



## Regularity audit of the administration of smartcards

**Committee**            Audit and Standards

**Date of meeting**    17 June 2016

**Date of report**    6 June 2016

### Report by Assistant Chief Executive (Business Support)

#### 1. Object of report

To advise the committee on the findings of a review of the administration of commuter smartcards. This engagement is included in the annual Internal Audit plan for 2015/16.

#### 2. Background

The smartcard ticketing system was introduced in November 2013 and operates reusable smartcards in addition to smart paper (disposable) tickets. Smartcard permits the purchase of a range of Subway products from daily tickets through to 12 month tickets. There are 3 different types of smartcard available to customers, namely, anonymous smartcards, personalised smartcards and smart ZoneCards.

The Partnership has been updated of the following:

- work to upgrade the Subway fare collection systems and integrate the Subway Park & Ride sites is now complete and in full operation;
- over 100,000 smartcards have been issued for use on the Subway;
- the planned roll-out of online account access and ticket purchase is now in the final testing phases and is expected to be delivered in 2016; and
- Nevis Technologies (NT), SPT's joint venture with East Kilbride-based technology firm Ecebs continues to provide back office services to the Subway and is now a key delivery partner of the new ScotRail franchise holder, Abellio. Project teams from NT and Abellio are working towards delivery of integrated smartcard ticketing that will allow holders of either party's smartcard to use their existing card on the other's devices. As well as assisting Abellio work towards achieving their franchise commitments to smart ticketing, this is seen as a key step towards delivering SPT's strategic objective of integrated ticketing.

The objective of this engagement was to identify, assess and evaluate the current internal system for the administration of commuter smartcards.

This engagement tested elements of the internal controls and mitigation against SPT 19: unplanned disruption of Subway and SPT 22: governance arrangements.

#### 3. Outline of findings

The smartcard ticketing system has now been operational for over two years and continues to meet customer demands.

The engagement identified a requirement to review and enhance arrangements in relation to stock control, performance management and reporting arrangements, and IT controls for system user roles.

There are areas for improvement and these areas have been addressed by seven audit recommendations. Project management have agreed to implement these recommendations, which are currently being actioned.

#### 4. Conclusions

The Audit and Assurance team has undertaken a review of the administration of commuter smartcards. Areas for improvement have been identified and seven recommendations have been agreed.

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 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 recommendations 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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