

WIRRAL COUNCIL

CHILDREN AND YOUNG PEOPLE'S OVERVIEW AND SCRUTINY

21ST JANUARY 2013

SUBJECT:	METRO CATERING INCOME PROCEDURES – AUDIT ACTIONS
WARD/S AFFECTED:	ALL
REPORT OF:	ACTING DIRECTOR OF CHILDREN'S SERVICES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 Following an audit of Metro Catering's procedures for the management of meal income, it was requested by the Audit and Risk Management Committee that a progress report be presented to inform them of the actions taken to address the issues identified in the report, it was also requested that this report be considered by the CYP Overview and Scrutiny Committee. The proposed actions will promote the Council's priorities to implement its Improvement Plan.
- 1.2 The Audit and Risk Management Committee on 26 November 2012 resolved that (1) the actions following the audit recommendations be noted and (2) the report be referred to the CYP Overview and Scrutiny Committee for consideration.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Metro Catering service provides a meal service to 83 schools in the Borough and has produced 730,903 meals in the current financial year April – October 2012 to date, this equates to 7,458 meals being produced on a daily basis. The meal service ensures that meals are available to all pupils on free school meals, that menus meet all current food/nutrient standards and that all Food Safety and Health and Safety requirements are met.

Charges for school meals are set at £2.00 per meal however, the method of collection of the lunch money varies from school to school due to banking procedures and staffing arrangements i.e. by school secretaries and/or Metro Catering staff.

- 2.2 An audit of school meal cash collection on 31 May 2012 identified a number of weaknesses in procedures and made a series of recommendations.
- 2.3 Guidance Documentation
At the time of the audit it was found that there were varied levels of understanding across schools for the correct recording of income, primarily due to inadequate guidance and in some schools no guidance being available at the time of the audit.

Action taken: Draft guidance has been produced which addresses the collection, recording and banking of monies. This is currently being tested for ease of use by catering staff and is due to be implemented at the start of the Spring term (January 2013) with full implementation following a series of training sessions by the end of March 2013.

2.4 Staff Training and Accuracy of Records

The catering service relies on the correct completion of “meal deal” service reports which indicate the take-up of meals by pupils, staff and visitors on a daily and weekly basis. This number is then reconciled against the money either collected by those paying for meals or entitled to free school meals. This is a complicated system as schools have different methods for collection of monies e.g. payment in advance, collection by school employee, collection by Metro cashier etc.

Action taken: The guidance produced now takes the various school methods of cash collection into account and provides a recording mechanism which is auditable. The implementation of the new guidance will be done via training sessions and subsequent site visits by Metro Catering supervisory staff who will reinforce this training and guidance to their staff. Headteachers will be responsible for ensuring correct procedures are adhered to by school staff i.e. non Metro.

2.5 Accounting for Free School Meals

In some schools it was found that meals served were not identified in the records as either paid or free. There were also found to be errors in that some kitchens were recording the number of meals paid for and not the actual meals served which again may result in a loss of income to the service.

Action taken: The guidance document and training will address this issue. A recording mechanism has been set up to ensure that “meal deal” reports confirm the cash collected and free school meal notifications.

2.6 Income Reconciliation

There was found to be poor recording of banked meal income at some sites. Reconciliation of school returns by CYPD staff was also found to be inconsistent due to limited staff resources.

Action taken: The guidance document includes a section of good practice to ensure that the income received is regularly reconciled to actual monies banked. CYPD staff would endeavour to undertake reconciliation of all school returns on a regular basis from the general ledger and any discrepancies investigated and resolved.

2.7 Timely Payments of Staff Meals

In some schools where staff received meals they did not ensure that payment was received on a regular basis which had led to excessive outstanding income.

Action taken: Schools to ensure that staff meals are paid for in a timely manner.

3.0 RELEVANT RISKS

3.1 If training and guidance is not provided then it is likely that errors in the collection and banking of monies will lead to discrepancies in the trading account through loss and misappropriation.

3.2 The complex collection and recording of meals taken, produced and paid will continue to be a significant burden for Metro and school staff with the requirement for ongoing

training and support. It is therefore considered that other collection and recording systems are explored.

4.0 OTHER OPTIONS CONSIDERED

4.1 Many Local Authorities have switched to an electronic payment system for school meals which parents' access remotely. This would provide a simpler process than the current system, but would have an initial cost implication. Demonstrations of payment systems have been arranged in order to explore options further.

5.0 CONSULTATION

5.1 None.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 None.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The proposals will require a significant input for training for Metro Catering and school staff but will be met from existing resources.

7.2 The introduction of a cashless system would have financial implications but would be considered within a business case proposal.

8.0 LEGAL IMPLICATIONS

8.1 None.

9.0 EQUALITIES IMPLICATIONS

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 None.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 None.

12.0 RECOMMENDATION/S

12.2 That the actions following the audit recommendations are noted.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 To ensure that actions are completed in accordance with audit recommendations.

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APPENDICES

None

REFERENCE MATERIAL

Audit report dated 31 May 2012

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	26 November 2012