

CORRECTIVE ACTION PLAN
INTERNAL AUDIT REPORT ON FOOD SERVICE OPERATIONS
June 30, 2021
AUDIT FIRM – R.S. ABRAMS

Board Policies

Procedure Performed: We reviewed the District’s policies and procedures related to the food service operations.

Findings: We noted the District did not have a formal Board policy surrounding their vending machine operations.

Recommendations: We note that although the District contracts with outside vending companies to handle their vending machine operations, we still recommend the District adopt a formal vending machine usage policy stating that vending machines will be allowed on school grounds, what types of food and/or drink will be permitted, and where the proceeds from vending machine sales will go (for example: school lunch program, faculty association, student council).

District Response: The suggested policy will be presented to the District Policy Committee.

Inventory and Commodities

Procedure Performed: We reviewed the District’s procedures and internal controls for the tracking, monitoring, and recording of inventory, including food, paper goods, and government commodities/surplus foods.

Findings: No exceptions were noted as a result of applying these procedures.

Recommendation:
N/A

District Response: N/A

School Lunch Fund – Fund Balance

Procedure Performed: We reviewed the District's fund balance levels within the school lunch fund for the fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020 to ensure compliance with Federal regulation 7CFR Part 210.14(b), which limits school food authorities (SFA) to having a fund balance which does not exceed 3 months' average expenditures for its nonprofit school food service program. We noted that although the District's fund balance in the school lunch fund exceeded the allowable threshold by \$71,704 as of June 30, 2018 and \$39,680 as of June 30, 2019, it fell within the allowable threshold as of June 30, 2020.

Findings: No exceptions were noted as a result of applying these procedures.

Recommendation: N/A

District Response: N/A

Cash Collections

Procedure Performed: We reviewed the District's procedures and internal controls for cash collections.

Findings: No exceptions were noted as a result of applying these procedures.

Recommendation: N/A

District Response: N/A

Vending Machines

Procedure Performed: We reviewed the District's procedures and internal controls for vending machines.

Findings: In addition to the District not having a formal Board policy on their usage of vending machines, as previously discussed, we also noted that the District did not have a formal executed contract on file with *Snapple*, who owns one vending machine.

Recommendation: We recommend that the District adopt a formal Board policy on vending machine usage (as previously discussed), as well as obtain a formal executed contract from each vending machine vendor the District contracts with.

District Response: The District utilizes a single outside vendor for the vending machines located in both the High School and Middle School. The district will seek to implement a formal contract in the coming year either through renewal or the issuance of an RFP.

Free and Reduced Meal Applications

Procedure Performed: We tested 15 free and reduced meal applications for compliance with the USDA income eligibility guidelines for 2020-2021, noting completeness, proper status determination of the free and reduced meal applications and reviewer's signature. In addition, we tested the District's compliance with the USDA requirement of publishing the free and reduced meal application income eligibility guidelines.

Findings: No exceptions were found as a result of applying these procedures.

Recommendation: N/A

District Response: N/A

Cash Receipts and Meal Counts

Procedure Performed: We compared the daily cash receipts and meal counts for the month of October 2020 listed on the *NUTRIKIDS* reports, deposit slips, and monthly reimbursement claim form for state and federal reimbursement to verify that the amounts per *NUTRIKIDS* agreed to the daily cash receipts and the monthly reimbursement claim form.

Findings: No exceptions were found as a result of applying these procedures.

Recommendation: N/A

District Response: N/A

Cash Collections – Building Level

Procedure Performed: We observed the cash handling procedures at the High School, Middle School and Schwarting Elementary Schools, including the entering of sales at the cash register, counting of cash, drawer close out procedures, and end of day procedures. Additionally, we reviewed the *NUTRIKIDS* reports detailing the overage/underage totals for each cashier for the day.

Findings: No exceptions were found as a result of applying these procedures.

Recommendation: N/A

District Response: N/A