

Strathclyde Partnership for Transport

Minute of the Audit & Standards Committee

28 August 2020

held by video conference

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Minute of the meeting of Strathclyde Partnership for Transport's Audit and Standards Committee held by video conference on 28 August 2020

Present Councillors Marie McGurk (Chair), Richard Bell, Colin Cameron, Maureen Devlin, Marie McNair and Collette Stevenson (Substitute); and appointed members Brian Davidson, Ann Faulds and Jim McNally (from Agenda Item 4).

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 Moncreiff (External Auditors).

1. Apologies

Apologies were received from Councillors Ian Cochrane, Lee Lyons (Substitute) and David Shearer.

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

The Committee noted there were no declarations of interest.

3. Minute of previous meeting

[Click here to view the minute](#)

The minute of the meeting of 12 June 2020, having been considered at the Partnership meeting of 26 June 2020, was submitted and approved as a correct record.

4. 2019/20 Annual Audit Report to those Charged with Governance

[Click here to view the report](#)

There was submitted a report (issued) of 10 August 2020 by the Assistant Chief Executive advising the Committee that the attached report detailed the outcome of Scott Moncreiff's external audit of SPT and SCTS in 2019/20 to those charged with governance.

The Committee expressed their thanks to Mr Devlin of Scott Moncreiff and to the SPT Finance team for their work in preparing the financial statements and the audit process during the current public health restrictions, noting that the normal timetable had been complied with. Thereafter, and after discussion and having heard further from Mr Devlin, Ms Jones and Mr Wylie in answer to members' specific questions relating to the basis of property valuations, operational income and pension liability, and following Mr Devlin's confirmation that any updated reports would be circulated with any changes highlighted, the Committee:

- noted the details of the 2019/20 Annual Audit Report to those charged with governance; and
- agreed that given the late amendment arising from the pension change, an update would be presented to the Partnership and the Strathclyde Concessionary Travel Joint Committee in September 2020.

5. Audited Annual Accounts 2019/20

[Click here to view the report](#)

There was submitted a report (issued) of 10 August 2020 by the Assistant Chief Executive providing the Committee with the audited annual accounts for financial year ending 31 March 2020 for Strathclyde Partnership for Transport (SPT) and Strathclyde Concessionary Travel

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Scheme Joint Committee (SCTSJC) for final scrutiny prior to their submission to the Partnership and SCTSJC for approval on 18 September 2020.

Mrs Davidson thanked the SPT Finance team for their work in producing the annual accounts. After discussion and having heard from Mr Wylie in answer to members' questions and following Mr Devlin's confirmation that any updated reports would be circulated with any changes highlighted, the Committee:

- noted the annual accounts for SPT and SCTSJC for the financial year 2019/20; and
- agreed that these should be submitted to the Partnership and SCTSJC respectively for approval on 18 September 2020 after the audited adjustment for the late pension issue had been incorporated.

6. Corporate Risk Register update

[Click here to view the report](#)

There was submitted a report (issued) of 12 August 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 11: Current economic conditions adversely impact on SPT's operational income and return on cash reserves: this risk has been revised and score has increased due to the pandemic and economic forecast for short and medium term;
- 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;
- SPT 29: Impact of coronavirus (Covid-19): close attention continues to be given to this risk from Scottish and UK government information provision. Note: Covid-secure workplace risk assessments have been completed and return to work risk assessments for all individual office based staff have been undertaken in accordance with Scottish government guidelines.

After discussion and having heard further from Mr McNicol and Mrs Davidson in answer to members' questions, the Committee noted the contents of the report and the Corporate Risk Register, as at August 2020.

7. Regularity audit of Subway annual stockcount

[Click here to view the report](#)

There was submitted a report (issued) dated 16 June 2020 by the Assistant Chief Executive advising the Committee on the findings of a regularity audit of Subway annual stockcount. This engagement is included in the annual Internal Audit Plan for 2020/21.

After consideration and having heard Mr McNicol in answer to members' questions, 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.

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8 Regularity audit of bus infrastructure annual stock count

[Click here to view the report](#)

There was submitted and noted a report (issued) of 16 June 2020 by the Assistant Chief Executive advising the Committee on the findings of a regularity audit of bus infrastructure annual stock count. This engagement is included in the annual Internal Audit plan for 2020/2021.

After consideration, the Committee noted the contents of the report and that a physical stockcount would be undertaken when it was safe to do so.

9. Systems review of asset management arrangements

[Click here to view the report](#)

There was submitted a report (issued) dated 17 June 2020 by the Assistant Chief Executive advising the Committee on the findings of a systems review of asset management arrangements. This engagement is included in the annual Internal Audit plan for 2020/2021.

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.

10. Regularity audit of digital change controls

[Click here to view the report](#)

There was submitted and noted a report (issued) dated 15 July 2020 by the Assistant Chief Executive advising the Committee on the findings of a regularity audit of digital change controls. This engagement is included in the annual Internal Audit Plan for 2020/21.

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. Cyber Resilience Framework update

[Click here to view the report](#)

There was submitted a report (issued) dated 11 August 2020 by the Assistant Chief Executive advising the Committee on the progress of implementation of the Scottish Public Sector Cyber Resilience Framework.

After consideration and having heard further from Mr Wylie in answer to members' questions, the Committee:

- noted the contents of the report;
- noted the position as at the date of the report on the Cyber Resilience Framework and the current scoring; and
- agreed that the Director of Finance presents a further update report on the Cyber Resilience Framework in 2021, noting that the Chair requested regular updates on progress of the framework actions.

12 Engagement follow-up performance April to August 2020

[Click here to view the report](#)

There was submitted a report (issued) dated 12 August 2020 by the Assistant Chief Executive advising the Committee on the performance and implementation rate of recommendations from

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follow-up engagements undertaken between April and August 2020. Follow-up reviews are included in the annual Internal Audit plan for 2020/21.

Following discussion and after hearing further from Mr McNicol in answer to members' questions, the Committee noted the contents of the report and the implementation rate of the recommendations from assurance engagements previously reported to the committee, noting that a future report would include more details of follow up work which had been delayed due to the current workplace restrictions.

13 Audit Scotland report: Local government in Scotland overview 2020

[Click here to view the report](#)

There was submitted a report (issued) dated 14 July 2020 by the Assistant Chief Executive advising the Committee on the issue of an Audit Scotland report titled 'Local government in Scotland overview 2020' and outline of SPT's response to the key messages and recommendations contained therein.

After consideration and having heard Mr McNicol in answer to members' questions, the Committee noted the contents of the report and the Audit Scotland report titled 'Local government in Scotland overview 2020'.

14. Audit Scotland report: National Fraud Initiative

[Click here to view the report](#)

There was submitted a report (issued) dated 30 July 2020 by the Assistant Chief Executive advising the Committee on the issue of an Audit Scotland report titled 'National Fraud Initiative (NFI)', and provide a position statement on the work completed to date to support the Partnership's participation in the 2020/2021 NFI exercise.

After discussion and hearing further from Mrs Davidson and Mr McNicol in answer to members' questions, the Committee:

- noted the contents of the report and the Audit Scotland report titled 'National Fraud Initiative'; and
- that the investigation of matches follow up report due in June 2021 be added to the Audit & Standards Workplan.

15 Audit Scotland report: Covid-19: Emerging fraud risks

[Click here to view the report](#)

There was submitted and noted a report (issued) of 27 July 2020 by the Assistant Chief Executive advising the Committee on the issue of an Audit Scotland report titled '*Covid-19: Emerging fraud risks*'.

After consideration, the Committee noted the contents of the report and the Audit Scotland report titled '*Covid-19: Emerging fraud risks*'.

16 Public reporting complaints statistics – Quarter 1 2020/2021

[Click here to view the report](#)

There was submitted and noted a report (issued) of 18 August 2020 by the Assistant Chief Executive providing the Committee with the complaints statistics for Quarter 1 of 2020/2021, noting that the detail was also presented to the Operations Committee at its meeting of 21 August 2020.

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Following discussion, the Committee noted the level of complaints received, in the context of the volume of service provided.

17 Members' and Directors' expenses 2020/21

[Click here to view the report](#)

There was submitted and noted a report (issued) of 10 August 2020 by the Assistant Chief Executive detailing members' and directors' expenses to 1 August 2020.

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