

Strathclyde Partnership for Transport

Minute of Audit and Standards Committee meeting

14 November 2008

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 14 November 2008.

Present	Councillors Duncan MacIntyre (Chair), Bill Grant (deputy), Ian Gray, Tommy Morrison and appointed members Tom Hart and Bill Ure.
Apologies	Councillors William Hendrie and Bill McIntosh.
Attending	Valerie Davidson, Secretary; Neil Wylie, Director of Finance; David Wallace, Director of Subway Operations and Owen Hendry, Chief Internal Auditor.
Also attending	Grant Macrae, KPMG.

1. Minute of previous meeting

The minute of the meeting of 19 September 2008 (issued) was submitted and approved as a correct record.

Arising from the minute

- (1) with regard to page 2, paragraph 3, in answer to a question raised by Councillor Grant, Mrs Davidson advised members that she would provide further detail on the 2009/10 funding bid for the provision of covered cycle racks to replace the existing cycle lockers at railway stations at the next committee; and
- (2) Mr Hendry informed members of the recent action taken by audit regarding out of hours access to the Subway stores. Members noted the position and agreed that the issue would be revisited following the re-organisation of the Subway's Rolling Stock and Plant Section.

2. Update on the provision of Subway staff bus

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With reference to the minute of 13 June 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 31 October 2008 by the Assistant Chief Executive (Operations),

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- (a) informing members
 - (ii) that a re-tender of the existing staff bus contract, which was due to expire in February 2009 had resulted in the current contract holder being the only company to respond; and
 - (iii) that their quotation to provide the same level of service for the period 2009/10 involved an increase in current costs of 25% which put consideration of cost effectiveness beyond doubt;
- (b) advising members of investigations into alternative transport provision, including the possibility of utilising one of the existing Dial-a-Bus contracts supplemented by the use of taxi provision; and
- (c) concluding
 - (i) that as the current bus arrangement was not best value for money it was recommended that the existing contract was not renewed; and
 - (ii) that an alternative specification of requirements would be issued to appropriate transport providers.

After considerable discussion and having heard Mr Wallace provide detail on the alternative options which had been investigated, the committee noted the actions proposed for the future provision of transport for Subway staff rostered for early and late shifts.

3. Governance Manual

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There was submitted a report (issued) of 4 November 2008 by the Assistant Chief Executive (Business Support),

- (1) reminding members that individual governance documents had been approved by the Partnership at various times since the establishment of SPT;
- (2) informing members that the current documents had been amended to ensure compatibility and compliance with relevant legislation and brought together in a manual which would be issued to all members, directors and senior managers; and
- (3) enclosing a draft Governance Manual comprising revised versions of the Procedural Standing Orders, Contracts Standing Orders, Financial Regulations, Scheme of Delegations, Committee Terms of Reference, Code of Corporate Governance, Code of Conduct for Employees, Members Code of Conduct, Anti-Fraud Strategy/Whistleblowing Policy, Guidelines on the Register of Hospitality, Guidelines on the Register of Interests, Multi-member Ward Protocol, and the Code of Publicity, for members' consideration, prior to the finalised document being submitted to the Partnership for approval.

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After discussion and having heard Mrs Davidson in further explanation and the Chair advise members that any further comments on the manual should be submitted to the Secretary at the earliest opportunity, the committee

- (a) noted the draft Governance Manual, taking into consideration the comments raised by members at the meeting; and
- (b) agreed that to give the Partnership sufficient time to comment, the draft manual be issued to all SPT members in advance of the issue of papers for the next Partnership meeting.

4. Internal Audit reports

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There was submitted a report (issued) of 4 November 2008 by the Assistant Chief Executive (Business Support),

- (1) appending summary reports from three recently completed audit reviews of the following systems:-
 - Miscellaneous Income;
 - Information Technology Controls System; and
 - Verification of Equipment;
- (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 frameworks, there were some areas where scope for improvement existed and these had been addressed by the audit recommendations.

After discussion and having heard Mr Hendry 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.

Arising from discussion on this item, Mrs Davidson advised members of several Freedom of Information requests which had been received from the same source on various audit reports, particularly relating to concessionary travel. She advised that SPT had responded appropriately to the requests but were waiting on further clarification from the source regarding a further auditor's report which had been requested. Members noted the position.

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5. Internal Audit Plan 2008/09 – Progress Report

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There was submitted and noted a report (issued) of 4 November 2008 by the Assistant Chief Executive (Business Support),

- (1) reminding members that the main objectives of the annual audit plan were to
 - translate the strategic plan into a schedule of audit assignments;
 - define the purpose and duration of each audit assignment; and
 - provide a framework for direction and control;
- (2) appending a progress report for the internal audit plan for 2008/2009; and
- (3) informing members
 - (a) that the level of productive days had decreased from 95% to 89% during the two months to 30 September 2008; and
 - (b) that although it had been anticipated that 104 days would be achieved during this period, the actual number of days achieved was 92 due to an increase in the level of sick leave; and
- (4) explaining that it was proposed that a part-time agency auditor would be recruited to remedy the shortfall in productive days and provide cover for a period of maternity leave which was due to start early next year.

6. Corporate Risk Register update

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With reference to the minute of 19 September 2008 (page 3, paragraph 6) when the committee had agreed that SPT's Corporate Risk Register should be amended to include a risk to cover the current global financial situation, there was submitted a report (issued) of 4 November 2008 by the Assistant Chief Executive (Business Support),

- (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 cover the global financial situation, in particular the banking sector; 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 approved the revised Corporate Risk Register.

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7. Date of next meeting

It was agreed that the next meeting of the Audit and Standards Committee would be held on Friday, 27 March, 2009 in Consort House, Glasgow at 12.30 pm following the meeting of the Strategy and Programmes Committee scheduled to take place that day.