

joining up
journeys



committee minute

Strathclyde Partnership for Transport

Minute of Audit and Standards Committee meeting

12 June 2009

held at Consort House, Glasgow

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Minute of the meeting of the Strathclyde Partnership for Transport's Audit and Standards Committee held in Glasgow on 12 June 2009.

- Present** Councillors Bill Grant (Chair), Ian Gray and Tommy Morrison and appointed members Tom Hart and Bill Ure.
- Apologies** Councillors William Hendrie and Duncan MacIntyre and appointed member Elizabeth Cameron.
- Attending** Terry Lynch, Depute Clerk and Senior Legal Advisor; Gordon MacLennan, Assistant Chief Executive (Operations), Neil Wylie, Director of Finance and Owen Hendry, Chief Internal Auditor.
- Also attending** Stephen Reid, KPMG.

1. Minute of previous meeting

The minute of the meeting of 27 March 2009 (issued) was submitted and approved as a correct record.

Arising from the minute

- (1) with regard to page 1, paragraph 1
 - (a) Mr Wylie advised members
 - (i) that the proposals for the 2009/10 funding bid for the provision of covered racks to replace the existing cycle lockers at railway stations had not been contained within the 2009/10 capital programme considered at the Partnership on 17 April 2009; and
 - (ii) that the proposals were continuing to be examined in detail and would be included in the programme at a future date;
 - (b) Mr Lynch advised members
 - (i) that David Wallace, Director, Subway would give a presentation on the Subway and its history to members at the next meeting of the Audit and Standards Committee; and
 - (ii) that arrangements would be made for members of the Partnership to have a tour of the Subway following a future Partnership meeting.

12 June 2009

2. Update on the provision of Subway staff bus

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With reference to the minutes of 13 June 2008 (page 1, paragraph 1) and 14 November 2008 (page 1, paragraph 1) when the committee had

- (1) noted various alternative options which were being investigated to determine if there was a more efficient and cost effective solution for getting Subway staff to and from work during hours which were not serviced by other means of transport; and
- (2) agreed that the final recommendations for the future provision of a Subway staff transport service would be reported to a subsequent meeting of the committee,

there was submitted a report (issued) of 1 June 2009 by the Assistant Chief Executive (Operations),

- (a) advising members that tenders had been invited for bus provision, based on one bus being deployed to carry Subway operational staff;
- (b) informing members
 - (i) that the lowest compliant tender was received from Lindon Travel at a cost of £116,325 for the 36 month contract period which was equivalent to an annual cost of £38,775; and
 - (ii) that as the annual cost for 2008/09 was £54,183, based on the requirement for two staff buses in the evening, the award of the above tender would result in a £15,408 annual saving to the Subway budget;
- (c) explaining that the contract, would operate from 6 July 2009 until 16 June 2012, with variable mileage operating each day subject to staff requirements; and
- (d) concluding
 - (i) that the formal booking and monitoring system which was now in place would continue; and
 - (ii) that usage of bus provision would continue to be reviewed.

After considerable discussion and having heard Messrs Maclennan and Hendry in answer to members' questions and advise that the proposal would be submitted to the Operations Committee on 26 June 2009 for its consideration, the committee noted the actions proposed for the provision of transport for Subway operational staff.

3. Corporate Risk Register update

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There was submitted a report (issued) of 5 June 2009 by the Assistant Chief Executive (Business Support),

12 June 2009

- (1) reminding members of the role of SPT's Risk Management Group which met quarterly to monitor and review the risks faced by SPT within its working environment;
- (2) highlighting various amendments to the Corporate Risk Register which had been made at a recent meeting of the Risk Management Group including the inclusion of a risk to reflect the increasing risk of pandemic flu; and
- (3) appending a revised Corporate Risk Register which highlighted the key risks currently identified for the organisation, together with their consequences, mitigating controls and assessed risk scores.

After discussion and having heard Mr Wylie in answer to members' questions, the committee noted the revised Corporate Risk Register.

4. Internal Audit reports

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There was submitted a report (issued) of 18 May 2009 by the Assistant Chief Executive (Business Support),

- (1) appending summary reports from three recently completed internal audit reviews of the following systems:-
 - Procurement;
 - Concessionary travel; and
 - Travel and subsistence;
- (2) explaining that the remedial actions recommended in the reports, together with implementation dates, had been agreed with the relevant departmental managers; and
- (3) concluding that, although the results of the audit work had shown that there was continuing improvement in the control and value for money frameworks for these systems, there were some areas where scope for improvement existed and these had been addressed by the audit recommendations.

After discussion and having heard Messrs Hendry and Wylie in answer to members' questions, the committee noted that Internal Audit would carry out a follow up review to confirm the implementation of the recommendations detailed in the report and report back to the committee within six months.

Thereon Mr Wylie also intimated that the Chief Executive had advised that he wanted to see SPT regarded as one of the most open and transparent public bodies in Scotland and to that end, he intended making arrangements to publish the expenses of Members and senior staff on the web later in the year.

12 June 2009

5. Internal Audit Annual Report 2008/09

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With reference to the minute of 26 October 2006 (page 2, paragraph 4) when the committee had approved the Internal Audit Strategic Plan 2006/09, there was submitted a report (issued) of 26 May 2009 by the Assistant Chief Executive (Business Support), on the third year of the Plan which

- (1) compared actual activity with planned activity, demonstrated the extent to which the audit needs had been met and highlighted the significant findings to date;
- (2) commented on the soundness of SPT's internal controls which had been examined to date in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice; and
- (3) concluded that reasonable assurance could be placed upon the adequacy and effectiveness of the Partnership's internal control systems in the year to 31 March 2009.

After discussion and having heard Messrs Hendry and MacLennan in further explanation, the committee noted the Internal Audit Annual Report for 2008/09.

6. National Fraud Initiative

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With reference to the minute of the committee of 2 February 2007 (page 5, paragraph 3) when the committee had noted

- (1) that SPT was participating for the second time in the National Fraud Initiative (NFI) which was a UK wide data matching exercise of computerised payroll, pension and benefit data held by Public Authorities; and
- (2) that the Chief Internal Auditor would investigate any cross matches which were reported to SPT by the NFI team to identify inaccuracies or potential fraud,

there was submitted and noted a report (issued) of 2 June 2009 by the Assistant Chief Executive (Business Support),

- (a) informing members that as part of the fraud response plan, SPT had participated in the NFI for the second year during 2008/09;
- (b) advising members that earlier that year an NFI report had highlighted matches for 8 employees and 360 creditors;
- (c) concluding
 - (i) that the interim work carried out by Internal Audit had confirmed that there were legitimate reasons for potential irregularities and that no evidence of fraud or error had been found; and
 - (ii) that the full results of the investigations would be submitted to a future meeting of the committee.

12 June 2009

7. External Audit - Interim Management Report

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There was submitted the Interim Management Report issued by the External Auditors, KPMG, for the year ended 31 March 2009 which summarised KPMG findings regarding the following:-

- Organisational wide controls;
- Key financial controls; and
- Key risk areas.

After considerable discussion and having heard Mr Reid, in further amplification of the report and in answer to members' questions, the committee noted the External Auditor's Interim Management report.

8. Date of next meeting

It was agreed that the next meeting of the Audit and Standards Committee would be held on Friday, 18 September, 2009 in Consort House, Glasgow at 12.30 pm following the meeting of the Strategy and Programmes Committee scheduled to take place that day.