

joining up  
journeys



committee minute

## **Strathclyde Partnership for Transport**

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

**18 September 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 18 September 2009.

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- Present** Councillors Duncan MacIntyre (Chair), Bill Grant and Tommy Morrison and appointed member Tom Hart.
- Apologies** Councillors Ian Gray and William Hendrie and appointed members Bill Ure and Elizabeth Cameron.
- Attending** Valerie Davidson, Assistant Chief Executive (Business Support)/Secretary; Neil Wylie, Director of Finance; Owen Hendry, Chief Internal Officer; David Wallace, Director, Subway and John Anderson, Consultant Advisor.
- Also attending** Stephen Reid, KPMG.

### 1. Minute of previous meeting

The minute of the meeting of 12 June 2009 (issued) was submitted and approved as a correct record.

### 2. Glasgow Subway past and present

The Director, Subway gave a presentation on the Glasgow Subway

- (1) providing members with a brief history of the Subway and its operation
  - pre-modernisation;
  - during modernisation in the 1970's
  - post modernisation; and
- (2) informing members of the challenges faced and the ongoing project work involved in the day to day running of the system.

Following discussion and having heard Mr. Wallace in answer to members' questions, the committee thanked Mr. Wallace for his informative presentation.

### 3. Corporate Risk Register update

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There was submitted a report (issued) of 3 September 2009 by the Assistant Chief Executive (Business Support),

- (1) reminding members of the role of SPT's Risk Management Group which met no less than quarterly to monitor and review the risks faced by SPT within its working environment;

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- (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 decreasing levels of income received by SPT and various changes to scoring to reflect ongoing financial and other pressures; 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 and Mrs Davidson 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 7 September 2009 by the Assistant Chief Executive (Business Support),

- (1) appending summary reports from three recently completed internal audit reviews of the following systems:-
  - Rental income;
  - Subway stores; and
  - Disclosure Scotland;
- (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 further improvement existed and these had been addressed by the audit recommendations.

After discussion and having heard Messrs Hendry and Wallace 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 would submit a consolidated report covering implementation of all reported internal audit reviews to the committee within a period of six months.

#### **5. Internal Audit Plan 2009/2010 – Progress Report**

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There was submitted and noted a report (issued) of 4 September 2009 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;

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- define the purpose and duration of each audit assignment;
  - provide a framework for direction and control; and
  - align audit coverage to SPT's risk register;
- (2) appending a progress report for the internal audit plan for 2009/2010; and
- (3) informing members that the plan was broadly on target to deliver the agreed audit coverage.

## 6. 2008/2009 Abstract of Accounts

[Click here to view report](#)

There was submitted a report (issued) of 7 September 2009 by the Assistant Chief Executive (Business Support) requesting that the committee agree that the finalised abstract of accounts for the financial year ending 31 March 2009 (appended to the report) be submitted to the Controller of Audit no later than 30 September 2009.

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

## 7. Audit investigations – Requests by senior management

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There was submitted a report (issued) of 7 September 2009 by the Assistant Chief Executive (Business Support)

- (1) reminding members that senior management could request an internal audit investigation of selected SPT activities;
- (2) informing members that the following areas had been investigated by internal audit as requested
- long service awards; and
  - Subway festival sponsorship; and
- (3) explaining that the investigations were designed to assist management with their responsibility for achieving improved value for money.

Following discussion the committee agreed

- (a) that a paper be submitted to a future meeting of the Personnel Committee submitting proposals in relation to recognising retirement of SPT employees; and
- (b) that otherwise the terms of the report be noted.

## 8. External Audit Annual Reports 2008/2009

[Click here to view report](#)

There was submitted a report (issued) of 2 September 2009 by the Assistant Chief Executive (Business Support)

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- (1) enclosing the external audit annual report for 2008/2009 for Strathclyde Partnership for Transport which had been consolidated with the annual report for the Strathclyde Concessionary Travel Scheme Joint Committee;
- (2) explaining
  - (a) that the report consisted of two documents, the first being a report to those charged with governance for the audit year ending 31 March 2009 and the second being the draft annual report to the members and the Controller of Audit for 2008/2009; and
  - (b) that the documents set out to provide an opinion on the Partnership's financial statements together with the organisation's corporate governance arrangements as they related to:-
    - systems of internal control;
    - the prevention and detection of fraud and irregularity;
    - standards of conduct;
    - prevention and detection of corruption; and
    - the Partnership's financial position; and
- (3) informing members
  - (a) that, although the conclusions of the external audit report were satisfactory, a small number of remedial actions to improve the financial statements and strengthen corporate governance arrangements had been identified; and
  - (b) that the implementation of these actions had been agreed with the Partnership's management.

After considerable discussion and having heard Mr. Reid and Mrs. Davidson in further explanation of the report and in answer to members' questions, the committee noted the terms of the report and the planned actions.