Executive Summary

Audit Report No.: 2019 - 01

April 19, 2019

WE AUDITED the current customer complaints processes to ensure that the agency has effective controls in place over customer complaints related to fare enforcement.

AUDIT OBJECTIVE was to determine whether the agency has effective controls in place to ensure:

- Policies & procedures are comprehensive and provide clear guidance for handling customer complaints.
- A comprehensive training program has been developed, implemented, and continuously updated.
- Complaint records are complete and accurate.

The audit examined management controls in place as of January 2019.

WHAT DID WE FIND?

Public Safety Division within Operations Department manages fare enforcement and related customer complaints under the direction and guidance of the Board established policy R2009-2. The resolution calls for a "comprehensive" training program to ensure "unbiased" treatment to all riders of every background.

The division has outsourced daily operations to a contractor, Securitas, under an agreement, which requires an array of training at different times to ensure fare enforcement is in line with agency values.

There are roughly 30 fare enforcement contractor employees under the management of a co-located Securitas account manager. Annually, the agency incurs on average $1.2 million in fare enforcement expenditures.

According to the division’s complaint tracking sheet, there were 66 complaints during 2016 through 2018 under two general categories of bias and professionalism.

The audit concluded that management controls over fare enforcement complaints are effective to reasonably ensure the implementation of applicable policies & procedures, a comprehensive training program, and complete and accurate complaint records.

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Background

The Board established policy R2009-2 provides direction and guidance to fare enforcement on Sounder commuter rail & Link light rail trains. The resolution has designated Public Safety Division in Operations Department as “the persons to monitor and enforce fare payment.” One essential part of fare monitoring and enforcement is listening to the customers who express comments and submit complaints on occasions about their unfavorable experience. While Public Safety is solely accountable for enforcement, it has outsourced day-to-day operations to Securitas Security Services USA, Inc. (Securitas) for over a decade.

The Securitas agreement stipulates different training under a range of circumstances to institute a “comprehensive” training program required in the resolution. For example, every new Fare Enforcement Officer (FEO) is required to complete an “Initial Training” of at least 208 hours or up to 280 hours which includes “on-the-job” training. Each FEO – who interacts with the customers and riders first hand - must be certified as having successfully completed the training before deployment in the field.

There are approximately 30 Securitas fare enforcement personnel assigned to the agency. FEOs work under a Securitas account manager who is co-located with the agency management to facilitate operations. Fare enforcement expenditures\(^1\) are roughly $1 million, $1.1 million, and $1.4 million for 2016, 2017 and 2018, respectively.

A customer, rider, witness, ST employee, contractor, board member, or any person can provide feedback and express concerns about FEO conduct. A complaint is an allegation of misconduct by a contract employee. Public Safety tracks complaints from intake to resolution. The division investigates each complaint to corroborate whether the complaint is with or without merit. If found to have merit, a complaint can prompt either personnel action (by Securitas) or additional training.

According to Safety Division’s complaint tracking sheet, there were 66 complaints for a period of three years ending 2018 under two broad categories: bias and professionalism. Of 66 complaints, there were 9 complaints with merit during the same period.

Audit Objectives

To determine whether the agency has effective controls related to fare enforcement complaints to ensure:

- Policies & procedures are comprehensive and provide clear guidance for handling customer complaints.

\(^1\) Source: Agency ERP System (EnterpriseOne) - Account #503072 Fare Enforcement
• A comprehensive training program has been developed, implemented, and continuously updated.
• Complaint records are complete and accurate.

Scope and Methodology

We conducted this performance audit in accordance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusion for the audit objectives.

We gained an understanding of customer complaints management processes through data analysis, documentation reviews, and personnel interviews. We identified risks in the processes and assessed management controls in place to mitigate those risks. Based on the assessment, we determined to focus on management practices related to fare enforcement complaints and associated policies & procedures, comprehensiveness of a training program, and completeness and accuracy of complaint records.

We examined policies, procedures, and process documentation and records as of January 2019.

1. To determine whether the agency has the effective controls to ensure that policies & procedures are comprehensive and provide clear guidance for handling customer complaints, we performed the following procedures:
   a) Conducted management interviews to identify all stakeholders.
   b) Reviewed all relevant agency policies, procedures including Standard Operating Procedures related to customer complaints.
   c) Reviewed applicable contractor procedures.
   e) Tested a sample of controls identified within policies & procedures to determine effectiveness.
   f) Reviewed monthly demographic report for December 2018 to identify unreasonable trends in fare enforcement.

2. To determine whether the agency has the effective controls to ensure that a comprehensive training program has been developed, implemented, and continuously updated, we performed the following procedures:
   a) Tested for the required submission of an annual training plan and schedule by December 1.
b) Tested for the approval of the training plan and schedule by Director of Public Safety or designee prior to instruction of training curricula.

c) Tested to determine whether a comprehensive training program includes areas such as customer service, diversity awareness, and unconscious bias.
   o Reviewed Day 1, Day 2, & Day 3 training materials.
   o Reviewed “Unconscious Bias” training materials.
   o Reviewed a sample of Quarterly Board Review presentation booklet.
   o Reviewed draft materials on customer service, verbal de-escalation, etc.

d) Tested a weekly training schedule to determine whether training updates had been provided to Sound Transit in a timely manner.

e) Tested a sample of Securitas employees for the following categories to determine whether training was proper and complete:
   o Initial training prior to becoming a FEO.
   o Ongoing training/refresher/follow-on training.
   o Trainer & FTO training.
   o Supervisor training.

f) Tested a sample of FEO training invoices to determine whether training had been completed prior to certification.

3. To determine whether the agency has the effective controls to ensure that complaint records are complete and accurate, we performed the following procedures.

a) Shadowed a FEO for fare inspection process observations.

b) Tested to determine whether Securitas Account Manager maintains a complaint log as required in the agreement.

c) Tested a sample of conduct related complaints from CRM\(^2\) against the Public Safety complaint tracking sheet to determine whether records are complete and accurate.

d) Tested the division complaint tracking sheet for completeness and accuracy.

Conclusion

Management controls over fare enforcement complaints are effective to reasonably ensure the implementation of applicable policies & procedures, a comprehensive training program, and complete and accurate complaint records.

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\(^2\) Customer Relationship Management (CRM) is a software tool utilized by ST Communications to track customer feedback including complaints that could require a staff response. At times, fare enforcement complaints are received through CRM.