

Strathclyde Partnership for Transport

Minute of the Audit & Standards Committee

11 September 2015

held in Consort House, Glasgow

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**Minute of the meeting of Strathclyde Partnership for Transport's
Audit and Standards Committee held in Consort House, Glasgow on 11 September 2015**

- Present** Councillors David Wilson (Chair), Bill Grant, Bobby McDill and Pauline McKeever and appointed members Anne Faulds, Tom Hart and Jim McNally.
- Attending** Valerie Davidson, Assistant Chief Executive (Business Support); Kirsten Gibson, Committee Support Officer; Iain McNicol, Audit & Assurance Manager; and Neil Wylie, Director of Finance and HR.
- Also attending** Andy Shaw, KPMG.

1. Apologies

Apologies were submitted from Councillors John Bruce and Alan Moir.

2. Declaration of interest in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000

The committee noted that there were no declarations of interest.

3. Revised Terms of Reference

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With reference to the minute of the Partnership of 19 June 2015 (page 2, paragraph 6) when the Partnership had approved various revisions to the Partnership's Standing Orders and Terms of Reference, there was submitted and noted a report (issued) of 27 August 15 appending the revised Audit and Standards Committee Terms of Reference.

4. Minute of previous meeting

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The minute of the meeting of 19 June 2015 was submitted and approved as a correct record.

Arising from the minute with regard to page 7, paragraph 15, Mr Wylie advised that the cost per journey for MyBus services was £6.30.

5. External Audit – Annual Report for year ended 31 March 2015

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There was submitted the External Audit Annual Report issued by KPMG, for the year ended 31 March 2015 which had been consolidated with the annual report for the Strathclyde Concessionary Travel Scheme Joint Committee and compiled in accordance with Audit Scotland's Code of Practice.

After discussion and having heard

(1) Mr Shaw in further explanation of his report which contained no recommendations for action; and

(2) the Chair commend Mr Wylie and his teams for their hard work and professionalism,

the committee noted the external audit report.

11 September 2015

6. Corporate Risk Register update

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With reference to the minute of 19 June 15 (page 9, paragraph 4) when the committee had

- (1) noted the revised corporate risk register; and
- (2) agreed to request that the scoring of risk reference SPT 5 be reviewed at the next meeting of the strategy group,

there was submitted and noted a report (issued) of 25 August 2015 by the Assistant Chief Executive (Business Support)

- (a) appending the current corporate risk register; and
- (b) advising members that since the last committee, the following changes had been made to the risk register:-

<u>Reference</u>	<u>Change</u>
SPT 1	Reduced capital funding in future years from 2015/2016: the risk description had changed; the risk score remained unchanged; and
SPT 5	Reduced future Local Authority budget settlements beyond 2015/2016: the risk description had been changed; the risk score remained unchanged.

After discussion on the scoring of SPT 5 and having heard Mrs Davidson in further explanation on future local government funding, the committee noted the revised risk register.

7. Regularity Audit of the CRC energy efficiency scheme

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There was submitted a report (issued) of 27 August 2015 by the Assistant Chief Executive (Business Support)

- (1) informing members that The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme was a UK government scheme designed to improve energy efficiency and cut carbon dioxide (CO₂) emissions in private and public sector organisations with high energy use;
- (2) detailing the findings of a regularity audit of the CRC Energy Efficiency Scheme;
- (3) explaining that the objective of this engagement was to provide a level of assurance on the CRC annual summary report for 2014/2015 and test supporting information; and
- (4) advising members
 - (a) that some areas for improvement had been identified and two recommendations had been agreed; and
 - (b) that, key controls existed, and had been applied consistently and effectively in the majority of areas; and

11 September 2015

- (c) that reasonable assurance could be taken from those areas covered in the engagement.

After discussion and having heard Mr McNicol in answer to members' questions, the committee

- (i) noted the terms of the report; and
- (ii) agreed that the Audit & Assurance Manager should submit a follow up report on the implementation of the recommendations to a future meeting.

8. **Systems Review of access and security arrangements**

[Click here to view report](#)

There was submitted a report (issued) of 27 August 2015 by the Assistant Chief Executive (Business Support)

- (1) informing members that SPT had a number of physical security measures, processes and procedures in place to protect the safety and security of staff, customers and property which included a suite of CCTV cameras, electronic door access control and intruder detection systems, physical security arrangements and processes for visitor registration;
- (2) detailing the findings of a systems review of access and security arrangements at SPT locations;
- (3) explaining that the objective of this engagement was to review the current access and security arrangements at SPT locations; and
- (4) advising members
 - (b) that some areas for improvement had been identified and nine recommendations had been agreed;
 - (b) that, key controls existed, and had been applied consistently and effectively in the majority of areas; and
 - (c) that reasonable assurance could be taken from those areas covered in the engagement.

After discussion and having heard Mr McNicol in answer to members' questions, the committee

- (i) noted the terms of the report; and
- (ii) agreed that the Audit & Assurance Manager should submit a follow up report on the implementation of the recommendations to a future meeting.

9. **Engagement follow-up performance 2015/2016 to August 2015**

[Click here to view report](#)

There was submitted and noted a report (issued) of 27 August 2015 by the Assistant Chief Executive (Business Support)

- (1) reminding members that in accordance with the Public Sector Internal Audit Standards and the Internal Audit Charter, a follow up process to monitor and ensure that

11 September 2015

management actions arising from internal audit work were implemented effectively required to be established and then subsequently presented to the Audit and Standards Committee;

- (2) appending a summary of four follow up engagements which had been completed between June and August 2015;
- (3) informing members that of the 26 recommendations contained in those engagements, 22 (85%) had been implemented; and
- (4) explaining that, where a recommendation had not been implemented as at the date of the follow up engagement, a client assurance statement had been agreed with the lead officer(s) to record a revised timescale to complete the outstanding recommendation.

10. Audit Scotland report: Update on developing financial reporting

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There was submitted and noted a report (issued) of 27 August 2015 by the Assistant Chief Executive (Business Support)

- (1) informing members that Audit Scotland had published a report " Update on developing financial reporting " in March 2015;
- (2) appending a copy of the report;
- (3) highlighting the key messages from the Audit Scotland report; and
- (4) concluding that SPT demonstrated advanced practice in terms of fiscal transparency through financial reporting.

11. Public Reporting Complaints Statistics

[Click here to view report](#)

With reference to the minute of 20 June 2015 (page 6 paragraph 13) when the committee had

- (1) noted the Public Reporting Complaints Statistics for the fourth quarter and also cumulatively for the year for SPT customer complaints 2014; and
- (2) agreed that supplementary information on the breakdown of complaints be brought to the next committee

there was submitted a report (issued) of 27 August 2015 by the Assistant Chief Executive (Business Support)

- (1) advising members of the statistics for the first quarter of 2015/2016 for SPT customer complaints;
- (2) informing members that 146 complaints were received in the first quarter of 2015/2016, of which 100% had been responded to within the prescribed timescale;
- (3) providing members with a breakdown of the areas of service delivery within SPT where complaints were received in Quarter 1; and

11 September 2015

- (4) explaining
 - (a) that all complaints were considered and investigated thoroughly; and
 - (b) that SPT would continue to monitor customer complaints using the information to learn and improve services delivered.

After considerable discussion particularly relating to the presentation of the complaints within the report and having heard Mr McNicol in answer to members' questions, the committee

- (i) noted the terms of the report; and
- (ii) agreed that Mrs Davidson would provide a verbal update to complement the additional information supplied at (3) above.

12. Members' and Directors' expenses 2015/2016

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There was submitted a report (issued) of 28 August 2015 by the Assistant Chief Executive (Business Support) detailing members' and directors' expenses to 8 August 2015.

After considerable discussion and having heard Mrs Davidson

- (1) re-iterate the minute of the committee on 20 September 2013 (page 6, item 14) when it had been noted that reports on expenses would focus on the content of directly incurred and re-claimed expenses in line with local authorities; and
- (2) reassure members that expenses reports presented were consistent with that minute, the committee,
 - (a) noted the terms of the report; and
 - (b) agreed that future reports would take account of the discussion.