



Regularity audit of bus station facilities administration

Committee Audit and Standards

Date of meeting 8 June 2018

Date of report 23 May 2018

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of bus station facilities administration. This engagement is included in the annual Internal Audit plan for 2017/18.

2. Background

During 2017, three of the four ticket offices operated by SPT within bus stations were closed, with the remaining ticket office providing a Saturday only service.

SPT operated bus stations continue to provide the following services that require staff to undertake cash handling (and ticket administration at East Kilbride ticket office) duties:

- Buchanan (Glasgow) provides left luggage and toilet facilities;
- Hamilton provides toilet facilities;
- East Kilbride ticket office.

The objective of this engagement was to undertake data analytics on electronic cash reconciliation (ECR) returns for all bus station facilities for the 2017 calendar year and undertake location visits to test the internal control environment.

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

SPT operated bus station ticket offices ceased trading on the following dates: 22 April 2017 (Hamilton), 15 June 2017 (Greenock) and 30 December 2017 (Buchanan). East Kilbride reduced ticket office opening hours from 22 April 2017 to Saturdays only between 09:00 and 17:00 hours. Initial engagement testing was undertaken on the closedown arrangements at each location from a cash handling/ticket administration perspective. This testing was satisfactory.

Engagement testing (January 2018) of continuing operations found a requirement for Bus station management to revise procedural guidance to reflect organisational change and review cash reconciliation arrangements.

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

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of bus station facilities administration. Five recommendations have been agreed from this engagement.

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 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 recommendations to a meeting in approximately six months.

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>

Name Valerie Davidson

Name Gordon MacLennan

Title Assistant Chief Executive

Title Chief Executive

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Agreed action plan: regularity audit of bus station facilities administration

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1.	<p><u>Procedures</u></p> <p>Current procedural guidance should be updated to reflect revised operations within Bus stations.</p> <p>Bus station management should ensure the updated procedures are available and circulated to relevant staff.</p>	Medium	Procedural guidance will be updated to reflect revised operations and circulated to all relevant staff thereafter.	Bus stations officer	April 2018
2.	<p><u>Digital (Axiom) system input</u></p> <p>Bus station management should ensure Axiom system entries are full and complete for all sources of income. System errors in collation/recording of data should be forwarded to the Digital team for resolution.</p>	High	Bus stations management will liaise with Digital officer(s) to resolve system issues.	Bus stations officer	March 2018
3.	<p><u>Bank reconciliation</u></p> <p>Bank reconciliation discrepancies highlighted during engagement testing should be investigated and resolved.</p>	High	Bank reconciliation discrepancies have been raised with Finance. Finance in turn have actioned the discrepancies highlighted with the security uplift provider.	Bus stations officer	Implemented
4.	<p><u>Cash reconciliation</u></p> <p>Bus station management should review the cash reconciliation procedures in operation at bus stations.</p>	Medium	Staff duty and shift changes have been implemented to enhance cash reconciliation arrangements. These will be supplemented by revised procedural guidance.	Bus stations officer	April 2018
5.	<p><u>Lost property</u></p> <p>Lost property arrangements should be reviewed following recent organisational changes.</p>	Medium	Bus station staff will be reminded of lost property arrangements. These will be supplemented by revised procedural guidance.	Bus stations officer	April 2018

High – A fundamental control that should be addressed as soon as possible;

Medium – An important control that should be addressed as a priority;

Low – An issue which is not fundamental but would improve overall control.