ITEM 4(a)

PERFORMANCE AND AUDIT COMMITTEE

Dean of Guild Court Room, City Chambers, Edinburgh
on Friday 11 September 2026
1.00pm

PRESENT:	Name	Organisation Title
	Councillor Russell Imrie (Chair)	Midlothian Council
	Councillor Tom Conn	West Lothian Council
	Councillor Scott Harrison	Clackmannanshire Council
	Councillor Jenny Linehan	Scottish Borders Council

IN ATTENDANCE:	Name	Organisation Title
	Brian Butler	SEStran
	Michael Melton	SEStran
	Ciarra Roddy	SEStran
	Christopher Gardner	Audit Scotland
	Calum Finlayson	Audit Scotland
	Andrew Rose (Clerk)	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, Councillor McMillan, Callum Hay, Simon Hindshaw, John Scott and Sally Wyke.

3. DECLARATION OF INTERESTS

There were none.

4. MINUTES

To approve the minute of the Performance and Audit Committee of 5 June 2026.

5. EXTERNAL AUDITOR ANNUAL REPORT 2025-2026

The Committee received a report which summarised the findings of the Independent Auditor's Report for 2025/26 and the findings made in it. The Independent Auditor's Report 2025/26 was attached as Appendix 1 to the report.

Decision

That the proposed Annual Audit Report be noted.

6. FINANCE REPORTS

(a) Audited Annual Accounts 2025/26

The Committee received a report by the Treasurer which presented the Audited Annual Accounts for the year ended 31 March 2026, which was attached as an appendix to the report. The Audited Annual Accounts also contain the Annual Audit Opinion.

Decision

That the Audited Annual Accounts, and the Auditor's Opinion as detailed in the accompanying Audit Certificate, be noted.

(b) Finance Officer's Report

The Committee received a report by the Treasurer providing the first update in 2026/27 of the Partnership's Core and Projects budget, in accordance with the Financial Regulations of the Partnership. The report also presented an analysis of financial performance to the end of July 2026.

Decision

1. That the current forecast underspend on the Core revenue budget of £22,000 be noted.

2. That the latest forecasts for the budgets for the People and Place Programme, the Transport to Employment Programme and the Workforce Mobility project be noted.

3. That the re-alignment of the 2026/27 budget to reflect (a) People and Place Programme - Transport Scotland funding for 2025/26 Q4+1 grants of £416,107, and (b) Transport to Employment Programme - Transport Scotland additional 2026/27 funding of £229,728, be approved.

7. COUNCIL REQUISITIONS

The Committee considered a report by the Partnership Director outlining the portfolio of services which SEStran delivers and how it provides value to stakeholders and partner authorities.

The report commented on the pressures upon the Partnership's budget and available resources and proposed changing the funding mechanism used to determine the level of funding each partner authority would contribute from 2027/28 onwards.

Decision

1. That the proposed methodology for calculating the level of funding to be requested from council partners for the following financial year be endorsed.

2. That it be noted that the Partnership Board will be asked to approve the level of funding to be requested from each council for 2027/28 at its meeting on 25 September.

8. HR POLICIES REPORT

The Committee considered a report by the Business Manager which provided an update on the review of SEStran's employment and governance related policies and seeking approval of the revised Anti-Bribery and Corruption Policy, Anti-Fraud Policy, Public Interest Disclosure (Whistleblowing) Policy and the new Conflict of Interest Policy.

Decision

1. That the outcome of the policy review exercise be noted.

2. That the revised Anti-Bribery and Corruption Policy be approved.

3. That the revised Anti-Fraud Policy be approved.

4. That the Public Interest Disclosure Policy be approved.

5. That the Conflict of Interest Policy be approved.

6. That it be noted that staff awareness and training will be undertaken following these approvals.

9. RISK MANAGEMENT REPORT

The Committee considered a report by the Business Manager providing a quarterly update on SEStran's Corporate Risk Register.

During his presentation, the Partnership Director informed the Committee that the Risk Register was being reviewed and rebuilt.

Decided

1. That it be noted that a revised and updated Risk Register will be presented to the 20 November 2026 Committee meeting.

2. That it be noted that the Corporate Risk register will be presented to the 25 September 2026 Partnership Board for noting.

10. CONTRACTS REGISTER

The Committee considered a report by the Programme Manager presenting the Partnership's Contracts Register for a review in line with a commitment to transparency in procurement, which is considered by the Committee every six months.

Decision

That the Contracts Register, as attached as an appendix to the report, be noted.

11. DELIVERY PROGRAMME PERFORMANCE REPORT

The Committee considered a report by the Programme Manager providing an update of the Partnership's Strategy and Project workstreams for 2026/27, with a focus on Quarter 1.

The Committee discussed the contents of the report, particularly around bus services, their funding and the sustainability of routes.

Decision

That the contents of the report are noted.

12. DATE OF NEXT MEETING

20 November 2026.