

# Minute of Strathclyde Concessionary Travel Scheme Joint Committee

**26 June 2009**

held in Consort House, Glasgow

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# Minute of the meeting of the Strathclyde Concessionary Travel Scheme Joint Committee held in Glasgow on 26 June 2009

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- Present** Councillors Robert Burrows (Chair), John Campbell, Ian Douglas (depute member) William Hendry (depute member), Eileen Hurcombe, Eileen Logan, Donnie MacMillan, (depute member), Eddie Phillips (Vice-Chair), John Reid and Alistair Watson.
- Apologies** Councillors Jim McElhill, Nan McFarlane, Ian McKenzie, Duncan MacIntyre, and Alan Noon.
- Attending** Kirsten Clubb, Committee Clerk; Neil Wylie, Director of Finance; Owen Hendry, Chief Internal Auditor and Rodney Mortimer, Director of Policy and Strategy.

## 1. Minute of previous meeting

The minute of the meeting of 30 January 2009 (issued) was submitted and approved as a correct record.

## 2. Proposed change to quorum

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With reference to the minute of 30 January 2009 (page 1, paragraph 1) when the committee had agreed that the Secretary would write to the Chief Executives of the constituent authorities to suggest a more manageable quorum, there was submitted a report (issued) of 11 June 2009 by the Treasurer/Secretary,

- (1) informing members that a letter had been sent to all 12 authorities requesting their agreement to para 3.1.1 of the Standing Orders being amended to read "The quorum of the Joint Committee is four";
- (2) advising members that all 12 constituent authorities had now responded to confirm their councils' agreement to this request;
- (3) explaining that adoption of a lower quorum would make it easier to arrange meetings of the committee and facilitate quicker decision making; and
- (4) requesting the committee's approval to change the quorum of the committee from 9 members to 4.

After discussion, the committee agreed that the quorum of the committee be changed from 9 members to 4, subject to at least three constituent councils being represented.

## 3. Review of the Strathclyde Concessionary Travel Scheme

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With reference to the minute of 30 January 2009 (page 4, paragraph 6) when the committee had agreed that a full review of the Strathclyde Concessionary Travel Scheme be undertaken with a view to bringing forward proposals in relation to the scheme terms, fare structure and criteria, there was submitted and noted a report (issued) of 12 June 2009 by the Treasurer/Secretary

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- (1) advising members that the review of the scheme would include
  - detailed analysis of costs and impacts of the current scheme;
  - an appraisal of potential options for future scheme developments and their impact on affordability, accessibility and social inclusion;
  - assessment of the costs of future options for development and their impact on the 'public purse' and operators; and
  - an assessment of options for future scheme administration;
- (2) informing members
  - (a) that a review of the scheme was timely given the recent review and evaluation of the National Concessionary Travel (NCT) Scheme undertaken by the Scottish Government; and
  - (b) that the underlying drivers of the NCT's review included an ageing population, growing concessionary travel reimbursements, budget constraint /affordability and the challenges faced by the current economic climate which were valid considerations for the review of the Strathclyde scheme;
- (3) explaining that inter-departmental officer level steering and working groups had been established to progress the review;
- (4) appending
  - (a) a timetable of the work to be progressed by the steering and working groups; and
  - (b) an analysis of baseline data on rail concessionary travel in the Strathclyde area; and
- (5) intimating
  - (a) that following completion, the review would be presented to the committee for its consideration; and
  - (b) that meantime, regular updates would be presented to the committee on the progress made.

#### **4. 2008/2009 abstract of accounts**

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There was submitted and approved a report (issued) of 17 June 2009 by the Treasurer/Secretary requesting that the committee

- (1) agree that the draft abstract of the annual accounts appended to the report for the financial year ending 31 March 2009 be submitted to the Controller of Audit; and

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- (2) approve a write off of £10,783 relating to an operator, Slocoach Transport Ltd, as outlined in the report.

## 5. **Internal Audit Annual Report 2008/2009**

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There was submitted a report (issued) of 11 June 2009 by the Treasurer/Secretary

- (1) appending the Internal Audit Annual Report 2008/2009 which encompassed both Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee; and
- (2) advising members that the report
  - (a) compared actual activity with planned activity, demonstrated the extent to which the audit needs of the Partnership and the Joint Committee had been met and highlighted the significant findings to date;
  - (b) commented on the soundness of both organisations' internal controls which had been examined to date in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice; and
  - (c) concluded that reasonable assurance could be placed upon the adequacy and effectiveness of the Partnership and Joint Committee's internal control systems in the year to 31 March 2009.

After consideration and having heard Mr Hendry in further explanation, the committee noted the internal audit annual report for 2008/2009.

## 6. **Audit Strategy 2009/2012**

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There was submitted a report (issued) of 11 June 2009 by the Treasurer/Secretary

- (1) appending a proposed Internal Audit Strategy for 2009/2012 which encompassed both Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee and had been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government in the United Kingdom 2006;
- (2) informing members that the strategy was a high level statement of how the internal audit service would be delivered and developed in accordance with the terms of reference, how it linked to the organisational objectives and priorities and set out the context within which more detailed plans could be developed; and
- (3) indicating that the code also required that the audit strategy should communicate the contribution which internal audit made to the Partnership and the Joint Committee and, in that respect, should specify:
  - internal audit objectives and outcomes;
  - how the Chief Internal Auditor would form and evidence his opinion on the control environment to support the annual statement on internal control;

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- how internal audit work would identify and address significant local and national issues and risks;
- how the service would be provided; and
- the resources and skills required to deliver the strategy.

After consideration, the committee agreed to approve the Internal Audit Strategy for the three years from 1 April 2009 to 31 March 2012.

## 7. Internal Audit Plan 2009/2010

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There was submitted and noted a report (issued) of 11 June 2009 by the Treasurer/Secretary

- (1) appending an internal audit plan for 2009/2010 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;
- (2) reminding members that the main objectives of the annual audit plan were to
  - translate the audit strategy into a schedule of audit assignments;
  - define the purpose and duration of each audit assignment; and
  - provide a framework for direction and control;
- (3) informing members
  - (a) that the risk assessment used to support the 2009/2012 Audit Strategy had been undertaken at a time when the Partnership's departmental risk registers were not fully complete for audit purposes;
  - (b) that recent developments in SPT's risk registers had offered the opportunity to align better audit coverage with all key risks and their associated mitigating controls; and
  - (c) that where possible the proposed audit coverage would be directed to offer assurance on the effectiveness of controls identified in SPT's corporate risk register and departmental register;
- (4) advising members
  - (a) that as some departmental risk registers were subject to review as part of organisational changes, it was not possible to format an audit needs assessment and to plan based exclusively on risk registers;
  - (b) that in order to overcome this, the Chief Internal Auditor had completed an audit needs assessment using other valuable information to ensure that the allocation of audit resources was prioritised against key risks and controls; and
  - (c) that this risk assessment would therefore be informed by relevant sections of risk registers, previous internal audit work, intelligence, discussions with the Cabinet, Service Directors and the Audit and Standards Committee; and

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- (5) highlighting that the delivery of the annual plan would ensure that the audit coverage anticipated in the Audit Strategy 2009/2012 was achieved.

## **8. Internal Audit reports**

[Click here to view report](#)

There was submitted a report (issued) of 17 June 2009 by the Treasurer/Secretary

- (1) appending a summary report and completed action plan from a recently completed audit review on concessionary travel;
- (2) explaining that the remedial action 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 framework for concessionary travel, there were some areas where scope for improvement existed and these had been addressed by the audit recommendations.

After discussion and having heard Messrs Hendry and Wylie in answer to members' questions, the committee noted that internal audit would carry out a follow up review to confirm the implementation of the recommendations detailed in the report and report back to the committee within six months.

## **9. External Audit – Interim Management report for 2008/2009**

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There was submitted and noted a report (issued) of 17 June 2009 by the Treasurer/Secretary

- (1) appending the external audit interim management report for 2008/2009 for Strathclyde Partnership for Transport which had been consolidated with the interim report for Strathclyde Concessionary Travel Scheme Joint Committee;
- (2) explaining that the report was primarily designed to direct attention to matters of significance which had arisen out of the 2008/2009 audit process and confirmed the action planned by management to address the more significant matters for improvement;
- (3) highlighting that the processing of journal entries and an IT disaster recovery plan were recommendations in the report which were ranked as significant; and
- (4) concluding that overall the report was satisfactory, subject to management implementation of the audit recommendations.