

Fare Evasion Analysis and Reporting

Internal Audit Report

November 2024

Control sheet

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	Noted via email	12/11/2024

Report distribution

Graham Davis	General Manager (Passenger Transport Services)
Peter Walsh	Director (Transit Safety, Security and Sustainability)

The internal audit was conducted in adherence to the mandatory elements of The Institute of Internal Auditors' *International Professional Practices Framework*; those elements are the Core Principles for the Professional Practice of Internal Auditing, the definition of internal auditing, and the *International Standards for the Professional Practice of Internal Auditing*.

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Internal Audit Report — Fare Evasion Analysis and Reporting

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1. Executive summary

Background and context

Up to \$37 million is lost to fare evasion on the TransLink network each year, which could be reinvested in new and improved public transport services. To combat this, the Department of Transport and Main Roads (TMR) has invested time and resources into training authorised officers to assist with revenue protection, customer service and safety on the TransLink network.

Over 70 Network Officers (NOs) have been trained and deployed to work across Queensland's Bus Routes. Senior Network Officers (SNOs) are employed by TransLink and have been trained to use extended powers available under section 11(3) of the *Transport Operations (Passenger Transport) Act 1994* and *Transport Infrastructure Act 1994*. Some of these extended powers include using force to remove a person from public transport infrastructure and issuance of penalty infringement notices.

Buses, ferries and City Cats have also been fitted with buttons for the drivers to press when they notice instances of fare evasion. The presses are recorded, and the information is used to support reporting and trending such as bus routes which have the most instances of fare evasion. This information enables TMR to support decisions around placement of NOs and SNOs at optimal locations to minimise fare evasion.

TransLink also works closely with the Queensland Police Service (QPS) who assists by placing police at key public transport stations in high visibility to support community safety.

Objectives and scope

The objective of this internal audit was to review the processes and controls to analyse and report on programs that minimise fare evasion and increase safety on public transport.

The scope of the internal audit was limited to public transport revenues administered and monitored by TransLink only for the period of 2023.





Conclusion

Overall, the TSSS Dashboard developed by TransLink provides a detailed overview of fare evasion on bus, ferry and City Cat routes across Queensland and insight into how the SNOs and the teams are operating in relation to their duties. However, much of the knowledge about how the fare evasion data is integrated into the TSSS dashboard, and interpreted to develop SNO deployment plans, is concentrated with the Senior Advisor (BSN Intel and Performance).

Governance mechanisms and monitoring and reporting activities have not been fully implemented, with a reliance on staff and SNOs performing their duties without much guidance and / or oversight.

Improvements to systems and software should also be considered to further support fare evasion analysis and activities into the future. One key example of this is the limited fare evasion data that can be collected on train routes. While the other services can rely on an operator recording instances of fare evasion (which comes with its own risks as operators may abuse this power), trains electronic card readers exist on the platforms, rather than the vehicles themselves.

Positive observations

	Observation 1 The Transit Safety, Security and Sustainability (TSSS) Dashboard developed by TransLink, pulls data from multiple sources to highlight, report and track key metrics to highlight fare evasion, incidents and overview of SNOs activities performed on the network.
	Observation 2 Process established to conduct periodic reviews (bi-annual or annual) of bus operators for evaluating their expected performance. Last reviews were conducted in Oct-Nov 2023 and during these reviews, trends in Key Performance Indicator (KPI) data of NOs were also discussed.
	Observation 3 Monthly updates provided by the Senior Advisor (BSN Intel and Performance) to stakeholders within TMR on key trends and activity: <ul style="list-style-type: none"> fare evasion trends for the last three years SNO activity report such as patrol hours, notices issued, details of collaborative Police operations conducted.
	Observation 4 Senior Advisor (BSN Intel and Performance) uses the monthly data to develop deployment plans for the five SNO teams based on routes with: highest numbers of fare evasion, upward trends in fare evasion and highest number of incidents.

Key issues / opportunities

#	Title	Low	Med.	High	Extreme	BPI
①	Absence of established governance mechanisms and implementation of a strategy for fare evasion prevention		•			
②	Further monitoring and reporting activities are required to enhance the fare evasion prevention initiatives		•			
③	Systems and software supporting fare evasion analysis is not adequate for SNO deployment planning		•			
Refer Section 3 for information regarding ratings.		Totals	-	3	-	-

2. Report on a page

APPROACH SUMMARY

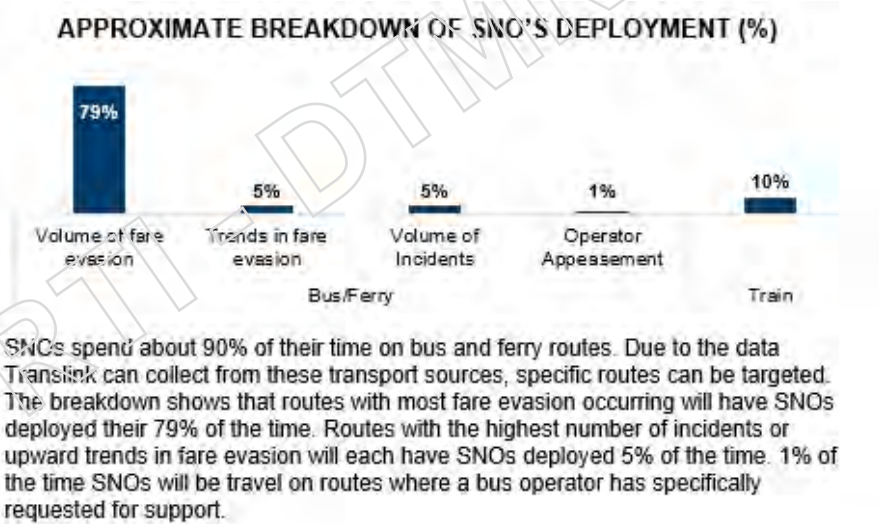


4 key individuals of Transit Safety, Security and Sustainability were interviewed



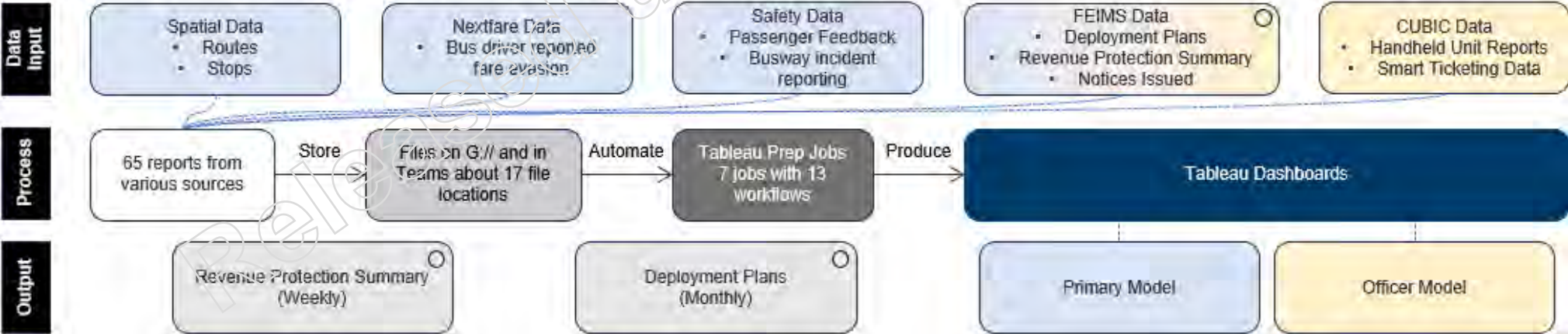
2023 Deployment Plans, Revenue Protections Summaries, Operator Reports and training guides were analysed

Key Issues	Key Recommendations
TMR has not implemented a fare evasion strategy	Update and finalise the draft strategy.
Fare evasion analysis is not reported to a governing body or working committee	Establish a structured oversight mechanism for fare evasion work
Monitoring of SNO activity is limited	Implement comprehensive KPIs to monitor SNOs' performance effectively
Gaps were present in monitoring the weekly Revenue Protection Summaries	Upskilling Translink staff, to assist with the weekly analysis of the RPS
Fare evasion analysis is supported by various systems and software that may not be adequate or scalable	Exploring options to integrate various data sources into a unified platform, eliminating the need for manual uploads



TSSS DATA MODEL OVERVIEW

The diagram below provides an overview of the development of the TSSS Dashboard, which is updated monthly.



Details of issues and recommendations are outlined in **section 3** below.

3. Details of issues / opportunities

Issue and opportunity ratings

Issues identified during an internal audit review are categorised into Extreme; High; Medium; and Low risk as per the [risk assessment and ratings matrix](#) in the [TMR Risk Management Framework](#). The matrix is used by TMR as part of a formal framework for addressing and managing risk, with organisational involvement dependent on the level of risk. A business process improvement (BPI) opportunity is principally focused on improving the effectiveness, efficiency, or economy of an existing business process. BPI opportunities are rated based on the benefits that they are expected to deliver if implemented, in accordance with the [opportunity assessment and ratings matrix](#) published on the Risk Management Tools and Techniques page on *insideTMR*.

COSO control components

The [Internal Control – Integrated Framework](#) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) is recognised as a leading framework for designing, implementing, and conducting internal control, and assessing the effectiveness of internal control. The Framework:

- Recognises that organisational structures vary from informal to clearly defined.
- Groups organisational objectives (what an organisation seeks to achieve) as:
 - *Operational* – relates to the effectiveness and efficiency of operations, including performance and financial goals, and safeguarding assets against loss.
 - *Reporting* – relates to internal and external financial and non-financial reporting, and may include reliability, timeliness, transparency, or other aspects addressed by regulators, recognised standard setters, and the organisation's policies.
 - *Compliance* – relates to adherence to laws and regulations applicable to the organisation.
- Sets out five integrated components of internal control, namely: Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring.

Each issue noted below identifies the relevant COSO control component.

Behavioural drivers

Behavioural drivers are factors that influence the behaviour of employees, forming the climate (culture of an organisation in the present moment) of an organisation. Strong behavioural controls can influence employees to behave ethically and in line with an organisation's objectives. Internal Audit uses a methodology based on behavioural studies to categorise behavioural drivers that can positively or negatively impact the organisational control environment.

The methodology categorises behavioural drivers as: Clarity, Social Cues, Engagement, Achievability, Transparency, Speak-up, and Consequences (details of the drivers are provided in **Appendix D** of this report).

Application of the methodology facilitates analysis of the drivers underpinning undesirable behaviours in an organisation. With improved understanding of those drivers, the actions developed to address the root causes of hard control failures are more likely to result in long-term resolution of the associated issues.

Issues rated as *Medium* and above are assessed for the key behavioural root cause considered to be facilitating the breakdown of the relevant hard control.

1. Absence of established governance mechanisms and implementation of a strategy for fare evasion prevention

MEDIUM

Observations

What did Internal Audit find?

COSO component
CONTROL ENVIRONMENT

Governance mechanisms such as implementation of a strategy to prevent fare-evasion, development of procedural documentation and work instructions, and cross-agency support have been established and are in varied states of approval.

Fare evasion strategy

A strategy to prevent fare evasion titled, *Revenue Protection Strategy 2022-2023* ("the draft strategy"), has been drafted since November 2021 but not formalised and rolled out to relevant stakeholders for implementation. It includes:

- Fare compliance levels,
- Revenue impact,
- Fare compliance strategies,
- Revenue protection priorities.

It is missing consideration of how fare-evasion prevention and revenue protection initiatives will be affected and how benefits realised will be tracked for implementation and execution of fare-evasion prevention strategies.

Procedural documentation and work instructions

Governing documents such as frameworks, policies or procedures defining the roles and responsibilities of stakeholders involved in the fare evasion prevention program including cross-agency involvement have been developed, including:

- TransLink Revenue Protection Policy,
- TransLink Senior Network Officer Policy,
- Procedure Manual,
- TransLink Network Shift Supervisor Procedure Manual developed to support all stakeholders in the governance of Revenue Protection.

While work instructions have been developed to support consolidation of the fare evasion data to update the TSSS dashboard, there is no guidance on the methodology of interpreting the TSSS dashboard to prepare an effective deployment schedule. Lessons learnt from issues in deployment activities are not documented to support continuous improvement for the development of future effective deployment plans.

Cross-agency support

TMR works with QPS to improve safety and minimise fare evasion on bus routes and trains. A formal current Memorandum of Understanding with QPS for joint engagements involving police and SNOs define expectations. This includes, but is not limited to:

- Roles and responsibilities of each party,
- Periodic meetings,
- Escalation processes,
- Data gathering and analysis.

Behavioural root cause analysis

What is the primary behavioural root cause of the issue?

There is a lack of clarity around rules procedures and responsibilities.

Implication(s)

Why is this a risk/ opportunity?

- Without a fare evasion prevention strategy TMR's efforts to combat fare evasion may be unaligned among staff limiting effectiveness.
- In the absence of governing documentation, staff may struggle to perform tasks consistently and accurately, impeding productivity and compromising quality of work.

Recommendation(s)

What are the suggested actions to address this risk/ opportunity?

It is recommended that the Director (Transit Safety, Security and Sustainability) ensures that:

- 1) The draft Strategy is updated (including roles, responsibilities, strategies, benefit realisation), finalised and implemented. Communicate to the relevant stakeholders.
- 2) Guidance on the methodology of interpreting the TSSS dashboard to prepare an effective deployment schedule is developed.

Management response(s)

What will management do to address the risk/ opportunity?

1) Accepted.

Strategy Update and Implementation - We acknowledge the need for an updated and actionable strategy document. I have instructed the Team to undertake a comprehensive review to account for 50c fare impacts, including revenue protection policy and offence matrix updates (IE concession offences may no longer be relevant), ensuring the inclusion of clearly defined roles, responsibilities, and strategic pathways.

The benefit realisation plan will also be refined to ensure all objectives are measurable and achievable.

Upon finalisation, this Strategy will be promptly implemented, and key stakeholders will be thoroughly briefed on the updates and their roles within the strategy's framework.

2) Accepted.

Methodology guidance for TSSS Dashboard – The TSSS Dashboard is the key data source for reporting on deployments and capturing incidents. It will also provide oversight of the impacts to 50c fares if they remain in place.

A user-friendly guide will be developed to assist in interpreting the TSSS dashboard data effectively. This will support the work already undertaken in creating efficient deployment schedules that are responsive to trends on the PT Network.

TSSS will also work to develop a continuity plan to support the current advisor of business intelligence and the specialist skill set required to maintain the current dashboards and reporting mechanisms.

Action owner(s) and due dates

Who will deliver the action(s), and by when?

Action: Peter Walsh, Director (TSSS)

Due date: 29 November 2024

Action: Peter Walsh, Director (TSSS)

Due date: 28 February 2025

2. Further monitoring and reporting activities are required to enhance the fare evasion prevention initiatives

MEDIUM

Observations

What did Internal Audit find?

COSO component

MONITORING

Increased monitoring and reporting activities to assist with fare payment compliance are required including establishing an appropriate oversight body, reporting to the oversight body, further monitoring of SNO activity, and active monitoring of the weekly Revenue Protection Summary ("RPS").

Governing Bodies

Analysis of fare evasion is currently reported only to the Director (Transit Safety, Security and Sustainability) monthly, who then provides direction and input to SNO allocation and activity (fare evasion or security-related fines and penalties issued). There is no supporting governing body to assist the Director in monitoring activity and advising on optimising SNO activities across the network. Without a governing body to assess periodic analysis on fare evasion in Queensland, we have an unsupported single source of information in the Director (TSSS) increasing the risk appropriate, timely actions may not be implemented.

SNO Activity

SNOs have two KPIs they are monitored against: 50-70 tickets checked per day (for Gold Coast and Brisbane routes respectively), and 80% of their time spent travelling on public transport. Additional monitoring of SNO activity is now being established. The additional monitoring KPIs and thresholds have yet to be approved and formally implemented. These include but are not limited to:

- Types of tickets checked, i.e. Go Card, Electronic Machine Vending ("EMV") (credit/debit card), Point of Purchase ("POP") Ticket (paper ticket),
- Demographic of ticketholders¹ checked (i.e., implementing KPIs to prevent SNOs from targeting specific demographics),
- Number of warnings and penalties issued,
- Number of overrides (instances where the ticketholder has had a reason for a penalty not to be issued).

RPS

The RPS is a weekly report provided to the Director (TSSS) that provides details on the SNOs' activities including the team and their patrol number, public transport routes travelled, and time spent on these routes. The Senior Advisor (BSN Intel and Performance) is responsible for developing the RPS and noting anomalies such as late starts or longer than average times spent between routes. However, there are some gaps related to the monitoring of the RPS:

- For the first two weeks of January 2023, RPS schedules were not completed as the Senior Advisor (BSN Intel and Performance) was on leave.
- Issues occurred when receiving RPS data from 3 May 2023, and was not rectified. This meant it could not be analysed to determine any anomalies in SNO activity or help provide insight into the TSSS Dashboard.

¹ Consideration for the [Human Rights Act 2019](#) may be required.

- Testing of the RPS revealed that there were instances of anomalies in SNO activity, which were not highlighted in the weekly reports.
- There is limited clarity on how performance is tracked and escalated when SNOs continue to repeat anomalistic activities.

Behavioural root cause analysis

What is the primary behavioural root cause of the issue?

There is a lack of clarity around rules procedures and responsibilities.

Implication(s)

Why is this a risk/ opportunity?

- Lack of oversight of fare evasion work may lead to inefficiencies, missed opportunities, and ineffective resource allocation.
- Delay in rolling out KPIs may impact the monitoring and evaluation of SNOs' performance and effectiveness and without formally documented KPIs, it will be challenging to measure the success of fare evasion prevention efforts and assess their impact on community engagement and anti-social behaviours.
- Incomplete or delayed reporting may lead to gaps in monitoring and decision-making processes, identifying trends, anomalies, and areas for improvement in SNO deployment and fare evasion prevention strategies.
- Manual reporting processes may lead to inaccuracies and inefficiencies, undermining the reliability and usefulness of the data for decision-making purposes.

Recommendation(s)

What are the suggested actions to address this risk/ opportunity?

It is recommended that the Director (Transit Safety, Security and Sustainability) increases monitoring of the fare evasion program by:

- 1) Establishing a structured oversight mechanism (e.g., governing body) for fare evasion prevention work, including regular analysis and reporting.
- 2) Prioritising the rollout of comprehensive KPIs to monitor SNOs' performance effectively.
- 3) Upskilling TransLink staff, including SNO Team Leaders, to assist with the weekly analysis of the RPS.
- 4) Recording and tracking anomalies in RPS for escalation when repeated offences occur.

Management response(s)

What will management do to address the risk/ opportunity?

1) Accepted.

We recognise the importance of a structured oversight mechanism to strengthen our approach towards fare evasion prevention.

TSSS have initiated a monthly report to the General Manager (PTS) which outlines current fare evasion performance and deployments.

The TransLink Executive Leadership Team (TELT) is already the established governing body tasked specifically with oversight of all TransLink operations and business activities including fare evasion strategies. TSSS will ensure that a quarterly brief is provided to TELT outlining data analysis (including impacts on 50c fares), progress tracking, and reporting to ensure accountability, continuous improvement, and policy alignment. These regular TELT briefings to be presented by either Director (TSSS) or General Manager (PTS) will be scheduled to prioritise fare evasion issues and the measurement of program efficiency.

2) Rejected. New process improvement actioned.

The development and implementation of Key Performance Indicators (KPIs) for monitoring Senior Network Officers' (SNOs') performance are crucial for ensuring desired outcomes within our fare evasion program. KPI's have been developed that prioritise clear targets and accountability for SNOs.

The current KPI's focus on key metrics such as number of tickets checked and passenger interactions.

KPI's regarding the number of infringements issued were avoided as they set the wrong behaviours for SNO's. Clear guidance has been provided that education and facilitating in behaviour change for fare compliance yields better outcomes than payments of fines which return revenue to Treasury instead of TransLink where it could be reinvested into services.

These KPIs are aligned with our overarching organisational goals and are instrumental in driving performance and achieving substantial reductions in fare evasion incidents.

Where TSSS could see improvement is through greater accountability of teams and individuals to reaching KPI's. To facilitate this, monthly reports will be provided to shift supervisors and monthly performance discussions held between the Manager (Transit Officer Operations) and Network Shift supervisors.

Action owner(s) and due dates

Who will deliver the action(s), and by when?

Action: Peter Walsh, Director (TSSS)

Due date: 29 November 2024

Action: Peter Walsh, Director (TSSS)

Due date: N/A

Management response(s)

What will management do to address the risk/ opportunity?

3) Accepted.

To further support the fare evasion program, we are committed to the ongoing professional development of our TransLink staff, including SNO Team Leaders.

A training program will be introduced aimed at enhancing their proficiency in operational decision making including the use of data to inform decision making. Further assistance and training on analysis of accessible data including the RPS and FEIMS data. This capacity-building initiative is intended to empower our staff with the necessary analytical skills and tools to identify trends, address issues promptly, and optimise prevention strategies.

Additionally, the monthly reports and discussions with the Manager (Transit Officer Operations) will assist the Network Shift Supervisor (NSS) with managing their teams and addressing anomalies.

4) Accepted.

NSS and Manager (Transit Officer Operations) discuss the RPS deviations and anomalies at the monthly meeting compared to previous months data , identify trends and areas of improvement to be addressed by the relevant NSS with their team.

Action owner(s) and due dates

Who will deliver the action(s), and by when?

Action: Peter Walsh, Director (TSSS)

Due date: 29 November 2024

Action: Daniel Pasterfield, Senior Advisor
(Business Intelligence and Performance)

Due date: 29 November 2024

3. Systems and software supporting fare evasion analysis is not adequate for SNO deployment planning

MEDIUM

Observations

What did Internal Audit find?

COSO component
CONTROL ACTIVITIES

Fare evasion analysis is supported by various systems and software that may not be adequate or scalable.

Some systems-related concerns include:

- Bus Operators not being able to access data from the TSSS Dashboard, despite a requirement to develop deployment plans for Network Officers. At time of fieldwork, the Senior Advisor (BSN Intel and Performance) is providing additional assistance to them due to their inability to access the data.
- Planned vs. actual deployment analysis is formally reported, despite challenges in comparing officer data collected during their shift with the monthly deployment plan. This is reported in a timely dashboard.
- Data is sourced from different platforms and manually uploaded onto the Tableau site for the preparation of the TSSS Dashboard and analysis of fare evasion activities. There may be an opportunity to integrate these systems to enhance internal process efficiency.

Some software-related concerns include:

- Walkthroughs indicated reporting needed to enable timely and efficient deployment of resources is managed through collection of information from outlook, and roster details of SNOs and NOs, which is time-consuming and prone to errors. A single-integrated data collection and has not been developed for the BSN Intel and Performance team.
- The Cubic devices that NOs and SNOs use to track their deployment and scan tickets runs off an old software which is not fit-for-purpose, nor does it meet TMR's guidelines related to data integrity and security.
- Bus drivers are required to press a button when they notice an instance of fare evasion. This manual process is again prone to inaccuracy. Software to count Go Card taps and compare to the number of people who have entered the bus will provide a more accurate fare evasion count.
- Fare evasion data is not yet available for the train network.

Behavioural root cause analysis

What is the primary behavioural root cause of the issue?

There is a lack of supporting infrastructure to enable deployment capability.

Implication(s)

Why is this a risk/ opportunity?

- Manual uploading and sourcing of data from different platforms exposes data with risk of errors, and inconsistencies.

- Limited access to TSSS Dashboard data by Bus Operators affects their ability to develop deployment schedules independently which may result in suboptimal deployment strategies, and resource inefficiencies.
- Absence of an integrated data collection and reporting system hinders efficiency and timeliness in resource deployment.

Recommendation(s)
What are the suggested actions to address this risk/ opportunity?

It is recommended that the Director (Transit Safety, Security and Sustainability) considers the opportunity for improving existing systems by:

- 1) Exploring options to integrate various data sources into an integrated data collection and reporting system, eliminating the need for manual uploads and managing information from various outlooks and rosters.
- 2) Granting Bus Operators appropriate permissions to access the TSSS Dashboard and relevant consolidated data. Additionally, provide training to Bus Operators on utilising the TSSS dashboard effectively for developing deployment schedules, reducing dependency on Senior Advisor (ABN and Intel Performance).
- 3) Exploring the viability of implementing software solutions to provide more accurate fare evasion counts on buses, ferries and trains.

Management response(s)
What will management do to address the risk/ opportunity?

- 1) Accepted.

We acknowledge the necessity of an integrated data collection and reporting system to optimise our operations. We are committed to exploring advanced solutions to consolidate and automate data sources, many of which currently require manual uploads and management.

The integration of disparate systems will not only enhance data accuracy but also improve efficiency by streamlining our processes. We will work with key business areas including the Information Technology Branch (ITB) and TransLink's digital solutions team to evaluate the available technology options that align with our operational needs and budgetary constraints.

Action owner(s) and due dates
Who will deliver the action(s), and by when?

Action: Peter Walsh, Director (TSSS)
Due date: 30 December 2025

Management response(s)

What will management do to address the risk/ opportunity?

2) Accepted.

In response to your suggestion to provide service delivery partners with appropriate access to the TSSS Dashboard, we concur that this will empower our frontline staff and decentralise the data analysis currently reliant on the Senior Adviser (ABN and Intel Performance).

We are committed to granting the necessary permissions and providing comprehensive training to delivery partners on effectively using the dashboard for scheduling deployments. This will lead to more agile decision-making and reduced bottlenecks. Work has commenced with ITB to breakdown the current IT barriers preventing this currently.

3) Accepted.

We are intrigued by the prospect of implementing sophisticated software solutions to achieve more accurate counts of fare evasion across our bus, ferry, and train services.

We have previously worked with TransLink's digital solutions team to initiate proof of concept for door counting technology and for AI based software solutions in existing cameras to count and verify passenger numbers.

To date the technology has been cost prohibitive and suffering accuracy issues.

TSSS will revisit the proof of concept to explore whether cost effective, robust software systems capable of such functionality are now available. This proof of concept will include a cost-benefit analysis, potential impact on service delivery, and consideration of customer privacy. Should the results be favourable, we will pursue the procurement and deployment of these solutions.

Noting the above, the impacts of 50c fares and the fare evasion rate needs to be considered before proceeding with new software solutions such as door counting technology and other technology proof of concepts. Further data analysis on the impacts to fare evasion during 50c needs to be determine in the next fare evasion survey 2025. Technology strategies can then be considered and included in the TSSS Strategy.

Action owner(s) and due dates

Who will deliver the action(s), and by when?

Action: Peter Walsh, Director (TSSS)

Due date: 30 January 2025

Action: Peter Walsh, Director (TSSS)

Due date: 30 December 2025

4. Appendices

Appendix A: Terms of Reference

Department of Transport and Main Roads (TMR)

Internal Audit Terms of Reference – Fare Evasion Analysis and Reporting

Background

Up to \$37 million is lost to fare evasion on the Translink network each year, which could be reinvested in new and improved public transport services. To combat this, TMR has invested time and resources into training authorised officers to assist with revenue protection, customer service and safety on the Translink network. Over 70 Network Officers (NOs) have been trained and deployed to work across Queensland's Bus Routes.

Senior Network Officers (SNOs) are employed by Translink and have been trained to use extended powers available under section 11(3) of the *Transport Operations (Passenger Transport) Act 1994* and *Transport Infrastructure Act 1994*. Some of these extended powers include using force to remove a person from public transport infrastructure and issue penalty infringement notices.

Buses have also been fitted with buttons for the drivers to press when they notice instances of fare evasion. The presses are recorded and the information is used to support reporting and trending such as bus routes which have the most instances of fare evasion. This information enables TMR to support decisions around placement of NOs and SNOs at optimal locations to minimise fare evasion.

TransLink also works closely with the Queensland Police Service (QPS) who assist with placing police at key public transport stations in high visibility to support community safety.

Review objective

The objective of this internal audit is to understand the impact and reporting of programs invested in to reduce fare evasion, including the roll-out of SNOs and interactions with the QPS.

Key risks

- Ineffectiveness of programs, leading to ongoing fare evasion issues, or limited data to determine program impact.
- Ineffective collaboration, misunderstanding, or lack of support from the stakeholders, impacting program results.
- Inaccurate or incomplete reporting leading to a lack of insight into program performance or missed opportunities for improvement.
- Insufficient commitment or engagement of SNOs, which may hinder program success.

Approach

The scope of this internal audit is to review the processes and controls to analyse and report on programs that minimise fare evasion and increase safety on public transport, for the period of 2023, including:

- **Governance:** review of frameworks, policies, and procedures related to the implementation of fare evasion programs, including roles and accountability of SNOs and other relevant officers.
- **Program Effectiveness:** processes to assess the overall impact of fare evasion reduction programs on reducing fare evasion and / or hostile incidents.
- **Stakeholder Engagement:** communication and consultation processes used to involve stakeholders, including the QPS, in the implementation of fare evasion and safety programs.
- **Monitoring and Reporting:** mechanisms to effectively and accurately monitor fare evasion programs to evaluate that data is captured, analysed and reporting appropriately, including lessons learned.
- **Systems:** review of systems that support the capture of fare evasion and safety data, including incident reporting.



At the end of fieldwork, a report will be prepared summarising any findings or opportunities for improvement. A behavioural root cause analysis will be applied to any findings reported to facilitate insights into the cultural reasons behind control failures/compliance deficit.

Estimated timetable

Commence fieldwork	Finalise fieldwork	Draft report to management	Final report
05 February 2024	15 March 2024	22 March 2024	05 April 2024

Key stakeholders and review team

Review sponsor(s)	Graham Davis, General Manager (Passenger Transport Services)
Management contact(s)	Peter Walsh, Director (Transit Safety, Security & Sustainability) Darren Beavis, Manager (Operations) Daniel Pasterfield, Senior Advisor (BSN Intel and Performance)
Internal Audit team members	Tim Van Gool, Acting Director, Audit Services (TMR) Penny Shield, Engagement Partner (EY) Melissa Brooks, Engagement Director (EY) Jacob Taylor, Fieldwork lead, Internal Audit (EY)

Acknowledgement

Throughout this review Internal Audit will comply with the Public Service Commission Code of Conduct and adhere to the Institute of Internal Auditors' Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

Internal Audit appreciates your support and the cooperation of your staff as we work together.

Samara Dowling
Acting Chief Auditor

Review sponsor approval

On behalf of the department, we confirm that we understand and agree with the above Terms of Reference.

Sponsor name and title	Signature	Date
Name: Graham Davis Title: General Manager (Passenger Transport Services)	Approved via email	18/12/23

Appendix B: Key stakeholders interviewed

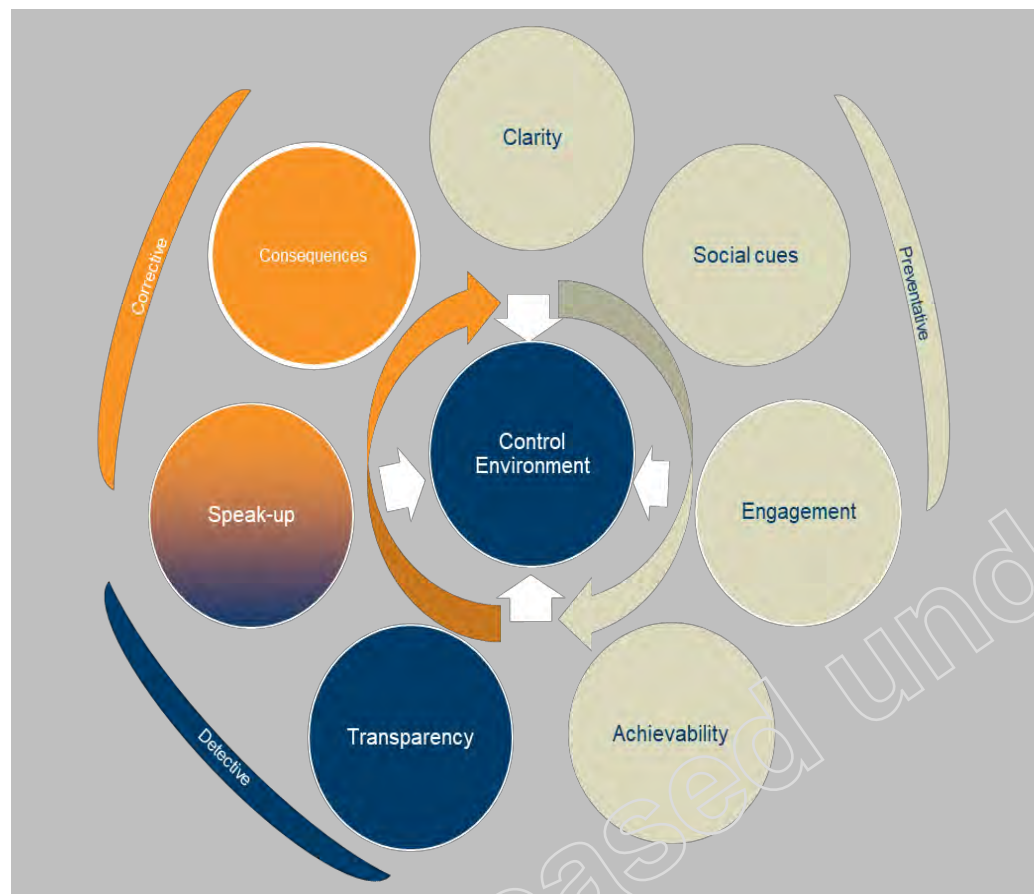
Full name	Role / Title	Branch
Peter Walsh	Director (Transit Safety, Security and Sustainability), TransLink Operations	Passenger Transport Services Branch
Darren Beavis	Manager (Operations) (Transit Safety, Security and Sustainability), TransLink Operations	Passenger Transport Services Branch
Sandy McDonnell	Project Manager (Transit Safety, Security and Sustainability)	Passenger Transport Services Branch
Daniel Pasterfield	Senior Advisor (BSN Intel and Performance) (Transit Safety, Security and Sustainability), TransLink Operations	Passenger Transport Services Branch

Appendix C: Risk and control assessment

The table below documents Internal Audit's assessment of key risks and associated controls, as identified in this review. The information is provided to assist relevant risk / control owners with maintaining information in the relevant risk register and thus facilitate the owners' effective management of the risks / controls under their responsibility.

Risk reference	Risk description	Risk Owner per the register	Current risk rating	Control(s) used to manage the risk	Control effectiveness	Required action
1	Inadequate or ineffective policies and procedures may lead to operational inefficiencies.			Revenue Protection Strategy needs to be formally approved and rolled out	Partially effective	Refer to recommendation 1.1
1	Inadequate or ineffective policies and procedures may lead to operational inefficiencies.			Framework, policies, and procedures outlining key stakeholder's roles and responsibilities along with cross agency collaboration are required to be developed. Additionally, documentation for standardised methodology for the data usage and effective deployment along with the lessons learnt document are also required to be developed.	Ineffective	Refer to recommendations 1.2 – 1.5
2	Inaccurate or incomplete reporting leading to a lack of insight into program performance or missed opportunities for improvement.			Structured oversight mechanism for fare evasion work, including regular analysis and reporting needs to be established. Additionally, there is a need to streamline the reporting processes to ensure timely and accurate delivery RPS.	Partially effective	Refer to recommendations 2.1, 2.3 and 2.4
3	Insufficient commitment or engagement of SNOs, which may hinder program success.			Prioritising the rollout of comprehensive KPIs to monitor SNOs' performance effectively.	Ineffective	Refer to recommendation 2.2
4	Inefficient and poor systems leading to inaccurate and incomplete capturing of fare evasion and safety data			The Cubic devices need to be upgraded for the latest version to ensure data integrity and security purposes	Partially effective	Refer to recommendations 3.1-3.4
4	Inefficient and poor systems leading to inaccurate and incomplete capturing of fare evasion and safety data			Integrating various data sources into a unified platform, eliminating the need for manual uploads.	Partially effective	Refer to recommendations 3.1-3.4

Appendix D: The behavioural drivers model



Clarity of communicated roles and responsibilities	Are there adequate and clear rules, procedures and responsibilities? Is there an excessive focus on rules (groupthink)?
Social cues / tone at the top / role modelling	Do managers and peers set a good example? Are social norms in line with the organisation's core values? Do management override controls?
Engagement / alignment	Do employees feel motivated and engaged to uphold standards? Is there a culture of ownership and accountability?
Achievability and incentives	Are activities and targets realistic? Are staff adequately skilled and capable to perform tasks required of them?
Transparency	Is staff behaviour visible to others? Are staff aware that their behaviour and deliverables are observable by others?
Speak-up / open dialogue	Do staff feel comfortable to voice their opinion, raise issues and discuss dilemmas? Are authority figures able to be challenged constructively? Are staff held accountable by others in the organisation for misconduct or undesirable behaviour in a one-on-one setting?
Consequences	Is desired behaviour rewarded and undesirable behaviour sanctioned? Is there a tolerance for small breaches? Are consequences fair and transparent? Is there a culture of fear and blame? The scale to which behaviour is sanctioned should lean towards lenient rather than excessive to drive a safe to fail cultural environment.