



Regularity audit of Subway station office administration

Committee Audit and Standards

Date of meeting 18 February 2022

Date of report 2 February 2022

Report by Director of Finance & Corporate 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 2021/2022.

2. Background

There are 15 stations within the Subway network. Three Subway stations offer Park & Ride services. During 2021, the Subway operated Monday to Saturday from 06:30 to 23:40 hours, and on Sunday from 10:00 until 18:12 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 for the 2021 calendar year were employed to inform this engagement and sample testing was undertaken at Subway station offices 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

Data analytics highlighted that farebox income from Subway travel rights in 2021 marginally increased from 2020 but was significantly reduced in comparison to the 2019 calendar year. This is a result of the on-going pandemic and related travel restrictions.

Data analytics found that during 2021 (calendar year), credit/debit sales increased to 75% of all sales mostly from use of contactless payments at stations. Cash accounted for 23% of sales at stations with the balance attributable to web sales.

Data analytics also found that where patrons purchased travel rights at Subway stations, 50% of transactions were at offices with 50% at ticket vending machines.

Engagement testing found that Subway Operations management have continued to increase the volume of revenue protection checks on concourses and the number of random inspection checks in station offices in-year to enhance quality assurance measures.

Analytical testing (January 2022) found that some minor discrepancies were recorded on returns during 2021 and further engagement testing found that these were reviewed by Subway line control staff as at date of occurrence (or at earliest opportunity).

Engagement sample testing on Subway station office reconciliation(s) arrangements was found to be satisfactory.

4. Conclusions

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

Key controls exist and are applied consistently and effectively in most areas covered in this engagement.

Sound assurance in most areas can be taken from this engagement.

5. Committee action

The committee is asked to note the contents of this report.

6. Consequences

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

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