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**Summer and After-School  
Food Programs Audit**

April 22, 2016



**City of Fort Worth  
Department of Internal Audit**

1000 Throckmorton Street  
Fort Worth, Texas 76102

**Audit Staff**

Patrice Randle, City Auditor

Terry Holderman, Assistant City Auditor

John Riggs, Audit Manager

Vanessa Martinez, Senior Auditor

Isidro Galindo, Senior Auditor

Diana Hinojoza, Senior Auditor

Kanizur Mazumdar, Internal Auditor

Kweku Richardson, Senior Auditor

Natasha Turner-Bluitt, Senior Auditor

Faith Urban, Senior Auditor

Tom Wilson, IT Auditor



**The Summer and After-School Food Programs Audit was conducted as a part of the Department of Internal Audit's Fiscal Year 2015 Annual Audit Plan.**

### **Audit Objectives**

The objective of this audit was to evaluate the effectiveness and efficiency of Summer and After-School Food Programs provided to local youth.

### **Audit Scope**

Our audit scope covered the 2014 and 2015 Summer Food Program years, and the 2014-2015 After-School Food Program year. We also conducted observations of the 2015-2016 After-School Food Program.

### **Opportunities for Improvement**

- More efficient and improved monitoring
  - Detailed invoices
- Accurate meal count sheets
- Better inventory management
- Food temperatures upon delivery

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## **Executive Summary**

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As a part of our FY2015 Annual Audit Plan, the Department of Internal Audit conducted an audit of the City's Summer and After-School Food Programs. This audit was initiated upon request by the Audit Committee, due to complaints being received regarding the City's Summer Food Program.

Supporting records noted improvements between the 2014 and 2015 Summer Food Program. Late deliveries, non-deliveries (which resulted in the City having to purchase food from local fast food chains, etc.) and complaints regarding the quality of food provided during the summer of 2014 were not repeated in 2015. We did, however, conclude that invoices would be more manageable if they were detailed by program/feeding site and date.

Inaccurate meal count sheets were noted when reviewing program records supporting the 2014-2015 After-School Snack and Supper (Food) Program. We also observed excessive snack and drink inventory at several serving/program sites. For example, as many as 900 snacks and 400 drinks were observed at one facility. Since routine monitoring would have detected such over-stocking, the Department of Internal Audit concluded that monitoring/oversight of the After-School Food Program was inadequate.

While Parks staff indicated that no complaints were received regarding food quality, delivery tickets indicated that entrees and milk were sometimes delivered and accepted at temperatures below 32 degrees Fahrenheit. We also concluded that the bidders' list did not warrant a good slate of potential bidders that would be interested in providing food for the Summer and/or After-School Food Program.

## Table of Contents

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Background.....	1
Objective.....	4
Scope.....	4
Methodology.....	4
Audit Results.....	6
Overall Evaluation.....	8
Detailed Audit Findings.....	9
Acknowledgements.....	20
Attachment 1A - Inventory Protocol Update	
Attachment 2A - Summer Food Monitor Daily Checklist	



## Background

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Per the United States Department of Agriculture, 17.4 million (14%) of U. S. households were food insecure or low food secure at some time during 2014.

- 6.9 million (8.4%) were “food insecure”, meaning there were times during the year, when the households were uncertain of having, or unable to acquire, enough food to meet the needs of all their members because they had insufficient money or other resources for food.
- 10.5 million (5.6%) were “low food secure”, meaning the households obtained enough food to avoid substantially disrupting their eating patterns or reducing food intake by using a variety of coping strategies.

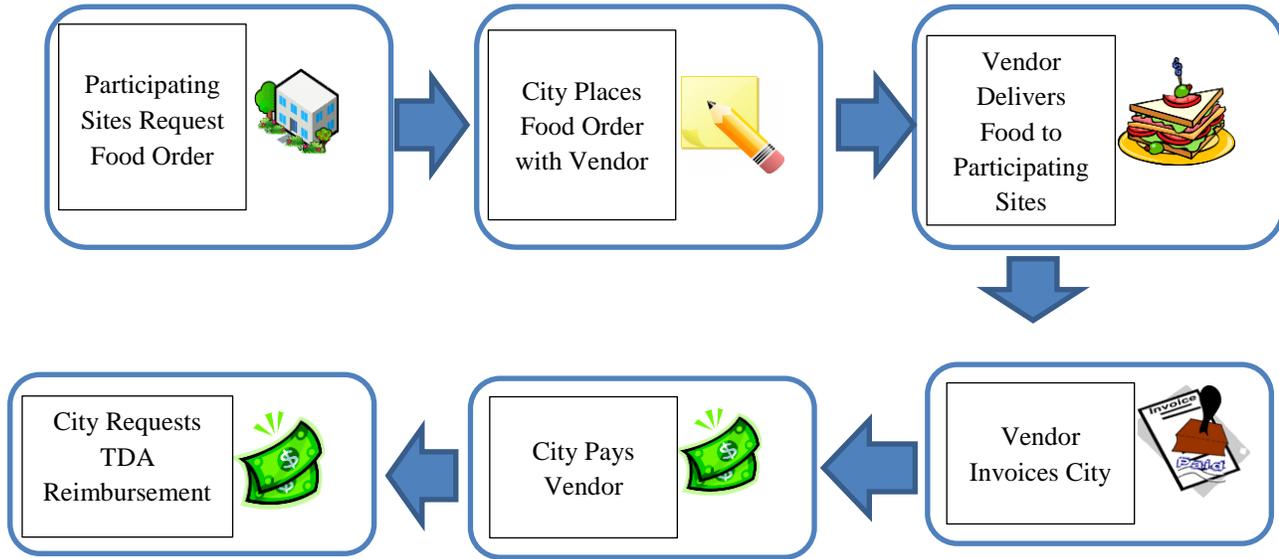
The City of Fort Worth’s participation in the Summer and After-School Food Programs has assisted in abating hunger. The City of Fort Worth (CFW) administers the Summer Food Service Program [hereafter referred to as the Summer Food Program] and the At-Risk After School Food Program, which is a component of the Child and Adult Care Food Program, both of which are funded by the Texas Department of Agriculture (TDA). TDA funds are used by the CFW to pay for food and other program-related administrative costs. TDA claims for reimbursement show that the CFW served at least 140,500 snacks and 35,500 suppers during the 2014-2015 After School Food Program, and at least 154,500 snacks and 134,000 lunches during the 2015 Summer Food Program.

A TDA Application Packet Report shows that 55 agencies participated in the 2015 Summer Food Service Program, while approximately 23 agencies participated in the 2014-2015 At-Risk After-School Snack and Supper Program. Over the past two years, the CFW has received the following grant funds to operate the two food service programs.

Fiscal/Program Year	Summer Food Program		Child and Adult Care Food Program (After-School Food Program)	
	Approved Grant Amount	Total Grant Reimbursement Request	Approved Grant Amount	Total Grant Reimbursement Request
2013-2014	\$900,000.00	\$675,800.57	\$250,000.00	\$132,356.92
2014-2015	\$907,484.00	\$622,378.61	\$250,000.00	\$230,830.26

Source: General Ledger

As the lead agency, the CFW is ultimately responsible for training, monitoring, program payments and recordkeeping. The CFW is also responsible for ensuring that foods are properly delivered to participating CFW recreation and neighborhood centers, participating recreation centers in Arlington, Texas and local churches, youth groups and/or apartment complexes. The process is as noted in the following diagram.



The City of Fort Worth runs ‘open sites’. An open site, per 7 CFR 225.2 of the Code of Federal Regulations, is a site at which meals are made available to all children in an area in which at least 50 percent of the children are from households that would be eligible for free or reduced price school meals under the National School Lunch Program and the School Breakfast Program.

- Any youth (18 years of age and younger) are allowed to participate in the City’s Summer Food Service Program, which is free to the public. Since the City is not required to collect information or ask any questions of participants, no application is required, and any child desiring a free, nutritious meal through the Summer Food Service Program is served without any questions being asked.
- Youth through age 18 are also allowed to participate in the Child and Adult Care Food Program/ At-Risk After-School Snack and Supper Program. In contrast to the Summer Food Service Program, TDA requires that sites document the name and age of any child who was served a snack and/or meal as part of the Child and Adult Care Food Program/After-School Snack and Supper Program in order for that meal to be reimbursable.

TDA requires that all after school programs be located in low-income areas and be designed to provide the types of activities known to reduce or prevent involvement in juvenile crime. TDA also requires that the After-School Snack and Supper Program include educational or enrichment activities, remain open to all children, and does not limit participation or membership on the basis of the child’s ability.

Registration fees are assessed when participating in after school programs that offer structured activities. These registration fees vary by location, are based on median household incomes within the community in which the program site is located, and are only required from participants who are enrolled in the after school program that offers structured activities. For example, during our audit period, participants enrolled at the Como Neighborhood Center received after school program services at no cost, and participants transported from schools to program sites were assessed a transportation fee. However, no participants were assessed a fee to receive food that is offered through the After School Food Program, which is the subject of this audit report.



TDA's website states that the goal of the Summer Food Program was created to ensure that children in low-income areas could continue to receive nutritious meals during long school vacations, when they do not have access to school lunch or breakfast. TDA's website also indicates that the goal of the Child and Adult Care Food Program is to improve and maintain the health and nutritional status of children and adults, promote development of good eating habits, and integrate nutritious food service with organized child and adult day care services. As a recipient of TDA funding, grantees are routinely audited by the granting agency.

- A September 2014 TDA report of the Summer Food Service Program cited the CFW for requesting and obtaining reimbursements for unauthorized breakfasts served, as well as costs associated with the procurement of fast food served on an "urgent basis".

During the summer of 2014, the City of Fort Worth incurred charges due to food not being delivered, delivered late and/or delivered at an unacceptable temperature. Although there was a performance bond as required by contract, there was no recovery of the approximate \$1,100 that was spent outside of the contract due to vendor non-performance. Instead, General Fund monies were used to pay for those expenses. It should be noted that we saw no evidence that the City of Fort Worth paid the vendor for food that was not delivered, delivered late or rejected due to not meeting food temperature requirements. (The 2014 Summer Food Program contract did not require that the City be reimbursed for additional costs incurred due to vendor non-performance. However, the 2015 Summer Food Service Program contract included a provision which stated that vendor payments could be offset and/or the City reimbursed for damages, food replacement and other amounts which are, or which may become, due and owing to the City).

- During a July 2015 review of the Summer Food Service Program, TDA noted exceptions in the counting and claiming category (inaccurate meal count records); resource management category (staff training inadequately documented); meal production/food service (inaccurate count was taken at the point of service at one location and inadequate site supervision); and site record-keeping (daily count was not accurately recorded on the daily meal count form). These exceptions did not solely result from operations within City of Fort Worth facilities. For example, meal count sheets were inaccurately reported for the Watauga Recreation Center. Staff training was not adequately documented at the Chisolm Trail Recreation Center (City of Fort Worth), Elzie Odom Recreation Center (City of Arlington), and the East Fort Worth Montessori School. Also, the Sunset Pointe Apartments were reported as not having a count of meals at point of service, inaccurate recording of daily meal count sheets and inadequate site supervision.
- On August 21, 2015, the TDA accepted the CFW's Corrective Action Plan related to the 2015 Summer Food Service Program, and closed the administrative review.

For the duration of our audit period, the Park and Community Services Department was responsible for administering the Summer and After-School Food Programs. However, towards the end of calendar year 2015, the Park and Community Services Department was renamed the Park and Recreation Department, and the Community Services Division transitioned under the City's newly created Neighborhood Services Department. This reorganization shifted the responsibility for administering both food programs from Park and Recreation to the Neighborhood Services Department. The Park and Recreation Department will retain its responsibility for serving food at recreation centers, while the Neighborhood Services Department will become responsible for program administration and serving food at neighborhood/community centers.



## Objective

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The objective of this audit was to evaluate the effectiveness and efficiency of Summer and After-School Food Programs provided to local youth.

## Scope

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Our audit scope covered the 2014 and 2015 Summer Food Program years, and the 2014-2015 After-School Food program year. We also conducted observations of 2015-2016 After-School Food Program inventory.

Since the 2014 Summer Food Service Program was audited by the external auditors, and since summer 2015 had concluded by the time of our audit fieldwork, our review of the Summer Food Service Program was limited to the review of documents which could have had an impact on program operations, such as mileage reimbursement documents.

Our audit scope did not include a review to ensure that grant reimbursements were within the budgetary line item amounts authorized by the grant, since this was considered within the scope of the City's 2015 Single Audit. Our audit scope also did not include after-school programs funded with Crime Control and Prevention District funds.

## Methodology

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To achieve the audit objectives, the Department of Internal Audit performed the following:

- Interviewed Parks and Community Services staff
- Reviewed Summer and After-School Food Program meal count sheets and supporting documents
- Conducted unannounced site visits at program service sites
- Verified existence of employee background checks
- Reviewed procurement card activity for program-related purchases
- Compared timesheets of monitors for the 2015 Summer Food Program to City payroll records
- Reviewed mileage reports related to the 2015 Summer Food Service Program
- Compared the number of snacks and suppers reported to the granting agency to the number of meals documented on the daily meal count sheets
- Reviewed Bidder's List and Pre-Bid meeting attendance records
- Compared vendors' proof of insurance to CFW contract requirements
- Compared unit prices billed by the contracted food vendor to unit prices noted in the vendor's bid
- Surveyed 2014 Summer Food Program participating sites

We conducted this audit in accordance with generally accepted government auditing standards, except for peer review<sup>1</sup>. Those standards require that we plan and perform the audit to obtain sufficient, appropriate



evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

<sup>1</sup> Government auditing standards require audit organizations to undergo an external peer review every three years. A peer review is planned in 2017 for the three-year period ending December 31, 2016.



## Audit Results

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The City of Fort Worth (CFW) continues to utilize grant funding for the Summer Food Program and the At-Risk After-School Snack and Supper Program. By participating in these programs, the City helps ensure that children receive nutritious meals and do not go hungry after-school and during the summer when school is not in session. Based on our audit results, food was regularly provided to area youth during the summer, as well as throughout the school year.

The CFW had written agreements with each of the participating food serving sites that were approved by the granting agency. To help ensure that youth participants were protected, the City conducted employee background checks. No volunteers were assigned to the 2015 Summer Food Program or the 2014-2015 and 2015-2016 At-Risk After-School Food Program.

The Department of Internal Audit noted improvements in the administration of the 2015 Summer Food Program, when compared to 2014. However, the following issues were of concern.

### ***Summer Food Program 2015***

- *Meals with recorded temperatures below 32 degrees Fahrenheit.* Meal delivery receipts and daily meal service reports indicated that meals and milk with temperatures recorded below 32 degrees Fahrenheit were received at least on one day and as many as four (4) days at eight sites during the months of July and August.
- *Invoices Not Detailed by Serving Site.* Bid specifications did not require that the vendor provide the level of detail that would warrant a timely and more effective analysis of vendor billings. Detailed invoices are required in the 2016 After School Snack and Supper Program.
- *Liability Exposure.* As discussed in the Background section of this report, the City is not required to obtain information from participants of the Summer Food Program. Information regarding foods that could trigger an allergic reaction in participants is, therefore, not requested.

While the City may be in compliance with TDA requirements, City management may deem it necessary to consult with the City Attorney's Office to ensure that the current practice maximizes the safety of participants, while minimizing the City's potential liability which would include compliance with the privacy requirements governed by the Health Insurance Portability and Accountability Act (HIPAA). Management may also deem it necessary to include similar discussions regarding the serving of foods at participating sites that are not within a City of Fort Worth facility.

### ***After-School Food Program 2014-2015 and 2015-2016***

- *Excessive Snack and Drink Inventory.* During unannounced audit observations (November 2015), we concluded that the total snack inventory on hand was more than necessary to provide services at specific centers. Although excessive inventory existed, food orders continued to be placed with the vendor.
- *Ineffective Monitoring and Oversight.* Two full-time employees are responsible for monitoring program activity, along with other administrative tasks that are not related to either food program. Observations of snack and juice inventory were not included as part of their monitoring activity.



- *Inaccurate Meal Count Sheets.* Although community centers did not serve TDA-funded food/snacks on the Martin Luther King, Jr. (MLK) holiday in January 2015, meal sheets for two (2) community centers indicated that meals were served on that day. A review of vendor invoices indicated that the number of snacks ordered for the two centers decreased from 175 to 150 and the other from 400 to 325 during the MLK holiday week.
- *Potential non-compliance with USDA requirements.* During our physical observation, the Department of Internal Audit was informed that in a couple of instances, the snacks served did not comply with the USDA's regulations. Rather than providing participants with at least two of the four USDA components, center staff indicated that participants were provided only one on two days. The Department of Internal Audit was unable to substantiate the allegation since the food serving did not occur on the date of our physical observation.

### **General Processes**

- *Potential Bidders* - A majority of the bidders solicited for the 2014 and 2015 Summer and After-School Food Programs were vendors who would not be considered as reasonably interested in providing food for a summer and/or after-school food program. For example, our review of the bidder solicitation list included well-known Mexican and southern cooking restaurants, barbecue businesses, hotel and restaurant equipment vendors, as well as clubs that are known within the community for accommodating prominent business, civic, and social events throughout the year.

The Purchasing Division solicited vendors based on universal commodity codes, which is common within the purchasing industry. [NOTE: Commodity codes are devised of several different levels with varying degrees of detail in a set hierarchy. As an example, a commodity code could begin with a specific code for office supplies, and then drill down to a specific code for pencils]. Mayor & Council Communication (M&C) in 2014 indicated that 89 vendors were solicited from the purchasing database; however, only one (1) response was received. The 2015 M&C stated that 97 vendors were solicited, and that only two (2) responsive bids and one (1) non-responsive bid were received. Both M&Cs indicated that in the last six years, the Purchasing Division had only received one or two bids per year for the Summer and After-School Food Programs.

- *Insurance Requirements:* City bid specifications include a requirement for coverage of Environmental Impairment Liability and/or Pollution Liability, which is not relevant to the delivery of meals/snacks.
- *Second Servings:* The serving of seconds is allowed as long as TDA has provided prior authorization. During an After-School Snack and Supper Program observation, site staff indicated that meals leftover from the first serving are not served, but are made available to the same participants. The difference between the number of meals initially served and the number of meals left uneaten at the end of the day, are then considered seconds. The Department of Internal Audit saw no evidence of TDA authorization, nor where seconds were recorded and/or included in TDA reimbursement requests.

## Overall Evaluation

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High	Medium	Low
Excessive inventory		
Inadequate monitoring		
Inaccurate meal count sheets		
Acceptance of entrees below 32 degrees Fahrenheit		
Small spread of available vendors/contractors for summer and/or after-school program		
	Invoices not detailed by site	



## Detailed Audit Findings

### 1. Excessive food and drink inventory was observed.

It is good business practice to conduct routine inventories, especially when inventory items can easily be consumed and/or used for personal gain. Section 4273 of the Texas Department of Agriculture's Child and Adult Care Food Program – At-risk Afterschool Care Centers Handbook indicates that at a minimum, contracting entities and sites must conduct inventories at the end of each program year (September). The Handbook specifies that if it is a large operation, the contracting entity/site should conduct monthly inventories to minimize losses.

The Department of Internal Audit conducted unannounced physical inventory observations at five (5) of the 23 participating sites. Of the five (5) sites visited, we concluded that three (3) had excessive inventories.

- Over 600 bags of snacks (one type totaling over 400 bags alone) and over 600 juice packages were observed at one site that services approximately 60 participants per day. At this same site, we observed an additional 22 individual packages of snacks. Staff at the serving site stated that these additional snacks were not for the After-School Food Program. However, the brand and type of snacks observed were the same as those observed at, and used by, other sites for the After School Food Program. Between 300 and 350 snacks/juices were delivered weekly at this site, regardless of the number of participants served.
- At another location that services approximately 40 participants per day, we observed over 900 snacks and over 400 juice packages. At this location, between 225 and 300 snacks/juices were delivered weekly.
- Over 800 snacks and over 400 juices were observed at one site that serves approximately 100 participants per day. At this location, 500 snacks/juices were delivered weekly.

We also observed 100 juice packs held in inventory at Parks Administration. Parks Administration indicated that the juice packs, which had expired, were picked up from a serving site at the end of the last school year (May 2015) and were brought back to the administrative offices to keep the center from serving expired juice to program participants. Per Parks Administration, the juices were purchased from the previous vendor as a component of the complete snack (i.e., snack and juice combined). It should be noted that we also observed 51 snacks within Parks Administration. Those individual packages of snacks contained a product or lot number, but not expiration dates.

Based on our physical observation and review of delivery sheets, orders were not being adjusted to more accurately reflect the number of snacks/drinks that were actually being served. We were informed by site staff that in some instances, snacks that are not liked or not eaten by participants are continually delivered. Excessive inventory increases the risk of theft and increases the risk of snacks becoming stale.

Per Neighborhood Services Department administration, subsequent to Internal Audit's physical observations, snack orders were suspended until excessive snack inventory was consumed by participants. The Department of Internal Audit's review of vendor invoices and claim summaries support the results of our physical observations, as depicted in the following chart. It should be noted that since Internal Audit's physical observations occurred in FY2016, we were unable to determine the disposition of any excess inventory at the end of FY2015.



Month	Quantity of SNACKS Delivered by Vendor/ Paid for by City	Quantity Of SNACKS Claimed for Grant Reimbursement	Variance
September 2014	14,520	See Note	See Note
October 2014	12,840	19,253	(6,413)
November 2014	9,300	13,597	(4,297)
December 2014	14,325	12,986	1,339
January 2015	18,160	15,385	2,775
February 2015	15,345	14,403	942
March 2015	19,039	15,942	3,097
April 2015	18,476	19,433	(957)
May 2015	17,136	16,988	148
September 2015	16,215	12,674	3,541

Month	Quantity of SUPPER MEALS Delivered by Vendor/ Paid for by City	Quantity Of SUPPER MEALS Claimed for Grant Reimbursement	Variance
September 2014	1,445	See Note	See Note
October 2014	2,470	2,312	158
November 2014	6,420	1,656	4,764
December 2014	4,795	3,696	1,099
January 2015	5,492	4,916	576
February 2015	4,850	4,389	461
March 2015	5,542	4,491	1,051
April 2015	5,675	6,053	(378)
May 2015	4,925	4,841	84
September 2015	4,055	3,269	786

Source: TDA claim for reimbursement and vendor invoices

NOTE: TDA program year is October to September, whereas the After-School Program coincides with the local school year, late August to May.

**Recommendation 1A:** *The Park and Recreation Director, in conjunction with the Neighborhood Services Director, should require that program administration reiterate to program site staff, the need to adjust orders to more accurately reflect the actual number of participants being served.*

**Auditee’s Response:** Partially Concur. Upon signing up for the Summer Food Service Program (SFSP) or Child and Adult Care Food Program - At-Risk Afterschool (CACFP), sites must indicate an anticipated average daily participation (ADP). We are required to establish whether we will have “open sites” or “closed sites”. The City of Fort Worth designates its sites as “open sites” because most sites are located in food scarcity areas. Any child 18 or under may be served a meal and/or snack. Depending on community participation, the numbers served may increase/decrease on a daily basis. Additionally, the ADP and capacity of the site are used to prepare the Food Service Management Company (FMSC or Vendor) for the potential volume of the program as well as determine a maximum per site, which is recorded in the Texas Unified Nutrition Programs (TX-UNPS) database.



Once a program begins, sites are required to adjust their orders based on actual participation. This is covered in annual training, as well as reiterated throughout the year.

The Nutrition Program administration is not privy to attendance numbers until a reporting period has concluded: 1) weekly during CACFP and 2) daily during SFSP. While it is the primary responsibility of each site to update orders as needed throughout a program, if a pattern of sizable discrepancy between what a site is ordering versus serving is observed, program administration will adjust orders and advise the site accordingly.

Beginning the 2015-2016 Program Year (PY) of CACFP, program administration established protocol for sites to report inventory of program snack items on a monthly basis. The protocol was updated to weekly inventory reporting effective March 7, 2016. This revised protocol will alert administration to potential stockpiling and allow program administrators to ensure accountability by site staff of the amount of food being ordered, consumed, and stored onsite.

Additionally, sites often have or keep an internal inventory of snacks and foods for site-specific programs, which are not provide[d] by or claimed for reimbursement by the Texas Department of Agriculture (TDA).

**Target Implementation Date:** March 7, 2016

**Responsibility:** At-risk Nutrition Program staff will be responsible for the implementation and monitoring of this updated protocol.

**Recommendation 1B:** *The Neighborhood Services Director should require that monitors submit routine reports which include physical observations of snack and drink inventory, as well as the distribution of snacks/drinks to program participants.*

**Auditee's Response:** Concur. This is a task required by the Texas Department of Agriculture and has been in place for some time. The City hires dedicated SFSP monitors during the summer months. The CACFP is monitored by program administration. Their responsibilities include monitoring for food, milk, or juice overage and suggesting/making changes to future orders accordingly. They train staff and monitor onsite administration of meals/snacks by the site staff. They insure refrigerators are at proper temperatures and provide thermometers as necessary to replace faulty or missing thermometers. During the summer, they are also required to transport meals/snacks to sites lacking adequate servings.

Beginning the 2015-2016 Program Year (PY) of CACFP, program administration established protocol for sites to report inventory of program snack items on a monthly basis. The protocol was updated to weekly inventory reporting effective March 7, 2016. This revised protocol will alert administration to potential stockpiling and allow program administration to ensure accountability by site staff of the amount of food being ordered, consumed, and stored on-site. See [Attachment 1A](#).

**Target Implementation Date:** March 7, 2016

**Responsibility:** Program administration will be responsible for the implementation and monitoring of compliance.



**Recommendation 1C:** *The Neighborhood Services Director, in conjunction with the Parks and Recreation Director, should require Program Administration and site staff to review order requests for reasonableness prior to placing orders with the contracted vendor.*

**Auditee's Response:** Partially Concur. Due to the volume of meals/snacks provided, more than 450,000 meals/snacks during calendar year 2015, program staff forecasts each sites' meals/snacks based on past performance and site staff projections. Upon signing up for SFSP or CACFP, sites must indicate an anticipated average daily participation. This and the capacity of the site are used to prepare the vendor for the possible volume of the program as well as determine a maximum per site, which is recorded in TX-UNPS, the state's contract system.

Once a program begins, sites are required to adjust their orders based on actual participation. This is covered in annual training. Site staff receives reminders from monitors and program staff alike throughout the year.

The Nutrition Program administration is not privy to attendance numbers until a reporting period has concluded: 1) weekly during CACFP and 2) daily during SFSP. While it is the primary responsibility of each site to update orders as needed throughout a program, if a pattern of sizable discrepancy between what a site is ordering versus serving is observed, program administration will adjust orders and advise the site accordingly.

**Target Implementation Date:** Ongoing

**Responsibility:** Program administration will be responsible for the implementation and monitoring of compliance.

## **2. Program monitoring was inefficient during the 2015 Summer Food Program, and ineffective during the 2015-2016 After-School Food Program.**

The monitoring function is important to help ensure proper program operations and appropriate program cost reimbursements.

Summer Food Program - There were between eight to ten part-time monitors hired for the 2015 Summer Food Program. Mileage reimbursements claimed and paid to monitors accounted for approximately 15,000 miles and approximately \$8,500. During our review of Private Automobile Use Daily Reports (which was limited to two weeks each in June and July), we noted that mileage was often reported for tasks such as picking up paperwork and locating program sites.

Over 20 instances were documented to support reimbursements for mileage reported as being incurred to pick up paper work. In some instances, the visit was reported as being made at the wrong time or no one was at the location. In others, the purpose for the visit was *not* documented on the mileage forms. One employee reported visiting six different locations on one day, all of which were recorded as to pick up paperwork. Additional documentation indicated that while the mileage reports only note simple tasks such as picking up paperwork, City monitors actually completed a Summer Food Monitor Daily Checklist. These checklists support the completion of tasks such as meal count checks, checking meal inventory and refrigerator temperature recordings, etc.

We noted that different monitors sometimes visited the same site on the same day. The visits were sometimes recorded within minutes of each other, sometimes hours and on at least one occasion, at



the same time. Parks Administration indicated that floating monitors were assigned to specific site routes in order to assist assigned monitors, and to ensure compliance with the number of required visits at each site. Parks Administration further stated that in some instances when two monitors visited the same site, returning monitors were sometimes assigned to “show/train new monitors how to conduct site visits.”

When reviewing Monitor Daily Checklists for June 19<sup>th</sup>, June 23<sup>rd</sup> and July 1, 2015, Internal Audit noted that in a couple of instances, only one of the two monitors completed a checklist. In another instance, both of the monitors checked off the same five (5) tasks. For both of these instances, one could imply that the second monitor was serving in a supervisory capacity, verifying work previously completed by another monitor on that same date, but at a different time. In one instance, there was no completed checklist for either monitor. Park Administration (now Neighborhood Services) could not locate documentation to provide context for visits and/or mileage reported on two employees’ mileage reports. Neighborhood Services emphasized that TDA completed an audit of the 2015 Summer Food Program and had no findings related to monitoring.

The Neighborhood Services Department created an internal checklist for monitors to track their activities, per site visit. Neighborhood Services Department staff indicated that program administration would be responsible for the implementation and compliance monitoring. (See checklist at [Attachment 2A](#)). It should be noted that although the Monitor Daily Checklist provides additional context for mileage reimbursement requests, the accuracy and completeness of each Private Automobile Use Daily Report (mileage reimbursement report) is important and should be emphasized.

At-Risk After-School Snack and Supper Program - As discussed in Finding #1, the Department of Internal Audit observed excessive inventory at program sites during unannounced inventory observations. Only the two full-time Program Administration employees are responsible for monitoring the At-Risk After-School Snack and Supper Program, in addition to their regular duties which include, but are not limited to, receiving daily meal and/or weekly snack requests from each site, submitting meal and snack orders to the contracted vendor, consolidating daily meal count sheets and attendance records, preparing grant reimbursement requests, etc. Inadequate staffing contributes to ineffective program monitoring, which results in delayed or non-detection of excessive inventory.

**Recommendation 2:** *The Neighborhood Services Director should hire part-time staff to monitor the After-School Snack and Supper Program.*

**Auditee’s Response:** Partially Concur. The TDA reimbursement for this program is inadequate to support part-time monitoring staff. The program administration will provide additional training to site staff to fulfill the duties of the monitor. Should funding become available, the financial feasibility of implementing this recommendation will be reconsidered.

**Target Implementation Date:** TBD

**Responsibility:** Should funding become available, the Neighborhood Services Department administration will be responsible for the implementation.



### 3. Meal count sheets for the After-School Snack and Supper Program were inaccurate.

Daily meal count sheets, which are used to record meal counts and attendance (by name and age), are required to provide documentation of meals served at each site. Section 4150 of the Child and Adult Care Food Program – At-risk Afterschool Care Centers Handbook (Counting Meals and Snacks, December 2015 edition) states that the contracting entity’s and site’s meal counts system must provide accurate counts of reimbursable meals and snacks served to eligible children and ensure the count is taken at the point of service (where it is observed that the child receives a reimbursable meal). Since the CFW is reimbursed by the granting agency for the cost of each meal served, the accuracy of the meal count sheets is critical.

During our audit, we noted inaccuracies and/or inconsistencies in meal count sheets. In one instance, a site noted that snacks were served on a Friday, although Parks Administration indicated that site does not serve snacks or suppers on Fridays. In several instances, Internal Audit’s recount of the number of meals checked off on the meal count sheets differed from the referenced “total”. We also noted that although community centers did not serve TDA-funded meals on the Martin Luther King Jr. holiday in January 2015, meal count sheets for two (2) community centers indicated that meals were served on that day.

Program site staff are responsible for manually entering the name of each participant enrolled in the After-School Food Program onto a Daily Meal Count and Attendance Record. For each day on which meals are served, the Daily Meal Count and Attendance Record is “ticked” with an “x”, a check mark, etc. to note whether each participant listed ate snacks and/or supper on each day of that week. At the end of each day, the “x’s”, check marks, etc. are manually counted and the totals counted are then written towards the bottom of the form. Upon receipt of the completed Daily Meal Count and Attendance Record form, Parks Administration staff “spot-checks” entries noted on each count record. In some instances, there are more than 100 participants listed, per site.

Inaccuracies and/or inconsistencies in meal count sheets could be indicative of a need for additional training, carelessness, inadvertent errors and/or inadequate program monitoring and oversight. However, the manually-intensive process may have had a significant impact on the reporting errors identified by the Department of Internal Audit.

Accurate financial reporting is pertinent to the proper reporting to granting agencies. The manual accounting for such volumes of data increases the risk of human error, as well as the amount of time required to input and review. As a result, those errors could be carried forward into the City’s reporting to the granting agency. Any inaccuracies and/or inconsistencies could result in erroneous reimbursement requests which could lead to the City having to pay the granting agency from monies within the General Fund and/or being considered ineligible for future grants. Although this audit finding is applicable to the After-School Food Program, a similar finding was reported by the external auditors for the FY2014 Summer Food Program. In the FY2014 Single Audit, Deloitte & Touche LLP reported that the actual meal counts served during the summer of 2014 did not agree with the meal counts requested for reimbursement.

**Recommendation 3A:** *The Neighborhood Services Director, in conjunction with the Park and Recreation Director, should ensure that meal count sheets are prepared accurately and that the importance of such accuracy is reiterated to those staff persons responsible for the preparation and review of meal count sheets.*



**Auditee's Response:** Concur. During annual training, site staff is instructed on the importance of accurate attendance, as well as the need for forms to be completed accurately. This is reiterated throughout the program year, and reviewed in more detail if site staff submits forms that are incorrect.

Program administration performs meal edit checks (CACFP – At-risk Afterschool Care Centers Handbook, see p.56) during the course of reviewing attendance reports. If the meals/snacks count reported for reimbursement fails to balance, administration follows-up with a more complete review to determine whether the meal count is accurate. If the meal count is incorrect, administration follows up with site staff or corrects and advises site staff as necessary.

**Target Implementation Date:** Ongoing

**Responsibility:** TBD

**Recommendation 3B:** *To the extent permitted by the granting agency, the Park and Recreation Director, in conjunction with the Neighborhood Services Director, should consider adding some automation to the current process. A requirement that meal count and attendance records be completed in an Excel spreadsheet that systematically counts the number of "x's", check marks, etc. and inserts the number counted onto the bottom of the form could be a quick solution to some of the current issues.*

**Auditee's Response:** Concur. Program and Department administration are in the process of researching options for attendance tracking software, site tablets, and other alternatives for automating and streamlining the current meal count protocol. However, the Texas Department of Agriculture mandates "paper reporting", including meal counts and attendance records. The automation will currently only improve our internal process, and not reporting to the funder.

**Target Implementation Date:** March 2017

**Responsibility:** Program administration will be responsible for the implementation and monitoring of compliance.

#### **4. Entrees with recorded temperatures of less than 32 degrees Fahrenheit were delivered and accepted during the 2015 Summer Food Program.**

Chapter 3 of the Summer Food Program's 2015 Administrative Guidance for Sponsors states that cold foods are to be kept cold (e.g., refrigerated or chilled at 40 degrees Fahrenheit or below). Section 3.1.6 of the City of Fort Worth's After School Food Program bid specifications states that meals shall be prepared fresh within 24 hours of delivery.

Meal records indicate that during the 2015 Summer Food Program, one site received entrees with temperatures recorded below 32 degrees Fahrenheit on four days; two sites received such entrees on two days; and five sites received such entrees on one day.

- In 12 of the 13 instances, the temperature of the entrée was recorded at 30 degrees Fahrenheit.
- One delivery of entrées was recorded at 25 degrees Fahrenheit.
- The amount of time between the noted delivery and the beginning of serving time ranged between 2.75 hours and 4 hours.



Parks staff stated that the entrees were accepted at less than 32 degrees Fahrenheit because Section 3.1.11 of the contract states that cold lunches, milk and juice must be maintained and delivered at 40 degrees Fahrenheit or less. Parks staff also indicated that when meals were recorded at a temperature below freezing does not mean that any portion (meat, bread, carrots, celery, tomatoes) of the meal was frozen or non-edible at the time of meal service. Per Parks Administration staff, there were no complaints regarding the serving of frozen foods.

Accepting entrées below 32 degrees Fahrenheit could result in staff reverting to the utilization of unsafe food preparation methods in order to serve food at a more appropriate temperature.

**Recommendation 4:** *The Parks and Recreation Director, in conjunction with the Neighborhood Services Director, should require that entrees below 32 degrees Fahrenheit either not be accepted or that parameters be established regarding the coldest temperature that a meal can be received within a specific number of hours before serving time.*

**Auditee's Response:** Do Not Concur. Per Code Compliance for the City of Fort Worth: Cold foods are to be served at or below 43 degrees Fahrenheit. For the SFSP program, the limit is further restricted to **at or below 41 degrees Fahrenheit**. In the contract with the vendor, it is specified that an additional meal is to be provided for the purpose of temperature testing at the time of delivery. This test is conducted by the delivery driver with site staff as witness. Meals testing at the above temperature are accepted by the site.

A temperature reading of 32 degrees Fahrenheit or below does not necessarily indicate a frozen item; food items have various freezing points. TDA program guidelines are listed above; meals must comply with the above temperature or will be rejected. A meal testing **at or below 41 degrees Fahrenheit** is in full compliance

**Target Implementation Date:** Ongoing

**Responsibility:** Program administration will be responsible for the implementation and monitoring of compliance.

**Audit Comment:** The City has adopted the Texas state code, by reference, which requires that cold food be served at or below 41 degrees Fahrenheit. The Department of Internal Audit understands and agrees that cold foods should be stored at a temperature that ensures safety (i.e., at or below 41 degrees Fahrenheit to minimize the potential for bacteria). However, while the 41 degree requirement meets the standard for health and safety, it is probable that most children would prefer a food that is more palatable/closer to 41 degrees Fahrenheit.

## 5. Vendor invoices for the 2015 Summer Food Program were not detailed by site.

The CFW is reimbursed for expenditures incurred for the procurement of food served to Summer Food Program participants. Upon delivery of food to program sites, the City is invoiced for each meal delivered. The City is then obligated to pay the vendor based on the number of meals received by the City. Good business practice dictates that vendor invoices be timely and that they provide a clear description and breakdown of the charges being billed.

The CFW received weekly invoices during the summer of 2015. However, those weekly invoices only detailed the categories of food delivered (i.e., summer snacks, summer lunch, and summer milk) by day of week. The invoices, which could include as many as 5,000 snacks on one day, were not detailed by program site. City program administrators were, therefore, required to develop a



spreadsheet which consolidated meals delivered to each site. That consolidated information was then compared to the vendor invoice.

- Bid specifications for the 2015 Summer Food Program did not require vendor invoices detailed by site. Accordingly, the vendor did not invoice by site and was, therefore, considered to be in compliance with the City's contractual requirements.
- Bid specifications, for the 2015-2016 After School Snack and Supper Program, require itemized invoices that give a breakdown by site meals delivered and accepted. However, our review of the September 2015 invoice lacked the required detail. Not requiring detailed invoices by program site results in additional effort by staff, especially when a discrepancy has to be resolved.

**Recommendation 5:** *The Neighborhood Services Director, in conjunction with the City Attorney's Office, should ensure that all contracts for youth food programs require detailed invoice billing by date, site and meal type.*

**Auditee's Response:** Concur. The Neighborhood Services Department will work with Purchasing to insure this requirement is updated in the next Request for Bids process.

**Target Implementation Date:** TBD

**Responsibility:** Department administration and purchasing staff will be responsible for the implementation.

## **6. A need to increase the pool of vendors who have a valid interest in providing food for the Summer Food and After-School Food Programs.**

The Purchasing Division is responsible for the purchase of non-construction goods and services for all City departments. Purchasing is, therefore, responsible for soliciting and awarding bids related to the Summer and After-School Food Programs.

Bids are solicited to registered vendors who have signed up to receive bid solicitations for specific commodity codes. Bids are also solicited via email to user departments, upon vendor request, advertised in the newspaper, posted onto the City's website, and directly to interested parties that are not registered with the City.

The potential bidders' list for the Summer and After-School Food Programs contained names of over 90 vendors. However, most of the vendors listed would not be interested in providing food for a summer and/or after-school food program. For example, vendors such as well-known Mexican and southern cooking restaurants, barbecue businesses, hotel and restaurant equipment vendors, as well as clubs that are known within the community for accommodating prominent business, civic, and social events throughout the year, were solicited. Four (4) potential bidders attended a pre-bid conference held on February 25, 2015. However, only one of those five was included in the CFW's potential bidder's list.

Written communication to the Mayor and Council (dated May 2014, May 2015 and September 2015) stated that the Purchasing Division received one to two bids per year in the last six years.

- An M&C noted that for the 2014 After School Food Program, 25 vendors were solicited from the purchasing database. Five responses were received, one of which, later withdrew.



- An M&C noted that for the 2015 Summer Food Program, 97 vendors were solicited during the first bid. However, only two responsive bids were received along with one non-responsive bid. During the second bid, 97 vendors were solicited from the purchasing system database. However, only one bid was received.
- An M&C noted that for the 2016 After-School Food Program, 97 vendors were solicited from the purchasing system database. However, only one response was received. Per the M&C, staff contacted other solicited vendors to ascertain the reasons for not submitting bids. The reasons cited include the stringent specifications as required by the USDA regarding food preparation, packing requirements and transportation and delivery timeframes to ensure food safety and quality.

Soliciting bids from the 90 plus vendors is commonly due to the commodity codes provided to the City, by vendors. Vendors who conduct or desire to conduct business with the CFW provide the City with commodity codes for goods and services that the vendor indicates can be provided. As a part of the procurement process, vendors are usually encouraged to choose as many commodity codes as possible to ensure maximum business opportunities. Bid solicitations are then sent to vendors who have requested to be included in bid solicitations for specific commodity codes. In reference to the Summer and After-School Food Programs, these 90-plus vendors received bid solicitations because they chose the classification code designated for program food deliveries.

Good business practice dictates the development of a strategy that emphasizes outreach efforts to help ensure that there is a list of potential bidders that have an interest in providing the types of services and/or goods being procured by the City – especially when there is a history of very few vendors bidding each year.

The Financial Management Services Department (FMS) indicated that “...in January of 2015, the Purchasing Division communicated their request to increase vendor participation in the City’s Summer Food Program and After-School Snack programs with numerous associates in the Dallas Fort Worth Metroplex via email, news advertisement, BuySpeed Online, and in person at special events. The objective of this benchmark was to expand the City’s database of qualified vendors who could meet the demands of the program. The following entities were included in the benchmark:

- Dallas County, Tarrant County, Denton County, Johnson County and other local city county governments
- Fort Worth ISD, Weatherford ISD, Birdville ISD, Dallas ISD, Irving ISD, and [Tarrant County College] TCC
- Internal and external buyers from the City of Fort Worth and the private sector
- Local Agencies, DFW Airport, among others”

Per FMS, “a total of 188 entities in the Dallas Fort Worth Metroplex were contacted (177 external contacts and 11 internal contacts) and Initial vendor participation was numerous. However little follow-through actually occurred once the request to bid was issued.

Unfortunately, the results of the benchmark were unchanged. The same vendors were known to meet the needs in other local municipalities and/or the meals were prepared by the organization themselves (ex. Dallas County). Also, the vendors that could meet the requirements of the program were either currently in use by the City or were previous City vendors. The reasons provided by the smaller vendors who could not meet the demands of the program were:

- Cost of resources
- Availability of fleet



- Inadequate staffing
- Lack of equipment
- Some vendors were not able to meet the state regulations
- Inadequate income from the proceeds of the program

The end results of the benchmark determined many local vendors do not have the capability to handle a program of this magnitude.”

**Recommendation 6:** *The Neighborhood Services Director, in conjunction with the Chief Financial Officer and the City Attorney, should consider whether dividing the contract into regions or zones would be more feasible and/or effective.*

**Auditee’s Response:** Concur. The Department of Finance will support and work closely with the Neighborhood Service Department should they determine the division of contracts into regions is feasible.

**Target Implementation Date:** TBD, prior to re-bidding the contract (which could be up to four years from now)

**Responsibility:** Neighborhood Services Department and the City Attorney



## Acknowledgements

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The Department of Internal Audit would like to thank the Park and Recreation and the Neighborhood Services Departments, and the Purchasing Division for their cooperation and assistance during this audit.



## Attachment 1A

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Greetings,

This is a reminder that your order for next week must be submitted by 1pm tomorrow, Friday, March 4, 2016. The order form is located at [REDACTED].

### Updated Inventory Protocol

Beginning next week, please submit your snack inventory each week along with your attendance forms. The form is attached. If you have items that are not pre-typed, or there are items pre-typed that you do not have, please feel free to modify the list as needed. Please do not modify any total columns. If you have any questions, please feel free to ask.

### Spring Break

Fort Worth ISD's Spring Break this year is the week of March 14<sup>th</sup>. There will be no deliveries during this week. **If you need snacks for the week of Spring Break, they must be included in your order for next week (which must be submitted by 1pm tomorrow)** If you order additional snacks for this purpose, please use the comment field on the order form to indicate that you are ordering extra for Spring Break. *If you have already placed an order for next week that now needs to be updated, any new orders will supersede orders placed earlier in the week.*

Please let us know if you have any questions.

Thank you,



## Attachment 2A

### Summer Food Monitor Daily Checklist

Tasks	Site 1	Site 2	Site 3	Site 4	Site 5	Site 6	Site 7	Site 8	Site 9	Site 10
Site Name (Abbreviated)										
Meal Count Check										
FridgeTemp Sheet										
Recycle Left Overs Sheet										
Civil Rights Poster JFA										
Milk Inventory										
Molly Sheet										
On-Site Staff Training										
Look For Food/Milk/Juice Overage										
Site Staff Initials										

\_\_\_\_\_  
Site Monitor Printed Name

\_\_\_\_\_  
Site Monitor Signature

\_\_\_\_\_  
Date