

## **INTERNAL AUDIT REPORT - SYSTEMS AUDIT SCHOOL CATERING**

### **1 INTRODUCTION**

- 1.1 This audit was carried out in line with the Internal Audit Plan 2022/23, and in full consultation with operational staff and management.
- 1.2 The scope of the audit was to determine the effectiveness of the internal control procedures within the School Catering process, to ensure compliance with statutory requirements and departmental (internal) policies and procedures.
- 1.3 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 AUDIT FINDINGS**

- 2.1 Twenty weaknesses were identified, of these twelve were classified as High Risk, seven classified as Medium Risk and the remaining one was classified as Low Risk.
- 2.2 The areas involving the High Risk weakness were:
  - Financial Instructions required updating and signed by all catering staff. .  
**Agreed Action** – Updated Financial Instructions to be issued to all Catering staff, to review and sign.
  - Service Level Agreements (SLA) not returned by the specified deadline.  
**Agreed Action** – To ensure the SLAs are returned by the specified deadline in future.
  - Postholder commencing employment prior to receipt of a Disclosure and Barring Service (DBS).  
**Agreed Action** – To ensure DBS is received prior to commencement of post although it was noted that staff were supervised until receipt of the DBS.
  - Staff training records including certificates were not all current or held locally where staff work.  
**Agreed Action** – To ensure staff training records are held locally and remain current.
  - Income retained in the safe and not banked in full.  
**Agreed Action** – Staff to be reminded of the process to ensure income is banked in full.
  - The Miscellaneous Income slip had not been signed by two members of staff  
**Agreed Action** – Staff to be reminded of the process to ensure compliance with the Financial Procedure Rules.
  - Income banked did not reconcile to supporting documentation recorded  
**Agreed Action** – Staff to be reminded of the process to ensure compliance with the Financial Procedure Rules.
  - The Paying in book had a missing paying in slip.  
**Agreed Action** – Staff to be reminded of the process to ensure compliance with the Financial Procedure Rules and that void paying in slips should be marked and retained in the book.
  - The Till function registered charges against pupils that were entitled to free school meals and in some instances not recognising pupils' fingerprint. The Adjustments made to rectify this were not fully documented.  
**Agreed Action** – Staff will be reminded that any adjustments made will be fully documented.

- Safe code was not periodically changed.  
**Agreed Action** – Safe codes are to be periodically changed
- All purchase orders must contain sufficient information, be signed, and issued to the supplier. Invoices should be dealt with promptly when being processed on the Civica Financial System.  
**Agreed Action** – Staff to be reminded of the process to ensure compliance with Financial Procedure Rules.
- A delivery of an order had been left outside the school canteen unattended.  
**Agreed Action** – Staff to be reminded of the process for receiving stock.

2.3 The areas involving the Medium Risk weakness were:

- Service buyback forms not signed.  
**Agreed Action** – Property Service Manager to liaise with the Education Department for responses.
- Staff Inductions not received promptly.  
**Agreed Action** – Training to be delivered regarding new kitchen staff enrolment.
- Paying in slip number not recoded on the primary Cash Record.  
**Agreed Action** – Training to be delivered to ensure compliance with Financial Procedure Rules.
- Miscellaneous slips not detailing the split between staff and pupil meals.  
**Agreed Action** – Training to be delivered to ensure compliance with Financial Procedure Rules.
- Income recorded on the Authority's financial ledger is not reconciled, income for two schools had been miscoded by Resource Department.  
**Agreed Action** – Training to be delivered to ensure compliance with Financial Procedure Rules.
- No restricted area to reconcile cash.  
**Agreed Action** – Canteen shutters to be closed when reconciling cash.
- Delays in the recharge of the Service Level Agreement.  
**Agreed Action** – To confirm with the Accountancy Department that the recharge has been actioned.

2.4 The areas involving the Low Risk weakness were:

- Duplication of work recording computerised reports to paper.  
**Agreed Action** – Review of the current process with a view to change to avoid duplication.

### **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.

### **4 INTERNAL CONTROL STANDARD GRADING**

- 4.1 In accordance with the standard gradings, the systems examined indicate that the internal controls within the School Catering process have identified a number of control weaknesses that require actions to be implemented. The grading is therefore assessed as '**Limited Assurance**'.