

## **Strathclyde Partnership for Transport**

### **Minute of the Audit & Standards Committee**

**12 June 2020**

held by video conference

**contact officer:**

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## **Minute of the meeting of Strathclyde Partnership for Transport's Audit and Standards Committee held by video conference on 12 June 2020**

**Present** Councillors Marie McGurk (Chair), Richard Bell, Colin Cameron, Ian Cochrane, Maureen Devlin, Martin Bartos, Alan Moir, David Wilson and Collette Stevenson; and appointed members Brian Davidson, Ann Faulds and Jim McNally.

**Attending** Gordon MacLennan, Chief Executive; Valerie Davidson, Assistant Chief Executive/Partnership Secretary; Neil Wylie, Director of Finance; Iain McNicol, Audit & Assurance Manager; Stuart Paul, Chief Accountant and Karen Jones and Gary Devlin of Scott Moncrieff (External Auditors). Cllrs Bartos, Moir and Wilson also attended the meeting as observers.

### **Chairs Remarks**

The Chair welcomed the Committee via the Skype for Business video conferencing facility which was being utilised due to the COVID-19 crisis and explained some of the platform's options for contributing to the meeting.

#### **1. Apologies**

Apologies were received from Councillors David Shearer and Marie McNair.

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

The Committee noted a declaration of interest from Councillor Bell for Item 5, noting that since the last meeting he had been appointed as Chair of the Strathclyde Pension Fund, which SPT was a member of.

#### **3. Minute of previous meeting**

[Click here to view the minute](#)

The minute of the meeting of 14 February 2020 was submitted and approved as a correct record, subject to the amendment of a typographical error.

#### **4. Draft annual accounts of Strathclyde Partnership for Transport 2019/2020**

[Click here to view the report](#)

There was submitted a report (issued) of 26 May 2020 by the Assistant Chief Executive providing the Committee with the draft annual accounts (subject to audit) for financial year ending 31 March 2020 for Strathclyde Partnership for Transport (SPT) and seeking the Committee's agreement to submit the accounts to the External Auditor by 30 June 2020.

Mr McNally acknowledged the difficulty in normal circumstances of achieving completion of the financial statements by the end of June and extended congratulations and thanks to Mr Wylie and the SPT Finance team for their success in doing so in the current circumstances. The Chair and Mr Davidson seconded this and the Committee concurred.

The Committee noted that Mr Davidson had sent some observations regarding the accounts and had received responses from officers accordingly. Thereafter, after discussion and having heard further from Mr Wylie and Mr Paul in answer to members' specific questions relating specifically to the basis of property valuations, levels of local authority requisitions and the payback period for severance periods, the Committee agreed the accounts be submitted to the External Auditor by 30 June 2020.

#### **5. Draft annual accounts of Strathclyde Concessionary Travel Scheme 2019/2020**

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[Click here to view the report](#)

There was submitted a report (issued) of 26 May 2020 by the Assistant Chief Executive providing the Committee with the draft annual accounts (subject to audit) for financial year ending 31 March 2020 for the Strathclyde Concessionary Travel Scheme and seeking the Committee's agreement to submit the accounts to the External Auditor by 30 June 2020.

In answer to the Chair and members' questions, Mrs Davidson confirmed work had already started on a review of the scheme and the intention was to submit an interim draft report to the Joint Committee in Autumn 2020.

After discussion and having heard further from Mrs Davidson, the Committee agreed the accounts be submitted to the External Auditor by 30 June 2020.

## **6. Corporate Risk Register update**

[Click here to view the report](#)

There was submitted a report (issued) of 20 May 2020 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/updates have been made:

- SPT 1: Capital funding allocation not matched to programme demands: the risk score has increased following Scottish Government allocation for 2020/21;
- SPT 20: Continual network reviews/service withdrawals by commercial operators in bus market: close attention continues to be given to this risk from reports presented to the Operations committee;
- SPT 26: EU (withdrawal) Act 2018 – Brexit implications: close attention continues to be given to this risk from Scottish and UK government information provision;
- SPT 28: Impact of climate change: close attention continues to be given to this risk from reports presented to the Strategy & Programmes committee; and
- SPT 29: Impact of coronavirus (Covid-19): a new separate corporate risk has been added.

Members were advised that a report outlining the financial position of SPT as a result of COVID-19 will be submitted to Partnership and specifically the implications for the bus market will be submitted to the next Operations Committee in August 2020.

After discussion and having heard further from Mrs Davidson, the Committee noted the contents of the report and the Corporate Risk Register, as at May 2020.

## **7. Regularity audit of Subway station office administration**

[Click here to view the report](#)

There was submitted a report (issued) dated 26 February 2020 by the Assistant Chief Executive advising the Committee on the findings of a regularity audit of Subway station office administration. This engagement is included in the annual Internal Audit Plan for 2019/20.

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

## **8 Proposed Internal Audit Plan Amendment – General Data Protection Regulations update**

[Click here to view the report](#)

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There was submitted and noted a report (issued) of 1 June 2020 by the Assistant Chief Executive advising of a proposed amendment to the current year Internal Audit Plan to accommodate a review of controls relating to SPT's approach to General Data Protection Regulations (GDPR).

After consideration, the Committee agreed to the proposed amendment to the current year Internal Audit Plan.

#### **9. Regularity audit of Subway information systems**

[Click here to view the report](#)

There was submitted a report (issued) dated 24 March 2020 by the Assistant Chief Executive advising the Committee on the findings of a regularity audit of Subway information systems. This engagement is included in the annual Internal Audit Plan for 2019/20.

After consideration, the Committee, having heard further that the matter related to system administration training was a corporate wide issue, noted the contents of the report and agreed that Mr McNicol submits a follow-up report on the implementation of the recommendations to a meeting in approximately six months.

#### **10. Regularity audit of Corporate information systems**

[Click here to view the report](#)

There was submitted and noted a report (issued) dated 23 April 2020 by the Assistant Chief Executive advising the Committee on the findings of a regularity audit of Corporate information systems. This engagement is included in the annual Internal Audit Plan for 2019/20.

After consideration, the Committee noted the contents of the report and agreed that Mr McNicol submits a follow-up report on the implementation of the recommendations to a meeting in approximately six months.

#### **11. Engagement follow-up performance February and March 2020**

[Click here to view the report](#)

There was submitted a report (issued) dated 3 April 2020 by the Assistant Chief Executive advising the Committee on the performance and implementation rate of recommendations from follow-up engagements undertaken in February and March 2020. This engagement is included in the annual Internal Audit Plan for 2019/20.

After consideration, the Committee noted the contents of the report.

#### **12 Five-year Internal Audit plan coverage**

[Click here to view the report](#)

There was submitted a report (issued) dated 21 February 2020 by the Assistant Chief Executive providing the Committee with an overview of Internal Audit coverage over a five-year period including the approved Internal Audit plan for 2020/2021.

Following discussion and agreeing a rolling 5-year overview would be included in the Audit & Standards Workplan (February 2021) and submitted annually, the Committee noted the contents of the report.

#### **13 Internal Audit opinion and report 2019/20**

[Click here to view the report](#)

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There was submitted a report (issued) dated 23 April 2020 by the Assistant Chief Executive asking the Committee to note the annual Internal Audit opinion and report for 2019/2020.

After consideration and having heard Mr McNicol and Mr Devlin in answer to members' questions, specifically related to the issue of external audit reliance, the committee noted the contents of the report.

#### **14. Audit & Standards committee annual report 2019/2020**

[Click here to view the report](#)

There was submitted a report (issued) dated 21 February 2020 by the Assistant Chief Executive providing the Committee with an annual report on the work of the Audit and Standards committee in 2019/2020.

After discussion and hearing from Mrs Davidson, the Committee:

- (1) noted the Audit and Standards committee annual report 2019/2020; and
- (2) commended the report to the next Partnership meeting of 26 June 2020.

#### **15 Audit Scotland briefing – COVID 19 What it means for public audit in Scotland**

[Click here to view the report](#)

There was submitted and noted a report (issued) of 7 May 2020 by the Assistant Chief Executive advising the committee on the issue of an Audit Scotland report titled 'Covid-19: What it means for public audit in Scotland'.

Mr Devlin further advised the Committee Audit Scotland had now confirmed the extension of Scott Moncreiff's contract as External Auditors to SPT and the Strathclyde Concession Joint Committee for one year. Following discussion, the Committee noted the details of the report.

#### **16 Members' and Directors' expenses 2020/21**

[Click here to view the report](#)

There was submitted and noted a report (issued) of 13 May 2020 by the Assistant Chief Executive detailing members' and directors' expenses to 9 May 2020.

Following discussion, the Committee noted the details of the report.

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