

Strathclyde Partnership for Transport

Minute of the Audit & Standards Committee

18 March 2016

held in 131 St Vincent Street, Glasgow

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**Minute of the meeting of Strathclyde Partnership for Transport's
Audit and Standards Committee held in 131 St Vincent Street, Glasgow on 18 March 2016**

- Present** Councillors David Wilson (Chair), John Bruce, Bill Grant, Bobby McDill and Paul Welsh and appointed member Anne Faulds.
- 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** John F Anderson, Adviser and Michael Wilkie and Laura Nelson, KPMG

1. Apologies

Apologies were submitted from Councillors Pauline McKeever and Alan Moir and Appointed Members Tom Hart and Jim McNally.

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. Minute of previous meeting

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The minute of the meeting of 13 November 2015 was submitted and approved as a correct record.

4. External Audit – Audit Strategy, plan and interim report for the year ending 31 March 2016

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There was submitted KPMG's Audit Strategy, Plan and Interim Report for the year ending 31 March 2016. which summarised KPMG proposals regarding their Audit Strategy & Planning for the financial year ending 31 March 2016.

After discussion and having heard Mr Wilkie and Ms Nelson in further amplification of the report and in answer to members' questions, the committee noted the report.

5. Corporate Risk Register update

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There was submitted and noted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) appending the current corporate risk register;
- (2) advising members that since the last committee, the following changes had been made to the risk register:-
 - an increase to SPT 1 Reduced capital funding in future years from 2015/2016, following the funding settlement from the Scottish Government;

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- an increase to SPT 5 Reduced future Local Authority budget settlements beyond 2016/2017, following the local government settlement from the Scottish Government; and
- the removal of SPT 23 Disruption arising from relocation of SPT headquarters building.

After consideration and having heard Mr McNicol and Mrs Davidson in further amplification of the changes to the register and in response to members' questions in relation to SPT21 Adverse publicity mitigation and fall back plan, the committee noted

- (a) the terms of the report; and
- (b) that the risks discussed would be reviewed at the next meeting of the Strategy Group.

6. Assurance framework update

[Click here to view report](#)

There was submitted and noted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) informing members
 - (a) that SPT was subject to statute, standards, regulations, governance codes, and statements of best practice and required to have effective arrangements in place for demonstrating adherence to them; and
 - (b) that the provision of assurance by qualified professionals was an essential element of SPT's accountability;
- (2) informing members of the assurance mapping process which was a technique that used visual representation of assurance activities to demonstrate how they applied to a specific risk or set of compliance requirements; and
- (3) appending an Assurance framework map which outlined the key risk areas and mitigation, assurance provider(s) and the date of the last review.

7. Local Code of Corporate Governance 2015/2016

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There was submitted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) informing members that the 'International Framework: Good Governance in the Public Sector' provided a set of 7 principles and supplementary guidance which assisted in the production of the Annual Governance Statement; and
- (2) appending
 - (a) the Local Code of Corporate Governance 2015/2016 which had been populated with evidence of compliance to support each of the 7 principles; and

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- (b) a summary report of evidence documents to support each principle which identified which governance arrangements would be subject to review in 2016/2017.

After discussion and having heard Mr McNicol in answer to members' questions, the committee noted the terms of the report.

8. **Systems review of recruitment and vetting arrangements**

[Click here to view report](#)

There was submitted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) informing members that Human Resources (HR) were responsible for overseeing recruitment and vetting arrangements including the development and review of policies and procedures to ensure compliance with legislation and delivery of an effective recruitment and selection process;
- (2) detailing the findings of a systems review of recruitment and vetting arrangements;
- (3) explaining that the objective of the engagement was to review and evaluate the current processes, procedures and monitoring arrangements in place for the recruitment and vetting of permanent and temporary staff; and
- (4) advising members
 - (a) that some areas for improvement had been identified and six 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. **It controls: IT Network, internet and e-commerce**

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There was submitted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) informing members that SPT made extensive use of information technology (IT) and networked systems which supported service delivery objectives, managed and paid suppliers and allowed effective communication;
- (2) detailing the findings of a regularity audit of IT controls for the IT network, internet and e commerce;

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- (3) explaining that the objective of the engagement was to assess the current IT controls for the IT network, internet and e-commerce;
- (4) advising members
 - (a) that some areas for improvement had been identified and four 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 Mrs Davidson and 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.

10. Contract audit of PPE and work wear

[Click here to view report](#)

There was submitted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) informing members
 - (a) that in accordance with the Health and Safety at work etc. Act 1974 (as amended) and Personal Protective Equipment at Work Regulations 1992 (as amended), SPT provided appropriate equipment to employees following assessment; and
 - (b) that employees were also provided with corporate work wear to enhance safety and security arrangements;
- (2) detailing the findings of a contract audit of personal protective equipment (PPE) and work wear;
- (3) explaining that the objective of the engagement was to review and evaluate the current procedures and monitoring arrangements in place for the provision of PPE and work wear;
- (4) advising members
 - (a) that some areas for improvement had been identified and eight 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.

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After discussion and having heard Mrs Davidson and 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.

11. Audit Scotland report: Major Capital Investments in Councils follow-up

[Click here to view report](#)

There was submitted and noted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) informing members that Audit Scotland had published a report " Major Capital Investment in Councils follow-up" on 14 January 2016;
- (2) appending a copy of the report;
- (3) explaining that alongside the report, Audit Scotland had published a good practice guide to provide members with helpful and constructive advice on major capital programme and project management; and
- (4) highlighting the key messages from the Audit Scotland report together with SPT's responses to the recommendations contained within the report.

12. Public Reporting Complaints Statistics

[Click here to view report](#)

There was submitted and noted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) advising members of the statistics for the third quarter of 2015/2016 for SPT customer complaints;
- (2) informing members that 167 complaints had been received in the third quarter of 2015/2016, of which 53 did not concern SPT services, and that 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 had been received in quarter 3; and
- (4) intimating
 - (a) that all complaints had been considered and investigated thoroughly; and
 - (b) that SPT would continue to monitor customer complaints using the information to learn and improve services delivered.

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13. Audit Scotland report: Procurement in Councils Impact Report

[Click here to view report](#)

There was submitted and noted a report (issued) of 7 March 2016 by the Assistant Chief Executive (Business Support)

- (1) informing members that Audit Scotland had published a report " Procurement in Councils Impact Report" on 8 February 2016 which described the impact made by the Accounts Commission's performance audit report on Procurement in councils published on 24 April 2014;
- (2) appending a copy of the report; and
- (3) highlighting the key messages from the Audit Scotland report together with SPT's responses to the recommendations contained within the report.

14. Members' and Directors' expenses 2015/2016

[Click here to view report](#)

There was submitted a report (issued) of 2 March 2016 by the Assistant Chief Executive (Business Support) detailing members' and directors' expenses to 20 February 2016.

After discussion and having heard Mrs Davidson in answer to members' questions, the committee noted the terms of the report, including in particular the revised format of appendix 2.