

Committee minute



Strathclyde Partnership for Transport

Minute of the Audit & Standards Committee

14 September 2018

held in 131 St Vincent Street, Glasgow

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**Minute of the meeting of Strathclyde Partnership for Transport's
Audit and Standards Committee held in 131 St Vincent Street, Glasgow on 14 September 2018**

Present Councillors Marie McGurk (chair), Jim Finn, Ian Cochrane, Graham Campbell, Colin Cameron, Allan Casey, David Shearer and appointed members Jim McNally, Brian Davidson and Ann Faulds.

Attending Heather Maclean, Committee Officer; Neil Wylie, Director of Finance & HR; Iain McNicol, Audit & Assurance Manager and Gary Devlin, External Auditor, Scott-Moncrieff.

1. Apologies

No apologies were submitted.

2. Declaration of interest in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000

No declarations of interest.

3. Minute of previous meeting

The minute of the meeting of 8 June 2018 was submitted and approved as a correct record subject to a minor typographical error on page 2, which should show Cllr Casey as present.

4. 2017/18 Annual Audit Report to members of Strathclyde Partnership for Transport, the Strathclyde Concessionary Travel Scheme Joint Committee and the Controller of Audit

There was submitted a report (issued) of September 2018 by external auditors, Scott-Moncrieff summarising the findings from their 2017/18 audit of Strathclyde Partnership for Transport (SPT) and Strathclyde Concessionary Travel Scheme Joint Committee (SCTS).

After discussion and having heard Messer's Wylie and Devlin in answer to members' questions, the committee:

(a) noted the terms of the report, subject to amendments;

(b) remit the report to the Partnership for approval with amendments; and

thereafter Cllr Shearer raised a motion, seconded by Cllr Finn and agreed unanimously by Committee members, that in future years audited draft financial statements should be considered together with the Report to those charged with Governance by the Audit and Standards Committee in the first instance, prior to consideration for approval by the Partnership.

5. Corporate Risk Register update

There was submitted a report (issued) of 4 September 2018 by the Assistant Chief Executive appending the current corporate risk register, and advising members that since the last Audit and Standards committee meeting, the following amendments have been made:

SPT 7: Loss of digital infrastructure: close attention continues to be given to this risk from Scottish and UK government correspondence in relation to cyber threats with no change to the risk score;

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SPT 20: Continual network reviews/service withdrawals by commercial operators in bus market: this risk, effect(s) and mitigation(s) have been updated to reflect recent bus operator changes and withdrawals from service delivery. The risk score has increased to reflect these matters.

After discussion and hearing from Messer's McNicol and Wylie in further explanation, the committee noted the terms of the report.

6. Contract audit of cleaning services

There was submitted a report (issued) dated 4 September 2018 by the Assistant Chief Executive:

- (1) detailing the findings of contract audit of cleaning services;
- (2) The objective of this engagement was to review and evaluate the contract monitoring arrangements in place for cleaning services of SPT properties and site locations;
- (3) advising members
 - (a) that two recommendations have been agreed from this engagement;
 - (b) that key controls existed and had been applied consistently and effectively in the majority of areas tested; and
 - (c) that reasonable assurance could be taken from the controls in place for those areas covered in the engagement.

After consideration and having heard Messer's McNicol & Wylie in answer to members' questions, the committee:

- (i) noted the terms of the report; and
- (ii) agreed that the Audit and Assurance Manager submit a follow-up report in approximately six months.

7. Systems review of school transport administration

There was submitted a report (issued) dated 4 September 2018 by the Assistant Chief Executive:

- (1) detailing the findings of a systems review of school transport administration;
 - (2) that the objective of this engagement was to review and evaluate the internal control and administration systems in place for school transport;
 - (3) advising members
 - (a) that nine recommendations have been agreed from this engagement;
 - (b) that key controls existed and had been applied consistently and effectively in the majority of areas tested; and
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- (c) that reasonable assurance could be taken from the controls in place for those areas covered in the engagement.

After consideration and having heard Mr McNicol in answer to members' questions, the committee:

- (i) noted the terms of the report; and
- (ii) agreed that the Audit and Assurance Manager submit a follow-up report in approximately six months.

8. Regularity audit of the CRC energy efficiency scheme reporting

There was submitted a report (issued) dated 4 September 2018 by the Assistant Chief Executive:

- (1) detailing the findings of a regularity audit of the carbon reduction commitment (CRC) energy efficiency scheme reporting.;
- (2) that the objective of this engagement was to provide a level of assurance on the CRC annual summary report for 2017/18 and test supporting information.
- (3) advising members
 - (a) that some areas for improvement were identified during the engagement and these areas were addressed prior to submission of the annual summary report 2017/18;
 - (b) that key controls existed and had been applied consistently and effectively in the majority of areas tested; and
 - (c) that sound assurance in most areas can be taken from the energy consumption levels reported in the CRC annual summary report for 2017/18.

After consideration and having heard Mr McNicol, the committee noted the contents of the report.

9. Engagement follow up performance April to August 2018

There was submitted a report (issued) dated 4 September 2018 by the Assistant Chief Executive:

- (1) advising the committee on the performance and implementation rate of recommendations from follow-up engagements undertaken between April and August 2018;
 - (2) that the objective of each follow-up engagement is to test and evaluate management actions taken to address the agreed identified areas for improvement from the initial engagement;
 - (3) advising members
 - (a) Audit and Assurance has completed follow-up reviews for four engagements between April and August 2018;
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- (b) The percentage implementation rate of the recommendations from the four follow-up engagements was found to be 100%.

After consideration and having heard Mr McNicol in answer to members' questions, the committee noted the report and the implementation rate of the recommendations from assurance engagements previously reported to the committee.

10. Audit Scotland report: *'The National Fraud Initiative in Scotland'*

There was submitted a report (issued) dated 4 September 2018 by the Assistant Chief Executive, on the issue of an Audit Scotland report titled *'The National Fraud Initiative (NFI) in Scotland'*, and providing a position statement on the work completed to date to support the Partnership's participation in the 2018/19 NFI exercise.

(3) advising members

- (a) that since Audit Scotland last reported on *'The National Fraud Initiative in Scotland'* in June 2016, outcomes valued at £18.6 million have been recorded from the 2016/17 exercise and the cumulative outcomes from the NFI in Scotland are now at £129.2 million; and
- (b) preparatory work has been completed and further actions proposed to support the Partnership's participation in the 2018/19 NFI exercise.

After consideration and having heard Mr McNicol in answer to members' questions, the committee noted the terms of the report.

11. Audit Scotland report: *'Forth replacement crossing'*

There was submitted and noted a report (issued) dated 4 September 2018 by the Assistant Chief Executive advising the committee on the issue of an Audit Scotland report titled *'Forth replacement crossing'*.

12. Public reporting complaints statistics Q1 2018/19

There was submitted a report (issued) dated 4 September 2018 by the Assistant Chief Executive providing the committee with the complaints statistics for the first quarter (Q1) of 2018/19.

After consideration, the committee noted the report and requested that future reports provide additional information on the complaints by reason.

13. Members' and Directors' expenses 2018/2019

There was submitted and noted a report (issued) of 27 August 2018 by the Assistant Chief Executive detailing members' and directors' expenses to 4 August 2018.
