



## Location audits: Subway station offices

**Committee**            Audit and Standards

**Date of meeting**    17 June 2016

**Date of report**    6 June 2016

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

#### 1. Object of report

To advise the committee on the findings of location audits to Subway station offices during the year. This engagement was included in the annual Internal Audit plan for 2015/16.

#### 2. Background

There are fifteen stations within the Subway network. Three stations offer Park & Ride services.

The main function of each Subway station office is to sell tickets and provide travel information to service users. Each station operates ticket office machines (TOM) and ticket vending machines (TVM).

All Subway station office staff have customer facing posts and are responsible for cash handling and ticket administration.

The objective of this engagement was to assess the systems in place for cash handling and ticket administration using a standard audit programme. Location audits were completed at all Subway stations in January/February 2016 and the findings were collated and reviewed.

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

In 2015/16, there was approximately 12.7m Subway passenger journeys.

All Subway station office staff have received training and guidance on the use of the Subway ticketing system. Engagement testing found a requirement to re-issue procedures to reflect the security checks required to adhere to payment card industry data security standards.

Engagement testing also identified a requirement to review and enhance current system reporting and management information provision.

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

#### 4. Conclusions

The Audit and Assurance team has undertaken location audits at all Subway station offices in early 2016. Areas for improvement have been identified and seven 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 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>

**Name** Valerie Davidson

**Name** Gordon Maclennan

**Title** Assistant Chief Executive  
(Business Support)

**Title** Chief Executive

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