



Regularity audit of Subway station office administration

Committee Audit and Standards

Date of meeting 27 November 2020

Date of report 7 October 2020

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of Subway station office administration. This engagement is included in the annual Internal Audit plan for 2020/2021.

2. Background

The Subway Regulations and rulebook provide comprehensive instruction to all Subway staff.

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 and observe internal controls and monitoring arrangements in operation at Subway station offices.

Data analytics for the 2020 calendar year (from 1 January to 30 June) were employed to inform this engagement.

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 2020 (calendar year to 30 June), travel right sales significantly reduced from the Covid-19 lockdown in March. In the period up to 30 June credit/debit sales increased to 59% of all sales, cash accounted for 37%, with the balance attributable to web sales.

Patrons continued to favour making payment at Subway offices over ticket vending machines in the period up to 30 June 2020.

Engagement testing found that revenue protection checks on concourses were suspended during the lockdown period and recommenced in August 2020.

Analytical testing of ECR data found some minor discrepancies were recorded on returns 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/observation (August 2020) of Subway Operations staff practice identified a requirement to reissue management instructions/reminders on various Subway rules and regulations.

There are areas for improvement, and these areas have been addressed by five recommendations. An accelerated follow-up review found that all five recommendations were implemented by Subway Operations management.

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of Subway station office administration. Five recommendations were agreed and implemented from this engagement.

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

Reasonable assurance can be taken from this engagement.

5. Committee action

The committee is asked to note the contents of this report and the implementation of all recommendations from the initial engagement by Subway Operations management.

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 detailed in the report.</i> |

Name Valerie Davidson

Name Gordon Maclennan

Title Assistant Chief Executive

Title Chief Executive

For further information, please contact Iain McNicol, Audit and Assurance Manager on 0141 333 3195.

**Reasonable
assurance**

Agreed action plan: regularity audit of Subway station office administration

| No. | Recommendation | Priority | Action Proposed | Lead Officer | Due date |
|-----|--|----------|--|---------------------------------------|-------------|
| 1 | <p><u>Personal property</u></p> <p>Subway Operations management should assess locker provision for staff in Subway station office areas.</p> <p>Where available, lockers must be used to store personal items such as bags and mobile phones during each shift.</p> <p>Subway Operations management should reissue guidance to all Subway station staff and line management/ supervisory staff of the strict application of this management instruction.</p> | High | <p>All Subway station offices have staff locker provision.</p> <p>A management instruction reminder will be reissued to all Subway Operations staff on the use of lockers to store personal items during each shift.</p> <p>Supervisory staff will be reminded of the strict application of this management instruction.</p> | Head of Service Operations & Security | Implemented |
| 2 | <p><u>Personal protective equipment</u></p> <p>Subway Operations management should remind all Subway staff of the requirement to wear PPE at all times when on operational duty, particularly in public areas.</p> <p>Subway Operations management should reissue guidance to all Subway staff on bodyworn cameras including how, when and where to use this equipment.</p> | High | <p>The Uniform Presentation Standard will be re-issued to all Subway Operations staff.</p> <p>A management instruction reminder will be presented to all Subway Operations staff on PPE and bodyworn cameras.</p> | Head of Service Operations & Security | Implemented |

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|-----|---|----------|---|---------------------------------------|-------------|
| 3 | <p><u>Access to Subway ticket office(s)</u></p> <p>Subway Operations management should restrict access to Subway station ticket offices (to staff assigned to designated stations on a given shift).</p> <p>Subway Operations management should reissue guidance to all Subway station staff and line management/ supervisory staff of the strict application of this management instruction.</p> | High | <p>A management instruction reminder will be presented to all Subway Operations staff on ticket office access restrictions.</p> <p>Supervisory staff will be reminded of the strict application of this management instruction.</p> | Head of Service Operations & Security | Implemented |
| 4 | <p><u>Cash handling</u></p> <p>Subway Operations management should remind all Subway station office staff of cash handling arrangements, including:</p> <ul style="list-style-type: none"> • all monies should be kept intact; • no change/exchange should be given to customers and/or staff members. | High | A management instruction reminder will be presented to all Subway Operations ticket office staff on cash handling. | Head of Service Operations & Security | Implemented |
| 5 | <p><u>Customer care</u></p> <p>Subway Operations management should remind all Subway station office staff of customer care standards.</p> | High | Customer service refresher training will be provided to all Subway Operations staff as part of Subway training week. | Head of Service Operations & Security | Implemented |