Committee report

SPT

Subway infrastructure and maintenance overtime administration: controls report

Committee	Audit and Standards

Date of meeting 19 February 2021   **Date of report** 27 January 2021

Report by Assistant Chief Executive

1. Object of report

To provide the committee with the findings of a controls report on Subway infrastructure and maintenance overtime administration. This engagement was requested by the Director of Subway. A separate investigation has been completed and reported under separate cover for Subway management action.

2. Background

Subway infrastructure and maintenance

The Maintenance team within Subway coordinate the planning, maintenance and service delivery of the underground vehicles which provide the scheduled 12 three car units during peak service periods, operating out of the 15 underground stations, 7 days a week.

The Infrastructure team also supports the planned and reactive maintenance of the 15 stations and the 20km of tunnel and track network.

Financial Regulations

The employment Conditions of Service and the Financial Regulations provide clear guidance on overtime working arrangements and administration. Planning of shifts must also consider other factors such as the Working Time Directive.

The objective of this engagement was to assess compliance with the employment Conditions of Service and Financial Regulations, and review and evaluate the arrangements in place for Subway infrastructure and maintenance overtime administration.

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

3. Outline of findings

In undertaking the review, analysis of a period of overtime claims made between January and August 2020 were reviewed. This testing identified some errors in the application and

processing of overtime claims, leading to areas of improvement in the maintenance and infrastructure teams administrative processes being recommended.

Furthermore, and in line with the Subway modernisation workforce planning workstream, Subway management should consider whether the current shift patterns will be the most effective in the modernised environment to reduce the reliance and cost of overtime working.

This review identified areas for improvement, and these have been addressed by six recommendations. Subway management have agreed to implement these recommendations, which are currently being actioned.

4. Conclusions

The Audit and Assurance team has undertaken a controls report on Subway infrastructure and maintenance overtime administration and as a result six recommendations have been agreed from this engagement. Members are advised that while key controls exist testing identified that they were not applied consistently and effectively.

Reasonable assurance can be taken from this engagement with the exception of clarity and standardisation of the process for checking of overtime claims.
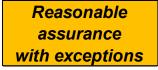
5. Committee action

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	*None.*
Legal consequences	*None.*
Financial consequences	*None.*
Personnel consequences	*None.*
Equalities consequences	*None.*
Risk consequences	*As detailed in the report.*

Name	Valerie Davidson	**Name**	Gordon Maclennan
Title	**Assistant Chief Executive**	**Title**	**Chief Executive**

For further information, please contact Iain McNicol, Audit and Assurance Manager.

Agreed action plan: Subway infrastructure and maintenance overtime administration: controls report

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1	Overtime administration Subway management should review the process for administering overtime payments. This review should include the following: • consistency, format and use of the overtime claim forms; • refresh of data requirements; • checking and authorisation process; • inclusion of a declaration of certification by manager on the overtime claim forms; and • development of performance information and analytics using overtime data.	Medium	A review of the current process for administering overtime payments will be undertaken.	Head of Service Availability and Maintenance	March 2021
2	e-time recording Subway management should remind all Subway infrastructure and maintenance staff of the requirement to use the e-time recording system (PERDIS) to record all shifts (both scheduled and overtime).	High	A communication (email with signage at e-time recording terminals) will be issued to all Subway infrastructure and maintenance staff.	Head of Service Availability and Maintenance	January 2021

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
3	Conditions of Service Subway management should review and clarify application of the following conditions of overtime working: • authorisation required for employees paid in excess of the prescribed ceiling; and • criteria for payment for meal breaks. Once clarified, designated staff should be provided with guidance on application prior to approval for and authorisation of all subsequent Subway infrastructure and maintenance overtime claims.	High	A communication (email) will be issued to all Subway infrastructure and maintenance staff to clarify these issues.	Head of Service Availability and Maintenance / Head of HR	January 2021
4	Shift patterns Subway management should consider reviewing the current shift patterns in operation within Subway infrastructure and maintenance sections to reduce overtime working requirement.	Medium	The current shift patterns in operation within Subway infrastructure and maintenance will be reviewed as part of the Organisational Change work stream within the Subway Modernisation programme. **Note:** any changes to current shift patterns will require staff consultation.	Head of Service Availability and Maintenance	March 2021

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
5	Cover arrangements for supervisory staff Subway management should review the current absence cover arrangements for supervisory staff in Subway infrastructure and maintenance service delivery areas.	Medium	The current arrangements will be reviewed as part of the Organisational Change work stream within the Subway Modernisation programme.	Head of Service Availability and Maintenance	March 2021
6	Budgetary control Subway management should consider reviewing overtime budgetary control arrangements. Budgets should be aligned areas of responsibility.	Medium	The current arrangements will be reviewed in consultation with Finance management.	Head of Service Availability and Maintenance	March 2021