

*joining up  
journeys*

**SPT**

committee minute

## **Strathclyde Partnership for Transport**

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

**16 September 2011**

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 16 September 2011.

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**Present** Councillors Duncan MacIntyre (Chair), Bill Grant, Ian Gray and William Hendrie and appointed member Bill Ure.

**Attending** Valerie Davidson, Assistant Chief Executive (Business Support), Neil Wylie, Director of Finance; Owen Hendry, Chief Internal Auditor and Michael Auld, Audit Technician.

**Also attending** John F Anderson, Consultant Advisor, Stephen Reid and Michael Wilkie, KPMG.

### 1. Apologies

Apologies were submitted from Councillor Gilbert Davidson and appointed member Tom Hart.

### 2. Declaration of interest

The committee noted that there were no declarations of interest.

### 3. Minute of previous meeting

The minutes of the meeting of 10 June 2011 was submitted and approved as a correct record.

Arising from the minute with regard to page 5, paragraph 11, Mr Hendry advised members that a review into the provision of information via correspondence was currently been undertaken and the outcome of that review would be submitted to the next meeting of the committee.

### 4. Corporate Risk Register update

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There was submitted and noted a report (issued) of 2 September 2011 by the Assistant Chief Executive (Business Support)

- (1) reminding members that SPT's Corporate Risk Register which highlighted the key risks currently identified for the organisation, together with their consequences, mitigating controls and assessed risk scores, was reviewed and amended on a frequent basis;

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- (2) informing members of the following detailed changes which had been made to the Corporate Risk Register:-
- amended layout with all risk groups under generical classifications;
  - inclusion of an additional column "Fall back plan (What would SPT actually do?)";
  - the addition of the following three new risks:  
  
Failure or disruption to bus market;  
Adverse publicity; and  
Failure to maintain high standards expected under good governance arrangements;
  - the reduction in scoring of SPT6 and SPT11 to reflect the current security and fiscal climates; and
  - amendment to the narrative of SPT7 and SPT19; and
- (3) appending the revised corporate risk register which also highlighted all risks which had been deleted.

## 5. Internal Audit Plan 2011/2012 - progress

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With reference to the minute of 25 March 2011 (page 5, paragraph 13) when the committee had approved an internal audit plan for 2011/2012 which had been prepared in accordance with the Code of Practice for Internal Audit in Local Government in the United Kingdom, issued in 2006 by the Chartered Institute of Public Finance and Accountancy, there was submitted and noted a report (issued) of 2 September 2011 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;
  - provide a framework for direction and control; and
  - align audit coverage to SPT's risk registers;
- (2) informing members
- (a) that at the end of August 2011, the plan was broadly on target to achieve the agreed audit coverage of 490 productive days; and
- (b) that during the previous five months, 192 of the 204 planned productive days for that period had been achieved;
- (3) informing members that although there had been a recent change to the staffing levels which might have an impact, plans were being put in place to ensure adequate coverage; and

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- (4) indicating that the implementation of the audit plan was on target and would allow delivery of the planned audit coverage for 2011/12.

## 6. Internal Audit reports

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There was submitted a report (issued) of 2 September 2011 by the Assistant Chief Executive (Business Support),

- (1) appending a summary report from recently completed internal audit reviews on the following systems;
- Expenses; and
  - Tendering;
- (2) explaining that the remedial actions recommended in the report, 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 that these had been addressed by the audit recommendations.

After discussion and having heard Messrs Hendry and Auld in further explanation of the report and provide further detail on the individual recommendations contained within the expenses review, the committee noted that Internal Audit would undertake a follow up report to confirm the implementation of the recommendations detailed in the report and report back to the committee within six months.

## 7. Follow up of Internal Audit recommendations

[Click here to view report](#)

There was submitted and noted a report (issued) of 2 September 2011 by the Assistant Chief Executive (Business Support),

- (1) appending a report detailing
- (a) the background to and current arrangements for the follow up of internal audit recommendations within the Partnership; and
- (b) the progress in the implementation of the following internal audit recommendations reported to committee on 25 March 2011:-
- Treasury Management; and
  - Rental income; and
- (2) indicating that the progress in implementing the agreed internal audit recommendations reported to the committee was satisfactory.

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**8. 2010/2011 SPT Abstract of Accounts**

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There was submitted a report (issued) of 7 September 2011 by the Assistant Chief Executive (Business Support) requesting that the committee agree that the finalised SPT abstract of accounts for the financial year ending 31 March 2011 (appended to the report) be submitted to the Controller of Audit no later than 30 September 2011.

After considerable discussion and having heard Mr Wylie and Mrs Davidson in answer to members' questions, the committee approved the finalised abstract of accounts.

**9. Members' and Directors' expenses 2010/2011**

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With reference to the special meeting of the Audit and Standards Committee held on 2 June 2010 (page 1, paragraph 2) when the committee had agreed, *inter alia*, that the Audit and Standards Committee review the expenses of all senior officers and members on a ongoing basis, there was submitted and noted a report (issued) of 7 September 2011 by the Assistant Chief Executive (Business Support) detailing members' and directors' expenses for the period from 1 April 2011 to 10 September 2011.

**10. External Audit – Annual Report 2010/2011**

[Click here to view report](#)

There was submitted a report (issued) of 7 September 2011 by the Assistant Chief Executive (Business Support)

- (1) enclosing the external audit annual report for 2010/2011 for Strathclyde Partnership for Transport which had been consolidated with the annual report for the Strathclyde Concessionary Travel Scheme Joint Committee;
- (2) explaining that the report, which had been compiled in accordance with Audit Scotland's Code of Practice
  - (a) provided an opinion on the Partnership's Financial statements; and
  - (b) considered strategic objectives and risk, together with the use of the Partnership's resources and governance arrangements; and
- (3) informing members
  - (a) that, the conclusions of the external audit report were satisfactory and had indicated that the financial statements for the Partnership for the financial year 2010/11 were unqualified; and
  - (b) that KPMG had been able to place reliance upon the work of SPT's Internal Audit team during the financial year 2010/11.

After discussion and having heard Mr Reid in further explanation of the report and thank Mr Wylie and his staff for their hard work and professionalism which had enabled

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his team to discharge their responsibilities effectively, the committee noted the terms of the report and the planned actions.

**11. External Audit - Report to those charged with governance**

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There was submitted a report (issued) of 7 September 2010 by the Assistant Chief Executive (Business Support)

- (1) enclosing the external audit annual report for 2010/2011 to those charged with governance for Strathclyde Partnership for Transport which had been consolidated with the annual report for the Strathclyde Concessionary Travel Scheme Joint Committee;
- (2) explaining that the report had been compiled in accordance with Audit Scotland's Code of Practice and had included consideration of the Partnership's arrangements for preparation of the financial statements and other information accompanying the financial statements; and
- (3) informing members
  - (a) that, the conclusions of the external audit report were satisfactory and had indicated that the financial statements for the Partnership for the financial year 2010/11 were unqualified;
  - (b) that a small number of remedial actions to improve the financial statements and strengthen corporate governance arrangements had been identified; and
  - (c) that the implementation of these actions had been agreed with the Partnership's management.

After considerable discussion and having heard Mr Wilkie in further explanation of the report, the committee noted the terms of the report and the planned actions.