



## Regularity audit of Subway station office administration

**Committee**            Audit and Standards

**Date of meeting**    15 September 2017

**Date of report**    23 March 2017

### Report by Assistant Chief Executive (Business Support)

#### 1. Object of report

To advise the committee on the findings of a regularity audit of Subway station office administration. This engagement is included in the annual Internal Audit plan for 2016/17.

#### 2. Background

There are 15 stations within the Subway network. Three Subway stations offer Park & Ride services. The Subway operates Monday to Saturday from 06:30 to 23:30 hours, and on Sunday from 10:00 until 18:00 hours.

All station offices are staffed by either one or two team members during opening hours. All station staff have customer interaction and are responsible for cash handling and reconciliation. All station office staff have received training and have access to the Subway ticketing manual and Subway staff training manual for guidance.

The objective of this engagement was to review the application of internal controls in accordance with policy and procedural guidance within Subway station offices. Prior to the start of this engagement, data analytics were employed to system reports operated within Subway station offices, to inform engagement testing.

This engagement tested elements of the internal controls and mitigation against SPT 6: security and SPT 22: governance arrangements, as identified in the corporate risk register.

#### 3. Outline of findings

Electronic Cash Reconciliation (ECR) has been further developed in 2016/17 to increase efficiency in the reconciliation and reporting of the ticket sales process. There is scope to further enhance the level of management reports currently available.

Engagement testing (in March 2017) identified a requirement to review the provision of revenue protection checks.

There are areas for improvement, and these areas have been addressed by nine audit recommendations. Subway Operations management have agreed to implement these recommendations.

#### 4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of Subway station office administration.

Areas for improvement have been identified and nine recommendations have been agreed.

Key controls exist and are applied consistently and effectively in the majority of areas.

Reasonable assurance can be taken from the controls in place for the areas covered in this engagement.

#### 5. Committee action

The committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendation to a future meeting.

#### 6. Consequences

Policy consequences	<i>None</i>
Legal consequences	<i>None</i>
Financial consequences	<i>None</i>
Personnel consequences	<i>None</i>
Social Inclusion consequences	<i>None</i>
Risk consequences	<i>As detailed in the report</i>

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