



# AUDITOR GENERAL

WILLIAM O. MONROE, C.P.A.



## FOOD AND NUTRITION ACTIVITIES FOR MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD

### Operational Audit

#### Summary

This audit report is the seventh in a series of reports to be issued on audits conducted pursuant to Chapter 2001-253, Laws of Florida, Specific Appropriation 118; Chapter 2002-394, Laws of Florida, Specific Appropriation 105; and Section 11.45, Florida Statutes. Additional reports will be issued as audit fieldwork is completed in areas selected by the Auditor General for audit.

This operational audit focused on the Miami-Dade County District School Board's Department of Food and Nutrition (Department), including the administration of the food and nutrition program and the job qualifications of selected Department employees for the period July 1, 2001, through April 30, 2003. The Department is responsible for the planning, preparation, and serving of meals at the school cafeterias. We noted that improvements were needed in compliance and controls as discussed below.

**Finding No. 1:** The Department's procedures over the monitoring of purchased food cost per meal could be enhanced. Our review disclosed a broad range of the purchased food cost per meal within each educational level. Analysis of the purchased food cost per meal among District schools could enhance the efficient use of food supplies.

**Finding No. 2:** Improvements were needed in the preparation of the 'Daily Food Record' form. Our review of the 'Daily Food Record' from 12 school cafeterias disclosed instances in which the Department's procedures were not followed, increasing the risk of unauthorized or inefficient usage of District resources and diminishing the usefulness of this form for management control purposes.

**Finding No. 3:** The Department's procedures did not provide for the reconciliation of food purchases to food usage and the number of servings used to the number of meals served, increasing the risk of unauthorized or inefficient usage of food items without timely detection by the Department's supervisory personnel.

**Finding No. 4:** We noted five instances at five school cafeterias of leftover servings that appeared to be offered on more than two consecutive days, contrary to the Department's procedures.

**Finding No. 5:** Improvements were needed in monitoring purchased food inventory turnover rates. Our review disclosed a wide range of purchased food inventory turnover rates within each educational level. Analysis of the purchased food inventory turnover rate could enhance management's ability to monitor the effectiveness of inventory controls in minimizing the level of inventory needed at each location. In addition, monthly physical inventory counts are not reconciled to an ending inventory balance calculated based on prior month's ending inventory adjusted for food purchases and issues during the month, decreasing management's ability to promptly detect differences and avoid recordkeeping errors and unauthorized or inefficient usage of inventory.

**Finding No. 6:** Our observations at 12 school cafeterias disclosed that some cafeteria employees were not wearing gloves or hairnets, or both, contrary to the Department's procedures and to the Department of Health requirements, increasing the risk that unsanitary conditions will make the food unsafe for eating.

#### Introduction

The District's Department of Food and Nutrition (Department) is responsible for providing food services for students, teachers, administrators, and guests at school sites. The Department is administered by an Administrative Director, who reports to the District's Chief Financial Officer. The duties of the Administrative Director consists mainly of organizing, directing, evaluating, and supervising all phases of the Department in accordance with School Board Rules, State Board Rules, USDA's National School Lunch Program requirements, and good business practices.

There are approximately 3,540 employees funded through the Department, consisting of 33 administrative staff, 40 clerical staff, 20 drivers, and 3,447 school cafeteria employees. The school cafeteria employees report directly to the school principals.

The expenditures reported by the District for the Department for the 2000-01 and 2001-02 fiscal years were as follows:

	2000-01	2001-02
Cost of Food and Commodities	\$ 49,692,271	\$ 51,097,742
Salaries and Benefits	47,628,446	49,316,823
Operating Expenditures	15,099,137	17,505,808
Furniture, Fixtures, and Equipment	1,895,638	3,605,454
Buildings and Fixed Equipment	666,359	741,141
<b>Total</b>	<b>\$ 114,981,851</b>	<b>\$ 122,266,968</b>

The Miami-Dade County District School Board has adopted rules that govern the operations of the Department. Some of the areas covered by these rules include the sale of snacks and beverages, the use of food service facilities and equipment, and the administration of the District's food service program. Guidelines for the administration of the food service program are available to District employees in a document titled "Department of Food and Nutrition Procedures Manual."

**Finding No. 1: Monitoring of the Purchased Food Cost per Meal**

As of September 2002, the District had 246 locations that prepared meals for 376 serving sites. The District's expenditures for purchased food during the 2001-02 fiscal year totaled \$46,712,260. These expenditures for purchased food include direct purchases of food items for meal preparation, but do not include the cost of commodities obtained from the Federally-funded nutrition programs or the cost of additional processing required before use of the commodities for meal preparation.

Our audit procedures included a review of the purchased food cost per meal for all District schools to determine whether the purchased food cost per meal was reasonably consistent on a Districtwide basis. A "Management Statistical Report" is printed monthly for each food preparation location, showing the current cost per meal and year-to-date cost per meal for purchased food, food processing, supplies, labor, and operating expenses for both breakfast and lunch meals. We were informed by Department personnel that the total cost per meal is

reviewed by Department supervisory personnel for reasonableness.

We reviewed the total year-to-date purchased food cost per meal for lunches reported in the District's Management Statistical Report for the 2001-02 school year for the 246 food preparation locations. Our review disclosed that the purchased food costs for a lunch meal, for each educational level, were as follows:

Educational Level	Purchased Food Cost per Meal	
	Range	Average
Elementary	\$0.61-\$1.07	\$ 0.77
Middle	\$0.63-\$1.27	\$ 0.76
Senior	\$0.67-\$1.54	\$ 1.22

Since the school menu items offered Districtwide are fairly standard and the suppliers are generally the same for all food service locations, the purchased food cost per meal at each educational level should be within a narrow range. The noted differences in purchased food cost per meal among locations at the same educational level may be indicative of unauthorized or inefficient usage of food supplies.

**Recommendation:**

We recommend that the Department strengthen its procedures to monitor the purchased food cost per meal among the District's schools by establishing cost parameters based on industry standards and analyzing significant variances between actual purchased food cost per meal and these parameters. The Department should determine the causes of these variances and take appropriate action, as necessary, to enhance the efficient use of food supplies. In addition, the District's Office of Management and Compliance Audits should consider reviewing those locations where the purchased food cost per meal exceeds the established parameters.

**District's Response:**

Successful district-wide efforts to monitor and decrease purchased food cost per meal were implemented during the second half of fiscal year 2002/03, resulting in a 29% reduction in purchased food expenditures between April and May 2003. Procedures to monitor purchased food cost per meal are being developed for implementation during the 2003/04 school year. Food service managers received specialized training on cost control during the week of August 13-15, 2003. Parameters for food cost per meal are being developed by the

*Department to be included as part of the monitoring process. Additionally, the Department of Food and Nutrition has worked closely with the District's Office of Management and Compliance Audits to interview locations where purchased food costs per meal exceed established parameters.*

**Finding No. 2: Preparation of the 'Daily Food Record' Form**

The maintenance of records showing the kinds and amounts of food served as part of the reimbursed meals is required by Code of Federal Regulations, Title 7, Section 210.11(a). The Department uses the Daily Food Record form, which is part of the District's Automated Food Ordering System, to simplify this task and as a management tool to monitor the usage of food items. The food items reported on the Daily Food Record are divided into the food groups or meal components, as required by Federal regulations for reimbursement.

The Daily Food Record is generated by the District's Office of Information Technology (OIT) and forwarded to each food service site on a weekly basis, according to the production schedule of the food ordering system. The Department's Procedure Number C-6, *Daily Food Record*, indicates that this form is to be completed for each food service site, filed along with other daily and weekly reports, and retained for a three-year period.

Our review of 60 Daily Food Records from 12 school cafeterias for the week of September 23 through September 27, 2002, disclosed the following instances in which the Department's procedures were not followed.

- The "quantity prepared in units" column was not completed at 9 schools for 21 (35 percent) of the 60 days tested. As a result, we could not verify the quantity of ingredients used to produce the reported number of servings prepared. When the "quantity prepared in units" was included, the quantities calculated based on the given information did not equal the number of servings reported at 6 schools for 19 (32 percent) of the 60 days tested.
- The recipe servings, plus servings leftover brought forward, minus servings leftover for the day, did not equal the reported total servings used at 9 schools for 21 (35 percent) of the 60 days tested. We were informed by Department personnel that this calculation does not always yield an accurate amount of total servings used. This is mainly due to spoilage (i.e., food items burned or soiled) which is not routinely recorded on the Daily Food Record.

- The total number of servings used for each meal category was not shown at 8 schools for 40 (67 percent) of the 60 days tested. Department personnel informed us that for some days the menu choices offered (e.g., spaghetti, ham and cheese sandwich) use several of the food items (e.g., ground beef, ham) listed on the Daily Food Record. Consequently, the total number of servings used for each meal category can not be shown. However, not recording the total number of servings used for each meal category hinders management's ability to ensure the accuracy of the volume of food items used and hampers management's assessment of the efficiency of food usage.
- The amount of "a la carte" sales was not reported on the Daily Food Record at 8 schools for 40 (67 percent) of the 60 days tested. Department personnel informed us that the "a la carte" sales are not part of the reimbursable meals so they are not required to be reported by the Code of Federal Regulations, Title 7, Section 210.10. Consequently, the Department's management is currently considering the removal of this information from the form. However, management should monitor the volume of this type of sales to assess its significance and impact on the usage of food items.

In addition, we noted that the disposal of unusable servings (i.e., spoilage) was not shown on the Daily Food Record at 10 schools for 31 (52 percent) of the 60 days tested. We were informed that the Department is currently evaluating adding a column to indicate spoilage. Preparing the Daily Food Record inaccurately or inconsistently diminishes the usefulness of this form for management control purposes and increases the risk of unauthorized or inefficient usage of District resources.

**Recommendation:**

**We recommend that the Department's management review and revise, as necessary, the established procedures to enhance the accuracy and effectiveness of the Daily Food Record. As part of these efforts, the Daily Food Record form should be modified to include the number of servings discarded (i.e., spoilage). In addition, the "a la carte" daily production should be reported to monitor the volume of this type of sales. The Department's management should also routinely review the Daily Food Record forms for reasonableness and to ensure that the procedures are properly followed and the form is accurately prepared.**

**District's Response:**

*The Department of Food and Nutrition has adopted a new Food Production and Menu Record and has enhanced compliance visitation reports to ensure site managers properly follow procedures using the new record. Staff at the Department of Food and Nutrition researched the format and the required data, and benchmarked with the Department of Education's Food and Nutrition Management Office and other Districts in developing the new record. Food service managers received specialized training on these new procedures August 11-14, 2003. The training was conducted by the State of Florida Department of Education Food Management staff. In addition, District administrators reviewed the new procedures with food service managers on August 20, 2003 and will be providing continuous monitoring throughout the 2003/04 school year.*

**Finding No. 3: Reconciliation Procedures of the Department**

The Department's current procedures do not provide for the reconciliation of food purchases with food usage and the number of servings used to the number of meals served.

The school cafeterias use an internal online ordering system to record requisitions and receipts of food items needed for operation. The Department's procedures, however, do not provide for a comparison of food purchases to food usage quantities reported on the Daily Food Record. Such comparison would reduce the risk of unauthorized or inefficient usage of purchased food items occurring without timely detection by the Department's supervisory personnel. We were informed by the Department's management that procedures to reconcile food purchases to food usage shown on the Daily Food Record are currently under review.

In addition, the District uses a computerized point of sale system called Prepaid Card Services (PCS) at the school cafeterias. The PCS system records meals served and food service collections, and generates a daily summary report. This report shows the number of meals served by category (i.e., free, reduced-price and full-price) for Federal reimbursement purposes and the related revenue generated.

Department personnel informed us that Regional Food Service Coordinators (Coordinators) perform manual reconciliations of the number of servings used shown on the Daily Food Record to the number of meals served shown on the PCS report only on an as needed basis. The Department has not developed written procedures or a standard form for these reconciliations. When a

reconciliation is performed, the Coordinator compares the amount used for each food item shown on the Daily Food Record to the number of meals served shown on the PCS report. The reconciliation is completed based on the Coordinator's knowledge, experience, and judgment. An adequately documented reconciliation of the number of servings used as indicated on the Daily Food Record to the number of meals served as indicated on the PCS report would enhance controls over unauthorized or inefficient usage of food items.

Upon inquiry, Department management informed us that differences between the number of servings used, as shown on the Daily Food Record, and the number of meals served as shown on the PCS report will occur. These differences, according to Department management, are due mainly to employee meals not being itemized, not accounting for food spoilage, and cashiers incorrectly entering food items into the PCS system. In addition, we were informed that Department management is currently in the process of reviewing software systems that would allow for electronic interface to reconcile the number of servings used to the number of meals served.

**Recommendation:**

**We recommend that the Department's procedures include periodic comparisons of food purchases to food usage. In addition, we recommend that the Department establish written procedures for the Coordinators to follow when performing reconciliations of the number of servings used to the number of meals served. These procedures should prescribe that periodic and routine reconciliations be conducted. The Department should also create a standardized form to facilitate the reconciliation process and to document the Coordinator's conclusion about the differences noted. Significant differences between the number of servings used indicated on the Daily Food Record and the number of meals served indicated on the PCS report should be reconciled and properly documented. In evaluating new software systems, the Department should consider the systems' ability to detect variances in the number of servings used and the number of meals served.**

**District's Response:**

*The Department of Food and Nutrition is currently in the process of reviewing software systems that will allow for electronic interface which will result in more accurate and efficient management of food usage data and daily comparisons of food production, purchases and usage. The Department of Food and Nutrition completely revised the Food Production and Menu Record for the 2003/04 school year. These*

*new procedures require food service managers to review the point of sale itemization report with production information to note discrepancies on a daily basis. Food service managers are required to sign on this report indicating the data has been reviewed and make any notations on large discrepancies. Food service coordinators have enhanced documentation on visitation forms to denote site compliance with the new Food Production and Menu Record procedures when reviewing reconciliation at each site. The use of an integrated software system with the capability of providing an interface to reconcile the number of servings used to the number of meals served is anticipated to be complete within two years.*

**Finding No. 4: Monitoring the Use of Servings Leftover**

The Department of Food and Nutrition’s Procedure Number C-7, *Use of Leftover Food*, states that each cafeteria’s food service manager is responsible for the planning and production of meals and the disposition of leftover food, including proper sanitary storage for future use, discarding of items considered unsafe for future use, or donating the items to approved non-profit agencies listed in this procedure. Leftover food items, according to Procedure Number C-7, should be served the following service day and must not be refrozen or reheated more than once.

We reviewed 160 Daily Food Records from 22 school cafeterias (110 for the period of September 23 through September 27, 2002, and 50 for the period of March 3 through March 7, 2003). Our review included comparing the number of servings leftover to the number of leftover servings brought forward shown on the following day’s Daily Food Record. We noted five instances at five school cafeterias when leftovers did not appear to have been handled according to Procedure Number C-7, as follows:

- Hamburgers were shown as offered on three consecutive days and discarded on the third day.
- Chicken vegetable pocket meals, fish nuggets, and chicken nuggets, each at different schools, were shown as offered on three consecutive days until all servings were used.
- Lasagna rolls were shown as offered and served on four consecutive days and discarded on the fourth day.

Upon further inquiries, Department management informed us that these instances of nonconformity with Procedure Number C-7 were due to human error in recordkeeping. For example, recording leftover servings as “brought forward,” when actually they were not offered on the given

day. Although management’s opinion is that the leftovers were not reheated more than once, we could not ascertain the accuracy of management’s conclusion due to inconsistencies in the documentation provided for audit.

When the records of leftover servings are incorrectly completed, management’s ability to monitor the use of leftovers is hindered, increasing the risk of unauthorized or inefficient use of leftover servings. We were informed that Department management plans to address proper completion of the Daily Food Records at a training session scheduled for August 2003.

**Recommendation:**

**We recommend that Department management continue efforts to train the food service staff to accurately complete the Daily Food Records and additional supporting documents in accordance with the Department’s procedures.**

**District’s Response:**

*Specialized training sessions for food service managers on accurate completion of the Food Production and Daily Food Record were held August 11-14, 2003. By partnering with the Florida State Department of Education’s Food and Nutrition Management team, food service managers received intense training in proper and accurate use of the new Food Production and Menu Record. Additional training was held on August 20, 2003 and continuous improvement training for individual managers will be conducted throughout the 2003/04 school year by department administrative and support staff.*

**Finding No. 5: Monitoring Purchased Food Inventory Turnover Rates**

Our review of food inventories included an analysis of the purchased food inventory turnover rates at the District’s 246 food preparation locations during the 2001-02 fiscal year. The inventory turnover rate measures the number of times an entity has turned over inventory during a given time period and it indicates the efficiency of management controls to minimize the amount of resources invested in the inventory needed to operate. When a low amount of inventory is maintained, the inventory turnover rate is high. The results of our analysis were as follows:

Educational Level	Purchased Food Inventory Turnover Rates		
	Highest	Lowest	Average
Elementary	119	15	40
Middle	109	24	41
Senior	122	18	53

The wide range of inventory turnover rates within each educational level suggests that the efficiency of the inventory controls at the food preparation locations is not consistent throughout the District. Maintaining a level of food inventory higher than necessary to meet the needs of each food preparation location may result in inefficient utilization of District resources.

Department management explained that the range of purchased food inventory turnover rates may be due to factors such as differences in meal participation levels by the students, the variety of student meal preferences, and a large variety of menu choices offered.

Our review noted that the District’s “Management Statistical Report” shows inventory turnover rates for purchased food, processing, and supplies, based only on the given month’s data. In addition, a monthly commodity inventory turnover rate analysis is prepared by the Department for internal purposes only on a Districtwide basis, not for individual food preparation locations.

We also noted that food service personnel conduct physical inventory counts at the end of each month for each food preparation location. However, these physical inventory counts are not reconciled to an ending inventory balance calculated based on the prior month’s ending inventory, adjusted for food purchases and issues during the month. Monthly reconciliations of the physical counts to the calculated balances would increase management’s ability to promptly detect differences and avoid recordkeeping errors and unauthorized or inefficient usage of inventory. Department management informed us that they are evaluating the purchase of a computer system that would provide a perpetual inventory balance and timely reconciliations.

**Recommendation:**

We recommend that the Department, with the assistance of the District’s Office of Information Technology (OIT), implement a monthly analysis of the purchased food inventory turnover rate at each food preparation location based on the previous twelve months’ information. The turnover rates should be compared within each educational level (e.g., elementary, middle, and senior) and those rates with a significant variance from the average should be further analyzed. This analysis would provide the Department an objective tool to monitor the effectiveness of inventory controls in minimizing the level of inventory needed at each location. In addition, a monthly comparison of the physical inventory counts to the calculated ending inventory balance should be performed and significant differences reconciled.

**District’s Response:**

*The Department of Food and Nutrition is currently evaluating the purchase of a new computerized system allowing for a perpetual real time inventory, which would provide for an effective monitoring of purchased food inventory turnover rates. In order to provide meaningful and accurate data pertaining to food received, produced, sold, and kept in inventory, an enterprise-based integrated computerized system is required. The Department does not recommend requesting additional reports from ITS based on the mainframe inventory information, as this information does not interface with the goods received, items produced, and goods sold. The process to request proposals and adapt a new integrated system to all District food service operations is currently underway and is a strategic priority for the Department of Food and Nutrition.*

**Finding No. 6: Usage of Gloves and Hairnets by Cafeteria Personnel**

The Department of Food and Nutrition’s Procedure Number G-6, *Uniform and Personal Hygiene*, states that it is the responsibility of the principal and the food service manager to enforce high standards of personal grooming and sanitation practices in the supervision of employees. Among other personal hygiene issues, Procedure Number G-6 states that the two main purposes for gloves in food service operations are: 1) to act as an additional barrier to microorganisms, and 2) to provide a sense of security for the customer. Disposable gloves must be worn when in contact with exposed, ready-to-eat food. It is important to change gloves frequently and as necessary. Procedure Number G-6 also prescribes that proper hair restraints are required by the Department of Health and must be worn by all employees, covering the entire head to confine hair and

prevent it from falling into employees' eyes or into food. The hairnet or other hair covering must be worn at all times.

During our observation of 12 school cafeterias (4 elementary, 4 middle, and 4 senior schools) during January and February 2003, we noted that employees at several of the school cafeterias were not following the Department's procedures in regards to wearing a hairnet and gloves. At 5 of the 12 schools, we noted some instances of cafeteria employees not wearing a hairnet during the preparation of food. At 8 of the schools, we noted some instances of cafeteria employees not wearing gloves during the preparation of food. At 3 of the schools, we also noted some instances of cafeteria employees not wearing a hairnet or gloves while they were serving the food. School cafeteria employees not wearing hairnets and gloves is contrary to the Department's procedures, to the Department of Health requirements, and may increase the risk that unsanitary conditions will make the food unsafe for eating.

**Recommendation:**

**We recommend that cafeteria employees follow the Department of Food and Nutrition's Procedure Number G-6 regarding the wearing of hairnets and gloves. The Department's staff could assist the school principals in the monitoring of the cafeteria employees' compliance with the Department's prescribed procedures. In addition, periodic inspections should be conducted by each school's principal or assistant principals to promote compliance.**

**District's Response:**

*The Department of Food and Nutrition piloted a Compliance Report for use by school principals during the 2002/03 school year. This report provides for written review by school site administrators on the cafeteria employees' compliance with the Department's prescribed procedures, specifically noting compliance with rules regarding use of hairnets and gloves. The pilot was very successful and this report has been made available for all school principals or assistant principals for the 2003/04 school year. The Department of Food and Nutrition will be presenting this information at each ACCESS Center's Principal's Meeting in September and October 2003.*

**Scope, Objectives, and Methodology**


The scope of this audit included a review of procedures and tests of management controls to determine whether the Department of Food and Nutrition policies and procedures followed applicable laws, Board rules, and sound business practices. We also reviewed employee job qualifications for selected Department employees. Our audit included the period July 1, 2001, through April 30, 2003. Our objectives were as follows:

- To obtain an understanding and make an overall judgment as to whether management controls over food service operations promote and encourage compliance with applicable laws, administrative rules, and other guidelines; the economic, effective, and efficient operation of the District; the reliability of records and reports; and the safeguarding of assets related to food service operations.
- To determine that Department personnel met the minimum job qualifications.
- To determine whether the Department's expenditures complied with legal and administrative guidelines and sound business practices, and were reasonable.
- To determine whether meal collections and Federal assistance received adequately covered expenditures incurred at selected schools.
- To review the appropriateness of agreements where the District provided food services to other agencies and determine the existence of any significant amounts due to the District as of June 30, 2002.

We conducted this audit in accordance with applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Authority**

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared and submitted to the President of the Senate, the Speaker of the House, and the Legislative Auditing Committee.



William O. Monroe, CPA  
Auditor General

**District's Response**

The [Superintendent's response letter](#), dated August 29, 2003, can be viewed in its entirety on the Auditor General's Web site.

To promote accountability in government and improvement in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of district school boards. This operational audit was made in accordance with applicable Government Auditing Standards issued by the Comptroller General of the United States. This audit was conducted by Enrique A. Alonso, CPA, and supervised by Ramon A. Gonzalez, CPA. Please address inquiries regarding this report to David W. Martin, CPA, Audit Manager, via e-mail at [davidmartin@aud.state.fl.us](mailto:davidmartin@aud.state.fl.us) or by telephone at (850) 487-9039.

This audit report, as well as other reports prepared by the Auditor General, can be obtained on our Web site at [www.state.fl.us/audgen](http://www.state.fl.us/audgen); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.





*giving our students the world*

August 29, 2003

Mr. William O. Monroe, C.P.A.  
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**Miami-Dade County School Board**

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**Superintendent of Schools**

*Merrett R. Sterheim*

**RE: FOOD AND NUTRITION ACTIVITIES FOR MIAMI-DADE COUNTY DISTRICT  
SCHOOL BOARD- FOR THE PERIOD JULY 1, 2001, THROUGH APRIL 30,  
2003**

Dear Mr. Monroe:

The following responses are submitted to address the preliminary audit findings and recommendations of the operational audit of Food and Nutrition Activities for the Miami-Dade County District School Board.

**FINDING NO.1: MONITORING OF THE PURCHASED FOOD COST**

**Recommendation:**

We recommend that the Department strengthen its procedures to monitor the purchased food cost per meal among the district's schools by establishing cost parameters based on industry standards and analyzing significant variances between actual purchased food cost per meal and these parameters.

The Department should determine the causes of these variances and take appropriate action, as necessary, to enhance the efficient use of food supplies. In addition, the District's Office of Management and Compliance Audits should consider reviewing those locations where the purchased food cost per meal exceeds the established parameters.

**Administrative Response:**

Successful district-wide efforts to monitor and decrease purchased food cost per meal were implemented during the second half of fiscal year 2002/03, resulting in a 29% reduction in purchased food expenditures between April and May 2003. Procedures to

monitor purchased food cost per meal are being developed for implementation during the 2003/04 school year. Food service managers received specialized training on cost control during the week of August 13-15, 2003. Parameters for food cost per meal are being developed by the Department to be included as part of the monitoring process. Additionally, the Department of Food and Nutrition has worked closely with the Districts' Office of Management and Compliance Audits to interview locations where purchased food costs per meal exceed established parameters.

## **FINDING NO.2: PREPARATION OF THE 'DAILY FOOD RECORD' FORM**

### **Recommendation:**

We recommend that the Department's management review and revise, as necessary, the established procedures to enhance the accuracy and effectiveness of the Daily Food Record. As part of these efforts, the Daily Food Record Form should be modified to include the number of servings discarded (i.e., spoilage). In addition, the "a la carte" daily production should be reported to monitor the volume of this type of sales. The Department's management should also routinely review the Daily Food Record forms for reasonableness and to ensure that the procedures are properly followed and the form is accurately prepared.

### **Administrative Response:**

The Department of Food and Nutrition has adopted a new Food Production and Menu Record and has enhanced compliance visitation reports to ensure site managers properly follow procedures using the new record. Staff at the Department of Food and Nutrition researched the format and the required data, and benchmarked with the Department of Education's Food and Nutrition Management Office and other Districts in developing the new record. Food service managers received specialized training on these new procedures August 11-14, 2003. The training was conducted by the State of Florida Department of Education Food Management staff. In addition, District administrators reviewed the new procedures with food service managers on August 20, 2003 and will be providing continuous monitoring throughout the 2003/04 school year.

## **FINDING NO.3: RECONCILIATION PROCEDURES OF THE DEPARTMENT**

### **Recommendation:**

We recommend that the Department's procedures include periodic comparisons of food purchases to food usage. In addition, we recommend that the Department establish written procedures for the Coordinators to follow when performing reconciliations of the number of servings used to the number of meals served. These procedures should prescribe that periodic and routine reconciliations be conducted. The Department should also create a standardized form to facilitate the reconciliation process and to document the Coordinator's conclusion about the differences noted. Significant differences between the number of servings used indicated on the Daily Food Record

and the number of meals served indicated on the Point of Sale (POS) report should be reconciled and properly documented. In evaluating new software systems, the Department should consider the systems' ability to detect variances in the number of servings used and the number of meals served.

**Administrative Response:**

The Department of Food and Nutrition is currently in the process of reviewing software systems that will allow for electronic interface which will result in more accurate and efficient management of food usage data and daily comparisons of food production, purchases and usage. The Department of Food and Nutrition completely revised the Food Production and Menu Record for the 2003/04 school year. These new procedures require food service managers to review the point of sale itemization report with production information to note discrepancies on a daily basis. Food service managers are required to sign on this report indicating the data has been reviewed and make any notations on large discrepancies. Food service coordinators have enhanced documentation on visitation forms to denote site compliance with the new Food Production and Menu Record procedures when reviewing reconciliation at each site. The use of an integrated software system with the capability of providing an interface to reconcile the number of servings used to the number of meals served is anticipated to be complete within two years.

**FINDING NO.4: MONITORING THE USE OF SERVINGS LEFTOVER**

**Recommendation:**

We recommend that Department management continue efforts to train the food service staff to accurately complete the Daily Food Records and additional supporting documents in accordance with the Department's procedures.

**Administrative Response:**

Specialized training sessions for food service managers on accurate completion of the Food Production and Daily Food Record were held August 11-14, 2003. By partnering with the Florida State Department of Education's Food and Nutrition Management team, food service managers received intense training in proper and accurate use of the new Food Production and Menu Record. Additional training was held on August 20, 2003 and continuous improvement training for individual managers will be conducted throughout the 2003/04 school year by department administrative and support staff.

**FINDING NO.5: MONITORING PURCHASED FOOD INVENTORY TURNOVER RATES**

**Recommendation:**

We recommend that the Department, with the assistance of the District's Office of Information Technology Services (ITS), implement a monthly analysis of the purchased food inventory turnover rate at each food preparation location based on the previous twelve months' information. The turnover rates should be compared within each educational level (e.g., elementary, middle, and senior) and those rates with a significant variance from the average should be further analyzed. This analysis would provide the Department an objective tool to monitor the effectiveness of inventory controls in minimizing the level of inventory needed at each location. In addition, a monthly comparison of the physical inventory counts to the calculated ending inventory balance should be performed and significant differences reconciled.

**Administrative Response:**

The Department of Food and Nutrition is currently evaluating the purchase of a new computerized system allowing for a perpetual real time inventory, which would provide for an effective monitoring of purchased food inventory turnover rates. In order to provide meaningful and accurate data pertaining to food received, produced, sold, and kept in inventory, an enterprise-based integrated computerized system is required. The Department does not recommend requesting additional reports from ITS based on the mainframe inventory information, as this information does not interface with the goods received, items produced, and goods sold. The process to request proposals and adapt a new integrated system to all District food service operations is currently underway and is a strategic priority for the Department of Food and Nutrition.

**FINDING NO.6: USAGE OF GLOVES AND HAIRNETS BY CAFETERIA PERSONNEL**

**Recommendation:**

We recommend that cafeteria employees follow the Department of Food and Nutrition's Procedure Number G-6 regarding the wearing of hairnets and gloves. The Department's staff could assist the school principals in the monitoring of the cafeteria employees' compliance with the Department's prescribed procedures. In addition, periodic inspections should be conducted by each school's principal or assistant principals to promote compliance.

**Administrative Response:**

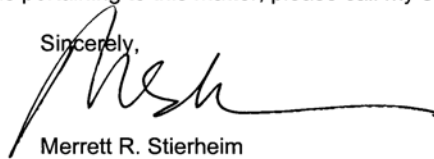
The Department of Food and Nutrition piloted a Compliance Report for use by school principals during the 2002/03 school year. This report provides for written review by school site administrators on the cafeteria employees' compliance with the

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Department's prescribed procedures, specifically noting compliance with rules regarding use of hairnets and gloves. The pilot was very successful and this report has been made available for all school principals or assistant principals for the 2003/04 school year. The Department of Food and Nutrition will be presenting this information at each ACCESS Center's Principal's Meeting in September and October 2003.

Should you have any questions pertaining to this matter, please call my office.

Sincerely,



Merrett R. Stierheim  
Superintendent of Schools

MRS:sp  
L383

cc: Audit Committee Members  
Mr. Paul R. Philip  
Mr. Jose F. Montes de Oca  
Mr. Julio Miranda  
Ms. Penny Parham