



United States Department of Agriculture



OFFICE OF INSPECTOR GENERAL



California's Controls Over Summer Food Service Program

Interim Report—27004-0001-41(1)

OBJECTIVE

Our objectives are to: (1) evaluate the adequacy of California's controls over SFSP sponsors, and (2) determine if selected sponsors and sites are in compliance with program requirements. This interim report provides results from our ongoing audit of SFSP and sponsor compliance with SFSP regulations and policies related to State and local food safety requirements.

REVIEWED

We assessed whether the State's policies, procedures, and oversight activities were effective and compliant with statutory and regulatory requirements. We visited the selected sites to determine whether they were complying with their SFSP requirements, for example, verifying claims, meal counts, and whether the sites complied with their agreements.

RECOMMENDS

FNS should follow up with CDE to ensure the site corrected the health and safety deficiency and complies with the State's food safety requirements. FNS should also re-emphasize with CDE the importance of all current sponsors and sites meeting State and local food safety requirements.

OIG reviewed California's controls over FNS Summer Food Service Program (SFSP) as well as the sponsors' compliance with food safety.

WHAT OIG FOUND

An SFSP site in California violated State food safety requirements by allowing children to place their unpackaged food and open cups of milk at "share tables" for others to take and consume. This occurred because site staff stated they were unaware of program requirements, even though the sponsor provided site staff with training. As a result, the site put children at risk of exposure to contaminated food and therefore contagious illnesses.

FNS is responsible for oversight and for establishing internal controls to ensure States administer and monitor SFSP as intended. Ultimately, the sponsors' sites provide the free meals to children. These meals may be self prepared, or vended. Sites must ensure proper sanitation and health standards conform to all applicable State and local laws and regulations.

The site's sponsor stated that it explicitly addressed these food safety requirements during the SFSP site training. Thereafter, the sponsor informed us the site was now fully aware of the requirements, and it would ensure the site met the requirements in subsequent sponsor reviews.

Given the risk of food contamination, on June 28, 2017, we notified the California Department of Education (CDE) of the problems we identified at the site. CDE informed us that it plans to conduct an unannounced visit at the site to confirm that the sponsor has corrected this food safety issue at the site.

FNS agreed with our finding and recommendations, and we accepted management decision on both recommendations.



United States Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



DATE: September 20, 2017

AUDIT
NUMBER: 27004-0001-41 (1)

TO: Brandon Lipps
Administrator
Food and Nutrition Service

ATTN: Mark Porter
Director
Office of Internal Controls, Audits and Investigations

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: California's Controls Over Summer Food Service Program - Interim Report

This interim report presents the results of the subject audit. Your written response to the official draft report, dated September 12, 2017, is included in its entirety at the end of this report. Your response and the Office of Inspector General's (OIG) position are incorporated into the relevant sections of the report. Based on your written response, we are accepting management decision for all audit recommendations in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. For agencies other than the Office of the Chief Financial Officer (OCFO), please follow your internal agency procedures in forwarding final action correspondence to OCFO.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This interim report contains publicly available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.

Table of Contents

Background and Objectives	1
Section 1: Food Safety	2
Finding 1: Inappropriate Use of Share Tables.....	2
Recommendation 1	3
Recommendation 2	4
Scope and Methodology.....	5
Abbreviations	7
Agency's Response	9

Background and Objectives

Background

The Summer Food Service Program (SFSP) provides nutritious meals to children from needy areas during the summer months when schools are closed. SFSP provided roughly \$472 million to serve approximately 153 million meals to needy children at more than 47,000 sites in fiscal year (FY) 2016. The Food and Nutrition Service (FNS), the Federal awarding agency, is responsible for oversight and for establishing internal controls to ensure States administer and monitor SFSP as intended. In FY 2016, California provided over \$20 million in SFSP reimbursements, making it the fourth largest State in the country in terms of SFSP outlays—just behind New York, Florida, and Texas.

The California Department of Education (CDE) is the State agency responsible for administering SFSP in California.¹ Besides disseminating policy for the administration of SFSP, CDE is responsible for reviewing and approving sponsor applications, reimbursing sponsors for meals served to children at approved sites, and monitoring to ensure sponsors and sites meet program requirements such as meal patterns and State and local food safety rules and requirements.

At the local level, SFSP sponsors manage sites that provide the meals to children. Sponsors include public or private nonprofit organizations such as school food authorities, churches, or camps. Sponsors could manage multiple State-approved sites, which may be located at schools, community centers, apartment complexes, etc. SFSP sponsors must enter into written agreements with CDE that outline their responsibilities to include monitoring their sites to ensure the sites are compliant with program requirements, which includes complying with health and safety requirements. SFSP reimburses approved sponsors for serving meals that meet Federal nutritional guidelines. Sponsors receive payments from USDA through their State agencies based on the number of meals they serve.

Ultimately, the sponsors' sites provide the free meals to children; these may be self prepared, or vended. Each site must ensure they meet proper sanitation and health standards that conform to all applicable State and local laws and regulations.

Objectives

We are performing this audit in conjunction with audits of the States of Florida, New York, and Texas. The overall objectives of our ongoing audit are to (1) evaluate the adequacy of California's controls over SFSP sponsors, and (2) determine if selected sponsors and sites are in compliance with program requirements such as food safety. This report provides interim results from our audit of SFSP and, in particular, sponsor compliance with SFSP regulations and policies related to State and local food safety requirements.

¹ In 2017, CDE approved 199 SFSP sponsors to participate in California.

Section 1: Food Safety

Finding 1: Inappropriate Use of Share Tables

An SFSP site in California allowed children to place their unpackaged sliced fruits and open cups of milk at “share tables” for others to take and consume even though that is prohibited by California’s health and food safety code. This occurred because site staff stated they were unaware of the requirements, even though the sponsor officials stated it provided site staff with proper training. As a result, the site put children at risk of exposure to contaminated food and therefore contagious illnesses.

FNS allows sponsors and sites to use “share tables” as an innovative strategy to encourage the consumption of nutritious foods and to reduce food waste. Children may return whole food or beverage items they choose not to eat to the “share table” for other children who may want additional servings. However, the “share table” must adhere to the State health and food safety code. California requires “share tables” to meet all the following conditions:²

- No food or beverage may ever be returned to the food preparation, food service, or food storage areas for use by the food service operation, or for any human consumption, except those items permitted in California Code, Health and Safety Code-HSC § 114079(b).
- The share table is supervised by a member of the food service staff to ensure that no food, beverage, or condiment has been contaminated (for example, opened, partially consumed, etc.), and the original packaging is maintained in sound condition.

The California Code states “a container of food that is not potentially hazardous may be transferred from one consumer to another if the food is dispensed so that it is protected from contamination and the container is closed between uses, such as a narrow-neck bottle containing catsup, steak sauce, or wine.” It also allows food such as crackers or salt and pepper to be transferred and consumed by others if it “is in an unopened original package and is maintained in sound condition.”³

During our fieldwork in California, we observed a site that did not meet these food safety requirements. Specifically, the site allowed children to place poured, unpackaged milk and unpackaged sliced fruit on the share table for the consumption of other children. However, we did not observe any children take or consume food from the share table while we were on site. We spoke with site staff regarding this issue, and the site supervisor stated that they were not aware of the food safety requirements for share tables. However, officials of the site’s sponsor stated that they explicitly addressed these food safety requirements during the SFSP site training. Nevertheless, the sponsor officials stated that the site was now fully aware of the

² CDE Nutrition Services Division Management Bulletin, *The Use of Share Table*, CNP-04-2016 (Sep. 2016).

³ California Retail Food Code, *California Association of Environmental Health Administrators*, Part 7, 114079 (b) (Oct. 2011).

requirements and would therefore ensure the site met the requirements during its subsequent sponsor reviews.

Given the risk of food contamination, on June 28, 2017, we notified CDE of the problems we identified at the site. CDE officials informed us that they plan to conduct an unannounced visit to confirm that the sponsor has corrected this food safety issue at the site. FNS Western Region informed us that it will follow-up on CDE's technical assistance and unannounced visit and will respond to the interim report accordingly.

On July 3, 2017, OIG determined it was necessary to issue an interim report due to the site's lack of compliance with food safety requirements. FNS needs to follow up with CDE to ensure the site corrected these problems and complies with the State's food safety requirements. CDE also needs to re-emphasize the importance of meeting food safety requirements with all current sponsors.

Recommendation 1

Follow up with the California Department of Education to ensure the sponsor corrected the health and safety deficiency at the site and that other sites comply with the State's food safety requirements.

Agency Response

In its September 12, 2017, response, FNS stated:

FNS concurs with the recommendation. The California Department of Education (CDE) was notified by OIG on June 28, 2017, of the food safety concern identified during one of their site visits for the referenced sponsor. The CDE immediately took action and on June 29 and 30, 2017, performed unannounced visits to the site visited by OIG as well as two additional sites operated by this sponsor. FNS has already obtained a copy of the technical assistance report issued by CDE as a result of the unannounced visits, as well as the corrective action documents provided by the sponsor to address issues discovered during the CDE visits. Specifically, the corrective action documents include materials demonstrating that additional food safety training was provided to all of the sponsor's sites and that the sponsor has temporarily discontinued the use of share tables at all sites.

FNS completed the corrective action on July 25, 2017.

OIG Position

We accept FNS' management decision on this recommendation.

Recommendation 2

Re-emphasize with the California Department of Education the importance of meeting State and local food safety requirements with all current sponsors and sites.

Agency Response

In its September 12, 2017, response, FNS stated:

FNS concurs with the recommendation. The FNS Western Regional Office (WRO) sent the CDE a letter on August 31, 2017, re-emphasizing the importance of sponsor and site food safety compliance. WRO provided CDE with instruction to ensure all Summer Food Service Program (SFSP) and Seamless Summer Option (SSO) sponsors and sites are in compliance with current federal, state and local food safety laws, regulations and policies through various mechanisms, including management bulletins, training, and monitoring.

FNS completed the corrective action on August 31, 2017.

OIG Position

We accept FNS' management decision on this recommendation.

Scope and Methodology

We began fieldwork in California on May 9, 2017. We performed fieldwork at CDE's office in Sacramento and at two of the five non-statistically selected sponsors.⁴ Our audit focuses on fiscal years 2014 through 2016. This is an interim report and our audit is ongoing.

To accomplish our audit objectives, so far we have performed the following:

- Reviewed applicable laws, regulations, and agency procedures concerning SFSP.
- Interviewed CDE officials regarding oversight actions implemented to ensure sponsors and service sites complied with Federal program regulations and policies.
- Non-statistically selected five sponsors that participated in SFSP to review their claims for reimbursement and current operations. We selected the sponsors based on several factors including the entity type,⁵ type of sites,⁶ and sponsors that received over \$100,000 in reimbursements for 2016.
- Non-statistically selected two "open" sites with the highest reimbursements in 2016.⁷ When a selected site was not operational at the time of our visit, we conducted a site visit at an alternative sponsor's sites with a similar relevant characteristic.
- Visited the selected sites to determine whether they were complying with their SFSP requirements, for example, verifying claims, meal counts, whether the site complied with their agreements, and food safety requirements.
- Requested and started assessment of sampled sponsor records and supporting documentation such as financial statements, vendor receipts, and meal count sheets to evaluate the accuracy of claims submitted and sponsor compliance with Federal program regulations.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 finding and conclusion based on our audit objectives. We have not completed our

⁴ We conducted visits at our selected sponsors and sites located in Santa Clara and San Diego, California, from June 5 to June 16, 2017.

⁵ We selected one school food authority and four non-profit sponsors.

⁶ We selected sponsors that operated service sites with the following characteristics: rural sites, urban sites, vended sites, and self-preparation sites.

⁷ 7 CFR § 225.2 defines "Open Site" as a site where meals are made available to all children in the area in which 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 School Breakfast Program.

information technology work at this time; however, we will include our conclusions on this area in our final report.

Abbreviations

CDE.....California Department of Education
FNSFood and Nutrition Service
FYfiscal year
OIGOffice of Inspector General
SFSP.....Summer Food Service Program
USDA.....Department of Agriculture

**FOOD AND NUTRITION SERVICE
RESPONSE TO AUDIT REPORT**

United States
Department of
Agriculture

Food and
Nutrition
Service

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Alexandria, VA
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DATE: September 12, 2017

AUDIT

NUMBER: 27004-0001-41-1

TO: Gil H. Harden
Assistant Inspector General for Audit

FROM: Brandon Lipps /s/
Administrator
Food and Nutrition Service

SUBJECT: California Controls Over the Summer Food Service Program (Interim Report)

This letter responds to the official draft report for audit number 27004-0001-41-1, California Controls Over the Summer Food Service Program (Interim Report). Specifically, the Food and Nutrition Service (FNS) is responding to the two recommendations in the report.

OIG Recommendation 1:

Follow up with the California Department of Education to ensure the sponsor corrected the health and safety deficiency at the site and that other sites comply with the State's food safety requirements.

FNS Response:

FNS concurs with the recommendation. The California Department of Education (CDE) was notified by OIG on June 28, 2017, of the food safety concern identified during one of their site visits for the referenced sponsor. The CDE immediately took action and on June 29 and 30, 2017, performed unannounced visits to the site visited by OIG as well as two additional sites operated by this sponsor. FNS has already obtained a copy of the technical assistance report issued by CDE as a result of the unannounced visits, as well as the corrective action documents provided by the sponsor to address issues discovered during the CDE visits. Specifically, the corrective action documents include materials demonstrating that additional food safety training was provided to all of the sponsor's sites and that the sponsor has temporarily discontinued the use of share tables at all sites.

Estimated Completion Date:

Complete as of July 25, 2017

OIG Recommendation 2:

Re-emphasize with the California Department of Education the importance of meeting State and local food safety requirements with all current sponsors and sites.

FNS Response:

FNS concurs with the recommendation. The FNS Western Regional Office (WRO) sent the CDE a letter on August 31, 2017, re-emphasizing the importance of sponsor and site food safety compliance. WRO provided CDE with instruction to ensure all Summer Food Service Program (SFSP) and Seamless Summer Option (SSO) sponsors and sites are in compliance with current federal, state and local food safety laws, regulations and policies through various mechanisms, including management bulletins, training, and monitoring.

Estimated Completion Date:

Complete as of August 31, 2017

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