

PERFORMANCE & AUDIT COMMITTEE MEETING

**HELD IN DIAMOND JUBILEE ROOM, CITY CHAMBERS, EDINBURGH, EH1 1YJ
ON FRIDAY, 7 September 2018
10.00 A.M.**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (in the Chair)	Midlothian Council
	Councillor Fullarton	Scottish Borders Council
	Councillor Murtagh	Falkirk Council
	Callum Hay	Non-Councillor Member
	Doreen Steele	Non-Councillor Member
	Barry Turner	Non-Councillor Member
IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Elizabeth Forbes	SEStran
	Jim Grieve	SEStran
	Gavin King	City of Edinburgh Council
	Stuart Johnston	City of Edinburgh Council
	Karen Jones	Scott Moncrieff
	Iain Shaw	City of Edinburgh Council

Action by

A1. ORDER OF BUSINESS

It was confirmed that there was no change to the order of business.

A2. APOLOGIES

Apologies were received from Councillors Dempsey, and Lee, Simon Hindshaw.

A3. DECLARATIONS OF INTERESTS

None.

A4. MINUTES

Decision

To approve the minute of 8 June 2018 as a correct record.

A5. EXTERNAL AUDIT REPORT – Report by Scott Moncrieff

Scott-Moncrieff, the external auditors completed an audit in September 2018 and their findings were outlined in the 2017/18 Annual Audit Report.

The key observations from the report identified a significant governance weakness relating to approval of invoices, recommended that further work be carried out to consider the long term financial priorities of the Partnership, and that the Transport (Scotland) Bill which, was introduced to Parliament on 8 June, would have a significant impact as it would allow regional transport partnerships to be given the authority to hold reserves. This would provide the Partnership with greater financial flexibility and help facilitate longer term financial planning.

Decision

To note the report.

A6. FINANCE REPORTS

(a) Audited Annual Accounts 2017/18

The Audited Annual Accounts were presented to the Committee in accordance with the Local Authority Accounts (Scotland) Regulations.

Decision

- 1) To note the audited accounts and the Auditor's opinion in the audit certificate;
- 2) To refer the Audited Annual Accounts to the Partnership Board for its approval.

(b) Public Service Reform (Scotland) Act 2017/18

The Committee considered a report which advised that the Scottish Regional Transport Partnerships were included in the schedule of the Public Services Reform (Scotland) Act 2010. This required annual publication of certain information and the report outlined the information to be published.

Decision

- 1) To note the content of the material for publication under the Public Services Reform (Scotland) Act 2010 and detailed in appendix 1 of the report.
- 2) To explore providing further information under the sustainable economic growth heading.

(c) Invoice Payment Procedure

As part of the findings of the 2017/18 Annual Audit, the Partnership's External Auditor had recommended the existing arrangements in relation to certification and authorisation of invoice payments should be revised to ensure separation of

officer and member roles to facilitate effective challenge and scrutiny. A new approach was proposed to address the Auditor's recommendation.

Decision

To approve the amended "Authorisation of Invoices for Payment - Certifying Officers and Limits of Authority" as detailed in Appendix 2 of the report and refer the report to the Partnership Board.

A7. DRAFT ANNUAL REPORT 2017/18

Details were provided of the performance of SEStran up to the end of the financial year 2018, by presenting a draft copy of the text proposed, to provide the basis of SEStran's Annual Report 2017/18.

The Committee suggested a number of changes to the Annual Report which officers agreed to reflect in the final draft.

Decision

- 1) Subject to the suggestions at the meeting being incorporated to the final version, to note that the draft Annual Report 2017/18 would be presented to the Partnership Board for approval before publication by end of September 2018.
- 2) To recommend that the finalised Annual Report should be submitted to each of the member councils.

A8. INFORMATION SECURITY POLICY UPDATES

An update was provided on the work being undertaken on information governance and in preparation for the upcoming Cyber Essentials Assessment on the 24th September 2018, officers had been reviewing and amending SEStran's policies to improve its cyber resilience protocols.

It was highlighted that there was a 2018 Data Protection Act recently introduced and this should be reflected in the policy.

Decision

To approve the changes to the policy for immediate implementation.

A9. DATE OF NEXT MEETING

10:00am on Friday 23 November 2018 in Mandela Room, City Chambers, Edinburgh, EH1 1YJ