



Regularity audit of ticketing refund process

Committee Audit and Standards

Date of meeting 25 November 2022

Date of report 14 November 2022

Report by Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of ticketing refund process. This engagement was included in the annual Internal Audit plan 2022/2023.

2. Background

SPT provides and administers public transport ticketing for Subway travel including park and ride using smartcards and ZoneCard where SPT acts as the agent for operators. ZoneCard is a flexible season ticket for unlimited travel by ScotRail, Subway, most buses, and some ferries in the Strathclyde region.

Subway travel and ZoneCard public transport ticketing allow for refunds subject to prescribed terms and conditions. A small administration charge is applicable.

The objective of this engagement was to assess and evaluate the Subway and ZoneCard ticketing refund process by undertaking an end to end review.

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

Engagement testing found that the value and volume of both Subway and ZoneCard ticket refunds significantly increased in 2020 due to the onset of the pandemic. Refunds processed in 2021 were also significantly higher than pre-pandemic levels due to further travel restrictions and changes to travel patterns.

Engagement testing of the ticketing refund process and supporting calculations was found to be satisfactory.

Engagement testing identified a requirement to review and enhance procedural guidance.

There is an area for improvement and this area has been addressed by one recommendation. Ticketing commercial management have agreed to implement the recommendation, which is currently being actioned.

4. Conclusions

Audit and Assurance has undertaken a regularity audit of ticketing refund process. One recommendation has been agreed from this engagement.

Key controls exist and are applied consistently and effectively in the majority of areas tested in this engagement.

Reasonable assurance can be taken from the internal controls in place.

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 recommendation to a meeting in approximately six months.

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 identified in the report.</i>
Climate Change, Adaptation & Carbon consequences	<i>None.</i>

Name Neil Wylie
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

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**Reasonable
assurance**

Agreed action plan: regularity audit of ticketing refund process

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1	<p><u>Documented procedures</u></p> <p>The Ticketing Commercial Team Leader should review and enhance documented procedures for processing refunds for ZoneCards and associated Subway smartcards and externally operated Roundabout tickets. The review should incorporate the following requirements:</p> <ul style="list-style-type: none">• receipt of before and after destruction pictures of ZoneCard;• the Subway Smartcard number related to associated ZoneCard should be obtained so as to enable hotlisting (temporary deactivation) in the ticketing system;• Anti-money laundering guidelines.	Medium	Current documented procedures will be reviewed and enhanced, where appropriate.	Ticketing Commercial Team Leader	December 2022