



Regularity audit of Subway station office administration

Committee Audit and Standards

Date of meeting 12 June 2020

Date of report 26 February 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 2019/20.

2. Background

There are 15 stations within the Subway network. Three Subway stations offer Park & Ride services. During 2019, the Subway operated Monday to Saturday from 06:30 to 23:40 hours, and on Sunday from 10:00 until 18:12 hours.

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

Data analytics for the 2019 calendar year were employed to inform this engagement and sample testing was undertaken at Subway station offices to assess application of internal controls.

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 2019 (calendar year), credit/debit sales increased to 53% of all sales, cash accounted for 43%, with the balance attributable to a growth in web sales.

Patrons continued to favour making payment at Subway offices over ticket vending machines in stations during 2019.

Engagement testing found that Subway Operations management have continued to increase the volume of revenue protection checks on concourses and the number of random inspection checks in station offices in-year to enhance quality assurance measures.

Analytical testing (January/February 2020) found that some minor discrepancies were recorded on returns during 2019 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 on Subway station office reconciliation(s) arrangements was found to be satisfactory.

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of Subway station office administration.

Key controls exist and are applied consistently and effectively in most areas covered in this engagement.

Sound assurance in most areas can be taken from this engagement.

5. Committee action

The committee is asked to note the contents of this report.

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>

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