

Regularity audit of Subway stock count

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 stock count. This engagement is included in the annual Internal Audit plan for 2025/2026.

2. Background to report

The main Subway store is located in the Broomloan depot (Govan) and provides stock and equipment for the maintenance and upkeep of Subway trains and station infrastructure.

A digital system is used for stock administration, management and reporting.

The Financial Regulations contained within the governance manual provide guidance on stockholding records.

The objective of this engagement was to review the Subway stock count arrangements.

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

In June 2024, the last of the legacy trains were withdrawn from service and replaced with the new rolling stock. The obsolete parts in stock used to maintain the legacy fleet was removed from stores and records were amended accordingly.

The Financial Regulations and financial year-end procedure 2024/2025 require Subway management to complete a year-end stocktaking exercise. A stock count was completed for Subway stock in March 2025. This exercise was co-ordinated by the Subway stores supervisor.

Engagement testing (March 2025) of the year-end stock count arrangements and stationery used was found to be in accordance with the financial year-end and Subway procedures.

The physical count of Subway stock found a net variance of <1% of the value of stock held as at the date of the stock count and records were adjusted accordingly.

Engagement testing of these arrangements found them to be satisfactory. The auditor analysed post-count data and sample tested the physical stock count of Subway components.

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 the internal controls in place.

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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