Committee report	SPT

Regularity audit of community transport grant awards

Committee	Audit and Standards		
Date of meeting	30 August 2019	**Date of report**	21 August 2019

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of community transport grant awards. This engagement is included in the annual Internal Audit plan for 2019/20.

2. Background

Overview

In line with the Regional Transport Strategy, SPT offers grant funding for projects to partner local authorities and other community organisations in the Partnership area. The funding is provided to improve and encourage the use of public transport, cycle routes and footpaths. Improvements to public transport may be achieved, for example, through enhancement of park and ride facilities, bus infrastructure and bus services including community transport.

Internal arrangements

Grant funding administration is governed by Committee Terms of Reference, the Scheme of Delegated Functions and the Financial Regulations.

Community transport service provision

Community transport in the Partnership area is:

- provided by a local charity or other non-profitmaking body;

- provided wholly or partly through the labour of unpaid volunteers;

- provided for the benefit of people in the community who would otherwise be disadvantaged in terms of their access to transport services (e.g. people living in an area that is not served by regular public transport services, or people who have a disability who, for that reason, find it difficult to use public transport).

The objective of this engagement was to review and evaluate internal controls and procedures for the administration of Community Transport grant awards.

This engagement tested elements of the internal controls and mitigation against SPT 20: Continual network reviews/service withdrawals by commercial operators in bus market as identified in the Corporate Risk register.

3. Outline of findings

As at the date of engagement testing (July 2019); SPT has grant funded seventeen (17) community transport organisations throughout the Partnership area for 2019/20. Testing found that grant administration arrangements were in place.

The engagement identified a requirement to review and enhance current arrangements. There are areas for improvement, and these areas have been addressed by four recommendations. Bus Strategy and Delivery management have agreed to implement these recommendations, which are currently being actioned.

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of community transport grant awards. Four recommendations have been agreed from this engagement.

Key controls exist and are applied consistently and effectively in the majority of areas tested in this engagement. Reasonable assurance can be taken from the internal controls in place.

5. Committee action

The committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendations to a meeting in approximately six months.

6. Consequences

Policy consequences	*In accordance with the Committee Terms of Reference, Scheme of Delegated Functions and Financial Regulations.*
Legal consequences	*None.*
Financial consequences	*None.*
Personnel consequences	*None.*
Equalities consequences	*None.*
Risk consequences	*As detailed in the report.*

Name	Valerie Davidson	**Name**	Gordon Maclennan
Title	**Assistant Chief Executive**	**Title**	**Chief Executive**

For further information, please contact Iain McNicol, Audit and Assurance Manager on 0141 333 3195.

Agreed action plan: Regularity audit of community transport grant awards

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1	Community Transport grant funding Bus Strategy and Delivery management should review the grant funding application process for Community Transport (CT) organisations across the Partnership area. **Note:** membership of the West of Scotland Community Transport Network requirement should be considered as part of the review.	Medium	The current process will be reviewed with relevant stakeholders and any changes considered at the next meeting of the West of Scotland Community Transport forum.	Head of Bus Strategy & Delivery / Bus Development Manager	October 2019
2	Community Transport grant administration The current Community Transport grant application and award administration arrangements should be refreshed to: • rationalise the application form; • provide guidance notes and conditions of grant to applicants at application stage; • tailor the grant award letter; • clearly define performance monitoring arrangements; • clarify publicity requirements.	Medium	The current Community Transport grant application and award administration arrangements will be reviewed and updated. Any changes to the arrangements will be considered at the next meeting of the West of Scotland Community Transport forum.	Head of Bus Strategy & Delivery / Bus Development Manager	October 2019

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
3	State-Aid legislation Bus Strategy and Delivery management should ensure that Community Transport grant funding awards are risk assessed in accordance with State-Aid legislation.	Medium	Community Transport grant funding applications are reviewed in accordance with State-aid legislation and the Financial Regulations.	Head of Bus Strategy & Delivery / Bus Development Manager	October 2019
4	Specialised service provision The current arrangements for specialised (School Transport additional support needs) and non-commercial service delivery by Community Transport providers should be reviewed.	Medium	Service level agreements for specialised service provision are currently subject to review	Head of Bus Strategy & Delivery / Bus Development Manager	October 2019

High: A fundamental control that should be addressed as soon as possible;
Medium: An important control that should be addressed within three months;
Low: An issue which is not fundamental but should be addressed within six months to improve the overall control environment.