

joining up
journeys

SPT

committee minute

Strathclyde Partnership for Transport

Minute of Audit and Standards Committee meeting

18 November 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 18 November 2011.

Present Councillors Bill Grant (Chair), Ian Gray and Al Reay (substitute).

Attending Valerie Davidson, Assistant Chief Executive (Business Support), Neil Wylie, Director of Finance & HR and Owen Hendry, Chief Internal Auditor.

Also attending Michael Wilkie, KPMG.

1. Election of Chair

In the absence of Councillor MacIntyre, it was agreed that Councillor Grant take the Chair.

2. Apologies

Apologies were submitted from Councillors Gilbert Davidson, William Hendrie, Duncan MacIntyre and appointed members Tom Hart and Bill Ure.

3. Declaration of interest

The committee noted that there were no declarations of interest.

4. Minute of previous meeting

The minute of the meeting of 16 September 2011 was submitted and approved as a correct record.

5. Corporate Risk Register update

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There was submitted and noted a report (issued) of 9 November 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;
- (2) informing members of the following changes which had been made to the Corporate Risk Register:-

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- a reduction in the scoring of SPT16 to reflect that, whilst interest earned in revenue balances was down on previous years, it was still more than benchmark and budget;
 - a reduction in the scoring of SPT2 to reflect improved sickness absence statistics;
 - an increase in the scoring for SPT1 to include the recent spending review and anticipated reduction in government grant; and
 - changes to the narrative of SPT6 to include the security of information as well as assets. The related mitigation would include an audit using best practice guidance from the Information Commissioner; and
- (3) appending the revised corporate risk register which also highlighted all risks which had been deleted.

After considerable discussion, particularly in relation to the impact on the organisation due to the proposed industrial action on 30 November 2011 and having heard Mrs Davidson advise members that SPT would continue to maintain as many SPT frontline services as possible during the industrial action, the committee noted the report.

6. 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 1 November 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) intimating
- (a) that at the end of October 2011, the plan was broadly on target to achieve the agreed audit coverage of 490 productive days; and
 - (b) that during the previous seven months, 274 of the 286 planned productive days for that period had been achieved;
- (3) informing members that although the Audit Team's Senior Internal Auditor had left at the end of October, additional internal staff resources had been provided to the

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team to prevent any shortfall in the planned internal audit coverage for this financial year; and

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

7. Internal Audit reports

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There was submitted a report (issued) of 1 November 2011 by the Assistant Chief Executive (Business Support),

- (1) appending a summary report from recently completed internal audit reviews on the following systems;
 - Subsidised bus contracts;
 - Concessionary fares; and
 - Information technology control procedures;
- (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, particularly in relation to the ferry element of the Concessionary Travel Scheme and having heard Mr Hendry in further explanation of the report, 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.

8. Follow up of Internal Audit recommendations

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There was submitted a report (issued) of 1 November 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 10 June 2011:-
 - Creditors;
 - Payroll; and
 - Croy Park and Ride contract; and

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- (2) indicating that the progress in implementing the agreed internal audit recommendations reported to the committee was satisfactory.

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

- (i) noted the report; and
- (ii) agreed that future follow up reports of audit recommendations should identify the implementation of actions where the risks were high.

9. Audit investigation – Provision of information via correspondence

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With reference to the minute of 10 June 2011 (page 5, paragraph 11) when the committee had requested that the Chief Internal Auditor review the provision of information via correspondence, there was submitted and noted a report (issued) of 3 November 2011 by the Assistant Chief Executive (Business Support) informing members that following a review of all correspondence addressed to the Chair, Vice Chairs and senior SPT Managers during August 2011, it was found that responses had been issued for all mail received.

10. Members' and Directors' expenses 2011/2012

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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 an ongoing basis, there was submitted and noted a report (issued) of 2 November 2011 by the Assistant Chief Executive (Business Support) detailing members' and directors' expenses for the period from 1 April to 8 October 2011.

Thereon, Mrs Davidson advised members that the Accounts Commission for Scotland had issued a report with their findings, following consideration of a progress report by the Controller of Audit and therefore this would be considered by the Partnership at the next meeting.