



Regularity audit of Subway station ticket office administration

Committee Audit and Standards

Date of meeting 8 June 2018

Date of report 23 May 2018

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of Subway station ticket office administration. This engagement is included in the annual Internal Audit plan for 2017/18.

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 Subway 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 internal controls and monitoring arrangements in operation at Subway station offices.

Data analytics were employed to inform this engagement and testing was undertaken at each Subway station office to assess application of internal controls.

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

3. Outline of findings

Engagement testing (March/April 2018) found that cash was the favoured method of payment by patrons at Subway stations during 2017.

Engagement testing identified a requirement for Subway Operations management to review the process for administering concession Park & Ride ticket sales and enhance management information.

There are areas for improvement, and these areas have been addressed by four audit recommendations. Subway Operations management have agreed to implement these recommendations, which are currently being actioned.

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of Subway station ticket office administration. Areas for improvement have been identified and four recommendations have been agreed.

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

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 recommendations to a meeting in approximately six months.

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>

Name Valerie Davidson

Name Gordon MacLennan

Title Assistant Chief Executive

Title Chief Executive

For further information, please contact Iain McNicol, Audit and Assurance Manager on 0141 333 3195.

Agreed action plan: regularity audit of Subway station ticket office administration

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1.	<p><u>Ticket sales customer receipts</u> Customer receipts require updating to record the headquarters address for SPT.</p>	Low	Liaise with the Projects (Ticketing) team to review customer receipting.	Senior Operations Officer (Subway)	August 2018
2.	<p><u>Concession Park & Ride tickets</u> Subway Operations management should review the current process for administering concession Park & Ride tickets.</p>	Medium	The current process will be reviewed as part of a business improvement initiative in conjunction with the Projects (Ticketing) team.	Senior Operations Officer (Subway)	June 2018
3.	<p><u>Credit / Debit card sales</u> Subway Operations management should consider upgrading the current card reader machines at Subway stations to allow contactless payment(s). The card payment system should have a 'basket' function to avoid requesting customers to re-input card details for multiple transactions.</p>	Low	This matter is currently subject to a separate review/workstream in conjunction with the Projects (Ticketing) team.	Senior Operations Officer (Subway)	August 2018
4.	<p><u>Management information</u> Subway Operations management should review and enhance the current suite of management information.</p>	Medium	The current suite of management information is subject to review as part of a business improvement initiative.	Operations and Security Manager (Subway)	June 2018

High – A fundamental control that should be addressed as soon as possible;

Medium – An important control that should be addressed as a priority;

Low – An issue which is not fundamental but would improve overall control.