

Strathclyde Partnership for Transport

Minute of the Audit & Standards Committee

12 September 2014

held in Consort House, Glasgow

contact officers:

Valerie A Bowen phone: 0141 333 3130
Kirsten Clubb phone: 0141 333 3576

**Minute of the meeting of Strathclyde Partnership for Transport's
Audit and Standards Committee held in Consort House, Glasgow on 12 September 2014**

Present Councillors David Wilson (Chair), John Bruce, Bobby McDill, and Alan Moir and appointed members Tom Hart and Jim McNally.

Attending Kirsten Clubb, Committee Support Officer; Gordon Maclennan, Chief Executive; Iain McNicol, Audit & Assurance Manager; Neil Wylie, Director of Finance and HR; Brian Bell, Director of Subway Operations; Peter Svensson, Planning and Logistics Manager and Kirsten Sweeney, Communications Officer.

Also attending John F Anderson, Adviser and Andy Shaw and Michael Wilkie, KPMG

1. Apologies

Apologies were submitted from Councillors Bill Grant, Pauline McKeever and Paul Welsh and Appointed Member Ann Faulds.

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

The minute of the meeting of 20 June 2014 was submitted and approved as a correct record.

4. Regularity audit of communications monitoring and reporting

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With reference to the minute of 12 June 14 (page 1, paragraph 4) when the committee had agreed that a review and subsequent report considering how SPT managed and monitored press coverage, including reputational management on social media, be presented to the next committee, there was submitted a report (issued) of 7 August 2014 by the Assistant Chief Executive (Business Support)

- (1) informing members of the preliminary finding of a regularity audit of communications monitoring and reporting;
- (2) enclosing a supplementary report which provided performance information on external communications, including press coverage and social media; and
- (3) explaining that the final findings of the engagement would be presented to the next Audit and Standards Committee.

After discussion and having heard Mr McNicol in further explanation of the report and Ms Sweeney in answer to members' questions, the committee

- (a) noted the terms of the report; and
- (b) agreed that a similar report on performance information be submitted on a quarterly basis to the committee.

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5. Variation order of business

In terms of Standing Order no. 3.4, the committee agreed to vary the order of business as hereinafter minuted.

6. Regularity audit of Subway Stores and inventories

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There was submitted and noted a report (issued) of 26 August 2014 by the Assistant Chief Executive (Business Support)

- (1) informing members that the main Subway store was located in the Broomloan depot (Govan) and provided parts and equipment for the maintenance and upkeep of Subway trains and station infrastructure;
- (2) detailing the findings of a regularity audit of Subway stores and inventories;
- (3) explaining that the objective of this engagement was to review and evaluate stock administration arrangements in accordance with the financial regulations;
- (4) advising members
 - (a) that some areas for improvement had been identified and six recommendations had been agreed;
 - (b) that, at the date of the report, four of the six recommendations had been implemented;
 - (c) that, although key controls existed, they had not been applied consistently and effectively; and
 - (d) that reasonable assurance with the exception of the administration of stock items held outwith the main Subway store could be taken from those areas covered in the engagement.

After considerable discussion and having heard Mr Bell in answer to members' questions and the Chair thank Messrs Bell and Svensson for their attendance at the committee, the committee noted the terms of the report.

7. Public Reporting Complaints Statistics

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There was submitted and noted a report (issued) of 11 August 2014 by the Assistant Chief Executive (Business Support)

- (1) informing members
 - (a) that a new complaints handling procedure introduced by the Scottish Public Service Ombudsman required all Scottish public bodies to handle and report complaints in the same way; and

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- (b) that all public bodies were required to publish the outcomes of complaints, trends and actions taken and also quarterly statistics relating to the volume of complaints;
- (2) advising members that SPT had implemented the new complaints system and would continue to monitor and report as required; and
- (3) providing members with the first quarterly statistics for all SPT customer complaints.

8. Corporate Risk Register update

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There was submitted and noted a report (issued) of 25 August 2014 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 change had been made to the risk register:-
 - the removal of SPT risk reference SPT24 – Unplanned/late request to support Commonwealth Games 2014.

9. External Audit – Annual Report for year ended 31 March 2014

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There was submitted the draft External Audit Annual Report issued by KPMG, for the year ended 31 March 2014 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) Mr MacLennan and the Chair commend Messrs Wylie and McNicol and their teams for their hard work and professionalism,

the committee noted the external audit report, taking into account the suggested amendments discussed at committee.

10. The Local Authority Accounts (Scotland) Regulations 2014

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There was submitted and noted a report (issued) of 18 August 2014 by the Assistant Chief Executive (Business Support)

- (1) informing members of the Local Authority Accounts (Scotland) Regulations 2014 which were due to come into force on 10 October 2014;
- (2) advising members that the new regulations revoked The Local Authority Accounts (Scotland) Regulations 1985;

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- (3) detailing the changes which would be applied to the statutory Annual Accounts 2014/2015 as a result of the new regulation; and
- (4) explaining that the Proper Officer had made arrangements for those changes to be implemented by 10 October 2014.

11. Audit Scotland report: Scotland's Public Finances – A follow up report – progress in meeting the challenges

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There was submitted and noted a report (issued) of 25 August 2014 by the Assistant Chief Executive (Business Support)

- (1) appending Audit Scotland's report entitled 'Scotland's Public Finances – a follow-up audit. Progress in meeting the challenges' which had been published in June 2014;
- (2) explaining
 - (a) that the report was aimed at supporting those leading and managing public services in making increasingly difficult choices about how to make the best use of the money that was available; and
 - (b) that, as a supplement to the report, Audit Scotland had published a checklist designed to assist members with their crucial role in budget setting and financial planning; and
- (3) detailing SPT's response to the key messages within the report.

12. Audit Scotland report: The National Fraud Initiative in Scotland

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There was submitted and noted a report (issued) of 14 August 2014 by the Assistant Chief Executive (Business Support)

- (1) appending Audit Scotland's report entitled 'The National Fraud Initiative (NFI) in Scotland' which had been published in June 2014;
- (2) informing members
 - (a) that since Audit Scotland had last reported on 'The NFI Initiative in Scotland' in May 2012, outcomes valued at £16 million had been recorded from the 2012/2013 exercise; and
 - (b) that the cumulative outcomes from the NFI in Scotland were now at £94 million; and
- (3) outlining the work to date and the proposed actions to support the Partnership's participation in the 2014/2015 NFI exercise.

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13. Members' and Directors' expenses 2014/2015

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There was submitted and noted a report (issued) of 14 August 2014 by the Assistant Chief Executive (Business Support) detailing members' and directors' expenses to 9 August 2014.