon the auditor's professional judgment and do not represent every audit or status change within the last six months. Appendix A provides a summary of the implementation status of all CAPs. To facilitate a review of this report, status coding is as follows:

■	Significant delays or conditions which impede implementation of planned corrective actions.
▲	Moderate delays or conditions exist which slow implementation of corrective actions.
●	Implementation of corrective actions is complete or progressing on schedule.
◆	Delayed recommendation is now getting "back on track."

Rail Capital Projects Audit

[REPORT #14-04](#), JULY 16, 2014

- **Project Management Standards & Training:** The Authority's new framework was rolled out to all projects by the end of FY2017. Project management training for employee's and management was initiated and will be an ongoing initiative.

This audit is closed.

Treasury & Fare Revenue Audit

[REPORT #15-02](#), APRIL 15, 2015

- **Revenue & Fares Manager Hired:** This position is responsible for managing and coordinating all revenue programs and systems. The Transit Store is now also reporting to this position.

This audit is closed.

Investment Recovery Audit

[REPORT #16-06](#), MAY 11, 2016

- **Surplus Property Storage Leased:** As of September 1st, Real Estate entered a 5 year lease for 2500 square feet of space for storing surplus property.
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Fuel Controls Audit

[REPORT #16-08](#), AUGUST 15, 2016

- **System Access Audits Now Performed:** System access audits are being conducted monthly to monitor compliance with the service provider staffing changes procedures.

This audit is closed.

Accounts Payable Audit

[REPORT #17-02](#), FEBRUARY 15, 2017

- ▲ **Procurement of Segregation of Duty (SOD) Compliance Tools:** Capital Metro has procured a comprehensive security auditing tool that analyzes segregation of duties and provides continuous monitoring/tracking of database changes. Training/Testing is scheduled for January 2018.
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Professional Services Contract Audit

[REPORT #17-05](#), JUNE 14, 2017

- **Enhanced Task Order Process Implemented:** A new process for task orders has been in place since October 1, 2017. This process requires Project Managers to provide additional information such as business case for any task order => \$75,000. This will be tested in Spring 2018.
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Customer Call Center Audit

[REPORT #17-04](#), AUGUST 14, 2017

- Limiting the ability to cancel a Customer Comment Report (CCR) in ServiceOne (the CCR software) to only Super Users is complete. Standard guidance has been drafted for Action Officer responsibilities. Awaiting completion of ServiceOne report functionality before rollout can occur.
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Why status updates are important

United States General Accountability Office (GAO) standards specify that management is responsible for “addressing the findings and recommendations of auditors, and for establishing and maintaining a process to track the status of such findings and recommendations.”¹ Internal auditors are required to follow-up to determine whether appropriate corrective actions have been taken.²

Closing

Internal Audit is grateful to Capital Metro management and staff who have worked to implement improvements in controls and processes. Their cooperation and assistance is instrumental to the success of the Authority.

Regards,
Paula Bishir-Jensen, CIA, CGAP, CFE
Interim VP, Internal Audit

cc: Capital Metro Board of Directors
Linda Watson, President / CEO
Elaine Timbes, Deputy Chief Executive Officer and Chief Operating Officer
Dottie Watkins, VP, Business Operations
Reinet Marneweck, VP, Chief Financial Officer
Kerri Butcher, Chief Counsel
Ken Cartwright, VP, Capital Projects
Donna Simmons, VP Administration & Risk Management Compliance Officer
Joe Iannello, Chief Information Officer
Muhammad Abdullah, Director Procurement
Lea Sandoz, Controller
Rafael Villarreal Jr., Director of Contract Oversight – Bus and Paratransit Services
Jessica McHarg, Interim VP, Marketing and Communications

¹ GAO-12-331G Government Auditing Standards, 2011 Revision, Section A1.08f: <http://www.gao.gov/assets/590/587281.pdf>

² GAO-12-331G Government Auditing Standards, 2011 Revision, Section 7.05.

Appendix A: Implementation Status Detail

Report Date	Project Name	Implementation Status						Timely	
		Complete	Substantially Complete	In Process	Closed / WD	Not Implem.	Not Due		
7/16/14	Rail Capital Projects Audit	10	0	0	0	0	0	60%	
4/15/15	Treasury & Fare Revenue Audit	13	0	0	0	0	0	85%	
5/11/16	Investment Recovery Audit	6	0	1	0	0	0	87%	
8/15/16	Fuel Controls Audit	4	0	0	0	0	0	100%	
2/15/17	Accounts Payable Audit	0	2	3	0	0	0	0%	
6/14/17	Professional Services Contract Audit	1	1	0	0	0	0	50%	
8/14/17	Customer Call Center Audit	1	1	0	0	0	0	50%	
10/14/17	Utility Management Audit	0	0	0	0	0	2	0%	
TOTALS									
	Current Update Fall 2017	Quantity	35	4	4	0	0	2	68.6%
		Percentage	77.8%	8.9%	8.9%	0%	0%	4.4%	
	Previous Update Spring 2017	Quantity	47	3	6	0	0	4	79%
		Percentage	78.3%	5.0%	10%	0.0%	0.0%	6.7%	

Action item status categories:

Complete Intent of the corrective action plan item has been met and no further corrective action is required. In some instances, Internal Audit monitors to ensure continuity.

Substantially Complete Greater degree of progress towards completion than "In Process" and may not require further steps beyond continued performance, monitoring, and/or experience with the actions.

Closed / WD Open corrective action plan item was withdrawn or otherwise closed without implementation because the reported condition or risk no longer exists.

In-Process Some progress towards implementation of corrective action plan has been made but additional actions are required before intent is met.

Not Implemented No measurable progress towards implementation of corrective action plan (excludes action plan items for which the target date has not yet been reached).

Not Due The original CAP implementation date has not been reached and/or other conditions needed to assess implementation status have not occurred.

Timely This represents the relative percentage of all corrective action plans for which intent was met by the stated target date. The total figure represents a weighted average for all applicable updates.