

joining up  
journeys



committee minute

## **Strathclyde Partnership for Transport**

### **Minute of Special Audit and Standards Committee meeting**

**2 June 2010**

held at Consort House, Glasgow

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## Minute of the special meeting of the Strathclyde Partnership for Transport's Audit and Standards Committee held in Glasgow on 2 June 2010.

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**Present** Councillors Duncan MacIntyre (Chair), Bill Grant, Ian Gray, William Hendrie and Tommy Morrison and appointed member Tom Hart.

**Attending** Valerie Davidson, Assistant Chief Executive (Business Support/Secretary); Valerie A Bowen, Senior Clerk; Gordon MacLennan, Chief Executive; Eric Stewart, Assistant Chief Executive (Operations); Neil Wylie, Director of Finance and Owen Hendry, Chief Internal Auditor.

**Also attending** John F. Anderson, Consultant Advisor; Stephen Reid and Graham Cochran, KPMG.

### 1. Declaration of interest

The committee noted that there were no declarations of interest.

### 2. Report to Audit Scotland

[Click here to view report](#)

With reference to the minute of 26 February 2010 (page 1, paragraph 2) when the committee had agreed that a special meeting of the committee be convened to review the findings, once completed, of the KPMG audit investigation being carried out at SPT's request following adverse media reports, there was submitted a report (issued) of 21 May 2010 by the Assistant Chief Executive (Business Support),

- (1) intimidating
  - (a) that SPT's invitation to KPMG to assist in a desk top review of expenses had been followed by a number of formal complaints against SPT to Audit Scotland who had requested that KPMG, as SPT's external auditors, perform an independent review in respect of the formal complaints;
  - (b) that the complaints had concerned excessive travel and accommodation expenses incurred by senior individuals, expenditure which was not in line with public sector rules on tendering and unnecessary and excessive expenditure in a number of other areas; and
  - (c) that SPT had requested that KPMG take the opportunity to identify any other areas where improvements could be made;
- (2) appending KPMG's report which detailed the work performed together with the outcome of their review, which had highlighted that 6 of the 9 complaints had been concluded as unfounded;

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- (3) detailing the remedial actions SPT had taken to address the findings in each section of the report;
- (4) informing members
  - (a) that, as the report had highlighted specifically that internal controls over foreign travel, the payment of expenses, the use of credit cards and the maintenance of records could be strengthened, these had now been actioned with further work planned to ensure that SPT was operating to a best practice framework on these issues;
  - (b) that a full follow up of all issues would be considered progressively over the next 12 months to ensure that the revised controls were operating effectively; and
  - (c) that the KPMG report would be submitted to the Accounts Commission for consideration.

After considerable discussion and having heard Mrs Davidson and Messrs MacLennan, Wylie and Reid in answer to members' questions, the committee

- (i) approved KPMG's action plan as detailed in section 12 of their report;
- (ii) expressed concern at the lack of judgment exercised in respect of the circumstances related to the visit to Manchester and some of the overseas travel referred to in the report;
- (iii) agreed the following additional control measures:-
  - (A) that all committee requests for approval of attendance at conferences and overseas visits be accompanied with a business case, estimated costs for travel and accommodation, plus confirmation of any officer attendance;
  - (B) that the Audit and Standards Committee receive regular reports on conference attendance and overseas travel, together with actual costs and information on whether or not feedback reports were completed;
  - (C) that a best practice expenses policy for officers be completed and considered by this committee at its autumn meeting and for this to be available on the web, together with senior officer expenses;
  - (D) that the Audit and Standards Committee review all senior officers and members expenses on an ongoing basis;
  - (E) that the members' expenses guidelines be revised to strengthen the expectation that public transport was the preferred mode of travel whilst acknowledging that flexibility was required to ensure that this was practical taking account of cost and time and that a balance needed to be struck to ensure best value took account of the operational needs of the organisation and the requirement to reduce costs;

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- (F) that Internal Audit be asked to review the document retention policy and report back to a future meeting;
  - (G) that business class should not be the preferred method of air travel unless special circumstances dictated otherwise; and
  - (H) that the need for attendance at projected meetings be reviewed in the light of any changing circumstances in the interim.
- (iv) agreed formally to recognise the previous Chair's contribution to the organisation and to the promotion of public transport in the west of Scotland.