



Date: July 15, 2024

To: Sheryl M.M. Long, City Manager

From: Lauren Sundararajan, CFE, Internal Audit Manager *LS*

Copies to: Internal Audit Committee
William Weber, Assistant City Manager
Dr. Grant Mussman, Health Department Commissioner

Subject: **Food Safety and Inspections Program Audit**

Attached is the Food Safety and Inspections Program (FSIP) audit report. The primary objective of this performance audit was to assess the efficiency and effectiveness of the internal controls and practices applicable to FSIP. This audit was conducted in accordance with the current audit agenda.

We would like to thank the management and staff of the Cincinnati Health Department for their assistance and cooperation during this audit.

If you need any further information, please contact me.

Attachment

Food Safety and Inspections Program Audit

July 2024



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Executive Summary

Internal Audit (IA) conducted a performance audit of the Cincinnati Health Department's (CHD's) Food Safety and Inspections Program (FSIP). The primary objective of this audit was to assess the efficiency and effectiveness of the internal controls and practices applicable to FSIP.

The purpose of FSIP is to inspect all food service operations and retail food establishments within the City of Cincinnati (City) to ensure compliance with the Ohio Uniform Food Safety Code. As Registered Environmental Health Specialists (REHSs) inspect each food service operation, they identify violations that may contribute to food contamination or illness.

Several opportunities for improvement were revealed throughout the audit. For example, management oversight of FSIP operations needs strengthening to ensure employees are held accountable, deadlines are met, and staff's working hours are documented. Also, FSIP utilizes the environmental activity reports to capture how REHSs spend their time throughout the workday. These reports are to be submitted at the end of the day; however, IA found a third party cannot determine when the environmental activity reports are submitted and reviewed by management.

According to the Standards for Internal Control in the Federal Government, "Segregation of duties helps prevent fraud, waste, and abuse in the internal control system."¹ IA found one Senior REHS is responsible for planning, inspecting, and printing temporary food licenses, which increases the risk for an individual to commit and conceal error or fraud. IA also found that the audit papers used to print food licenses were not secure and when utilized by FSIP staff, not documented. Only after IA brought this issue to the attention of management did they properly secure papers and reduce the risk of fraud, waste, and abuse.

Additionally, IA found FSIP is not adhering to the City's Cash Handling Policy and Procedures. This includes receipts not being issued for payment of food licenses at the conclusion of pre-licensing inspections and routing payments through the City's inter-office mail. When collecting payments, it is critical for the program to be in compliance with City policy and procedures.

Finally, IA found communication between FSIP and the food operators could be expanded. FSIP has a very robust website that thoroughly explains pertinent information to food operators; however, providing additional information about the inspection process, including what to expect from REHSs, protects the program's integrity, enhances customer service, and decreases the risk of fraud.

To reduce the risks in FSIP operations, IA recommends that management provide additional review and oversight of the REHSs, capture when environmental activity reports are submitted and reviewed by management, separate the duties performed by the Senior REHS, ensure audit papers are secure, removal is documented, and license numbers are recorded, adhere to the City's Cash Handling Policy and Procedures, and expand communication among food operators. Implementing these recommendations will improve the internal control system within FSIP operations and help management achieve desired results through effective stewardship of public resources.

¹ United States Government Accountability Office, "Standards for Internal Control in the Federal Government," September 2014, p. 51.

I. Introduction

Background

The Cincinnati Health Department's mission is to work for the health and wellness of Cincinnati citizens. Since 1826, CHD has provided responsive health and human services to communities by promoting healthy living environments and social well-being, while reducing health inequities.²

CHD is led by a board and one health commissioner, and organized into multiple divisions. These divisions are responsible for a range of services including Healthcare Delivery, Nursing Services, Human Resources, Finance, and Community Health and Environmental Services (CHES).³

CHES is responsible for overseeing FSIP. FSIP licenses and inspects all food service operations and retail food establishments.⁴ FSIP consists of one Supervising REHS, three Senior REHSs, and eight REHSs who perform food inspections year-round.⁵ Two administrative positions, one of which is within FSIP and the other within the division, also support the program.

REHSs are trained to perform a variety of food inspections to identify possible violations that may contribute to food contamination or illness. The frequency of inspections and the types of inspections performed are based upon the food facility's classification and risk level. Each REHS is assigned a census for which they are responsible for conducting their inspections.

Food facilities are classified as retail food establishments (RFEs), food service operators (FSOs), mobile food businesses, temporary food stands and vending machines. RFEs refer to entities whose primary business is selling prepackaged food, not necessarily meant to be consumed on site (i.e. grocery stores). FSOs are entities whose primary business is selling food prepared for consumption on site (i.e. restaurants). Mobile businesses can be classified as RFEs or FSOs "on wheels" (i.e. ice cream truck, hot dog stand). Temporary businesses are stands typically set up for short-term events (i.e. Taste of Cincinnati).

² <https://www.cincinnati-oh.gov/health/about-the-chd/>

³ March 2024 CHD organization chart.

⁴ <https://www.cincinnati-oh.gov/health/about-the-chd/>

⁵ One Senior REHS position is located at the Permit Center, 805 Central Parkway in Cincinnati. This location is separate from FSIP's headquarters, which is 3845 William P. Dooley Bypass in South Cumminsville. The eight REHSs include two Environmental Health Specialists in Training (EHSIT).

Audit Selection

IA conducted this audit at the request of the City Manager and the Health Commissioner.

Audit Objective

The primary objective of this performance audit was to assess the efficiency and effectiveness of the internal controls and practices applicable to the Food Safety and Inspections Program.

Audit Scope and Methodology

In order to achieve the audit objective, IA interviewed appropriate City staff, reviewed department and City-wide policies and procedures, and observed two EHSIT conduct food inspections. Records reviewed include data from FY 2023 through FY 2024.

Statement of Auditing Standards

As required by the Cincinnati Administrative Code Article II §15, this audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS), except for standard 5.60 pertaining to external peer review requirements. This exception did not have a material effect on the audit.

IA continues to conduct internal quality reviews to assure the conformance with applicable GAGAS. IA performed the fieldwork between February and May 2024.

Commendations

IA commends the staff of the Cincinnati Health Department for their cooperation throughout the audit.

II. Audit Findings and Recommendations

Management oversight of FSIP operations needs strengthening.

Proper management oversight is necessary to ensure processes are functioning as intended, errors are detected, and department objectives are carried out appropriately. IA found management oversight of FSIP operations needs strengthening.

For example, the Senior REHSs are responsible for managing their own deadlines. These deadlines consist of plan reviews and pre-licensing inspections. IA found that management does not track the Senior REHSs' assignments. If additional time or extensions are needed, the Senior REHSs inform management. Although management has daily contact with them, maintaining a list of current assignments and deadlines is imperative to holding employees accountable and having an effective manager-employee relationship.

Another example is with the REHSs. Although management attempts to oversee employees through an informal process, IA found REHSs are given a tremendous amount of autonomy throughout the day to where it can be easily taken advantage of due to minimal oversight. At a minimum, management should document REHSs working hours, including office hours, and require REHSs to submit schedules routinely to the supervisor that indicate the areas they will be working.

Recommendation 1: Management should conduct additional review and oversight of staff to ensure effective operations and employee accountability.

Department Response: Agree. To enable management to have additional visibility and oversight of daily assignments and work schedules, management is implementing CAGIS Edge. The initial phase of implementation, which includes food license annual renewals, a new facility plan review, has already been implemented. The remaining portion of the software which remains to be built is going to mini-RFP MAC vendors to complete field inspections, complaint investigations and operator training registration.

CAGIS Edge planning technology provides a map-based view of work in progress across the various food facilities every renewal cycle with distinct symbology for easy visualization; provides a dashboard view of progress by individual REHS and across the program; provides ability to plan and schedule inspections ahead of time and is immediately available to be seen by all staff including supervisors. The software utilized with a written SOP will allow consistency with planning and scheduling work prior to inspections being conducted and records inspections at the location by which the system archives the time and geographic location of the REHS. Management will not only be able to observe work locations by address but will also be able to monitor documented daily work hours and activities, including office and travel time in the system.

The CAGIS Edge System feature related to pre-licensing inspections and plan review activities is being designed to allow the Senior REHSs to schedule appointments (according to the parameters within the state rules) and permits the FSIP supervisor to readily view assigned work within the system. With this added visibility, management is able to more effectively analyze work completion and hold Senior REHSs accountable with pre-licensing inspections and plan review activities.

A third party is unable to determine when the environmental activity reports are submitted by FSIP personnel and reviewed by management.

The environmental activity reports are used by FSIP personnel daily to allocate the amount of time spent on a particular task. These tasks consist of food inspections, report writing, office work, re-inspections, and meetings with the supervisor, just to name a few. Attached to the environmental activity reports are the inspection forms used by the REHSs in the field. Collectively, these documents are completed by the employee, and turned in at the end of the workday for management review. However, IA found that due to the forms being placed in the supervisor's mailbox, no time stamp is used to capture when the forms are actually submitted. Additionally, IA was informed by management that some employees do not submit the forms in a timely manner.

Furthermore, when the forms are reviewed by management, the supervisor places a check mark at the top of the document. IA reviewed 12 employees' environmental activity reports from January 2023 and found the 3 (25%) senior employees did not have their forms reviewed by management. Using a checkmark to signify a document has been reviewed prevents a third-party from determining when and by whom the forms are actually reviewed, and does not inherently provide accountability.

Recommendation 2: Enforce the policy by ensuring all reports are submitted in a timely manner and determine if they can be submitted electronically to create a more efficient and effective process.

Department Response: Agree. To enforce the policy, the supervisor will manually track daily reports submitted by each staff by paper submission at the end of each business day. The supervisor will report the data routinely to the Environmental Services Director.

Management is in the process of implementing CAGIS Edge to include real-time accounting. CAGIS Edge offers time accounting for all FSIP staff. This allows efficient electronic daily activity reporting within the software environment based on the processes built into the inspection system. Inspection reports and other documents will also be available in the system immediately after completion by staff, eliminating the time delay with paper document submission. This will help staff comply with the policy by streamlining the process and will help the supervisor by reviewing time electronically and reduce the paper burden.

Recommendation 3: Management should review, initial, and date all the environmental activity reports.

Department Response: Agree. The FSIP supervisor will review, initial, and date all the environmental activity reports instead of check-marking, until such time the electronic daily activity report submissions can be managed and tracked in CAGIS Edge.

There is no segregation of duties for processing temporary food licenses.

According to the Standards for Internal Control in the Federal Government, "Segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Management considers the need to separate control activities related to authority, custody, and accounting of

operations to achieve adequate segregation of duties.”⁶ IA found one Senior REHS is responsible for planning, inspecting, and printing temporary food licenses. Although this employee may conduct only *some* of the food inspections, it is critical that a segregation of duties occur to ensure no one has the ability to commit and conceal error and fraud.

Recommendation 4: Separate the duties performed by the Senior REHS as they relate to temporary food licenses.

Department Response: Agree. The FSIP supervisor will reassign the duty of printing temporary licenses from the Senior REHS to the Licensing Administrator. Planning and inspections for temporary licenses will continue to be performed by the Senior REHSs.

The audit papers were not locked up, and when utilized by FSIP personnel for printing food licenses, they were not documented.

Audit papers are issued to FSIP from either the Ohio Department of Health (ODH) or the Ohio Department of Agriculture (ODA). Each paper contains a seven-digit number located on the left side of the document, displayed in a vertical position in red ink. These papers are used to print temporary and permanent food licenses. If one sheet of paper goes missing or becomes damaged, it is the responsibility of FSIP to report it to the respective state agency to ensure all audit numbers are properly accounted.

During the course of the audit, IA found the audit papers were not locked up and anyone could access them. Additionally, if the papers were utilized by staff, FSIP did not document which audit papers were removed from the pile and by whom. Only after IA brought this issue to the attention of management did they properly secure the papers. It is imperative that the audit papers remain secure and accounted for in an effort to reduce the risk of fraud, waste, and abuse.

Recommendation 5: Ensure audit papers are secure, removal is documented, and license numbers are recorded. Additionally, include which employee is performing these tasks.

Department Response: Agree. Management will ensure that the audit paper is secured by placing it inside the Licensing Administrator’s office in a locked cabinet at the Dooley building. Audit paper will not be stored in any other location. Only the licensing administrator and supervisor have access to the key for the locked cabinet. As noted in the above response, separating duties of licensing and printing will prevent staff from having access to audit paper.

FSIP is not adhering to the City’s Cash Handling Policy and Procedures.

The Treasury Division is responsible for issuing the City’s Cash Handling Policy and Procedures. The goal of the policy is to “set forth minimum standards to ensure clear and consistent practices for the handling of cash and cash equivalents within the City” for all departments.⁷ Additionally, the policy and procedures are “designed to safeguard employees

⁶ United States Government Accountability Office, “Standards for Internal Control in the Federal Government,” September 2014, p. 51.

⁷ City of Cincinnati Cash Handling Policy and Procedure, 1/2023, page 1.

against inappropriate charges of mishandling funds by defining their responsibilities and providing clear accountability in the cash handling process.”⁸

Currently, Senior REHSs are responsible for conducting the pre-licensing inspections prior to a new food establishment opening. Upon successful passage of the inspection, the food operator pays the Senior REHS onsite for the food license and opens their business immediately. If an electronic payment is made, a receipt is issued from the credit card company.⁹ However, IA found a receipt is not issued to the food operator if they pay by check or money order, which violates the City’s Cash Handling Policy and Procedures. According to the policy, “...receipts must be given for all intake of money, regardless of payment type and the payment tender should be promptly identified.”¹⁰ When issuing receipts, the policy provides additional guidance wherein receipts “must be pre-numbered in sequential order, maintained, and accounted for with proper documentation including those that have been voided.”¹¹

IA found that after payment is received from the food operator, some Senior REHS’s route the check or money order through the City’s interoffice mail to the Treasury Division. This, too, is in violation of the City’s Cash Handling Policy. The policy states: “funds must be hand-carried to the Treasury Division for deposit.”¹²

Recommendation 6: When accepting checks or money orders, ensure receipts are provided, and hand-deliver all currency collected to the Treasury Division for deposit, per policy. Additionally, work with the Treasury Division to institute a system of electronic payments to eliminate cash handling practices.

Department Response: Agree. Management has implemented electronic-only payments in CAGIS Edge (EzTrak) for FSIP new and renewal applications and is currently implementing electronic-only payments for all other fees and will at that time discontinue collecting checks and money orders or any other form of payment in the field as a practice. An annual reminder will be provided to food facility operators that only electronic payments are accepted as an acceptable form of payment.

Currently, check or money order payments continue to be accepted for the ServSafe program, *person-in charge* classes, and the summer lunch program. For these programs, REHSs will be provided a receipt book, and the supervisor will reconcile sign up records with payment type (electronic, or physical receipt for check or money order). Once electronic payments are fully implemented, staff will not have the ability to accept cash, check or money orders in any situation.

FSIP does not have a formal policy that clearly defines the steps used to address delinquent food operators.

Food operators are required to renew their food license every year by March 1st.¹³ If the deadline is missed, a 25% late fee is assessed to their account. IA inquired what policy FSIP adheres to that clearly defines the steps used to address delinquent food operators and found

⁸ City of Cincinnati Cash Handling Policy and Procedure, 1/2023, page 1.

⁹ Credit card transactions are made at www.eztrak.cagis.org/CitizenAccess/Login.aspx

¹⁰ City of Cincinnati Cash Handling Policy and Procedures, 1/2023, page 2.

¹¹ Ibid.

¹² City of Cincinnati Cash Handling Policy and Procedures, 1/2023, page 6.

¹³ Mobile food licenses are exempted from the March 1st deadline.

there is no formal policy. Instead, IA was informed that sometimes management will allow a grace period to occur before presenting a past due letter in person, or a delinquent letter is sent to the food operator after the March 1st deadline. The inconsistent methods used year after year creates inefficiency in program operations and causes confusion among employees who are responsible for executing this procedure.

Recommendation 7: Create a formal policy that identifies the steps performed by FSIP employees to address delinquent food operators.

Department Response: Agree. Management is developing a formal policy that clearly defines the steps used to address delinquent food operators and requires FSIP staff to consult with supervisor in extenuating circumstances. This policy will be completed within 60 days after the finalized internal audit recommendation document is provided.

Reconciliations for the payment of online food licenses ceased from November 2023 to March 2024.

Beginning in February of 2023, food operators were given the opportunity to renew their food licenses online. This process involves creating an account, confirming the application information is correct and making a payment. After the electronic payment is made, the data is immediately linked to FIS Datapointe (FIS), the reporting system used for payment processing. Each night, all payments made the previous day are batched together and sent to the City's Health Credit Card account.¹⁴ As such, all electronic payments received need to be reconciled. Although account reconciliations are typically performed in the fiscal section, FSIP was directed to conduct the reconciliation due to its access to the licensing database. However, IA found that FSIP ceased reconciling the accounts in November of 2023 because the employee had difficulty with completing the process. It was not until March 2024 when IA began inquiring did the reconciliations resume by CHD Fiscal.

Recommendation 8: Ensure the account reconciliations are performed by an employee who is competent in Microsoft Excel, pivot tables, formulas, and maintains a strong financial background.

Department Response: Agree. Management hired an accountant with these skills on 6/23/24 to perform account reconciliations.

Administrative Regulation 68 policy has not been enforced since 2019.

IA conducted a FSIP audit in 2019 and recommended that employees sign a conflict-of-interest statement to assure management that REHSs are conducting inspections in establishments where they do not have a personal or financial interest that might impair their judgement.¹⁵ FSIP agreed with the recommendation and subsequently created a new policy, which employees must sign prior to a new census. However, IA requested the most recent copies of the signed regulation and found the policy has not been enforced since 2019.

Recommendation 9: Enforce Administrative Regulation 68.

¹⁴ Health Online Payment/FIS Payment Review Desk Manual, p. 4.

¹⁵ Cincinnati Health Department - Food Inspections Program Audit, p. 8.

Department Response: Agree. The FSIP supervisor completed obtaining a signed updated conflict-of-interest statement from all staff on 6/20/24. Moving forward, management will ensure that AR68 documents will be signed by food program staff routinely according to the internal policy and in coordination with HR.

FSIP's policies and procedures manual needs updating.

Policies and procedures are key components of an internal control structure. Policies are designed to provide direction to staff on how to properly manage a particular function. Procedures provide employees with instructions on how to carry out the day-to-day activities. IA found FSIP's policies and procedures manual needs updating. This could include, but not limited to, securing audit papers, incorporating the timely completion and submission of the environmental activity reports, and integrating all informal policies.

Recommendation 10: Update FSIP policies and procedures manual to reflect current operations. These updates will strengthen the internal controls within the organization, ensure compliance with regulations, and provide guidance for decision making.

Department Response: Agree. The FSIP supervisor will review the policies and procedures manual, and update or add policies and procedures. The manual will be reviewed and updated within 60 days after the finalized internal audit recommendation document is provided.

Communication between FSIP and food operators could be expanded.

FSIP has a very robust website that thoroughly explains how to obtain a new food license, renew an existing food license, file a food complaint, and where to sign up for ServeSafe® training classes. The information displayed is informative, well organized, and easy to understand. However, IA found communication between FSIP and food operators could be expanded.

For example, providing food operators with key information about the inspection process including what a REHS will ask and *not* ask from a food operator, and the opportunity to provide feedback about their experience is critical for enhancing communication. With an increase in communication, the information exchanged protects the program's integrity, enhances customer service, and decreases the risk of fraud.

Recommendation 11: Expand communication between FSIP and the food operators by providing additional information about the inspection process, including what to expect.

Department Response: Agree. The FSIP supervisor and his team will work with the Administrative Specialist in the Commissioner's office to create content on our website to provide food operators with key information about the inspection process including what a REHS will ask and not ask from a food operator, and to post a user-friendly video. In addition, CAGIS created a video on how to use CAGIS Edge and apply for a food facility license. Key general information about the inspection process will also be added to the annual license renewal application correspondence beginning license year 2025 - 2026. To gain food operator experience feedback, the FSIP team will work to create an electronic survey that can be provided with the inspection report.

Communication between FSIP and other divisions within the department could be expanded.

CHD Fiscal is responsible for overseeing the department's fiscal health by monitoring program budgets and maintaining accurate financial information. However, FSIP has been performing fiscal duties without consistent oversight and guidance from CHD Fiscal. IA found some of these responsibilities to include chargeback disputes, e-check disputes, collecting payments for pre-licensing inspections, and at one time, performing reconciliations of online food license renewals. Communication between the two divisions has been inadequate and has forced FSIP employees to seek assistance from outside of the department.

Additionally, IA found communication between CHD Human Resources (CHD HR) and FSIP could be expanded. Historically, CHD HR has not been informed when employees have deviated from program policies and procedures. Collaboration between FSIP and CHD HR is essential when navigating through the personnel process.

Recommendation 12: Determine if the current fiscal responsibilities assigned to FSIP should be performed by CHD Fiscal.

Department Response: Agree. On behalf of the FSIP, the duties of reconciliation for credit card account transactions (using info from Fifth Third, FIS, & CAGIS), as well as processing chargeback and e-check disputes (utilizing FIS) will be performed by the CHES Accountant.

Cincinnati Health Department (CHD) Fiscal duties include depositing funds from the credit card account into the City account with appropriate fund coding (via CFS) in addition to various general fiscal responsibilities performed universally within CHD such as mileage and travel reimbursement, contracts and procurement.

Recommendation 13: Improve communication between FSIP, CHD Fiscal and CHD HR to ensure effective internal collaboration.

Department Response: Agree. FSIP management will develop a one-page document to provide to the CHES accountant, Fiscal staff, and other appropriate City departments illustrating critical state mandated financial deadlines that may affect program surveys. The document will be completed within 60 days after the finalized internal audit recommendation document is provided.

Management will include HR and Fiscal representatives in the monthly Environmental Health meetings to provide any updates and answer general questions beginning in the month of August 2024.

There is no succession planning for the Senior REHS position at the Permit Center.

Succession planning is the process of identifying alternative personnel who have the skills to fulfill the duties of the organization's primary positions. This entails documenting current processes to allow for a seamless transition of personnel in case of one's departure. Currently, the Senior REHS at the Permit Center is responsible for updating FSIP's website, providing technical support to FSIP staff, assisting with reconciliations and data disputes when compiling monthly reports for the state, reviewing building permits, and is a member of an advisory committee that works on complex development projects. In the event this employee departs from City service or takes an extended leave of absence, it is imperative that all fundamental

components of the position be documented and shared with a successor in an effort to ensure business continuity at the Permit Center and FSIP.

Recommendation 14: Develop a succession plan for the Senior REHS position at the Permit Center.

Department Response: Agree. Management will work to document a succession plan for the Senior REHS position at the Permit Center. As part of the succession plan, other Senior REHS will be trained on Permit Center duties. Once trained, Senior REHS will be assigned an onsite rotation to further gain proficiency and practical experience. The document will be completed within 60 days after the finalized internal audit recommendation document is provided, with training, and rotation to follow.

Software training is needed for FSIP employees.

Understanding technology is critical to the success of any organization. Employees should have confidence in their ability to extract information from systems and use it to make sound decisions about operations. IA met with several FSIP employees throughout the course of the audit and found software training is needed. Currently, some FSIP employees rely too heavily upon one employee to extract information from the recently added software system. Investing time into software training for staff will benefit both the employees and program operations.

Recommendation 15: Work with the appropriate department and individuals to provide software training to FSIP staff.

Department Response: Agree. Management will ensure that the appropriate training is made available and completed by all staff. FSIP has been scheduling training sessions with CAGIS regarding the recent implementation of CAGIS Edge. Staff are required to attend training.

The local mileage report is not utilized by FSIP employees.

According to the City's Local Travel Policy, it states "...[the] City of Cincinnati Local Mileage Report must be used to report local mileage claimed."¹⁶ The report requires employees to document the number of trips made and distances traveled to every location throughout the day. IA found the local mileage report is not utilized by FSIP employees. Instead, employees report their initial mileage on the environmental activity report. That information is then transferred to a traveler's certificate for review and signature, before it is sent outside the division to CHD Fiscal for further processing.

The City's Local Travel Policy further states "Form No. 27-S (or a substitute as approved by the Finance Manager of Accounts and Audits)..." may be used.¹⁷ However, IA was informed by the Finance Manager of Accounts and Audits that no substitution form has been approved.

Recommendation 16: Adhere to the City's Local Travel Policy.

¹⁶ City of Cincinnati Local Travel Policy, Guidelines No. 2.

¹⁷ Ibid.

Department Response: Agree. Management will have staff complete form 27-s for mileage reporting. Management will work with the Finance Manager of Accounts and Audits for approval of the process.

III. Conclusion

The audit revealed several opportunities for improvement over FSIP operations. For example, IA found management oversight needs strengthening, and a third party is unable to determine when the environmental activity reports are submitted by FSIP personnel and reviewed by management. Additionally, IA found there is no segregation of duties for processing temporary food licenses, audit papers were not secured, FSIP is not adhering to the City's Cash Handling Policy and Procedures, and communication between FSIP and food operators could be expanded.

To improve FSIP operations, IA recommends that management provide additional review and oversight of the REHSs, capture when environmental activity reports are submitted and reviewed by management, separate the duties performed by the Senior REHS, ensure audit papers are secure, removal is documented, and license numbers are recorded, adhere to the City's Cash Handling Policy and Procedures, and expand communication among food operators. Implementing these recommendations will improve the internal control system within FSIP operations and help management achieve desired results through effective stewardship of public resources.

IV. Cincinnati Health Department Response

Recommendation 1: Management should conduct additional review and oversight of staff to ensure effective operations and employee accountability.

Department Response: Agree. To enable management to have additional visibility and oversight of daily assignments and work schedules, management is implementing CAGIS Edge. The initial phase of implementation, which includes food license annual renewals, a new facility plan review, has already been implemented. The remaining portion of the software which remains to be built is going to mini-RFP MAC vendors to complete field inspections, complaint investigations and operator training registration.

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The CAGIS Edge System feature related to pre-licensing inspections and plan review activities is being designed to allow the Senior REHSs to schedule appointments (according to the parameters within the state rules) and permits the FSIP supervisor to readily view assigned work within the system. With this added visibility, management is able to more effectively analyze work completion and hold Senior REHSs accountable with pre-licensing inspections and plan review activities.

Recommendation 2: Enforce the policy by ensuring all reports are submitted in a timely manner and determine if they can be submitted electronically to create a more efficient and effective process.

Department Response: Agree. To enforce the policy, the supervisor will manually track daily reports submitted by each staff by paper submission at the end of each business day. The supervisor will report the data routinely to the Environmental Services Director.

Management is in the process of implementing CAGIS Edge to include real-time accounting. CAGIS Edge offers time accounting for all FSIP staff. This allows efficient electronic daily activity reporting within the software environment based on the processes built into the inspection system. Inspection reports and other documents will also be available in the system immediately after completion by staff, eliminating the time delay with paper document submission. This will help staff comply with the policy by streamlining the process and will help the supervisor by reviewing time electronically and reduce the paper burden.

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Department Response: Agree. The FSIP supervisor will review, initial, and date all the environmental activity reports instead of check-marking, until such time the electronic daily activity report submissions can be managed and tracked in CAGIS Edge.

Recommendation 4: Separate the duties performed by the Senior REHS as they relate to temporary food licenses.

Department Response: Agree. The FSIP supervisor will reassign the duty of printing temporary licenses from the Senior REHS to the Licensing Administrator. Planning and inspections for temporary licenses will continue to be performed by the Senior REHSs.

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Recommendation 6: When accepting checks or money orders, ensure receipts are provided, and hand-deliver all currency collected to the Treasury Division for deposit, per policy. Additionally, work with the Treasury Division to institute a system of electronic payments to eliminate cash handling practices.

Department Response: Agree. Management has implemented electronic-only payments in CAGIS Edge (EzTrak) for FSIP new and renewal applications and is currently implementing electronic-only payments for all other fees and will at that time discontinue collecting checks and money orders or any other form of payment in the field as a practice. An annual reminder will be provided to food facility operators that only electronic payments are accepted as an acceptable form of payment.

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Recommendation 7: Create a formal policy that identifies the steps performed by FSIP employees to address delinquent food operators.

Department Response: Agree. Management is developing a formal policy that clearly defines the steps used to address delinquent food operators and requires FSIP staff to consult with supervisor in extenuating circumstances. This policy will be completed within 60 days after the finalized internal audit recommendation document is provided.

Recommendation 8: Ensure the account reconciliations are performed by an employee who is competent in Microsoft Excel, pivot tables, formulas, and maintains a strong financial background.

Department Response: Agree. Management hired an accountant with these skills on 6/23/24 to perform account reconciliations.

Recommendation 9: Enforce Administrative Regulation 68.

Department Response: Agree. The FSIP supervisor completed obtaining a signed updated conflict-of-interest statement from all staff on 6/20/24. Moving forward, management will ensure that AR68 documents will be signed by food program staff routinely according to the internal policy and in coordination with HR.

Recommendation 10: Update FSIP policies and procedures manual to reflect current operations. These updates will strengthen the internal controls within the organization, ensure compliance with regulations, and provide guidance for decision making.

Department Response: Agree. The FSIP supervisor will review the policies and procedures manual, and update or add policies and procedures. The manual will be reviewed and updated within 60 days after the finalized internal audit recommendation document is provided.

Recommendation 11: Expand communication between FSIP and the food operators by providing additional information about the inspection process, including what to expect.

Department Response: Agree. The FSIP supervisor and his team will work with the Administrative Specialist in the Commissioner's office to create content on our website to provide food operators with key information about the inspection process including what a REHS will ask and not ask from a food operator, and to post a user-friendly video. In addition, CAGIS created a video on how to use CAGIS Edge and apply for a food facility license. Key general information about the inspection process will also be added to the annual license renewal application correspondence beginning license year 2025 - 2026. To gain food operator experience feedback, the FSIP team will work to create an electronic survey that can be provided with the inspection report.

Recommendation 12: Determine if the current fiscal responsibilities assigned to FSIP should be performed by CHD Fiscal.

Department Response: Agree. On behalf of the FSIP, the duties of reconciliation for credit card account transactions (using info from Fifth Third, FIS, & CAGIS), as well as processing chargeback and e-check disputes (utilizing FIS) will be performed by the CHES Accountant.

Cincinnati Health Department (CHD) Fiscal duties include depositing funds from the credit card account into the City account with appropriate fund coding (via CFS) in addition to various general fiscal responsibilities performed universally within CHD such as mileage and travel reimbursement, contracts and procurement.

Recommendation 13: Improve communication between FSIP, CHD Fiscal and CHD HR to ensure effective internal collaboration.

Department Response: Agree. FSIP management will develop a one-page document to provide to the CHES accountant, Fiscal staff, and other appropriate City departments illustrating critical state mandated financial deadlines that may affect program surveys. The document will be completed within 60 days after the finalized internal audit recommendation document is provided.

Management will include HR and Fiscal representatives in the monthly Environmental Health meetings to provide any updates and answer general questions beginning in the month of August 2024.

Recommendation 14: Develop a succession plan for the Senior REHS position at the Permit Center.

Department Response: Agree. Management will work to document a succession plan for the Senior REHS position at the Permit Center. As part of the succession plan, other Senior REHS will be trained on Permit Center duties. Once trained, Senior REHS will be assigned an onsite rotation to further gain proficiency and practical experience. The document will be completed within 60 days after the finalized internal audit recommendation document is provided, with training, and rotation to follow.

Recommendation 15: Work with the appropriate department and individuals to provide software training to FSIP staff.

Department Response: Agree. Management will ensure that the appropriate training is made available and completed by all staff. FSIP has been scheduling training sessions with CAGIS regarding the recent implementation of CAGIS Edge. Staff are required to attend training.

Recommendation 16: Adhere to the City's Local Travel Policy.

Department Response: Agree. Management will have staff complete form 27-s for mileage reporting. Management will work with the Finance Manager of Accounts and Audits for approval of the process.