

Strathclyde Partnership for Transport

Minute of the Audit & Standards Committee

27 March 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 27 March 2015**

- Present** Councillors David Wilson (Chair), John Bruce, Bill Grant and Paul Welsh and appointed members Ann Faulds, Tom Hart and Jim McNally.
- Attending** Valerie Davidson, Assistant Chief Executive (Business Support); Kirsten Clubb, Committee Support Officer; Iain McNicol, Audit & Assurance Manager and Neil Wylie, Director of Finance.
- Also attending** Michael Wilkie, KPMG.

1. Apologies

Apologies were submitted from Councillors Bobby McDill, Pauline McKeever 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. Minute of previous meeting

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The minute of the meeting of 28 November 2014 was submitted and approved as a correct record.

4. Local Code of Governance 2014/2015

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There was submitted a report (issued) of 10 March 2015 by the Assistant Chief Executive (Business Support)

- (1) reminding members that in July 2014, the Chartered Institute of Public Finance and Accountancy (CIPFA) had published a report titled 'International Framework: Good Governance in the Public Sector' which built upon previous guidance, namely, 'Delivering Good Governance in Local Government';
- (2) informing members that the framework provided a set of 7 principles and supplementary guidance which assisted in the production of the Annual Governance Statement; and
- (3) appending
 - (a) the Local Code of Corporate Governance 2014/2015 which had been populated with evidence of compliance to support each of the 7 principles; and
 - (b) a summary report of evidence documents to support each principle which identified that governance arrangements would be subject to review in 2015/2016.

After discussion and having heard Mrs Davidson in answer to members' questions and advise that she was in the process of planning future governance training sessions for members, the committee noted the terms of the report.

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5. Risk Management Strategy

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There was submitted and approved a report (issued) of 10 March 2015 by the Assistant Chief Executive (Business Support)

- (1) informing members that SPT was committed to maintaining and promoting a risk managed culture to service delivery;
- (2) explaining that the Risk Management Strategy was integral to SPT's governance arrangements and had last been updated in February 2007; and
- (3) recommending approval of an updated Risk Management Strategy, as appended, which had been reviewed and enhanced to reflect recent organisational change and provided best practice guidance to all staff.

6. Corporate Risk Register update

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There was submitted a report (issued) of 10 March 2015 by the Assistant Chief Executive (Business Support)

- (1) appending the current corporate risk register; and
- (2) advising members that since the last committee, the following changes had been made to the register:-
 - changes to the description of SPT risk reference 5 Future Local Authority budget settlements beyond 2015/16 to reflect the current position. The risk score remained unchanged; and
 - changes to the description of SPT risk reference 23 Disruption arising from relocation of the SPT headquarters building to reflect a change from disruption and uncertainty arising from Network Rail statements regarding Consort House to disruption arising from relocation of SPT headquarters building. The risk score remained unchanged.

After discussion and having heard Mr McNicol and Mrs Davidson in answer to members' questions, the committee noted the revised risk register.

7. Assurance Framework

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There was submitted and noted a report (issued) of 10 March 2015 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;

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- (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.

8. Location Audit – Travel Centres

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There was submitted a report (issued) of 10 March 2015 by the Assistant Chief Executive (Business Support)

- (1) informing members that SPT's Travel Centres were located within the bus stations at Buchanan (Glasgow), East Kilbride, Greenock and Hamilton, and one at St. Enoch within the Subway station;
- (2) detailing the findings of location audits to Travel Centres during the year;
- (3) explaining that the objective of this engagement was to assess and evaluate the internal controls in place for cash handling and ticket administration at each travel centre;
- (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. Regularity audit of Kelvinbridge Subway Station TVMs

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There was submitted a report (issued) of 10 March 2015 by the Assistant Chief Executive (Business Support)

- (1) informing members that the Subway Operations staff training manual(s) provided procedural guidance to service delivery officers on the operation of ticket vending machines (TVMs) at all Subway stations and that this had been supplemented with training courses for all service delivery staff;

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- (2) detailing the findings of a regularity audit of Kelvinbridge Subway Station TVMs;
- (3) explaining that the objective of the engagement was to identify and evaluate the current internal controls and procedures operating within Kelvinbridge Subway station, in relation to the operation of TVMs and security uplift arrangements; and
- (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 the areas covered in the engagement.

After discussion, 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. Information security and data protection staff survey

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There was submitted a report (issued) of 10 March 2015 by the Assistant Chief Executive (Business Support)

- (1) informing members
 - (a) that the Audit and Assurance team had co-ordinated a staff survey on information security and data protection awareness which had been published via the intranet ; and
 - (b) that all staff had been invited to participate in the survey to assess their awareness of information security and data protection issues and their role in reducing risk to SPT;
- (2) detailing the findings of the survey;
- (3) advising members
 - (a) that some areas for improvement had been identified and two 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 the areas covered in the engagement.

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After discussion and having heard Mr McNicol and Mrs Davidson 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. Internal Audit Plan 2015/2016

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There was submitted and approved a report (issued) of 10 March 2015 by the Assistant Chief Executive (Business Support)

- (1) appending an internal audit plan for 2015/2016 which had been prepared in accordance with the Public Sector Internal Audit Standards and SPT's Internal Audit Charter;
- (2) reminding members that the main objectives of the annual audit plan were to provide a framework for audit engagements in the forthcoming year and to ensure that the plan was aligned to the Partnership's strategic objectives and corporate governance arrangements;
- (3) informing members that the risk-based plan and the scope of each audit engagement had been informed by:
 - The Assurance framework;
 - Risk registers;
 - Strategy Group consultation;
 - External factors (e.g. government initiatives, intelligence, networking, etc.); and
- (4) recommending approval of the Internal Audit Plan for 2015/2016.

12. Public Reporting Complaints Statistics

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There was submitted a report (issued) of 10 March 2015 by the Assistant Chief Executive (Business Support)

- (1) providing members with the statistics for the third quarter and also cumulatively for the year for SPT customer complaints; and
- (2) 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 discussion and having heard Mrs Davidson in answer to members' questions, the committee noted the position.

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13. Members' and Directors' expenses 2014/2015

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There was submitted a report (issued) of 27 February 2015 by the Assistant Chief Executive (Business Support) detailing members' and directors' expenses to 21 February 2015. After discussion and having heard Mrs Davidson and Mr Wylie in answer to members' questions, the committee

- (1) noted the terms of the report; and
- (2) agreed that the definitions contained within the appendices be reviewed.

14. External Audit – Audit Strategy, plan and interim report for the year ending 31 March 2015

[Click here to view report](#)

There was submitted KPMG's Audit Strategy, Plan and Interim Report for the year ending 31 March 2015. which summarised KPMG proposals regarding the Audit Strategy & Planning for the financial year ending 31 March 2015.

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