

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

26 NOVEMBER 2012

SUBJECT:	<i>METRO CATERING INCOME PROCEDURES – AUDIT ACTIONS</i>
WARD/S AFFECTED:	<i>ALL</i>
REPORT OF:	<i>JULIA HASSALL, ACTING DIRECTOR OF CHILDREN'S SERVICES</i>
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. This report will also be taken to the next CYP Overview and Scrutiny Committee.

The proposed actions will promote the Council's priorities to implement its Improvement Plan.

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.

2.2 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Action taken: Draft guidance has been produced which addresses the collection, recording and banking of monies.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.

2.3 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.

2.4 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.

2.5 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.

2.6 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?

(a) Yes and impact review is attached – *(insert appropriate hyperlink)*.

(To find your departmental hyperlink click on

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010-0>

Please delete this instruction before you finalise your report.)

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

(c) No because of another reason which is

** Delete the two answers above which don't apply.*

10.0 CARBON REDUCTION IMPLICATIONS

10.1 None

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 None

12.0 RECOMMENDATION/S

12.1 That this report is taken to the Children and Young People's Overview and Scrutiny Committee.

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

Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details

EIA lead Officer: Jeannette Royle

Email address: jeannetteroyle@wirral.gov.uk

Head of Section: Andrew Roberts

Chief Officer: Julia Hassall

Department: Children & Young People's

Date: 10 November 2012

Section 2: What Council proposal is being assessed?

Audit report action for the management of Metro Catering meal income.

Section 2b: Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

Yes

If 'yes' please state which meeting and what date

Audit and Risk Management Committee 26/11/12 and CYP Overview & Scrutiny Committee 21/1/13

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/children-young-people>

Section 3: Does the proposal have the potential to affect..... (please tick relevant boxes)

- Services**
- The workforce**
- Communities**
- Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

None (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 4: Does the proposal have the potential to maintain or enhance the way the Council (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

No (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 5:

Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.

Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications

Section 5a: **Where and how will the above actions be monitored?**

Section 5b: **If you think there is no negative impact, what is your reasoning behind this?**

Section 6: **What research / data / information have you used in support of this process?**

Section 7: **Are you intending to carry out any consultation with regard to this Council proposal?**

Yes / No – (please delete as appropriate)

If ‘yes’ please continue to section 8.

If ‘no’ please state your reason(s) why:

(please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 8: How will consultation take place and by when?

Before you complete your consultation, please email your preliminary EIA to equalitywatch@wirral.gov.uk via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for re-publishing.

Section 9: Have you remembered to:

- a) **Include any potential positive impacts as well as negative impacts?** (section 5)
- b) **Send this EIA to your Head of Service for approval.**
- c) **Review section 5 once consultation has taken place and sent your completed EIA to your Head of Service for approval then to your Chief Officer for re-publishing?**