EXECUTIVE SUMMARY

TREASURY & FARE REVENUE
AUDIT #15-02

Fare revenue receipts have increased by 50% since last audited in FY2010 and are projected to top $14 million in FY2015. The FTA recommends periodically reviewing revenue handling processes to ensure continued effectiveness.

MANAGEMENT HAS AGREED TO:

- Evaluate the decentralized organizational structure for fare revenue processes and determine the feasibility of designating a single person to provide overall oversight as part of FY2016 budget development.
- Develop and update written fare revenue management and processing procedures by December 2015.
- Re-assess by September 2015 whether existing contracts with the Authority’s credit and debit card payment processors provide the best value for Capital Metro.
- Complete a full key/sensitive parts inventory and require contractors to implement consistent key/sensitive parts controls by May 2015.
- Require contractors to complete procedures for reviewing and investigating security notifications and evaluate compliance by June 2015.
- Finalize Genfare, Indra and Bytemark fare revenue system responsibility matrices by July 2015.
- Validate revenue system users’ access by July 2015.

OBJECTIVE: Are controls over the collection, processing and deposit of passenger fare revenues and safeguarding of fare media inventory effective?

Finance and Accounting

- Fare revenue responsibilities are split across multiple departments. No one has the accountability or comprehensive knowledge to oversee and coordinate the fare revenue systems, controls and equipment. Fare revenue management procedures are outdated, incomplete and/or missing.
- Variances between Treasury cash counts and system reports have improved. In January 2015, it was only 0.5%.
- Treasury security helps ensure the safety and security of the counting room and includes electronic badge access, surveillance cameras, armored car transport and pocketless smocks which are worn by Treasury employees. All Treasury employees have passed required annual background, driver and credit checks and have taken off the required five consecutive days.
- Contracts with credit and debit card processors have not been periodically re-assessed. Direct costs for TVM card processing services consumed 44% of these sales revenues in FY2014.

Operations and Bus & Paratransit Services

- Surveillance cameras are installed at bus probing stations where cash is deposited into receiving vaults. Security cameras are also present on all rail platforms. Camera images are monitored by security personnel.
- Keys and other sensitive parts for the bus and rail fare collection systems are secured, but required periodic physical inventories have not been performed.
- Contractors have not consistently monitored and investigated conditions and alarms which can signal a potential farebox security breach.

Information Technology

- Responsibilities matrices for the three primary fare collections systems are being reviewed and updated by a cross functional team. Key elements to add include performing periodic user access verifications, disaster recovery planning and PCI compliance monitoring.
- The Treasury Supervisor has system administration rights which are generally reserved for IT staff only.