



## Regularity audit of Subway stock count

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**Date of meeting** 14 June 2024

**Date of report** 3 May 2024

### 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 2024/2025.

#### 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 annual 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

The Financial Regulations and financial year-end procedure 2023/2024 require Subway management to complete an annual stocktaking exercise. An annual stock count was completed for Subway stock in March 2024. This exercise was co-ordinated by the Subway stores supervisor.

Engagement testing (March 2024) of the annual 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 this approach was 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. Reasonable assurance 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>

**Name** Lesley Aird  
**Title** **Director of Finance & Corporate Support**

**Name** Valerie Davidson  
**Title** **Chief Executive**

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