

Regularity audit of Subway station office administration

Date of meeting 13 June 2025

Date of report 28 April 2025

Report by Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of Subway station office administration. This engagement was included in the annual Internal Audit plan for 2024/2025.

2. Background to report

There are 15 stations within the Subway network. Three Subway stations offer Park & Ride services. The Subway operates 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 for cash handling and reconciliation in operation at Subway station offices.

Data analytics for the 2024 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 for Subway travel rights in 2024 steadily increased from the previous year.

Data analytics highlighted that during 2024 (calendar year), credit/debit card sales increased to 84% of all sales mostly from use of contactless payments at stations. Cash accounted for 13% of sales at stations with the remaining 3% attributable to web sales.

Data analytics also found that where passengers purchased travel rights at Subway stations, 45% of transactions occurred at ticket offices with 55% at ticket vending machines.

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

Analytical testing (January 2025) found that some minor discrepancies were recorded on electronic reconciliation returns during 2024 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 cash handling and reconciliation(s) arrangements was found to be satisfactory.

Key controls exist and are applied consistently and effectively in the majority of areas tested in this engagement. Sound assurance in most areas can be taken from this engagement.

4. Committee action

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

5. 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>

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