



Audit and Risk Management Committee

Date:	Monday, 26 November 2012
Time:	6.15 pm
Venue:	Committee Room 1 - Wallasey Town Hall

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SUPPLEMENTARY AGENDA

9. METRO CATERING INCOME PROCEDURES – AUDIT ACTIONS (Pages 1 - 4)

Appendix 1
Audit Findings and the Departmental Response to Metro Catering
Income Procedures

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Audit Findings and the Departmental Response to Metro Catering Income Procedures

Ref	Recommendation	Comments	Timescale
5.2	Finding: In the sample of five schools tested, although procedure notes were issued for general kitchen duties, the kitchen/office staff in all five schools had not been provided with any procedure notes for the recording, collection and banking of income received.		
	(i) Written procedures should be compiled for the collection, recording, banking and reconciliation of income. Once compiled they should be issued to all staff, (kitchen and office), who are responsible for the collection of Metro Catering income.	Draft guidance has been produced which addresses the collection, recording and banking of monies.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.	Completion of written documentation January 2013. Training completion end March 2013.
5.3	Finding: In the sample of five schools tested the kitchen/office staff in all five schools had not received any training or guidance for the collection, recording and banking of income or how to undertake a reconciliation of income received to income banked.		
	(i) Training or guidance should be provided to all staff responsible for the collection of Metro income.	As 5.2 The production of guidance and training will address this issue.	March 2013
5.4	Finding: In the sample of five schools tested discrepancies were found in the sample of Meal Deal Service Reports examined at each school. It was also noted in the sample of five schools visited that the completion of the Meal Deal Service Reports submitted to Headquarters each week were not consistent at each school.		
	(i) Care should be taken to ensure that all Meal Deal Service	The guidance produced now takes the various school methods of cash collection into account and provides a recording mechanism which is	March 2013

	<p>Reports are completed correctly highlighting meals served, cash collected and free meal notifications. The income records held should match the information submitted to Headquarters to ensure an effective audit trail is maintained.</p> <p>(ii)The completion of Meal Deal Service Reports should be consistent across all schools.</p>	<p>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 Metro catering staff. Headteachers will be responsible for ensuring correct procedures are adhered to by school staff i.e. non Metro.</p> <p>The standardization of “meal deal” service reports will ensure consistency across all schools.</p>	<p>March 2013</p>
5.5	<p>Finding: Two schools in the sample of five tested did not have a clear record of income received to income banked therefore it was difficult to undertake a full reconciliation.</p>		
	<p>(i) A clear record should be maintained recording daily income collections and full details of banking made. The record held should be consistent across all schools.</p>	<p>The guidance document includes a section of good practice to ensure that the income received is regularly reconciled to actual monies banked. Within the guidance document there is a section of standardized record sheets.</p>	<p>March 2013</p>
5.6	<p>Finding: In the sample of five schools tested four schools record actual meals paid for and not actual meals served on the Meal Deal Service Reports. In one of the schools tested the details did not match the dinner registers meaning that details could not be verified.</p>		
	<p>(i) The Meal Deal Service Reports should be reviewed to show actual meals served, paid and a variance to show any outstanding payments.</p> <p>(ii) An independent check should also be undertaken to ensure the Meal Deal Records agree to the cash collected and the free meal</p>	<p>The guidance produced now takes the various school methods of cash collection into account and provides a recording mechanism which is auditable.</p> <p>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 Metro catering staff.</p>	<p>March 2013</p> <p>March 2013</p>

	<p>notifications.</p> <p>(iii) This should be consistent across all schools.</p>	<p>Headteachers will be responsible for ensuring correct procedures are adhered to by school staff i.e. non Metro.</p>	
5.7	<p>Finding: In the sample of five schools tested, reconciliations of receipt to banking were not undertaken at four of the schools. The School Business Manager at one school reconciled the income every two weeks but the reconciliation did not include a full review to the banking records.</p>		
	<p>(i) The income records should be independently checked and signed and dated to evidence checks made.</p>	<p>It is the responsibility of the school to ensure their procedures include this independent check, this is advice included within the guidance document.</p>	<p>March 2013</p>
	<p>(ii) Income received should be regularly reconciled to actual monies banked.</p>	<p>The guidance document includes a section of good practice to ensure that the income received is regularly reconciled to actual monies banked.</p>	<p>March 2013</p>
5.8	<p>Finding: In one of the five schools tested it was identified that staff did not always pay for their meals each day. Outstanding income for teachers on the day of the audit was £168.85.</p>		
	<p>(i) A process should be in place to ensure payment for meals is received in a timely manner. Staff should be encouraged to pay for their meals in advance thus ensuring that debts do not build up.</p>	<p>Communication has been all school kitchens to ensure that school staff meals are paid for in a timely manner.</p>	<p>Completed</p>
5.9	<p>Finding: Although a reconciliation of the school returns to the Authority's financial system is undertaken at Headquarters, this is not currently being done for all schools. It was noted that due to staff resources, reconciliations are only being carried out for those schools with the highest percentage variances.</p>		
	<p>(i) Income should be reconciled to the school returns on a regular basis.</p>	<p>The guidance document includes a section of good practice to ensure that the income received is regularly reconciled to actual monies banked.</p>	<p>March 2013</p>

	(ii) The reconciliations should be undertaken from the general ledger for each school and any discrepancies identified should be investigated and resolved.	CYPD staff undertake reconciliation of school returns who fall outside the +/-5% tolerance on a monthly basis against Oracle and any discrepancies investigated and resolved.	Completed
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