Committee report

SPT

Regularity audit of bus station facilities administration

Committee   Audit and Standards

Date of meeting   7 June 2019   **Date of report**   26 March 2019

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of bus station facilities administration. This engagement is included in the annual Internal Audit plan for 2018/19.

2. Background

SPT operated bus stations

SPT operated bus stations continue to provide the following services that require staff to undertake cash handling (and ticket administration at East Kilbride ticket office) duties:

• Buchanan (Glasgow) provides left luggage and toilet facilities;

• Hamilton provides toilet facilities;

• East Kilbride ticket office.

The objective of this engagement was to undertake data analytics on electronic cash reconciliation (ECR) returns for bus station facilities in the 2018 calendar year and undertake location visits to test the internal control environment.

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 found that during 2018 (calendar year), cash accounted for 56% of bus station transactions, as outlined above.

Engagement sample testing (January 2019) on bus station facilities electronic cash reconciliation(s) arrangements was found to be satisfactory.

Engagement testing found a requirement to enhance management information provision.

There are some areas for improvement, and these areas have been addressed by three recommendations. Bus station management have agreed to implement these recommendations, which are currently being actioned.

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of bus station facilities administration. Three recommendations have 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 recommendations to a meeting in approximately six months.

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

Title   **Assistant Chief Executive**

Name   Gordon Maclennan

Title   **Chief Executive**

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Agreed action plan: Regularity audit of bus station facilities administration

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1	Procedural guidance Procedural guidance should be timeously published on the intranet for ease of retrieval and access by staff.	Low	Agreed, work in this regard is on-going and the updated procedures will be published on the intranet.	Bus Stations Officer	June 2019
2	Schedule of checks Bus station management should review the schedule of prescribed checks, to be undertaken by staff, on automated machines used to provide a service, and related tolerance levels.	Low	Current arrangements will be reviewed and guidance will be re-issued, where appropriate.	Bus Stations Officer	June 2019
3	Analytical review(s) Bus station management should ensure that enhancements to the digital reporting system meet management information requirements.	Medium	Bus station management will liaise with digital to enhance management information arrangements.	Bus Stations Officer	April 2019

High: A fundamental control that should be addressed as soon as possible;
Medium: An important control that should be addressed within three months;
Low: An issue which is not fundamental but should be addressed within six months to improve the overall control environment.