

PERFORMANCE & AUDIT COMMITTEE

**Dean of Guild Court Room, City Chambers
on Friday 12 September 2025
1.00pm**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie	Midlothian Council
	Councillor Linehan	Scottish Borders Council
	Councillor Jenkinson	The City of Edinburgh Council
	Callum Hay	Non-Councillor Member
	Doreen Steele	Non-Councillor Member
	John Scott	Non-Councillor Member
	Simon Hindshaw	Non-Councillor Member

IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Brian Butler	SEStran
	Cheryl Fergie	SEStran
	Callum Finlayson Cranshaw	Audit Scotland
	Christopher Gardner	Audit Scotland
	Daniel Baigrie (Clerk)	The City of Edinburgh Council
	Michael Melton	SEStran
	Iain Shaw	The 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 submitted on behalf of Councillor Glen, Fife Council.

A3. DECLARATION OF INTERESTS

None.

A4. MINUTES

- 1) To approve the minute of the Performance and Audit

Committee of Friday 6 June 2025 as a correct record; and

- 2) To note that at the meeting on 6 June 2025, there had been discussion regarding HR Policies and that these were on the agenda for the meeting on 12 September 2025.
- 3) To note the minute of the Project and Strategy Delivery Oversight Subgroup of Thursday 14 August 2025.

A5. EXTERNAL AUDITOR'S ANNUAL REPORT

The Independent Auditor's Annual Report summarises the findings arising from the Partnership's 2024/25 external audit. The unaudited Annual Accounts were noted by the Partnership at its meeting on 20 June 2025 and submitted to the appointed external auditor – Audit Scotland. The 2024/25 Annual Audit Report was appended along with the Letter of Representations. In the auditor's opinion, the annual accounts were free from material misstatement. Audit Scotland reported one significant finding from the audit relating to the derecognition of assets.

Decision

To note the Proposed Annual Audit Report.

(Reference – report by the Treasurer, submitted)

A6. AUDITED ANNUAL ACCOUNTS

The report presented the Audited Annual Accounts for the year ended 31st March 2025. The Proposed Independent Auditor's Report states the financial statement; gave a true and fair view of the state of affairs of the Partnership as at 31 March 2025 and of its income and expenditure for the year then ended; have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Code; and; have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Decision

To note the audited annual accounts and the Auditor's opinion in the audit certificate.

(Reference – report by the Treasurer, submitted)

A7. COUNCIL REQUISITIONS

The Partnership Director provided a verbal update regarding Council Requisitions. It was noted that a report regarding this would come to a future meeting and create an opportunity for this to be scrutinised further. The following key information was shared:

- Transport Scotland Grant and Council Requisitions have not increased for 12+ years
- Council Requisitions reduced by 10% in that period
- TS grant reduced by 5% in 2024/25
- Inflation over 40% in that period
- Impact on SEStran's ability to deliver the Regional Transport Strategy in future years

Decision

- 1) To note the verbal update provided.
- 2) To note a report regarding Council Requisitions would come to a future meeting.

A8. FINANCIAL PLANNING PROCEDURES

The Partnership Director provided a verbal update regarding the Financial Planning Procedures. In 2023/24 there had been an Internal Audit recommendation to devise a Financial Planning Procedure and associated scenario planning, efficiency savings and lessons learned. In 2024/25 there had been an External Audit recommendation to extend financial planning horizon to cover the medium term (3 to 5 years).

Decision

- 1) To note the verbal update provided.
- 2) To note a report regarding Financial Planning Procedures would come to a future meeting.

A9. HR POLICIES REPORT

The purpose of this report was to present the Committee with a copy of the proposed Sexual Harassment policy and provide an update on the wider annual HR policy review

Decision

- 1) To approve the Sexual Harassment Policy for implementation
- 2) To approve the amendments made to the Flexible Working Policy for implementation;
- 3) To approve the amendments made to the Family Leave Policy for implementation
- 4) To approve the amendments made to the Recruitment Policy for implementation
- 5) To note that the Anti-Bribery Policy and Procedures will be subject to a review and any amendments will be brought to this committee for approval.
- 6) To note that officers would review the tone of the wording in the Family Leave Policy and report back any changes
- 7) To amend policies, where necessary, to ensure that they mention staff training to support the implementation of these policies where needed and report back any changes.

(Reference – report by the Business Manager, submitted)

A10. RISK MANAGEMENT FRAMEWORK

The purpose of this report was to provide the Performance and Audit Committee with a quarterly update on SEStran's strategic risk register. The Performance and Audit Committee, at its meeting in November 2021 approved the SEStran Risk Management Framework Policy This policy supports the management of the overall risk process within the organisation, including its governance arrangements.

Decision

- 1) To note that a final version of the Risk Register will be referred to the Partnership Board for noting;
- 2) To bring a more detailed report to a future meeting around the 'Potential Change to Transport Governance' risk

(Reference – report by the Business Manager, submitted)

A11. CONTRACTS REGISTER

This report presented the Partnership's contract register to the Committee for review in line with a commitment to transparency in procurement. As per the Contract Standing Orders, the Partnership Director would arrange for all contracts accepted with an estimated value exceeding £50,000 (or such lower amount as agreed with the Partnership Director) to be publicly displayed on the Partnership's externally facing website.

Decision

To note the Contract Register, as circulated.

(Reference – report by the Programme Manager, submitted)

A12. RISK MANAGEMENT FRAMEWORK

This report, as previously presented to the Project and Strategy Oversight Subgroup (PaSDOS) updated the Committee on the performance of the Partnership's strategy and project workstreams in Quarter 1 of 25/26.

Decision

To note the contents of the report.

(Reference – report by the Programme Manager, submitted)