

Regularity audit of Subway station TVM security uplift arrangements

Committee Audit and Standards

Date of meeting 1 December 2017

Date of report 16 November 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 ticket vending machine (TVM) security uplift arrangements. This engagement is included in the annual Internal Audit plan for 2017/18.

2. Background

Each of the 15 Subway stations has a least one ticket vending machine (TVM) in operation. In total, there are 35 TVMs in the Subway network to complement ticket office service provision.

All Subway Operations staff have received training and procedural guidance (i.e. Subway staff training manual) on the operation of ticket vending machines (TVMs) at Subway stations.

A separate service specific contract is in place with a security uplift provider.

The objective of this engagement was to undertake an end to end review of the current security uplift system in operation for Subway station ticket vending machines.

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 (April 2017) found a requirement to review current procedural guidance to enhance the recording and monitoring of post repair/servicing of TVM equipment by an engineer.

Engagement testing also identified a requirement to remind staff of the operational procedures where (cash) vaults are removed from TVM equipment.

Note: there is cognisance of new currency (coins and notes introduced in 2017 i.e. size and shape of new £10 and £5 notes and £1 coins) not commensurate with ticket vending machine gauges to provide the correct monetary value readings.

There are areas for improvement, and these areas have been addressed by three 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 vending machine security uplift arrangements. Areas for improvement have been identified and three 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 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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