



### Subway Maintenance equipment and materials: controls report

**Committee**            Audit and Standards

**Date of meeting**    25 November 2022

**Date of report**    2 November 2022

#### Report by Chief Executive

#### 1. Object of report

To provide the committee with the findings of a controls report on Subway Maintenance equipment and materials. This engagement was requested by the Director of Subway. Members are advised that in accordance with the Disciplinary policy, a separate investigation has been completed and reported under separate cover for Subway management action. This engagement was included in the annual Internal Audit plan 2022/2023.

#### 2. Background

The Subway Maintenance team 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.

Subway Maintenance is based in the Broomloan depot which has extensive physical security arrangements in place to protect assets and public safety.

The Financial Regulations provide clear guidance to staff on identifying risks, internal physical controls and financial irregularity.

The objective of this engagement was to review Subway Maintenance equipment and materials holding arrangements within the Broomloan depot.

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

Subway Maintenance activity generates scrap material (new for old) for example rail replacement programme.

In undertaking this engagement, CCTV images were viewed and security access control reports were analysed.

Engagement testing found occasion where Subway Maintenance scrap materials were unaccounted for.

Furthermore, engagement testing found areas for improvement in the recording and security of materials holding within the Broomloan depot

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

#### 4. Conclusions

Audit and Assurance has undertaken a controls report on Subway Maintenance equipment and materials and as a result five recommendations have been agreed from this engagement.

Members are advised that while key controls exist, engagement testing identified that they were not applied consistently and effectively.

Reasonable assurance can be taken from this engagement with the exception of security of materials holding within the Broomloan depot.

#### 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>
Equalities consequences	<i>None.</i>
Risk consequences	<i>As detailed in the report.</i>
Climate Change, Adaptation & Carbon consequences	<i>None.</i>

<b>Name</b>	Neil Wylie	<b>Name</b>	Valerie Davidson
<b>Title</b>	<b>Director of Finance &amp; Corporate Support</b>	<b>Title</b>	<b>Chief Executive</b>

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

**Reasonable  
assurance  
with exceptions**

**Agreed action plan: Subway maintenance equipment and materials: controls report**

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1	<p><u>Policy and procedures</u></p> <p>The Director of Subway should issue an email communication to the Subway management team to remind them of the Financial Regulations, policy and procedures outlined in the Governance manual.</p>	High	Email issued to Heads of Service within Subway with clarity on requirements. Instruction to forward email within each team as appropriate.	Director of Subway	Implemented
2	<p><u>Security door access system</u></p> <p>Subway management should undertake regular checks on the security door access system and enable exception reporting functions.</p>	Medium	Meet with appropriate contractor to understand capability of access control front end, including reporting of faults / logging function. Thereafter, ongoing monitoring and reporting to 4-weekly Subway Performance meetings.	Head of Service Operations & Security (Subway)	December 2022
3	<p><u>Gatehouse security arrangements</u></p>				

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
	<p>Subway management should review and risk assess the security arrangements in place within the Broomloan depot including:</p> <ul style="list-style-type: none"> <li>• frequency of mobile controls;</li> <li>• requirement for ad-hoc visual spot checks of vehicles entering/exiting at the gatehouse barrier;</li> <li>• requirement for locker spot checks;</li> <li>• reporting protocols.</li> </ul>	Medium	<p>Arrange meeting with security contractor (and Facilities management) to review and stipulate the key performance indicators (KPI's) reflecting the requirements of this action, and thereafter report monthly to the Subway Operations Management Team.</p> <p>Consider any additional aspects of this not contractually catered for, and ensure consideration at time of tender renewal.</p>	Head of Service Operations & Security (Subway)	December 2022
4	<p><u>Equipment and Materials holding</u></p> <p>Subway management should review and risk assess the physical security arrangements for holding equipment and materials within the Broomloan depot.</p>	Medium	<p>Arrange for (CPNI RSES) registered security consultant to attend site to complete threat assessment and security vulnerability assessment.</p> <p>Joint reviews or 'walk-rounds' of Broomloan depot to be diarised every Period and compliance/issues reported at Subway Performance Meetings.</p>	Head of Service Operations & Security (Subway)/ Head of Service Availability & Maintenance/ Health & Safety Manager	December 2022
5	<p><u>Lifecycle of material usage</u></p> <p>Where the replacement of rail, cable and other items</p>	Medium	Closer attention will be given by	Head of Service	December

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
	(new for old) generates scrap metal income, a reckoner should be maintained to enable reasonableness checks to be undertaken on the lifecycle of material usage (volume and value).		Subway Management to the level of expected scrap metal volume versus ongoing work, including investigating a process / system of regular review of scrap metal income with the assistance of Finance (Procurement).	Availability & Maintenance	2022