

INTERNAL AUDIT SUMMARY REPORT**SYSTEMS AUDIT – CATERING****1. INTRODUCTION**

- 1.1. This audit was carried out in line with the Internal Audit Plan 2017/18, and in full consultation with operational staff and management.
- 1.2. The scope of the audit was to determine the effectiveness of the internal controls within the Catering Section, in particular to ensure that:
 - School meal income is appropriately collected, recorded and reconciled.
 - Appropriate controls are in place for the administration of school meal debt.
 - The Cashless Catering System reconciles appropriately.
- 1.3. Seven school canteens were sampled for audit testing. These included five Primary schools/campuses, one Comprehensive school and Pen y Cwm school.
- 1.4. The audit was conducted by the Senior Auditor and took the form of a series of detailed tests and checks, together with discussions with operational staff and managers.

2. SUMMARY OF FINDINGS

- 2.1. Fifteen weaknesses were identified, ten of which were classified as High Risk, four were classified as Medium Risk, and the remaining weakness was classified as Low Risk. The areas involving the High Risk weaknesses were:
 - Financial guidance information was not available within a number of the school kitchens within the sample.
Agreed Action – New financial regulations have been written and training on this is being rolled out to all Cooks, Assistant Cooks and till operators.
 - In one instance within the sample the income reconciliation process was undertaken by one officer only, and was not viewed by another officer to confirm the amount recorded as being correct.
Agreed Action – The requirement for two officers to be present during income reconciliation is included within the new financial regulations.
 - Two instances were identified within the sample where cash collected was in excess of the Cashless Catering system record; however there were two different subsequent approaches taken. It was therefore evident that there was a lack of a definitive process identified for Head Cooks to follow where income is in excess of the amounts recorded through the cashless catering system, and the process to follow where there are claims upon the additional income.
Agreed Action – A process to be followed where a discrepancy in income received is identified is included within the new financial regulations.
 - Primary Cash Income Record documentation requires weekly verification by officers, and there were instances of this being prepopulated by the completing officer rather than following the completion of the relevant period.
Agreed Action – The requirement for the Primary Cash Income Record to be signed only at the end of the banking period is included within the new financial regulations.

- The key to a safe was left unattended in a location in close proximity to the safe.
Agreed Action – The requirement for keys to be held separately, away from the safe/locked receptacle is included within the new financial regulations.
- A number of the safes in operation are not affixed to the wall or the floor as per the manufacturers' instructions.
Agreed Action – Technical Services have carried out surveys on all sites. A few sites may not be suitable due to building/structures. Where sites are assessed as being unsuitable for affixing, appropriate measures will be undertaken to maintain the security of the location of the safe.
- Access to the school via the kitchen entrance was not restricted on the day of the audit visit.
Agreed Action – The requirement for external kitchen entrances to be restricted access only is included within the new financial regulations.
- The security of the location of the income reconciliation process was assessed at each site within the sample, and it was determined that there were instances where the reconciliation of income received was undertaken in a location that was not secure for the purpose.
Agreed Action – The requirement for a secure location for the income reconciliation process is included within the new financial regulations.
- The process for the payment for school meals was assessed at each site within the sample and it was found that one of the manual systems assessed was not efficient or effective in achieving its purpose.
Agreed Action – Meetings will be arranged with the Headteacher to discuss changes to school meal income procedures.
- The process of Free School Meal (FSM) provision at each site was assessed and it was evident that where manual systems were in operation there were inconsistent processes employed.
Agreed Action – Cooks will request updated FSM entitlement list weekly from school clerks.

3. CONCLUSION

- 3.1. The audit report is produced on an exception basis. Consequently the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore reliance is placed in part on the information and explanations provided by the appropriate officers.
- 3.2. The Team Leader – Catering has agreed to implement actions to mitigate each of the weaknesses identified during the audit.

4. INTERNAL CONTROL STANDARD GRADING

- 4.1. In accordance with the standard gradings, the systems examined indicate that the internal controls have improved since the previous audit; however a number of weaknesses have been identified that require appropriate actions to be implemented. The grading is therefore assessed as 'Limited Assurance'.