

Table of Contents

Food and Nutrition Services Temporary Workers' Contracts

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	Page Number
BACKGROUND	2
OBJECTIVE	2
SCOPE AND METHODOLOGY	2
FINDINGS, RECOMMENDATIONS, and MANAGEMENT RESPONSES	2-3

BACKGROUND

The Food and Nutrition Services Department (FNS) hires temporary workers to process free and reduced lunch applications and to work in school cafeterias. The temporary workers are provided via contracts with two agencies.

OBJECTIVE

Our audit objective was to determine whether the temporary services contracts are managed in an efficient and effective manner and whether management practices include appropriate controls.

SCOPE AND METHODOLOGY

Our audit covered the period from July 1, 2010, through June 30, 2011.

Our audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors. The procedures performed were those we deemed necessary to meet the audit objective.

FINDINGS AND RECOMMENDATIONS

Temporary Labor Contracts:

Food and Nutrition Services personnel management did not appear to have copies of or a familiarity with the provisions of either of the two temporary labor contracts that are used by the department. Those contracts are: School Food Service Assistants (ITB07-06-01) and Support Clerk III (0907197ITB).

We recommend that FNS managers become more familiar with the contracts used in their daily operations in order to better monitor agency performance and to ensure that services and payments are in accordance with contract terms.

Management Response:

Food and Nutrition Services has reviewed the bid sheet that has been considered the standard contract per Procurement Services. Since the temporary vendor audit, Calandra Evans, Sr. Specialist, has spoken with Almeda Jefferson, Area Manager, regarding the temporary bid and has invited Food and Nutrition Services to review the new bid and encouraged Food Services to add specific language to the bid as it relates to Food Services expectations.

Obligation of School Board Funds Prior to the Purchase Order Date:

Our test of temporary worker vendor billings showed several instances in which the vendor invoice was dated prior to the official issuance of the corresponding OCPS purchase order. School Board Management Directive A-5, Obligation of School Board Funds states in part: "No employee of Orange County Public Schools shall ... obligate schools, departments of the Orange County public school system, in any manner, without the issuance of a purchase order."

We recommend that management comply with Management Directive A-5.

Management Response:

On May 2, 2012, the Food and Nutrition Personnel team met and reviewed Directive A-5. The importance to follow this directive was discussed.

Adherence to Established Departmental Procedures:

The FNS departmental procedure for temporary School Food Service Assistants establishes a five (5) hour per day maximum. Our review of vendor billings and temporary employee time records revealed a number of instances in which the 5 hour per day limit was exceeded.

We recommend that management either comply with the departmental procedure or consider revising it as related to the five (5) hour daily work limit for School Food Service Assistants. If compliance with the procedure is deemed important, management should consider including language that addresses this limit in the temporary labor contract. This will provide accountability with the agency as well as with department management.

Management Response:

Although it is not formally documented, invoices are reviewed regularly for compliance of the 5 hour work restriction. If the school based cafeteria exceeded the 5 hour restriction, the manager is notified via email and reminded not to exceed the 5 hour restriction. In the future, this language will go in the bid contract as well as in the policies and procedures for the use of temporary labor.

Reconciliation Documentation Lacking for Vendor Billings:

The results of our procedures indicate that FNS performs a review of temporary workers vendor invoices, but management was unable to provide written documentation evidencing the reconciliation procedures.

We recommend that management develop a written procedure for reconciliation of vendor invoices and maintain documentation of reconciliations in department records.

Management Response:

A written procedure for the reconciliation of vendor invoices has been completed since the audit. A spreadsheet has been developed to attach to the monthly invoices that will identify any discrepancies and notate any corrections that have been done.

Written Procedures:

While there were basic written guidelines describing the duties and work arrangements for temporary School Food Service Assistants, the processes for the temporary clerks used in the Free or Reduced Price meals section consisted only of a memo describing the required qualifications for temporary workers.

We recommend that processes for clerks in the Free and Reduced meals section be more fully developed, especially with regard to authorized overtime hours.

Management Response:

Policies for the use of both school food service assistants and support service clerk III have been developed.

Evaluation of Temporary Worker Vendor Performance:

FNS personnel management has not prepared any formal written evaluations of the vendors which supply their temporary workers. Vendor performance evaluations can be important in establishing and maintaining compliance with contract provisions as well as documenting performance issues if they arise.

We recommend that FNS management prepare such evaluations on a regular basis.

Management Response:

Food Service has always verbalized to District Procurement any concerns regarding temporary vendors. Food Service has been unaware that formal written evaluations were necessary or required by District Procurement Services. Food Services will seek and comply with any procedures to provide formal written evaluations of temporary vendors in the future.

We wish to thank members of the Food and Nutrition Services Department for their cooperation and assistance with this audit.

Bob Sicolo, CIA, Auditor