

PERFORMANCE AND AUDIT COMMITTEE

**Dean of Guild Court Room, City Chambers, Edinburgh
on Friday 5 June 2026
1.00pm**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Russell Imrie (Chair)	Midlothian Council
	Councillor Tom Conn	West Lothian Council
	Councillor Paul Garner	Falkirk Council
	Councillor Stephen Jenkinson	The City of Edinburgh Council
	Councillor Scott Harrison	Clackmannanshire Council
	Councillor Jenny Linehan	Scottish Borders Council
	Simon Hindshaw	Non-Councillor Member

IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Brian Butler	SEStran
	Rebecca Duncan	SEStran
	Michael Melton	SEStran
	Christopher Gardner	Audit Scotland
	Richard Lloyd-Bithell	The City of Edinburgh Council
	Colin McCurley	The City of Edinburgh Council
	Andrew Rose (Clerk)	The City of Edinburgh Council
	Nandana Silva	The City of Edinburgh Council
	Tom Stokes	The City of Edinburgh Council

1. ORDER OF BUSINESS

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

2. APOLOGIES

Apologies were submitted on behalf of Councillor Glen and Callum Hay.

3. DECLARATION OF INTERESTS

There were none.

4. MINUTES

(a) To approve the minute of the Performance and Audit Committee of 27 February 2026, and

(b) To note that the minute of the Project and Strategy Delivery Oversight Sub-Group of 24 April 2026 would be circulated following the meeting.

5. FINANCE REPORTS

(a) Updated Annual Accounts 2025-26 and Treasury Management

The Committee received a report by the Treasurer presenting the Annual Accounts, attached at Appendix 1 to the report, in accordance with the Local Authority Accounts (Scotland) Regulations 2014 and advising that the accounts are subject to audit and that the audited accounts, together with the Auditor's report, would be presented to the Committee in due course.

There was also presented the Treasurer's opinion on the effectiveness of the Partnership's system of internal financial control, as detailed within pages 12 to 14 of the Annual Governance Statement. The Treasurer's opinion was reported as being that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

During the presentation to the Committee of his report, the Treasurer wished to express his gratitude to audit partners and officers at the City of Edinburgh Council for their efforts in preparing the Annual Accounts.

Decision

- (1) That the unaudited annual accounts for 2025/26 be noted and referred to the Partnership Board for review;
- (2) That the annual Treasury Management report for 2025/26 be noted, and
- (3) That it be noted that the audited annual accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and the Partnership Board in due course.

(b) Revenue Budget 2026-27

The Committee received a report by the Treasurer presenting an update on the Partnership's budget for 2026/27, which had been agreed by the Board at its meeting held on 13 March 2026. The report set out some proposed revisions to the approved budget following confirmation of Scottish Government funding for 2026/27. The revised budget would be presented to the Board at its meeting to be held on 19 June 2026.

Decision

1. That the proposed revised core budget of £1,053,000 for 2026/27, as detailed at Appendix 1 to the report, be noted;

2. That the proposed People and Place: Transport to Employment and the Workforce Mobility Project budgets for 2026/27, as detailed at Appendix 2 to the report, be noted, and
3. That it be noted that the proposed revised budget for 2026/27 will be referred to the Partnership Board meeting on 19 June 2026 for final decision.

6. INTERNAL AUDIT PLAN 2026/27

The Committee received a report from the Head of Internal Audit, City of Edinburgh Council, providing details of the outcomes of the 2025/26 SEStran Internal Audit review of Project Management, as well as to provide an update on progress with the completion of actions agreed as part of previous audits, and requested the Committee's input on potential areas for inclusion in the planned 2026/27 audit.

Decision

1. That the outcomes of the 2025/26 Internal Audit review of Project Management, including Internal Audit findings and recommendations, and agreed management actions and implementation dates, be noted, and
2. That the progress with completion of management actions from previous audits be noted.

7. RISK MANAGEMENT FRAMEWORK

The Committee received a report by the Business Manager which provided quarterly update on SEStran's corporate risk register. The report also informed the Committee that the Risk Register will be subject to a comprehensive review in response to the Internal Audit findings. As part of this process, the register will be refreshed and rebuilt from first principles to ensure it remains robust, transparent and aligned with current organisational priorities.

Discussion took place on the Risk Register review and the Partnership Director explained how long it had been since the last review, and that, going forward the Register would be reviewed annually.

Decision

1. That it be noted that a revised and updated Risk Register would be presented to a future Committee, and
2. That it be noted that the Corporate Risk Register would be presented to the 19 June 2026 Partnership Board meeting for noting.

8. PROJECTS AND STRATEGY UPDATE PAPER

The Committee received a report by the Programme Manager which provided an update on the performance of the Partnership's Strategy and Project workstreams in Quarter 4 of 2025/26 and noted that an earlier version of this report had been presented to the Project and Strategy Delivery Oversight Subgroup at its last meeting in April 2026.

Decided

That the contents of the report be noted.

9. PASDOS AND FUTURE REPORTING

The Committee received a report by the Programme Manager providing an update on discussions around the future role of the Project and Strategy Delivery Oversight Subgroup (PaSDOS) and future reporting resulting from this and the 2026/27 Business Plan, namely that (a) the scrutiny/audit function of existing projects to be passed back to this Committee, (b) PaSDOS will report to the Board and provide advice and guidance on project delivery alignment with overall strategy, (c) a core role will be to support development of the Business Plan for the next year and evaluation of the previous year's Business Plan, (d) the group will continue to support ongoing project development with meetings focusing on specific projects, (e) the group will set a 'work plan' for the year based on the milestones within the Business Plan, and (f) membership will look to increase to up to seven with an ongoing focus on the right skills mix to support the role of the Committee.

Decision

1. That the proposed changes as set out in Section 2 of the report, subject to approval from the Partnership Board, be approved, and
2. That the content of sections 3 and 4 of the report be noted.

10. HR POLICY REVIEW REPORT

The Committee received a report by the Business Manager providing an update on the annual HR policy review and advising that three policies were identified as requiring minor updates, namely (a) Family Leave Policy, (b) Sexual Harassment Policy, and (c) Travel and Assistance Policy. The report provided a summary of the proposed changes to these policies.

In addition, it was highlighted that the Anti-Bribery Policy was currently under review by the partnership's legal advisers.

Decided

1. That the changes as detailed in the report to the Family Leave Policy, Sexual Harassment Policy, and the Travel and Assistance Policy be approved, and
2. That it be noted that the Anti-Bribery Policy was currently under review and would be presented to the next meeting for approval.

11. DATE OF NEXT MEETING

11 September 2026.