

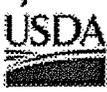


U.S. Department of Agriculture
Office of Inspector General
Great Plains Region
Audit Report

Food and Nutrition Service
National School Lunch Program
Food Service Management Companies



Report No.
27601-12-KC
May 2001



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Audit

Great Plains Region

5799 Broadmoor, Suite 600

Mission, Kansas 66202



DATE: May 11, 2001

REPLY TO
ATTN OF: 27601-12-KC

SUBJECT: National School Lunch Program – Food Service Management Companies

TO: William E. Ludwig
Regional Administrator
Food and Nutrition Service
1244 Speer Boulevard, Suite 903
Denver, CO 80204

This report presents the results of our audit concerning the National School Lunch Program and one Food Service Management Company. Your April 24, 2001, written response is included as exhibit D with excerpts and OIG's position incorporated into the relevant sections of the report. Do not take action on Recommendation No. 1 until you receive clearance from OIG Investigations.

In your response, you mention that the use of "s" creates some confusion concerning whether or not an acronym is plural. OIG's policy is to add the "s" for all plural acronyms.

In accordance with Department Regulation 1720-1, please furnish a reply within 60 days describing the corrective actions taken or planned for each recommendation, including estimated timeframes for implementation. Please note that the regulation requires a management decision be reached on all recommendations within a maximum of 6 months after report issuance. We appreciated the cooperation and assistance extended by your office and the Missouri State agency during the review.

Please have a member of your staff contact Larry Cooper at (913) 261-7544 if you have any questions.

KIM B. MILLER
Acting Regional Inspector General
for Audit

EXECUTIVE SUMMARY

FOOD AND NUTRITION SERVICE NATIONAL SCHOOL LUNCH PROGRAM FOOD SERVICE MANAGEMENT COMPANIES

REPORT NO. 27601-12-KC

RESULTS IN BRIEF

We performed this audit in conjunction with a nationwide audit of selected food service management companies (FSMC). The main objective was to determine whether sufficient controls existed to ensure that selected FSMC's credited the School Food Authorities (SFA) for the full value of U.S. Department of Agriculture (USDA) donated commodities used, and for all volume purchase discounts, rebates, or other credits applicable to the National School Lunch Program/School Breakfast Program (NSLP/SBP). We determined that the Missouri State agency did not adequately ensure that SFA's received the full value of the USDA donated commodities for fixed-price contracts. As a result, 36 SFA's contracting OPAA Food Management Inc. (OPAA), an FSMC, on a fixed-price basis did not receive the benefit of about \$2.8 million in donated commodities.

We evaluated the Food and Nutrition Service (FNS), State agency, and SFA controls over the adequacy of requests for proposal and contracts under which FSMC's agreed to manage the SFA's food service and, in particular, the FSMC's compliance with FNS regulations and guidelines. We determined controls did not operate as prescribed at one SFA. The Jennings SFA did not maintain a nonprofit school food program and properly identify school food program monies. The Jennings SFA also provided OPAA control of the cash collections from paid child and adult meals and the Federal and State reimbursement money. According to Federal regulations, this is prohibited. The Jennings SFA could not be assured the food service programs benefited from the \$756,311 they received in excess of their payments to the FSMC for 3 school years between 1998 through 2000.

Another audit objective was to determine the adequacy of FNS, State agency, and SFA controls over FSMC procedures used to account for USDA donated commodities and to ensure the accuracy of meal counts, claims, and FSMC billings. The Jennings SFA did not perform the required controls concerning the meal count system and Claims for Reimbursement. The SFA allowed OPAA to perform the meal counts and complete the Claims for

Reimbursement. The Jennings SFA also improperly provided control over the USDA donated commodities to OPAA per the contract. Consequently, USDA cannot be assured that the meal counts and the Claims for Reimbursement accurately reflect the children served by the school food programs or that the SFA received only the Federal reimbursement monies for which they were entitled. In addition, the Jennings SFA cannot be reasonably assured that the USDA donated commodities were used to solely benefit the food service program.

The Jennings SFA did not ensure that OPAA claimed only allowable expenses in its billings. Through a review of the SFA's and OPAA's records, we determined that Jennings SFA personnel did not review invoices from OPAA before payment.

We referred the FSMC to OIG Investigations because the 36 SFA's with fixed-price contracts did not receive credit for USDA donated commodities.

KEY RECOMMENDATIONS

We recommend that the State agency review contracts to ensure they contain a clause granting SFA's the full value of USDA donated commodities used in the school food programs.

FNS should require the State agency to monitor the SFA's more closely to ensure school food monies are readily identifiable and no more than a 3-month cash reserve is maintained. The State agency should be required to review contracts to ensure prohibited clauses are not included in contracts and ensure SFA's do not provide control of school food money to FSMC's. Further, the State agency needs to ensure the SFA's perform the required annual onsite reviews of each school's meal counting and claiming system. The State agency should require the SFA's to amend the contract to include provisions stating USDA donated commodities are the SFA's responsibility. SFA's should be directed to review all invoices received from FSMC's. Finally, FNS should request all overpayments to be collected, such as, the value of USDA donated commodities for which the SFA's did not receive full benefit and the excess net cash resources from the Jennings SFA.

AGENCY RESPONSE

FNS generally concurred with all the recommendations. Regarding the Jennings SFA maintaining a large excess cash reserve, FNS suggests that all the allowable program expenses were not disclosed in the audit report. FNS stated the State agency should ensure the SFA is properly accounting for income and expenses and reporting information pertaining to the nonprofit food service account according to Federal regulations.

OIG POSITION

We agree with the proposed actions; however, in order to reach management decision on the recommendations, we need to be advised of the FNS Regional Office timeframes for instructing the State agency to follow the prescribed corrective actions. We recognize that the SFA could have additional allowable program expenses not mentioned in the report. If the SFA provides documentation of additional expense not provided to us during the audit, we would like the opportunity to review such documentation.

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INTRODUCTION

BACKGROUND

The Food and Nutrition Service (FNS), an agency of the U.S. Department of Agriculture (USDA), administers the National School Lunch Program (NSLP). The National School Lunch

Act was passed in 1946, to safeguard the health and well being of the Nation's children and encourage the domestic consumption of agricultural commodities. The program provided Federal assistance to help public and nonprofit private schools serve nutritious lunches to children. In 1966, Congress expanded food assistance to include the School Breakfast Program (SBP), which became a permanent program in 1975.

Through the Missouri Department of Elementary and Secondary Education (State agency), FNS provides cash reimbursements to the School Food Authorities (SFA) for meals served in the NSLP/SBP. The Act, as amended, authorized payment of general and special cash assistance funds to State agencies. The general cash assistance is based upon the number of lunches served; whereas, the special cash assistance is based on the number of free or reduced-priced lunches/breakfasts served. Eligibility of children for free, reduced-price, or full-price lunches/breakfasts is based on family household size and income. The total cash assistance each State agency receives shall not exceed the number of meals claimed by the SFA.

SFA's may contract with Food Service Management Companies (FSMC) to assist in the food service operation involving the NSLP/SBP in one or more of their schools. However, the SFA is still responsible for overall program integrity and adhering to Federal and State requirements. A Request for Proposal (RFP) or Invitation For Bid (IFB) is provided to applicable bidders detailing the requirements each contract must meet. A contract between a SFA and an FSMC may include either a fixed-price or fee per meal or meal cost-plus-a-fixed-fee. The fixed-price or fee contract should specify that the credits and reductions for USDA donated commodities should be indicated on the invoice to the SFA. The cost-plus-a-fixed-fee contracts should specify that the value of USDA donated commodities used should be itemized in the regular monthly billings to the SFA to document savings resulting from commodity usage. Regardless of the type of contract, the contract should specify that the FSMC accepts liability for any negligence on its part that results in any loss of, improper use of, or damage to USDA donated foods. In addition, the contract should require the FSMC to maintain accurate and

complete records with respect to receipt, use/disposition, storage, and inventory of USDA donated foods.

State agencies have certain monitoring responsibilities. Federal regulations require State agencies to perform administrative reviews, also called Coordinated Review Effort (CRE) reviews, of each SFA at least once in a 5-year review cycle, provided that each SFA is reviewed at least once every 6 years. The first year of the first 5-year review cycle began on July 1, 1992.¹ The administrative reviews include a review of both critical and general areas and other areas of program operations determined by the State agency to be important to program performance. Critical areas are defined as (1) Certification/Counting/Claiming – All free, reduced-price, and paid lunches claimed for reimbursement are served only to children eligible for free, reduced-price and paid lunches, respectively, and counted, recorded, consolidated and reported through a system which consistently yields correct claims, and (2) Components – Lunches claimed for reimbursement within the SFA contain food items/components as required by Program regulations.² Federal regulations also require State agencies to conduct an annual review of each contract between any SFA and FSMC to ensure compliance with 7 Code of Federal Regulations (CFR), part 210.16, and to conduct onsite reviews of contracting SFA's at least once during each 5-year period. Such reviews must include an assessment of the SFA's compliance with 7 CFR part 210.16.³

The General Accounting Office (GAO) performed an audit in August 1996 concerning the Role and Impact of Private Food Service Companies. GAO reviewed the contracts between SFA's and FSMC's and determined that they did not contain all eight required contractual provisions. Under Federal requirements, FSMC contracts must include a provision stating that the SFA retains control of the overall financial responsibility for the school meal programs, including the nonprofit school food service account. The GAO report stated that about 35 percent of FSMC contracts reviewed did not contain the required provision. Federal regulations further provide that all contracts must state that the SFA retains title to the USDA donated commodities. In addition, SFA's are to ensure that these foods offset the cost to SFA's of providing school meals. According to GAO, a few contracts reviewed did not contain this provision.

The estimated NSLP/SBP funding for Federal fiscal year 2000 was over \$7 billion. Funding for the NSLP/SBP for Federal fiscal year 1999 and 1998 was

¹ 7 CFR 210.18(c)(1)

² 7 CFR 210.18(b)(1) and (2)

³ 7 CFR 210.19(a)(6)

\$6.8 and \$5.6 billion, respectively. The Missouri State agency received \$119.3 million and \$115 million for the 1999 and 1998 Federal fiscal years, respectively. In addition to cash reimbursements, schools are entitled to receive USDA donated commodities. Nationwide, States received about \$692 and \$762 million in commodities during Federal fiscal year 1999 and 1998, respectively. The Missouri State agency received \$12.9 million in commodities during 1999.

During school year 2000, there were 62 SFA's that maintained food service contracts with FSMC's in Missouri.

OBJECTIVES

The primary objective was to determine whether sufficient controls existed to ensure that selected FSMC's credited SFA's for the full value of USDA donated commodities used, and for all volume purchase discounts, rebates, or other credits applicable to the NSLP/SBP. Specifically, we evaluated FNS, State agency, and SFA controls over (1) the adequacy of RFP and contracts under which FSMC's agreed to manage the SFAs' food service, and in particular FSMC's compliance with FNS regulations and guidelines, (2) FSMC procedures to account for USDA donated commodities and issue commodity credits to the SFA for fixed-price or fee contracts used, (3) procedures to ensure that volume purchase discounts, rebates, or other credits are properly accounted for by FSMC's and credited to SFA's under cost-plus-a-fixed-fee type contracts, and (4) procedures to ensure the accuracy of meal counts, claims, and FSMC billings.

Through interviews with the FSMC's vendors and a review of the FSMC's invoices, we determined that the FSMC did not receive any volume purchase discounts, rebates, or other credits. Therefore, item three above did not apply to the selected FSMC.

SCOPE

We performed the audit at the Mountain Plains FNS Regional Office in Denver, Colorado; the Missouri Department of Elementary and Secondary Education in Jefferson City, Missouri; the Jennings SFA in Jennings, Missouri; and the Kennett SFA in Kennett, Missouri between May 30, and November 20, 2000. We conducted the audit, as an assist region, in conjunction with a nationwide audit of FSMC's.

Funding for the NSLP/SBP for Federal fiscal year 1999 was \$6.8 billion and the Missouri State agency received about \$119.3 million. States received USDA donated commodities during Federal fiscal year 1999 with a value of \$692 million of which the Missouri State agency received \$12.9 million.

During school year 2000, there were 62 SFA's operating in Missouri that maintained food service contracts with FSMC's. We selected OPAA Food Management, Inc. (OPAA), an FSMC, for review on a judgmental basis due to the large number of SFA's under contract. OPAA had 36 SFA's under fixed-price or fee contracts and 3 SFA's with cost-plus-a-fixed-fee contracts in Missouri in school years 1998, 1999, and 2000, which was the audit period. We judgmentally selected the Jennings SFA, which contracted with OPAA on a cost-plus-a-fixed-fee basis, and the Kennett SFA, who entered into a fixed-price or fee contract. These two SFA's were selected based on the value of meal reimbursements from the State Payments by Fund report. We contacted nine other SFA's, which had fixed-price or fee contracts with OPAA. The nine SFA's were selected on a judgmental basis according to the highest amount of USDA donated commodities received.

We evaluated the State agency and the SFA's internal controls over the meal count system and the process followed to procure a contract with an FSMC.

This audit was conducted in accordance with Government Auditing Standards.

METHODOLOGY

To accomplish our objectives and assess the internal controls, we reviewed records and interviewed officials at the FNS Regional Office, the State agency, and two SFA's. We interviewed officials and personnel at nine other SFA's either in person or by telephone. We also interviewed the contractor's vendors in person and by telephone. We evaluated the policies and procedures for contracting between SFA's and FSMC's at the FNS Regional Office and the State agency. We analyzed the contract documents, supporting documentation for the contractor's billings, and the SFAs' Claims for Reimbursement. Records reviewed included daily meal count records, compilations of daily meal count records, Claims for Reimbursement, contractor billings to the SFA's, supporting documentation attached to the billings, bills of lading for USDA donated commodities, contractor or district physical inventories of USDA donated commodities, contractor vendor invoices, contractor payroll records, requests for proposals, bid specifications, bid proposals, and contracts.

FINDINGS AND RECOMMENDATIONS

CHAPTER 1	STATE AGENCY CONTROLS OVER THE SFA's WITH FIXED-PRICE CONTRACTS WERE NOT SUFFICIENT
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The State agency's controls over SFA's with fixed-price contracts were not adequate to ensure compliance with FNS regulations. Controls were not in place to ensure OPAA, an FSMC, credited the SFA's for the value of USDA commodities that OPAA used in preparing NSLP lunches. The State agency did not properly monitor the SFA's contract to ensure that the SFA received the full value of USDA donated commodities. As a result, 36 school districts contracting with the selected FSMC on a fixed-price basis did not receive credit for over \$2.8 million in USDA donated commodities.

Also, controls were not sufficient to ensure maximum open and free competition for FSMC contracts. The State agency did not properly monitor the SFA's bidding process to ensure that FSMC's were provided sufficient time to submit bids. This condition may have contributed to the fact that only two FSMC's made bid proposals for the 2001 school year.

FINDING NO. 1

VALUE OF USDA DONATED COMMODITIES WAS NOT CREDITED TO SFA's

The value of USDA donated commodities used to prepare meals by OPAA was not established or documented in a manner that ensured SFA's would receive credit for the value of such commodities. This occurred primarily because the contract between OPAA and the SFA's did not contain the language, procedurally required,

to provide that the amount SFA's were invoiced would be credited or reduced for the value of the USDA commodities used. As a result, OPAA used \$2,815,826 worth of USDA commodities that were not identified with appropriate credits or reductions to 36 SFA's invoices. Also, any increase in USDA donated commodities served only to increase OPAA's profits, rather than to decrease the lunch prices paid by children. See exhibit A for a summary of monetary results and exhibit B for a listing of amounts received by each SFA for school years 1998 through 2000.

Federal regulations provide that all federally donated foods received by the SFA's and made available to the FSMC's accrue only to the benefit of the SFA's nonprofit school food service program.⁴ They further provide that the

⁴ 7 CFR 210.16 (a)(6), dated January 1998

SFAs' nonprofit school food service program.⁴ They further provide that the written contract between the SFA and the FSMC shall expressly provide that any donated foods received by the SFA and made available to the FSMC shall be utilized solely for the purpose of providing benefits for the SFA's food service operation, and it shall be the responsibility of the SFA to demonstrate that the full value of all donated foods is used solely for the benefit of the SFA.⁵

Federal guidance states, in part, that for fixed-price contracts, in order to establish and document the commodity value-pass-through, the contract should specify that the credits or reductions would be indicated on the invoices to the SFA.⁶ The State agency provided OPAA with a checklist of required contract clauses and recommended clauses. However, the checklist provided to the SFA did not list a clause specifying that the credits or reductions for the commodity value would either be indicated on the invoices or identified by another method.

At the Kennett SFA (the fixed-price contract SFA in our review), we reviewed OPAA's charges and determined that the value of donated commodities, amounting to \$148,221, was not deducted from any of the invoices for NSLP activity from 1998 through 2000. We expanded our review to determine the number of SFA's and the amount of USDA commodities received under fixed-price contracts with OPAA. We identified 36 SFA's participating in the NSLP under fixed-price contracts with OPAA from 1998 through 2000. Those SFA's received USDA commodities totaling \$2,815,826 during the 3-year period. We judgmentally selected nine of the largest SFA's to determine if their invoices from OPAA included credits or reductions for the USDA commodities. Officials from the nine SFA's telephonically advised us that their invoices from OPAA did not contain credits for USDA commodities.

We obtained and reviewed the contracts for the Kennett SFA and four of the nine SFA's that we contacted. We determined that none of the five contracts specified how the SFA's were to receive credit for the USDA donated commodities used in preparing the meals billed on FSMC invoices.

State agency officials did not question the fact that USDA donated commodities were not credited on the invoices received by the SFA's from

⁴ 7 CFR 210.16 (a)(6), dated January 1998

⁵ 7 CFR 250.12(d), dated January 1998

⁶ FNS guidance, "Contracting with Food Service Management Companies, Guidance for School Food Authorities", dated June 1995, Chapter 3

OPAA. State agency officials said they presumed that the value of USDA commodities was factored into OPAA's bids.

But, an OPAA official told us that the value of USDA commodities was not considered or factored in. OPAA was aware that there would be some USDA commodities. And, that information is always considered when the decision on the amount to bid is made. We were provided with the meal cost worksheet used in developing the bid to show that the value of USDA commodities is not considered in arriving at the cost per meal. OPAA's costs included on the meal cost worksheet are based on the current year's menus. After the cost data is prepared, the bid is prepared knowing there will be some USDA commodities. The bid proposal is based on all this knowledge and then guessing what amount would result in a successful bid considering the competing bidders. The OPAA official stated several times on several occasions that USDA commodities were not considered in developing cost data for the bid. The OPAA official telephoned us after State agency officials advised OPAA that OIG thought there was some kind of pre-credit in the rate for USDA commodities or that commodities were considered in the costs when developing the bid. The OPAA official wanted to assure us that there was no pre-credit and that USDA commodities are not considered in the cost data when developing the bid. The OPAA official said that if there are commodities or there is an increase in commodities then that is good because it increases profit. The official further stated if there are no commodities or if there is a decrease in commodities then that is not good because it decreases profits. (Note: there has never been a rate adjustment based on SFA's receiving a different level of entitlement commodities or bonus commodities. And there were bonus commodities for the 36 SFA's totaling \$305,670 for the 3-year period without rates being decreased.)

Since the OPAA official said that rates were determined without consideration given to the value of donated commodities, we asked the purpose of Clause 2.5 of the contract that states:

The above rates are subject to the condition that the food and foodstuffs provided by the USDA under the commodity foods and the breakfast and lunch milk programs remain at the same level and quality as for the school year 1994-95. If the quantity of food and foodstuffs provided by the USDA's Food Distribution Program decreases below the 1994-95 rate per child, COMPANY reserves the right to increase, or, if the quantity increases above the 1994-95 rate per child, the DISTRICT reserves the right to decrease the contract rate per meal to a rate agreed upon between DISTRICT and COMPANY subject to the approval of the Missouri Department of Elementary and Secondary Education; which rate

increases/decreases shall be based upon cost figures established by the USDA and the Missouri State Department of Elementary and Secondary Education. Value of federally donated commodities will be determined by using USDA pound/unit values.

The OPAA official said the State agency recommended Clause 2.5 be included in the contract. The official further stated that Clause 2.5 had never been enforced during the time the official spent with the company. State agency officials said they had never recommended Clause 2.5. (NOTE: We found that for the Kennett SFA there were increases and decreases in donated commodity values ranging from a negative 5.42 percent in 1996, to a positive 33.26 percent in 1999 each year from 1995 to 2000, without the rates being increased or decreased.) We concluded that Clause 2.5 had no relevance based on neither the State agency nor OPAA claiming credit for its existence and the OPAA official saying it was never invoked. The table below shows the donated commodity value increases and decreases for the Kennett SFA from 1995 through 2000:

Year	Received	Increase (Decrease) Over Base Year	Percentage Increase (Decrease) Over Base Year
1994-1995 (Base Year)	\$44,479		
1995-1996	\$42,069	(\$ 2,410)	(5.42%)
1996-1997	\$45,745	\$ 1,266	2.85%
1997-1998	\$46,124	\$ 1,645	3.70%
1998-1999	\$59,271	\$14,792	33.26%
1999-2000	\$42,826	(\$1,653)	(3.72%)
Net Increase		\$13,640	

We concluded from meal cost data documentation provided by an OPAA official and from interviews with the OPAA official that USDA commodities were not considered in cost data for developing the bid rate. There was no indication of a pre-credit for USDA commodities. (Note: A pre-credit for developing bids is not authorized by regulations. And, the use of a pre-credit by some bidders and not by others would result in an unfair advantage over those bidders not using USDA commodities to reduce their cost basis in developing their bids.) We further concluded that any value assigned by an OPAA official to USDA commodities was not documented. And, at most, was merely intuitive in developing the bid proposal so as to result in a successful bid with maximum profits. There was nothing established or documented, as required by FNS regulations, to ensure SFA's received credit for USDA commodities used by OPAA.

We referred the FSMC to OIG Investigations because the 36 SFA's with fixed-price contracts did not receive credit for USDA donated commodities.

RECOMMENDATION NO. 1

After obtaining clearance from OIG Investigations, recover the value of the commodities for which the SFA's did not receive any benefit.

Agency Response

FNS concurs with this recommendation and subsequent to receiving clearance from OIG Investigations, they will recover the value of USDA donated commodities for which the SFA's did not receive any benefit.

OIG Position

In order to reach a management decision, we need to be notified that the disallowed costs have been recovered or an accounts receivable established for the amounts still owed.

RECOMMENDATION NO. 2

Instruct the State agency to require OPAA to credit SFA's for school year 2001 USDA donated commodities used to prepare school meals. Also, ensure that the bid process and

contracts are developed so that SFA's receive credit for USDA donated commodities in addition to revising the checklist provided to SFA's to include the contract language needed.

Agency Response

FNS concurs with this recommendation and will instruct the State agency to require OPAA to credit all SFA's for the value of USDA donated commodities used for preparing the school meals in accordance with the applicable 7 CFR and guidance provided by FNS to the SFA's. FNS will also instruct the State agency to revise the checklist of required contract language to ensure that the contracts expressly state the SFA will receive credit for USDA donated commodities used for preparing school meals.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the recommended corrective actions.

FINDING NO. 2

SFA DID NOT ACHIEVE MAXIMUM FREE AND OPEN COMPETITION FOR FSMC CONTRACTS

The Kennett SFA did not provide the minimum timeframes suggested by Federal guidance for potential bidders to respond to IFB's or RFP's. The State agency's review of the SFA's bid process was not sufficient to disclose the condition. This condition may have contributed to the fact that only two FSMC's made bid

proposals for the 2001 school year contract.

FNS provided guidance to SFA's concerning free and open competition during the bidding process. This guidance states, in part that, "Unless otherwise specified by State or local procurement standards, it is suggested that at least 45 days for IFB's and 60 days for RFP's be allowed from the time bids/proposals are solicited to the time that they are due." Chapter 4 of the same guidance states under advertising methods that under either the IFB or RFP procurement method, copies of the complete IFB/RFP should be mailed to prospective offerors, i.e., those FSMC's that are qualified and that might reasonably be expected to respond to the solicitation. The guidance also states that any amendments or changes to the IFB/RFP, as well as any questions and answers resulting from written offeror inquiries or from a pre-bid/pre-proposal meeting, must be submitted to all prospective offerors. In addition, the guidance states that the IFB/RFP should be published in accordance with State/local procurement procedures, and that generally this would be done by advertising in major newspapers/trade journals that are normally used by the SFA for publicizing other procurements.⁷

FNS guidance also provides that State agencies must evaluate by the most appropriate means possible, whether the SFA is meeting its responsibilities during the bid process. The SFA must solicit bids from an adequate number of known suppliers, publicly advertise the IFB, and provide sufficient time prior to the date set for opening bids.⁸

We reviewed the bid specifications for the school year 2001 contract. The SFA gave January 7, 2000, as the date to obtain bid specifications with February 8, 2000, as the due date for the bids. January 7 to February 8, 2000, only allowed companies 32 days to prepare their bids. The SFA rejected all bids for this round due to complaints about one of the two bidders and reopened the bidding process. The reopened bid process was published in a local newspaper April 14 and 20 with bids due by May 9, 2000. This provided companies 25 days at the maximum to prepare bids. Only

⁷ FNS guidance, "Contracting With Food Service Management Companies, Guidance for School Food Authorities", dated June 1995, Chapter 4, under the Time Allowed section

⁸ FNS guidance, "Contracting With Food Service Management Companies, Guidance for State Agencies", dated June 1995, Chapter 3

OPAA and one other FSMC were sent the actual bid specifications. The other two FSMC's contacted were sent a copy of the press release on April 5, 2000, and notified that they could obtain the bid specifications on April 14, 2000. SFA officials stated that both OPAA and the other FSMC, which were sent the bid specifications, stated that they had sufficient time to prepare their bid proposals while the other two companies did not respond to either bid invitation. During the exit conference, SFA officials stated that in the future, they would provide the time recommended in the FNS guidance for prospective bidders.

RECOMMENDATION NO. 3

Instruct the State agency to encourage SFA's to use the suggested timeframes unless otherwise specified in State or local procurement standards.

Agency Response

FNS concurs with this recommendation and will instruct the State agency to encourage SFA's to use the suggested timeframes outlined in the guidance provided by FNS. In addition, FNS will instruct the State agency to follow the procedures outlined in policy memoranda SP 00-06, which states, in part, that it is essential to plan for competition by mailing a copy of the RFP to known suppliers.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

Controls over the Jennings SFA school food program were not operating as prescribed by Federal regulations and procedures. The State agency did not properly review the SFA's cash resources to ensure the SFA only retained a 3-month cash reserve. In addition, the State agency did not adequately review the contract between the Jennings SFA and OPAA to ensure that prohibitive clauses were not included in the contract. During the CRE reviews, the State agency did not ensure that the Jennings SFA monitored OPAA's meal count system or that Jennings SFA personnel completed the Claims for Reimbursement. As a result, the Jennings SFA could not be assured the food service programs benefited from \$756,311 they received in excess of their payments to OPAA for 3 school years. Also, the SFA did not have reasonable assurance that OPAA accurately reported cash collections they received from the full and reduced price meals. In addition, the Jennings SFA cannot be assured that the meal counts and Claims for Reimbursement were accurate.

FINDING NO. 3**JENNINGS SFA DID NOT OPERATE
A NONPROFIT SCHOOL FOOD
PROGRAM**

The Jennings SFA school meal program improperly received an excessive profit every year in school years 1998 through 2000. The profit was not accounted for in such a way as to ensure that it benefited only the food service program. This occurred through contractual arrangements between the Jennings SFA and OPAA. Also, the State agency was not aware of the condition because they did not monitor the SFA's cash resources as required. As a result, the SFA could not be assured the food service programs benefited from the \$756,311 they received in excess of their payments to the FSMC for 3 school years between 1998 through 2000. See exhibit C for a spreadsheet showing the payments received by the SFA from OPAA in accordance with their agreement that the SFA would profit from OPAA's operation of the food service.

Federal program regulations permit two types of payment or fee structures in SFA contracts with FSMC's: a fixed-price or fee, and a cost-plus-a-fixed-fee.⁹

Federal regulations also state that the State agency shall review all contracts between SFA's and FSMC's annually.¹⁰ Section 2.1. of the contract dated

⁹ FNS guidance for school food authorities, "Contracting with Food Service Management Companies", dated June 1995, Chapter 3

¹⁰ 7 CFR 210.19 (a)(6), dated January 1998

February 22, 1999, states that the district will pay OPAA on a reimbursable cost and fee basis. However, section 2.1.6 of the contract provides that reimbursement payments made by the State agency to the SFA for meals and/or beverages would be credited to the school food account controlled by OPAA. The review of the contract should have disclosed the impropriety of this provision.

Federal regulations also state that under its agreement with the State agency, each SFA shall maintain a nonprofit school food service and limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency.¹¹ In addition, the State agency is to monitor the SFA's net cash resources through review or audit or other means. The regulation further provides that if the SFA is found to have excess cash resources, the State agency can require the SFA to reduce the price children are charged for lunches, improve food quality, or take other action designed to improve the nonprofit school food service, or in the absence of any such action, the State agency shall make adjustments in the rate of reimbursement under the Program.¹²

Normally, an SFA operating under a cost-plus-a-fixed-fee basis would be billed by the FSMC for the cost of providing the meals plus the agreed upon fee per meal for each meal served. The arrangement between OPAA and the SFA was different in that it provided that OPAA would receive all revenue from adult meals, student fully paid and reduced priced meals, and all the Federal and State reimbursement the SFA received throughout the year.

In the 3 school years from 1998 to 2000, the amount of Federal and State reimbursements paid to OPAA by the Jennings SFA exceeded the cost of preparing all meals served to adults, fully paid, reduced price, and free students plus the management fee by \$231,596. Adding the \$524,715 received from the adult meals, fully paid and reduced priced student meals increases the revenue over cost-plus-fee to \$756,311. OPAA wrote annual checks, which totaled \$756,311 in school years 1998 through 2000, to the Jennings SFA. OPAA guaranteed the Jennings SFA a minimum annual profit of \$50,000.

Also, OPAA maintained control over the cash income for full and reduced priced child and adult meals and control over the school food service account. The SFA did not have a separate bank account for the school food

¹¹ 7 CFR 210.9(b)(1) and (2), dated January 1998

¹² 7 CFR 210.19(a)(2), dated January 1998

service revenues and expenses. Instead, the SFA maintained a general bank account from which all district expenses were paid. We traced the deposits of payments from OPAA to the SFA's general bank account, which was used to pay the SFA's expenses, including teacher salaries, etc. The school food program monies were not identifiable.

FNS Regional Office personnel stated that unless the SFA had "earmarked" the money for renovations or purchases, they could not maintain more than 3 months revenue in their school food account. They stated that it is allowable to have the general account but there should be account codes or other ways of identifying where the school food program money was spent.

The certified public accountant (CPA) that performed the SFA's single audit, required by Office of Management and Budget Circular A-133 did not perform the required review of the SFA's financial activities. The CPA should have identified the above condition if he had performed the required review. The CPA stated that he omitted the section of the compliance supplement pertaining to school food accounts listed under the Special Tests and Provisions segment because he thought SFA was an acronym for State Food Authority and therefore, did not apply to the School Food Authority.

During the exit conference, SFA personnel stated they could not say definitely that the \$756,311 was spent on food service. They did say, however, that new kitchen equipment was purchased during the 2000 school year. During another exit conference, State agency officials provided the Annual Secretary of the Board Report for the 3 school years. However, expense information on the report could not be reconciled with information obtained at the SFA or from OPAA. We determined the Food Expenses category shown in the report represented the Federal and State reimbursements billed by OPAA. The amounts billed by OPAA were the SFA's Federal and State meal reimbursements and not actual expenses. State office personnel later stated that information contained in the Annual Secretary of the Board Report is reviewed by the SFA's CPA. However, the CPA refused our repeated requests to review the workpapers. Therefore, we were unable to determine if the information contained in the reports was accurate.

RECOMMENDATION NO. 4

Require the State agency to collect all of the excess income from the Jennings SFA.

Agency Response

FNS agrees the report provides strong indications that the SFA's net cash resources exceed the 3-month average expenditure. However, FNS indicates that there may be allowable program expenses that were not disclosed in the audit report. FNS states that the State agency, through use of a limited scope audit or by other means, should ensure the SFA is properly accounting for income and expenses and reporting information pertaining to the nonprofit food service account in accordance with 7 CFR Part 210.19 (a)(2).

OIG Position

We recognize that the SFA could have additional program expenses that were not mentioned in the audit report. However, we specifically asked the SFA personnel for all supporting documentation concerning expenses related to the school food program. The information we received is reflected in the audit report. We would appreciate an opportunity to review any additional documentation provided by the State agency to justify the questioned costs. In order to reach a management decision on this recommendation, we need to be advised the disallowed costs have been recovered or that an accounts receivable has been established for any amounts still owed.

RECOMMENDATION NO. 5

Instruct the State agency to monitor the SFA more closely to ensure that the SFA has an accurate method to account for all the school food program income and expenses separately

from the general school accounts.

Agency Response

FNS concurs with this recommendation and will instruct the State agency to monitor the SFA more closely in accordance with 7 CFR Part 210.19(2).

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

RECOMMENDATION NO. 6

Direct the State agency to inform the SFA's contracting with FSMC's that the Federal and State reimbursements should be maintained by the SFA. Also require the State agency to

instruct SFA's, with cost reimbursable contracts, to pay only the contracted

allowable expenses plus the management fee to FSMC's as required by Federal regulations.

Agency Response

FNS concurs with this recommendation and will direct the State agency to follow Federal regulations and FNS guidance.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

RECOMMENDATION NO. 7

Instruct the State agency to determine why the SFA's Federal and State reimbursements exceeds their total expenses and adjust the reimbursement rates if necessary.

Agency Response

FNS will instruct the State agency to determine why the SFA's Federal and State reimbursements exceeds their total expenses and to adjust the reimbursement rates if necessary. However, FNS states that it is appropriate for the State agency to permit SFA officials to assess their situation and be afforded the opportunity to upgrade their food service or lower prices to children who are paying full price.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

FINDING NO. 4

**SFA CONTRACT WITH OPAA
INCLUDED A PROHIBITED
PROVISION**

Jennings School District officials signed a cost reimbursement contract with OPAA that included a clause, prohibited by Federal regulations, stating that the income and expenditures of the food service would accrue to a food service account managed by OPAA. Another prohibited clause in the contract stated

that OPAA would maintain control of the cash collections from the food service. State agency officials approved the contract with the prohibited clauses. As a result, there is no reasonable assurance that the \$524,715 in cash collections reported by OPAA and deposited into OPAA's account

during the school years ending June 30, 1998, 1999, and 2000, was an accurate and complete accounting. In addition, OPAA was not required to account for interest or dividends earned on the cash collections. See exhibit C for a spreadsheet detailing the sales reported by OPAA.

Federal regulations require the State agency to annually review each contract between any SFA and FSMC to ensure compliance with all Federal provisions and standards.¹³ SFA officials stated that the clause was included in the bid made by OPAA and they accepted the bid. The State agency sanctioned the contract after it was signed but did not prevent the inclusion of the prohibited contract provisions.

Federal regulations prohibit contract clauses that permit all income and expenses to accrue to the FSMC.¹⁴ FNS guidance to SFA's states that if the SFA uses an FSMC, the SFA remains responsible for the overall operation of the school nutrition programs. This responsibility requires the SFA to maintain direct involvement in the operation of the food service. The SFA must retain control of the quality, extent, and general nature of the food service and the prices to be charged to the children for meals. Such control must include retaining control of the nonprofit school food service account, overall financial responsibility for the school nutrition programs, and establishing all prices for all meals served under the nonprofit school food service account (e.g. pricing for reimbursable meals, a la carte food services, and adult meals as applicable).¹⁵

Section 2 of the contract dated February 22, 1999, accrues all income and expenses to the FSMC. Specifically, the contract provides that OPAA would maintain the school food service account (Section 2.1.1). The contract section also provides that OPAA would receive and have accountability for the income from cash received from children and adults for meals (Sections 2.1.5, 2.5, and 2.16.)

OPAA personnel performed the meal counts at the schools and collected the money paid for meals by students and adults. The cash collections were maintained by OPAA. The contract between the Jennings SFA and OPAA required that OPAA manage the income and expenditures accruing in a separate school food service account. We determined there were no controls ensuring that the contractor completely and accurately reported the

¹³ 7 CFR 210.19 (a)(6), dated January 1998

¹⁴ 7 CFR 210.16(c), dated January 1998

¹⁵ FNS guidance for school food authorities, "Contracting with Food Service Management Companies", dated June 1995, Chapter 1

cash collections and used the proceeds and interest income from the cash collections for program purposes. OPAA reported cash sales collections of \$524,715 for the 3 school years.

During the exit conference, State agency personnel stated they interpreted the contract to mean OPAA collected money for school meals paid by children and adults and deposited the money in the SFA's bank account. Therefore, they did not consider this a prohibited clause in the contract. However, our review showed that OPAA retained the money until the end of the school year. SFA officials confirmed that OPAA deposited the cash collections into an OPAA bank account. At the end of the school year, OPAA included the cash collected from school meals in an annual check to the SFA.

RECOMMENDATION NO. 8

Instruct the State agency to ensure that the contract is either amended so that the income and expenses of the SFA's food service program accrue to the SFA or that the SFA can terminate the contract without penalty and solicit bids for a new contract.

Agency Response

FNS concurs with this recommendation and will instruct the State agency to ensure the contract between the SFA and FSMC is either amended so that the income and expenses of the SFA's food service program accrue to the SFA or that the SFA can terminate the contract without penalty and solicit bids for a new contract.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

RECOMMENDATION NO. 9

Direct the State agency to carefully review contracts before the contract becomes effective to ensure that prohibited clauses are not included, such as profit guarantees and deposits to bank accounts controlled by FSMC's.

Agency Response

FNS concurs with this recommendation and will direct the State agency to review the contracts before the contract becomes effective to ensure that prohibited clauses are not included in the contract.

OIG Position

We agree with the proposed action; however, in order to reach management decision, we need to be advised of the timeframe in which the regional office plans to direct the State agency to review the contracts before they become effective.

FINDING NO. 5

SFA DID NOT IMPLEMENT REQUIRED CONTROLS OVER MEAL COUNTING SYSTEM

The Jennings SFA did not perform required controls concerning the meal count system and the Claim for Reimbursements form. The SFA allowed the FSMC to perform the meal counts and complete the Claim for Reimbursement. Also, State agency reviewers did not detect the fact that SFA did not perform the onsite reviews.

As a result, we cannot be assured that the meal counts and Claims for Reimbursement accurately reflect the children served by the NSLP/SBP or that the SFA received only the Federal reimbursement monies for which they were entitled.

Federal regulations state that the SFA shall establish internal controls, which ensure the accuracy of lunch counts prior to submission of the monthly Claims for Reimbursement. The regulation further states that at a minimum, these internal controls shall include an onsite review of the lunch counting and claiming system employed by each school within the jurisdiction of the SFA, comparisons of daily free, reduced-price, and paid lunch counts against data which will assist in the identification of lunch counts in excess of the number of free, reduced-price, and paid lunches served each day to children eligible for such lunches, and a system for following up on those lunch counts which suggest the likelihood of lunch counting problems. In addition, these regulations require that each SFA with more than one school perform no less than one onsite review each school year before February 1 of the school year of the lunch counting and claiming system employed by each school under its jurisdiction.¹⁶

State agency reviewers did not detect the fact that SFA did not perform the onsite reviews. Federal regulations require the State agency to ensure that the SFA conducts onsite reviews and monitors claims in accordance with regulations.¹⁷ The checklist used by State agency reviewers for the 1998 CRE review stated that the SFA had planned or completed an onsite review as of February 1. However, through review of SFA documentation and

¹⁶ 7 CFR 210.8 (a)(1), revised January 1, 1998

¹⁷ 7 CFR 210.18(h)(4), dated January 1998

interviews with SFA personnel, we determined that the onsite reviews were never conducted.

For example, the SFA was unable to account for 351 free lunches claimed on the March 1998 Claim for Reimbursement sent to the State agency. SFA officials stated that the SFA did not perform onsite monitoring reviews of its schools' meal counting systems. SFA officials also stated that they did not do any reviews at the schools or of cash register tapes that show the daily meal counts by type (e.g. free, reduced-price, and paid). Federal regulations further state that SFA's shall maintain on file each month's Claim for Reimbursement and all data used in the claims review process for each school in the district.¹⁸ SFA personnel stated that the CPA tests the meal counting system as part of his coverage of the NSLP. We concluded that the single audit is not a substitute for the SFA monitoring.

During the exit conference with the Jennings SFA superintendent, an OPAA official stated that SFA bookkeepers were doing edit checks for reasonableness against approved free and reduced applications. However, edit checks do not preclude the SFA from onsite monitoring of the meal count process or reviewing cash register tapes or other methods to ensure the Claims for Reimbursement are accurate.

RECOMMENDATION NO. 10

Instruct the State agency to ensure that the SFA performs the required annual onsite reviews of each school's meal counting and claiming system. The SFA must also retain and review

all supporting documentation for the Claims for Reimbursement they submit to the State agency.

Agency Response

FNS concurs with this recommendation and will instruct the State agency to ensure that the SFA performs the required onsite reviews prior to February 1 of each year for each school's daily lunch count data in accordance with 7 CFR Part 210.8.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

¹⁸ 7 CFR 210.8(a)(5), dated January 1998

The SFA's needed to maintain better controls over their school meal programs. The Jennings SFA did not maintain control over the USDA donated commodities or review invoices and supporting documentation before paying OPAA. When calculating the number of meals served, the Kennett SFA did not trace OPAA's invoices to the daily participation sheets. As a result, the Jennings SFA cannot be assured that USDA donated commodities were used to solely benefit their school meal programs or that payments to OPAA were accurate. The Kennett SFA underpaid OPAA \$400 for breakfasts.

FINDING NO. 6**SFA IMPROPERLY PROVIDED FSMC
CONTROL OF USDA COMMODITIES**

Controls over USDA donated commodities were not operating as prescribed by Federal regulations. The Jennings SFA improperly provided control over USDA donated commodities to OPAA per the contract. The SFA did not perform a yearly joint inventory with OPAA as required per the contract. In addition, the SFA did not perform the promised actions in their corrective action plan response to the State agency's CRE review. As a result, the SFA could not be reasonably assured that USDA donated commodities were used to solely benefit the food service program.

Federal regulations provide that any donated foods received by the recipient agency and made available to the FSMC shall be utilized solely for the purpose of providing benefits for the employing agency's food service operation and it is the responsibility of the recipient agency to demonstrate that the full value of all donated foods is used solely for the benefit of the recipient agency. Regulations further provide that recipient agencies, such as SFA's, stock and space foods in a manner so that USDA donated foods are readily identified.¹⁹ FNS guidance requires that the SFA retain and maintain direct involvement in the operation of the food service. The following SFA responsibilities must **not** be delegated to an FSMC: Ensure that all USDA donated foods received by the SFA and made available to the FSMC accrue only to the benefit of the SFA's nonprofit school food service and are fully utilized therein. Retain title to USDA donated foods.²⁰

¹⁹ 7 CFR 250.12 (c)(1) and 250.14 (b)(4), dated January 1998

²⁰ FNS guidance for school food authorities, "Contracting with Food Service Management Companies", dated June 1995, Chapter 1

Section 1.18 of the contract dated February 22, 1999, states, "To the maximum extent possible, COMPANY shall use in the preparation of meals served to students, commodities donated to the DISTRICT by the USDA, and shall be responsible therefore. COMPANY shall maintain adequate storage practices, inventory and control of such foods to ensure that their use is in conformance with DISTRICT'S agreement with the State Distribution Agency. COMPANY shall provide DISTRICT ready access to food storage areas and to inventory control records on the purchased foods and the government-donated commodities for such inspection and review as, in the opinion of the DISTRICT, is necessary."

Federal regulations state that distributing agencies shall ensure that subdistributing and recipient agencies conduct and document annual reviews of their respective storage facilities.²¹ The SFA did not perform a joint review with OPAA of the food and merchandise on hand at the beginning of the 2000 school year although the contract provided that they would do so. During the State agency CRE review of the SFA in 1998, the reviewers noted that the SFA did not monitor OPAA inventories of open order USDA commodities. The SFA's corrective action plan stated that the food service director would provide the superintendent a copy of all delivered commodities monthly. However, we noted no evidence that the SFA was monitoring the inventories, nor did the SFA food service records provided to us contain any copies of delivered commodities.

In addition, we determined there were discrepancies between our physical observation of the inventory storage during our visit in August 2000, and the ending inventory in May 2000. OPAA's ending inventory at the schools showed no dry pasta, beans, or cooking oil on hand at the end of the school year, but we observed these commodities on hand in the high school storage area. We reviewed the bills of lading and determined that the SFA did not receive any dry pasta, beans, and cooking oil during June through August.

RECOMMENDATION NO. 11

Require the State agency to ensure that Jennings SFA contract is amended to include provisions for the USDA donated commodities to be the SFA's responsibility.

²¹ 7 CFR 250.14(c), dated January 1998

Agency Response

FNS concurs with this recommendation and will require the State agency to ensure the SFA amends the contract in accordance with 7 CFR Part 210.19 (a)(6) and FNS guidance to SFA's.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

RECOMMENDATION NO. 12

Direct the State agency to follow up to ensure that the Jennings SFA performs and documents annual reviews of its storage facilities.

Agency Response

FNS concurs with this recommendation and will direct the State agency to ensure that the Jennings SFA performs and documents annual reviews of its storage facilities in accordance with Federal regulations. In addition, the regional office staff will follow up with the State agency to ensure they understand the requirement for recipient agencies to conduct annual reviews of their storage facilities.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

FINDING NO. 7

**SFA NEEDS IMPROVED CONTROLS
OVER MEALS BILLED BY FSMC**

The Kennett SFA did not have adequate controls over the process used to pay OPAA for meals served. The SFA recalculated the totals from OPAA's billings, but did not trace the FSMC invoices back to the daily participation sheets completed at the schools. As a result,

OPAA overclaimed 1,258 lunches billed at about \$1,826 and underclaimed 2,368 breakfasts billed at approximately \$2,234. The Kennett SFA underpaid OPAA by \$408.

Federal regulations state each SFA shall ensure that claims for reimbursement are limited to the number of free, reduced-price, and paid lunches served to eligible children for each day of operation. To provide this assurance, the SFA is required to establish internal controls, to include

comparison of daily free, reduced-price, and paid lunches against data that will assist in the identification of excess lunch counts.²²

We traced the billings from OPAA to the daily meal counts by schools and determined that OPAA billed more lunches and less breakfasts than the daily meal count records supported. The SFA recalculated the totals from OPAA's billings, but did not check the invoices back to the daily participation sheets from each school. SFA officials stated that OPAA generally used the SFA's count if the point-of-service counts taken at the schools by SFA employees were different from OPAA's counts. During our exit conference with SFA officials, they stated that SFA personnel started checking the OPAA's invoices back to the daily participation sheets after we brought the meal count discrepancies to their attention. The daily participation sheets list the number of meals served to adults and children by category and a la carte items.

RECOMMENDATION NO. 13

Direct the State agency to verify that the SFA implements controls, including the comparisons of the invoices to daily counts, to ensure accurate meal reimbursements.

Agency Response

FNS concurs with this recommendation and will direct the State agency to verify that the SFA implements controls, including comparisons of the invoices to daily counts, to ensure accurate meal reimbursements.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

FINDING NO. 8**SFA DID NOT REVIEW EXPENSES
BILLED BY FSMC BEFORE ISSUING
THE PAYMENT**

The Jennings SFA did not ensure that OPAA claimed only reasonable and allowable expenses in its billings. The SFA did not review or request food invoices from OPAA. In addition, the SFA did not review billings provided by OPAA before they issued the payments. Therefore, the Jennings SFA cannot

be assured that OPAA is accurately billing the SFA for actual expenses.

²² 7 CFR 210.7(c) and 210.8(a), dated January 1998

Federal regulations state, in part, that the SFA must also retain control of the quality, extent and general nature of the food service. Such control must include retaining control of the nonprofit school food service account and overall financial responsibility for the school nutrition programs.²³

The SFA records provided to us showed no evidence that SFA officials reviewed the food invoices before paying the bill. In addition, a SFA official stated that no one at the SFA was currently requesting or reviewing the food invoices. According to the Jennings SFA corrective action plan to the State agency's CRE review performed in 1998, the SFA stated that the superintendent or his designee would review invoices for the food purchases. Also, we determined that in six instances the SFA did not retain the supporting documents sent by OPAA with its billings. OPAA sent the SFA an income statement showing the revenue and expenditures claimed for the food service for the month and year-to-date, the Claim for Reimbursement ready for signature, a cafeteria report, and a statistical report.

RECOMMENDATION NO. 14

Direct the State agency to ensure that the SFA obtains and retains all attachments sent by FSMC with the invoices.

Agency Response

FNS concurs with the recommendation and will direct the State agency to ensure that the SFA obtains and retains all records provided by the FSMC.

OIG Position

In order to reach management decision, we need to be notified of the proposed dates for implementing the corrective actions shown in the response.

RECOMMENDATION NO. 15

Instruct the State agency to followup on the corrective action plan submitted by the SFA to ensure that the SFA annually reviews the supporting receipts for expenditures claimed by

OPAA. The State agency should also follow up to ensure that SFA's take actions promised in the corrective action plan.

Agency Response

FNS believes it is not appropriate to limit the SFA's responsibility for ensuring that the program is in full compliance with the agreement for operating the

²³ FNS guidance for school food authorities, "Contracting with Food Service Management Companies", dated June 1995, Chapter 1

program to once per year. FNS will instruct the State agency to ensure the SFA is in conformance with its corrective action plan in accordance with 7 CFR Part 210.19.

OIG Position

Based on the fact the SFA did not reconcile any of the food invoices before paying the FSMC, we recommended that the SFA perform this function at least annually. We will concur with FNS if the SFA is required to reconcile the invoices more often. In order to reach management decision, we need to be informed of when the State agency will be instructed to monitor the SFA to ensure the SFA is in conformance with the corrective action plan.

EXHIBIT A – SUMMARY OF MONETARY RESULTS

Finding No.	Description	Amount	Category
1	SFA's With Fixed-Price Contracts Did Not Receive Full Benefit of USDA donated Commodities	\$2,815,826	Questioned Costs, Recovery Recommended
3	SFA Received Excess Net Cash Reserves from FSMC	\$ 756,311	Unsupported Costs, Recovery Recommended

EXHIBIT B – COMMODITIES RECEIVED BY SFA'S WITH FIXED-PRICE CONTRACTS WITH OPAA

AGREEMENT NUMBER	SFA NAME	VALUE OF COMMODITIES RECEIVED 2000 ²⁴	VALUE OF COMMODITIES RECEIVED 1999	VALUE OF COMMODITIES RECEIVED 1998	TOTAL VALUE OF COMMODITIES RECEIVED 1998 - 2000
006-104	Lamar R-I	\$ 23,682	\$ 25,070	\$ 25,194	\$ 73,946
010-089	Boone Co. R-IV	\$ 17,968	\$ 21,086	\$ 20,305	\$ 59,359
018-050	Van Buren R-I	\$ 10,289	\$ 16,987	\$ 12,485	\$ 39,761
019-148	Pleasant Hill R-III	\$ 23,400	\$ 26,416	\$ 26,137	\$ 75,953
020-002	El Dorado Springs R-II	\$ 21,900	\$ 24,922	\$ 22,425	\$ 69,247
022-089	Nixa R-II	\$ 39,861	\$ 53,337	\$ 46,196	\$ 139,394
024-089	Excelsior Springs	\$ 45,171	\$ 68,696	\$ 53,149	\$ 167,016
025-003	Clinton Co. R-III	\$ 14,656	\$ 17,319	\$ 16,544	\$ 48,519
032-055	Maysville R-I	\$ 17,568	\$ 24,198	\$ 23,246	\$ 65,012
035-102	Kennett #39	\$ 42,826	\$ 59,271	\$ 46,124	\$ 148,221
036-134	Spring Bluff R-XV	\$ 5,929	\$ 6,574	\$ 5,488	\$ 17,991
036-137	Sullivan C-2	\$ 33,349	\$ 36,917	\$ 32,794	\$ 103,060
045-077	Fayette R-III	\$ 11,437	\$ 16,064	\$ 14,157	\$ 41,658
054-041	Odessa R-VII	\$ 38,876	\$ 44,897	\$ 41,889	\$ 125,662
054-045	Lexington R-V	\$ 25,046	\$ 30,241	\$ 25,636	\$ 80,923
055-110	Aurora R-VIII	\$ 29,831	\$ 40,269	\$ 33,469	\$ 103,569
058-107	Bucklin R-II	\$ 5,598	\$ 6,360	\$ 6,304	\$ 18,262
058-109	Marceline R-V	\$ 12,379	\$ 15,600	\$ 13,884	\$ 41,863
058-112	Brookfield R-III	\$ 26,404	\$ 32,233	\$ 29,602	\$ 88,239
069-109	Paris R-II	\$ 15,932	\$ 19,606	\$ 18,178	\$ 53,716
070-093	Montgomery Co. R-II	\$ 24,719	\$ 27,559	\$ 26,778	\$ 79,056
072-068	Portageville R-II	\$ 16,661	\$ 21,333	\$ 18,286	\$ 56,280
072-074	New Madrid R-I	\$ 46,665	\$ 51,856	\$ -	\$ 98,521
073-106	Seneca R-VII	\$ 32,381	\$ 35,174	\$ 35,072	\$ 102,627
078-002	Hayti R-II	\$ 24,344	\$ 25,765	\$ 24,792	\$ 74,901
078-005	South Pemiscot	\$ 11,969	\$ -	\$ 14,968	\$ 26,937
083-003	Platte Co. R-III	\$ 24,061	\$ 23,805	\$ 23,001	\$ 70,867
088-081	Moberly	\$ 37,775	\$ 48,909	\$ 49,855	\$ 136,539
089-080	Lawson R-XIV	\$ 25,885	\$ 30,434	\$ 27,122	\$ 83,441
089-089	Richmond R-XVI	\$ 34,716	\$ 45,422	\$ 39,924	\$ 120,062
096-101	Brentwood	\$ 10,568	\$ 15,147	\$ 14,885	\$ 40,600
100-059	Scott City R-I	\$ 17,744	\$ 19,627	\$ 19,643	\$ 57,014
101-105	Winona R-III	\$ 12,840	\$ 13,225	\$ 13,139	\$ 39,204
102-085	Shelby Co. R-IV	\$ 21,102	\$ -	\$ 21,917	\$ 43,019
103-131	Bloomfield R-XIV	\$ 14,971	\$ 17,927	\$ 17,380	\$ 50,278
108-142	Nevada R-V	\$ 50,691	\$ 64,588	\$ 59,830	\$ 175,109
TOTALS		\$ 869,194	\$ 1,026,834	\$ 919,798	\$ 2,815,826

²⁴ Commodity values for school years 1998 – 2000 were obtained from State Payments By Fund report.

EXHIBIT C – PAYMENTS MADE BY JENNINGS TO OPAA AND OPAA TO JENNINGS

OPAA EXPENSES AND MANAGEMENT FEE CLAIMED				Federal and State Reimbursements Billed by OPAA and Paid by Jennings	OIG ANALYSIS	FOOD SERVICE INCOME		OIG ANALYSIS
Period (includes summer school)	Total Expenses Claimed by OPAA	Management Fee	Total Expenses Plus Fee Claimed by OPAA ²⁵		Over-payments to OPAA by SFA	Sales (Cash Collections of Children/Adults' Payments for Meals) - goes into OPAA bank account	Total Income for Food Service Including Children/Adults' Meals, and Federal/State Reimbursements	Total Income Less Expenses Plus Fee Claimed by OPAA
S.Y. 1998:								
Jul-97	\$1,990	\$40	\$2,030	\$1,526	(\$504)	\$476	\$2,002	\$(29)
Sep-97	\$63,026	\$1,672	\$64,697	\$74,992	\$10,295	\$16,297	\$91,289	\$26,592
Oct-97	\$86,857	\$2,266	\$89,123	\$103,468	\$14,345	\$20,542	\$124,010	\$34,887
Nov-97	\$56,734	\$1,457	\$58,190	\$70,598	\$12,408	\$13,877	\$84,475	\$26,285
Dec-97	\$56,494	\$1,491	\$57,985	\$69,078	\$11,093	\$13,229	\$82,307	\$24,322
Jan-98	\$62,857	\$1,675	\$64,532	\$76,347	\$11,815	\$14,929	\$91,276	\$26,744
Feb-98	\$63,643	\$1,701	\$65,343	\$77,556	\$12,213	\$15,266	\$92,823	\$27,479
Mar-98	\$67,455	\$1,786	\$69,241	\$81,455	\$12,214	\$17,048	\$98,503	\$29,262
Apr-98	\$50,015	\$1,354	\$51,369	\$60,608	\$9,239	\$12,298	\$72,906	\$21,537
May-98	\$91,388	\$2,183	\$93,571	\$107,468	\$13,897	\$23,048	\$130,516	\$36,945
Jun-98	\$7,478	\$199	\$7,677	\$10,237	\$2,560	\$1,103	\$11,340	\$3,663
Total 1998	\$607,936	\$15,822	\$623,759	\$733,333	\$109,574	\$148,114	\$881,447	\$257,688
S.Y. 1999:								
Jul-98	\$10,669	\$260	\$10,928	\$9,499	(\$1,429)	\$793	\$10,292	\$(637)
Aug-98	\$1,667	\$19	\$1,686	\$774	(\$912)	\$182	\$955	\$(731)
Sep-98	\$69,540	\$1,893	\$71,433	\$84,207	\$12,774	\$19,911	\$104,119	\$32,686
Oct-98	\$91,727	\$2,496	\$94,224	\$117,092	\$22,868	\$25,157	\$142,249	\$48,026
Nov-98	\$53,997	\$1,390	\$55,387	\$61,879	\$6,492	\$15,561	\$77,440	\$22,054
Dec-98	\$72,975	\$1,954	\$74,929	\$85,331	\$10,402	\$20,685	\$106,016	\$31,086
Jan-99	\$50,027	\$1,241	\$51,268	\$54,599	\$3,331	\$13,825	\$68,424	\$17,156
Feb-99	\$63,800	\$1,765	\$65,565	\$78,583	\$13,018	\$18,975	\$97,557	\$31,992
Mar-99	\$75,024	\$1,884	\$76,907	\$84,227	\$7,320	\$19,849	\$104,076	\$27,169
Apr-99	\$76,746	\$1,836	\$78,582	\$82,861	\$4,279	\$20,586	\$103,447	\$24,865
May-99	\$85,681	\$2,018	\$87,700	\$97,583	\$9,883	\$22,523	\$120,106	\$32,407
Jun-99	\$11,764	\$244	\$12,008	\$11,802	(\$206)	\$1,332	\$13,134	\$1,126
Total 1999	\$663,617	\$16,999	\$680,616	\$768,437	\$87,821	\$179,379	\$947,816	\$267,200
S.Y. 2000:								
Jul-99	\$10,901	\$222	\$11,124	\$9,976	(\$1,148)	\$1,381	\$11,357	\$233
Aug-99	\$4,522	\$67	\$4,589	\$2,109	(\$2,480)	\$479	\$2,588	\$(2,001)
Sep-99	\$87,254	\$2,502	\$89,756	\$83,223	(\$6,533)	\$22,767	\$110,600	\$20,844
Oct-99	\$102,369	\$3,422	\$105,790	\$114,040	\$8,250	\$28,550	\$142,590	\$36,799
Nov-99	\$62,192	\$1,970	\$64,162	\$68,085	\$3,923	\$17,302	\$85,386	\$21,224
Dec-99	\$84,133	\$2,845	\$86,978	\$97,265	\$10,287	\$21,388	\$118,653	\$31,676

²⁵ Differences are due to rounding to nearest dollar.

OPAA EXPENSES AND MANAGEMENT FEE CLAIMED					OIG ANALYSIS	FOOD SERVICE INCOME		OIG ANALYSIS
Period (includes summer school)	Total Expenses Claimed by OPAA	Management Fee	Total Expenses Plus Fee Claimed by OPAA ²⁵	Federal and State Reimbursements Billed by OPAA and Paid by Jennings	Over-payments to OPAA by SFA	Sales (Cash Collections of Children/Adults' Payments for Meals) - goes into OPAA bank account	Total Income for Food Service Including Children/Adults' Payments for Meals, and Federal/State Reimbursements	Total Income Less Expenses Plus Fee Claimed by OPAA
Jan-00	\$73,247	\$2,322	\$75,569	\$83,678	\$8,109	\$19,009	\$98,077	\$22,508
Feb-00	\$75,550	\$2,522	\$78,073	\$87,672	\$9,599	\$20,064	\$107,737	\$29,664
Mar-00	\$93,158	\$3,214	\$96,372	\$114,075	\$17,703	\$26,688	\$140,762	\$44,390
Apr-00	\$64,856	\$2,039	\$66,895	\$66,251	(\$644)	\$17,908	\$84,159	\$17,264
May-00	\$87,342	\$2,327	\$89,669	\$79,492	(\$10,177)	\$18,710	\$98,203	\$8,533
Jun-00	\$21,134	\$531	\$21,664	\$18,975	(\$2,689)	\$2,977	\$21,952	\$288
Total 2000	\$766,660	\$23,982	\$790,641	\$824,841	\$34,200	\$197,223	\$1,022,064	\$231,423
Total 1998-2000	\$2,038,213	\$56,803	\$2,095,016	\$2,326,611	\$231,595	\$524,715	\$2,851,327	\$ 756,311

On July 7, 1998, OPAA wrote Jennings SFA a check for \$257,688.
On July 6, 1999, OPAA wrote Jennings SFA a check for \$267,200
On July 7, 2000, OPAA wrote Jennings SFA a check for \$231,423.

EXHIBIT D –AUDITEE’S RESPONSE TO AUDIT REPORT



United States
Department of
Agriculture

Food and
Consumer
Service

Mountain
Plains
Region

1244 Speer Boulevard
Denver, CO
80204-2581

Reply to
Attn of: 27601-12-KC

MPCN-2

APR 24

Subject: National School Lunch Program – Food Service Management
Companies

To: Kim B. Miller
Acting Regional Inspector General for Audit
Office of Inspector General
P.O. Box 293
Kansas City, Missouri 64141

Our comments to the subject draft report are attached. If you
have any questions, please contact Ron Shaffer at (303) 844-
0355.

Darlene Sanchez
DARLENE SANCHEZ
Acting Regional Director
Child Nutrition Programs

Attachment

USDA/OIG-A/27601-12-KC
OFFICIAL DRAFT

KEY RECOMMENDATIONS, page ii: We recommend that the State agency review contracts to ensure they contain a clause granting SFA's the full value of USDA donated commodities used in the school food programs. FNS should require the State agency to monitor the SFA's more closely to ensure that school food monies are readily identifiable, that no more than a 3-month cash reserve is maintained, perform mandatory reviews of the contracts to ensure that prohibited clauses are not included in contracts, and that SFA's do not provide control of school food money to FSMC's. Further, the State agency needs to ensure the SFA's perform the required annual on-site reviews of each school's meal counting and claiming system. The State agency should require the SFA's to amend the contract to include provisions stating USDA donated commodities are the SFA's responsibility. SFA's should be directed to review all invoices received from FSMC's. Finally, FNS should request all overpayments to be collected, such as, the value of USDA donated commodities for which the SFA's did not receive full benefit and the excess net cash resources from the Jennings SFA.

Agency Response: We will be addressing each recommendation within the report.

As an aside to the regulatory content of the report, we observed the frequent use of acronyms, such as SFA for school food authority, or FSMC for food service management company. We frequently do the same. The method used in the draft audit report for denoting the plural acronym is to add an "'s". The use of "'s" as plural may cause confusion in this report. For clarity we suggest "'s" not be used to denote plural in these acronyms. As such the plural form for FSMC is FSMCs and the plural form for SFA becomes SFAs.

Page 5, 2nd paragraph, 2nd sentence: "The State agency did not properly monitor the SFA's bidding process to ensure that FSMC's were provided sufficient time to submit bids." This sentence does not seem to be consistent with Recommendation 3 on page 10 of the report. We suggest that the sentence be revised to read: "The State agency did not use the suggested timelines prescribed by FNS Guidance dated June 1995, "Contracting with Food Service Management Companies, Guidance for School Food Authorities," Chapter 4.

FINDING NO. 1, page 5: The value of USDA donated commodities was not credited to SFA's.

Footnote No. 6, page 6: The term "FNS procedures" should be changed to "FNS guidance" in accordance with the statements in the Draft Audit letter of transmittal.

RECOMMENDATION NO. 1, page 9: After obtaining clearance from OIG Investigations, recover the value of the commodities for which the SFA's did not receive any benefit.

Agency Response: Appropriate action will be taken to recover the value of the commodities for which the SFAs did not receive any benefit after clearance from OIG Investigations is received, in accordance with 7 CFR Part 250.12(d), 7 CFR Parts 210.16(a)(6) and 210.19(c).

RECOMMENDATION NO. 2, page 9: Instruct the State agency (SA) to require OPAA to credit SFA's for school year 2001 USDA donated commodities used to prepare school meals. Also ensure that the bid process and contracts are developed so that SFAs receive credit for USDA donated commodities in addition to revising the checklist provided to SFAs.

Agency Response: The State agency will be instructed to require OPAA to credit all contracted SFAs for the value of USDA donated commodities used for preparing school meals in accordance with the Guidance for School Food Authorities for Contracting with Food Service Management Companies and 7 CFR Part 250.12(d) and 210.16(a)(6) as appropriate. The SA will also be instructed to revise its checklist of required contract language and will be instructed to ensure that such language be in each approved contract.

FINDING NO. 2, page 9 and 10: School officials identified four potential bidders, but were given only 25 days to prepare the bids. The RFP was sent to two companies; these two companies submitted bids. The remaining two companies were given the public notice and advised an RFP package could be requested; these companies did not request a bid package. SFA officials did not achieve maximum free and open competition for the FSMC contract.

RECOMMENDATION NO 3, page 10: Instruct the State agency to encourage SFA's to use the suggested timeframes unless otherwise specified in State or local procurement standards.

Agency Response: We will instruct the State agency to encourage SFAs to follow the suggested timeframes outlined in Contracting With Food Service Management Companies. In addition we will instruct the State agency to follow the procedures outlined in policy memoranda SP 00-6, which states in part that it is essential to plan for competition by mailing a copy of the RFP to known suppliers.

FINDING NO 3, page 11: Jennings SFA officials did not operate a nonprofit school food program.

RECOMMENDATION NO. 4, page 13: Require the State agency to collect all of the excess income from the Jennings SFA.

Agency Response: We agree there are strong indications in the report that the SFA's net cash resources exceed the 3-month average expenditure. However, the audit report assumes that the only eligible program expenses were generated by the FSMC. Frequently, additional program expenses are borne by the food service. For example, utilities, janitorial, repairs, remodeling, salaries of staff doing free and reduced price eligibility determinations, lunchroom supervision, trash hauling, new equipment, etc. It seems appropriate that the SA through use of a limited scope audit or by other means should ensure the SFA is properly accounting for income and expenses and reporting information pertaining to the nonprofit food service account in accordance with 7 CFR Part 210.19(a)(2), which may entail collecting excess income.

RECOMMENDATION NO. 5, page 14: Instruct the State agency to monitor the SFA more closely to ensure that the SFA has an accurate method to account for all the school food program income and expenses separately from the general school accounts.

Agency Response: We agree and will instruct the State agency to monitor the SFA more closely in accordance with 7 CFR Part 210.19(2).

RECOMMENDATION NO. 6, page 14: Direct the State agency to inform the SFA's contracting with FSMC's that the Federal and State reimbursements should be maintained by the SFA. Also require the State agency to instruct SFA's, with cost reimbursable contracts, to pay only the contracted allowable expenses plus the management fee to FSMC's as required by Federal regulations.

Agency Response: We will so direct the State agency in accordance with 7 CFR Part 210.16, FSMC Guidance and 7 CFR Part 210.14.

RECOMMENDATION NO. 7, page 14: Instruct the State agency to determine why the SFA's Federal and State reimbursements exceeds their total expenses and adjust the reimbursement rates if necessary.

Agency Response: We will so instruct the State agency. However, we reiterate that it is our position that it is appropriate for the State agency, in accordance with 7 CFR Part 210.19(a)(2), to permit SFA officials to assess their situation and be afforded the opportunity to upgrade their food service, lower prices to children who are paying the full price, etc.

FINDING NO. 4, page 15: The Jennings contract with OPAA included a prohibited provision.

RECOMMENDATION NO. 8, page 16: Instruct the State agency to ensure that the contract is either amended so that the income and expenses of the SFA's food service program accrue to the SFA's or that the SFA can terminate the contract without penalty and solicit bids for a new contract.

Agency Response: We will so instruct the State agency in accordance with 7 CFR Part 210.16(a)(2) and FNS Guidance, Contracting with Food Service Management Companies.

RECOMMENDATION NO. 9, page 16: Direct the State agency to carefully review contracts before the contract becomes effective to ensure that prohibited clauses are not included, such as profit guarantees and deposits to bank accounts controlled by FSMC's.

Agency Response: We will so direct the State agency in accordance with 7 CFR Part 210.19(a)(6) and FNS Guidance, Contracting with Food Service Management Companies.

FINDING NO. 5, page 17: The Jennings SFA did not implement required controls over the meal counting system.

RECOMMENDATION NO. 10, page 18: Instruct the State agency to ensure that the SFA performs the required annual onsite reviews of each school's meal counting and claiming system. The SFA

must also retain and review all supporting documentation for the Claims for Reimbursement they submit to the State agency.

Agency Response: We will instruct the State agency to ensure that the SFA performs the required onsite reviews prior to February 1 of each year and that each school's daily lunch count data in accordance with 7 CFR Part 210.8.

FINDING NO. 6, page 19: The SFA improperly provided the FSMC control of USDA commodities.

RECOMMENDATION NO. 11, page 20: Require the State agency to ensure that Jennings SFA contract is amended to include provisions for the USDA donated commodities to be the SFA's responsibility.

Agency Response: The State agency will be required to ensure that the school food authority amends its contract in accordance 7 CFR Part 210.19(a)(6), and FNS Guidance for School Food Authorities, Contracting with Food Service Management Companies.

RECOMMENDATION NO. 12, page 21: Direct the State agency to follow up to ensure that the Jennings SFA performs and documents annual reviews of its storage facilities.

Agency Response: The State agency will be directed to ensure that the Jennings SFA performs and documents annual reviews of its storage facilities in accordance with 7 CFR Part 250.14(c). In addition, the Regional Office Food Distribution will follow up with the State agency staff to ensure they understand the requirement for recipient agencies to conduct annual reviews of their storage facilities.

FINDING NO. 7, page 21: The Kennett SFA needs improved controls over meals billed by the FSMC.

RECOMMENDATION NO. 13, page 22: Direct the State agency to verify that the SFA implements controls, including the comparisons of the invoices to daily counts, to ensure accurate meal reimbursements.

Agency Response: We will so direct the State agency in accordance with 7 CFR Part 210.8(a).

FINDING NO. 8, page 22: The Jennings SFA did not review expenses billed by the FSMC before issuing the payment.

RECOMMENDATION NO. 14, page 22: Direct the State agency to ensure that the SFA obtains and retains all attachments sent by FSMC with the invoices.

Agency Response: We will direct the State agency to ensure that the SFA obtains and retains all records provided by the FSMC in accordance with 7 CFR Part 210.23(c).

RECOMMENDATION NO. 15, page 23: Instruct the State agency to followup on the corrective plan submitted by the SFA to ensure that the SFA annually reviews the supporting receipts for expenditures claimed by OPAA. The State agency should also followup to ensure that SFA's take actions promised in the corrective action plan.

Agency Response: It is not appropriate to limit the SFA's responsibility for ensuring that its program is in full compliance with its agreement for operating the Program to once a year in conformance with 7 CFR Part 210.16(a). Therefore, please remove the term "annually". We will instruct the State agency to assure the SFA is in conformance with its corrective action plan in accordance with 7 CFR Part 210.19.

ABBREVIATIONS

CFR	Code of Federal Regulations	page 2
CPA	Certified Public Accountant	page 14
CRE	Coordinated Review Effort	page 2
FNS	Food and Nutrition Service	page 1
FSMC	Food Service Management Company	page 1
GAO	General Accounting Office	page 2
IFB	Invitation For Bid	page 1
NSLP	National School Lunch Program	page 1
OPAA	OPAA Food Management Inc.	page 4
RFP	Request For Proposal	page 1
SBP	School Breakfast Program	page 1
SFA	School Food Authority	page 1
USDA	U.S. Department of Agriculture	page 1

Informational copies of this report have been distributed to:

Administrator, Mountain Plains FNS Regional Office (6)

Agency Liaison Officer (2)

General Accounting Office (1)

Office of Management and Budget (1)

Office of the Chief Financial Officer

Director, Planning and Accountability Division (1)