

Argyll & Bute Council - Internal Audit Report

January 2018

Final

Catering: Compliance with Nutritional Guidelines

Audit Opinion: ***Substantial***

	High	Medium	Low
Number of Findings	0	2	2

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Contact Details

Internal Auditor: **David Sullivan**
 Telephone: **01546 604125**
 e-mail: **david.sullivan@argyll-bute.gov.uk**

1. Executive Summary

Introduction

1. As part of the 2017/18 internal audit plan, approved by the Audit & Scrutiny Committee in March 2017, we have undertaken an audit of Argyll & Bute Council's (the Council) system of internal control and governance in relation to compliance with nutritional guidelines for school meals.
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and we would like to record our appreciation for the cooperation and assistance we received from all officers over the course of the audit.

Background

4. The Schools (Health Promotion and Nutrition) (Scotland) Act 2007 ('the HPN Act') requires local authorities to ensure that food and drink provided in schools complies with the nutritional requirements specified by Scottish Ministers in regulations. The HPN Act also makes health promotion a central purpose of schooling. The Scottish Government subsequently published guidance in September 2008 which details the nutritional requirements that all state aided schools must adhere to.
5. The Council recently implemented Saffron, an application which helps facilitate compliance with nutritional guidelines. Saffron has been adopted for primary school menu planning and we have been given assurances by management that it will also be adopted for secondary school menu planning prior to the next secondary school Education Scotland inspection.

Scope

6. The overall scope of the audit was to ensure the Council is complying with the HPN act and that nutritional guidelines are embedded in processes, procedures and school menus. The terms of reference was agreed with the Head of Facility Services on 21 November 2017.

Audit Opinion

7. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
8. Our overall audit opinion for this audit is that we can take a **Substantial** level of assurance. This means that whilst internal control, governance and the management of risk is broadly reliable there are a number of areas of concern which need to be addressed in order for the residual risk to be at an acceptable level.

Key Findings

9. We have highlighted two medium priority recommendations and two low priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:

- Saffron should be updated to reflect the latest food composition dataset
- procedures should be established to monitor the implementation of Education Scotland recommendations and this feedback should be disseminated, where relevant to good practice, to all school catering staff
- training records should be kept up to date
- management approval of new menus should be documented.

10. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

11. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Assessment	Summary Conclusion
1	Saffron complies with the requirements of the HPN Act.	Reasonable	Adequate controls are in place within Saffron to ensure compliance with the HPN Act however Saffron should be updated to reflect the latest version of the McCance & Widdowson food composition dataset.
2	The current school menus meet the requirements of the HPN Act.	Substantial	Appropriate controls are in place within Saffron to ensure primary school menus are compliant with the HPN Act. The process to manage Education Scotland feedback could be strengthened.
3	The menu analysis process complies with the HPN Act.	Substantial	Current procedures and processes facilitate compliance with the HPN Act.
4	Performance monitoring is in place and is reported appropriately.	Substantial	Performance reporting on nutritional compliance is appropriate.
5	Adequate staff training is in place to ensure compliance with legislative requirements	Substantial	Training on nutrition and statutory compliance for employees is carried out on a regular basis however the recording of training could be improved.

12. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

Saffron complies with the requirements of the HPN Act

13. We assessed Saffron against guidelines published by the Scottish Government in 2008 which set out the functionality that nutritional analysis software should meet. This incorporated a number of compliance tests including confirmation that Saffron has the appropriate functionality to:
 - ensure recipes and menus adhere to Scottish legislative requirements laid out in the Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations 2008
 - create a list of nutritionally analysed ingredients utilising the McCance & Widdowson food composition dataset and information provided by suppliers
 - calculate the nutrient content of school menus averaged over five consecutive school days.
14. Our overall conclusion was that the functionality of Saffron is consistent with the Scottish Government guidelines thus providing assurance that the Council has adopted an appropriate software package which will help facilitate compliance with the HPN Act.
15. The Scottish Government guidelines state that Saffron should be populated with the most up-to-date version of the McCance & Widdowson food composition dataset. This dataset stores the composition of all basic foods and composition data of a range of foods that have been analysed as part of the Food Standards Agency's nutrient analysis catch-up project and the nutrient analysis project of pasta and pasta sauces. The Council is currently operating version 6 of the dataset and should consider upgrading to version 7 which is currently available.

Action Plan 1

The current school menus meet the requirements of the HPN Act.

16. Embedded within Saffron are the nutritional rules for each of the 13 nutrient and allergens to ensure compliance with the HPN Act. Saffron reflects the targets for these nutrients as set out in the legislation. The Council create four weekly primary school menus within Saffron and Saffron applies these rules to assess compliance with the nutritional requirements highlighting where a menu has either; failed to comply, met requirements within accepted tolerance or fully met requirements. All current menus are compliant with the nutritional requirements.
17. Saffron has been adopted for primary school menu planning. The nutritional content of secondary school menus was previously assessed using a software package called Nutmeg. The Council's licence to use Nutmeg has expired and there are no plans to renew it as Saffron will be adopted for secondary school menu planning prior to the next Education Scotland inspection. Education Scotland usually provide approximately a fortnight notice of an impending school inspection and management have provided assurance that this provides sufficient time to analyse secondary school menus to ensure compliance with the HPN Act.
18. Education Scotland carry out periodic audits of schools to ensure compliance with the HPN Act. During 2017 Education Scotland visited Hermitage Academy and Dunoon Primary and confirmed both were generally compliant. Education Scotland provided feedback on these audits by e-mail with the feedback highlighting areas for improvement and also identified areas of good practice. This feedback is provided informally during the audit and by e-mail after the audit is complete.

There is no process in place to monitor whether the recommendations are implemented. Current practice is that recommendations are only implemented within the school inspected, however, there will be benefit, where applicable, in implementing recommendations and identified good practice more widely to deliver improvements in other schools.

Action Plan 2

The menu analysis process complies with the HPN Act

19. The quality manual states that menus should be approved by the Commercial Manager, Service Managers, heads of service and the lead councillor for education, however there was no evidence that this has been carried out for the current suite of school menus.

Action Plan 3

Performance monitoring is in place and is reported appropriately

20. Performance reporting on nutritional compliance is undertaken at various levels including Facility Services departmental meetings, Catering and Cleaning Management team meetings with compliance reporting embedded within Pyramid.
21. There are regular catering and cleaning team meetings and the Head of Facility Services meets with the Executive Director of Customer Services every six weeks to discuss Pyramid scorecard information which includes compliance with the HPN Act.
22. The reporting functionality within Saffron system allows for greater automation of performance reporting than was previously available. There is an ongoing project to develop the current functionality of Saffron, a part of which focuses on the development of performance reporting. Areas where performance reporting has been enhanced and currently operational are productivity reporting i.e. meals per man hour, school meal uptake, cost / spend analysis and cost per meal.

Adequate staff training is in place to ensure compliance with legislative requirements

23. Staff training on nutrition and statutory compliance is carried out on a regular basis however a review of the training records database showed that the last recorded date for employee training occurred in January 2015. Training records should be kept up-to date to help ensure staff are receiving the appropriate suite of training to allow them to perform in their role.

Action Plan 4

Appendix 1 – Action Plan

	No.	Finding	Risk	Agreed Action	Responsibility / Due Date
Medium	1	<p>McCance & Widdowson Composition Dataset</p> <p>Saffron is not currently populated with the most up-to-date version of the McCance & Widdowson food composition dataset. The Council are currently operating version 6 of the dataset and should consider upgrading to version 7.</p>	<p>If the underlying dataset is inaccurate then the accuracy of compliance reporting could be compromised.</p>	<p>McCance and Widdowson does not provide details of Non Milk Extrinsic Sugars (NMES) content for items, and the current version 6 of SAFFRON has had the data added manually by SAFFRON. This is a significant undertaking and SAFFRON will update to Version 7 but only when the full data is available. Consequently moving to version 7 at the current time creates a greater risk of non-compliance with statutory guidance than remaining with version 6. We will implement version 7 when we have full assurance that all NMES data has been populated in it.</p>	<p>Catering and Cleaning Officer</p> <p>31 December 2018 Or on receipt of confirmation that NMES data is populated.</p>

Medium	2	<p>Implementing and Sharing Good Practice and Recommendations</p> <p>Current practice is that feedback from Education Scotland on school catering audits, including recommendations and identified areas of good practice, are only fed back and implemented within the school inspected rather than communicated more widely to all school catering officers. Furthermore there is no process to monitor whether Education Scotland recommendations are implemented in schools.</p>	The Council may not be maximising the benefit obtained from audit recommendations and good practice identified within audited schools.	Procedures and processes will be updated.	Catering and Cleaning Officer 31 March 2018
Low	3	<p>Management Approval of School Menus</p> <p>The quality manual states that management, including the lead councillor for education, must approve new school menus. There is no evidence of compliance with this requirement.</p>	Changes to school menus are not subject to the appropriate review and approval.	Going forward documentation will be retained to evidence approval of amendments to school menus.	Catering and Cleaning Officer 31 March 2018
Low	4	<p>Maintaining Training Records</p> <p>Staff training on nutrition and statutory compliance is carried out on a regular basis however the training records database is not being updated to record this.</p>	Staff may not be receiving the appropriate training to allow them to carry out their duties effectively.	Training records will be updated timeously following completion of training.	Admin Staff 31 March 2018

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Appendix 2 – Levels of Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are a number of areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk.
Limited	Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.