

Assurance engagements completed in 2016/17

Committee Audit and Standards

Date of meeting 1 December 2017

Date of report 27 April 2017

Report by Assistant Chief Executive (Business Support)

1. Object of report

To advise the committee on the findings of assurance engagements completed in 2016/17. These engagements are included in the annual Internal Audit plan for 2016/17.

2. Background

In the final quarter (Q4) of 2016/17 (1 January to 31 March 2017), Audit and Assurance completed three assurance engagements, namely:

- regularity audit of Travel Centre administration;
- systems review of Health & Safety reporting;
- regularity audit of Subway station office administration.

These engagements tested elements of the internal controls and mitigation against SPT 6: security and SPT 22: governance arrangements, as identified in the corporate risk register.

3. Outline of findings

Engagement testing found the following from these engagements:

- Travel Centre management require to utilise IT systems capabilities to enhance internal controls and provide a more uniform approach to service provision;
- Health & Safety systems, records and reporting arrangements are in place. There is a requirement to review and enhance Health & Safety awareness to further strengthen current arrangements;
- Subway station electronic cash reconciliation (ECR) has been further developed in 2016/17 to increase efficiency in the reconciliation and reporting of ticket sales. There is scope to further enhance the level of management reports available.

There are areas for improvement, and these areas have been addressed by nine, seven and nine audit recommendations respectively.

Customer Services, Health & Safety and Subway Operations management have agreed to implement these recommendations.

4. Conclusions

The Audit and Assurance team has undertaken assurance engagements on Travel Centre administration, Health and Safety reporting and Subway station office administration during Q4 of 2016/17. Areas for improvement have been identified and recommendations have been agreed.

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

Reasonable assurance can be taken from the controls in place for the areas covered in this engagement.

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 recommendation to a future meeting.

6. Consequences

Policy consequences	<i>None</i>
Legal consequences	<i>None</i>
Financial consequences	<i>None</i>
Personnel consequences	<i>None</i>
Social Inclusion consequences	<i>None</i>
Risk consequences	<i>As detailed in the report</i>

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