Town of Greenwich

School District Lunch Program

Finding and Recommendations
Internal Audit Report

June 2021 – Final Report

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II. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Project Overview

Project Overview

A. Background
The Town of Greenwich (hereinafter referred to as the “Town”) engaged CliftonLarsonAllen LLP (hereinafter referred to as “CLA”) to provide internal audit services related to the operations of the Greenwich Public School’s “School Lunch Program” (hereinafter referred to as the “Lunch Program”). CLA performed a review of the revenue streams and collection processes, automated systems, account reconciliations, and policies/procedures/controls in place as it pertains to managing Lunch Program operations.

B. Project Approach & Tasks
This review included the following project tasks:
1. Reviewed the documented processes and controls of the School Lunch program
2. Reviewed the controls around reconciling selected School Lunch registers (15). This is for the High School, one Middle School and two Elementary Schools
3. Confirmed how differences in monies collected are tracked/monitored
4. Confirmed how/who can void register transactions
5. Confirmed cash collection procedures
6. Assessed who has the ability to make changes to financial information contained in the School Lunch POS system
7. Tested monthly School Lunch collection and correction reports
8. Reviewed inventory control procedures and how inventory controls have been implemented
9. Provided management with a report of our findings and recommendations
10. Met with management to review the results of the report

C. Acknowledgements
CLA would like to thank the Food Services staff and Treasury staff for their participation, support, on-going dialogue, and feedback during this internal audit.
III. **Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Operations Overview**

**Greenwich Cafeteria and Lunch Program Overview**
Below is a description of the Cafeteria and Lunch program operations within the Greenwich Public Schools:

1. **Physical Locations**
   a. Greenwich Public Schools offers meal services at 15 schools
      i. 11 Elementary schools – One (1) register at each; all serve lunch, three (3) also serve breakfast
      ii. Three (3) Middle schools – Three (3) registers at each; all serve breakfast and lunch
      iii. One (1) High School – 19 total registers; all serve breakfast and lunch

2. **Organizational Structure/Staffing**
   a. Overseen by the Director of Food Services
      i. The Director of Food Services also serves as the Executive Chef at Greenwich High School
         • He performs all menu planning, product ordering, and vendor management related to food services
      ii. The Director is supported by an Administrative Assistant
      iii. These employees work out of the District Central Office
   b. There are approximately 55 District Food Services FTEs including:
      i. Cook 2s – This is the highest-scale position (There are four (4) Cook 2s at the High School)
      ii. Cook 1s – There is a single Cook 1 at each Elementary school and the Middle Schools
         • At each School, the highest scale Cook position (1 or 2) serves also as the Supervisor
      iii. Food Service Worker/Staff – Each Elementary School has a one to two (1-2) Food Service Workers, the Middle Schools have four to five (4-5) and the High School has several Food Service Workers
         • The Food Service Workers also serve as the Lunch Program cashiers
III. **Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Operations Overview**

3. **Commissary Kitchen**
   a. The Greenwich High School kitchen operates as the Commissary Kitchen for the entire District
      i. Majority of food service products, goods, and inventory, are stored at the High School
         - Only a limited amount of food product, typically for the next School day, is maintained at each School
      ii. Food production primarily occurs at the Commissary Kitchen
      iii. Product orders (food products, paper/plastic goods) are all sent to, and received by the High School
      iv. Two (2) District-owned trucks distribute food service goods from the High School to the other District Schools

4. **Software Systems, Tools, and Technology**
   a. **Point of Sale (POS) System; WebSMARTT (These applications are part of Heartland School Solutions)**
      i. The District utilizes a software program called WebSMARTT to manage School Lunch Program operations
      ii. The District has been working with the vendor, Heartland, to transition to a newer, web-based cafeteria management system, Mosaic. This system is considered a full “front” and “back of house” tool that includes POS capability as well as menu planning and inventory
         - The District has already configured Mosaic for inventory and ordering. Each school has been set up with a password to access the system, but training has not yet occurred, and the system is not yet formally implemented.
         - Inventory has been entered into Mosaic but has not been actively managed
      iii. Only the Food Services Director can edit menu items and prices within WebSMARTT
   b. **Student Payment System; MySchoolBucks (Heartland School Solutions)**
III. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Operations Overview

i. MySchoolBucks is used throughout the District for students to make purchases including through the School Lunch Program
   - Parents and/or Guardians may load funds into a student’s MySchoolBucks account online or students may bring a check to school that will be loaded into their account
   - Students have a PIN that links to their MySchoolBucks account; the PIN is entered into the POS system as students make purchases from the School cafeterias

c. MUNIS
   i. The recording of finances/revenues collected by the School District Lunch Program are maintained in the Town’s financial management system (FMS), MUNIS
   ii. Currently, there is no automated integration/interface between the POS system and MUNIS

d. Microsoft Excel
   i. The Food Services Department currently utilizes MS Excel to track and manage a number of areas including:
      a. State Reimbursements – Food Services Administrative Assistant tracks daily reimbursable lunch “bag” disbursement counts here to compile for monthly submittal to state (COVID process)
      b. Daily Cash Collections – Food Services Administrative Assistant enters the amount of cash/checks collected at each school into tracking sheet (Weekly Cash Receipts File) which is later used to reconcile against the WebSMARTT cash journal/daily cash report and bank deposit slip

5. Collection types, processes, and controls
   a. The School Lunch Program will accept the following forms of payment:
      i. Cash
      ii. Check – students bring checks to school for deposit into their MySchoolBucks account. At the end of each day, the collected checks are matched against the daily income sheet/report from WebSMARTT
III. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Operations Overview

iii. MySchoolBucks - account payments (students/staff enter student PIN at checkout to link to account)

b. Cashier accounts

i. Each WebSMARTT cashier/Food Service Worker has their own username/cashier account in the system

ii. Cashiers are rotated weekly between the Cook positions and Food Service Worker positions

c. Voids

i. All register cashiers are currently allowed to perform voids at each school
   - WebSMARTT has the ability run a void report for each month’s activity

6. Collection Processes

a. At the end of each day, the Cook/Supervisor of each school runs a daily sales report from WebSMARTT, and cashiers bring their registers to the Supervisory for totaling/reconciliation

i. Register cash is counted with two (2) Food Service employees to ensure accuracy

ii. At the end of each day, cashiers bring their registers to the supervisor for totaling/reconciliation against sales report (As an added control, cashiers are not informed of expected register total; only the Supervisor is aware of the amount expected)

iii. Discrepancies within $3 are logged into WebSMARTT, variances greater than $3 are further investigated (typically a missed check entry)

iv. Cash is then brought to the School’s “cash room” where it is secured until pickup by a District employee
   - Cash/checks are picked up and placed in bank-sealed cash bag and brought to the bank directly for daily deposit
   - Deposit slips are returned to the Administrative Assistant for reconciliation (Bank deposit slip for each school is reconciled against daily cash report/cash journals from WebSMARTT)
III. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Operations Overview

b. Collection procedures are documented within the Appendix of this report

7. Reconciliation Processes
   a. Monthly bank reconciliations are performed by the Town’s Treasury Department
      i. The School Lunch Program/Food Services Administrative Assistant sends Town Treasury:
         • An activity summary report (Excel sheet with weekly cash receipts) showing activity by day, by school
         • A collection report from Heartland
         • Copies of the bank deposit slips for corresponding collections
      ii. This packet is sent via inter-office mail
      iii. There is no requirement for how frequently this submittal needs to be made to Treasury
      iv. The Town Revenue Clerk then reconciles all documentation, reviews and corrects and discrepancies, and posts the revenues in MUNIS (by school, by week date) manually
   b. The Town Treasury Department confirms/reconciles monthly bank statements from JP Morgan Chase Bank to MUNIS by fund
      i. The Treasurer signs off on monthly reconciliations
   c. The process workflow for bank reconciliation is included in the Appendix of this report

8. Emergency Food Service (COVID-19) Operations
   a. Pandemic Impact
      i. March 17, 2020 was the last full day of cash sales with regular cafeteria operations in the District. From that date through the testing/review included in this project, the Food Services Department has been operating under COVID-19 protocols including:
III. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Operations Overview

- Closed cafeterias – Students eat breakfast/lunch in designated satellite lunchrooms; pre-packaged bagged lunches are picked up from Food Services tables. Bag counts are maintained, and production reports are run from WebSMARTT, totals are submitted to the state for reimbursement ($2 per breakfast, $3 per lunch)

- Cash Sales - Snacks and beverages are still sold; cash activity is currently very minimal, per discussion with the Food Services Director, cash collections are approximately $150 a day

- Delivered bagged/packaged meals – For ages 18 and under, Greenwich may also submit state reimbursement for pre-prepared breakfasts and lunches to the community. District buses are utilized for community delivery including direct delivery to some residents

- State reimbursement duration – Greenwich School District has permission to run this program through June 30, 2021; there is an additional waiver that can be applied for to extend the program via the federal government through September 30, 2021

ii. The process workflow for COVID-19/Emergency Food Services operations is included in the Appendix of this report

9. Inventory
   a. Product is received at the Commissary/High School Kitchen by two (2) employees; there is a sign-off upon receipt/inspection of goods
   b. Daily, Food Service drivers deliver to each school what is typically needed for the next school day. During the drop-off, the drivers pick-up the school’s order sheet for the following day. All orders are compiled into a master distribution sheet by the High School Cooks.
   c. The District is currently using three (3) primary vendors:
      i. Wade’s Dairy
      ii. Appco (paper/plastics)
      iii. Thurston Foods
d. If any products are noted as damaged, expired, or not up to quality standards, the Director is involved immediately and arrangements (credits, new shipments, etc.) are made directly with the vendor/sales representative

i. The Food Service Director copies the Purchasing Department on all correspondence with vendors regarding bad product/inventory and credits
IV. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Finding & Recommendations

Overall Audit Conclusion
CLA determined an overall audit rating of “Needs Improvement” for the audit of the School Lunch Program. CLA noted a number of exceptions specifically related to the following:

1. Lack of formal inventory controls
2. Outdated policies/procedures
3. Control procedures not being followed

However, our testing did not indicate any signs of fraud or financial irregularities.

In addition, there were other areas identified that could be improved upon including implementing additional supervisory signoffs, enhancing limitations/restrictions to user abilities in the POS system, and adding more frequent Director-level oversight (site inspections and void reviews).

Control Findings and Recommendations

CLA identified and reviewed financial and operational controls regarding School Lunch operations. The findings and recommendations below were noted in conjunction with our analysis.

1. **Finding** – There are minimal inventory control procedures in place
   
   a. CLA noted that there is no active, ongoing inventory count procedure currently in place. Products are received at the High School Commissary Kitchen, maintained primarily at the High School, and then distributed out (approximately one day’s worth of inventory at a time) to the District schools
      
      i. No monthly/annual inventory counts; there is no definitive ability to ensure there is no theft of product
      ii. Manual inventory counts are currently performed as needed
      iii. Inventory management system has not yet been formally implemented, training is still necessary
IV. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Finding & Recommendations

b. For quality control, two (2) staff inspect and sign-off on the receipt of inventory at the High School from vendors
   i. Testing showed that of 28 tested, only 22 had signatures

c. Per discussion with the Food Services Director, approximately $40K of inventory is kept onsite each month

1. Recommendation – Implement inventory control software and monthly inventory procedures

   a. We recommend that the Food Services Department proceed with the full implementation of Mosaic inventory/ordering modules and train staff as soon as possible

   b. Inventory should be counted, tracked, and recorded monthly within the software
      i. High School/Commissary Kitchen Supervisors should be given software capabilities to enter inventory
      ii. Each Middle School and Elementary School with inventory (although limited) should also be counting on a monthly basis and submitting to the Director/Central Office
      iii. Discrepancies/variances in inventory counts should be reviewed and investigated by the Director

   c. As an additional control/security measure for inventory and to meet best business practice(s), the District may consider installing cameras in kitchens, cafeterias, and anywhere product may be maintained

2. Finding – There is no documentation or sign-off policies in place, corresponding to daily cash counts/register reconciliations

   a. Currently, based on our interviews with management, cash counts at the end of the day that show a greater than $3 discrepancy are further investigated (e.g. review for missing checks, etc.)
      i. Based on our testing, there was no documentation, notes, or signoffs that confirms a further review or investigation into the discrepancy was completed
      ii. According to the Middle and Elementary School Cash Handling Procedures (dated 2017), variances over $5 should be researched and reported to the Food Service Manager (this is outdated compared to current practice with an expectation set at $3 discrepancy)
IV. **Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Finding & Recommendations**

2. **Recommendation** – Implement a log and signoff procedure for end of day register counts and variances

   a. It is suggested that the District maintain a log for each shift that documents any discrepancies and what follow-up/research into the variance was performed. Based on our interviews, the School Lunch Program would like to implement this control soon

   b. It should be initialed or dated by the Cook/Supervisor

   c. The Director should review the logs on a quarterly basis to ensure each School is following the procedure

3. **Finding** – There is no policy around “timeliness” or required date of submittal for School Lunch revenue reporting to Town Treasury

   a. Currently, the School Lunch program submits packets of revenue/collection documentation along with bank deposit slips to Town Finance for reconciliation and recoding into MUNIS

   b. There is no formal requirement for how often this needs to be done (typically, it has been done approximately at the end of each month based on our testing)

      i. Based on our interviews with Town Treasury, the frequency and completeness of submittals from School Lunch Program have improved under the new School Lunch Program management team

3. **Recommendation** – Set a formal policy for frequency of revenue collection data to be submitted to Town Treasury

   a. It is suggested that the Town and School Lunch Program agree to a reasonable frequency (e.g. weekly/biweekly) for when the Food Services Department shall submit revenue/collection documentation and bank slips to Town Treasury for entry/posting into MUNIS

   b. This will allow entries in MUNIS to be timelier (at a minimum, posted within the proper month) to keep the system more up-to-date and in line with the bank accounts for School Lunch

   c. It will also keep the Heartland system and MUNIS more aligned/in sync at any point in time
IV.  **Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Finding & Recommendations**

4. **Finding** – Site inspections by GPS personnel are not performed on a formal, regular basis  
   a. Per our testing, for the two (2) in-scope years, there were no site inspections performed  
   b. Site inspections allow the Director insight into operations at each school and help maintain accountability/uniformity among all Food Service Cooks/Supervisors and workers  
   c. Please note that the District does undergo inspections by the Department of Health (DOH). All Schools passed the DOH inspections with 100% ratings, historically

4. **Recommendation** – Perform school site inspections on a more frequent, regular basis  
   a. It is suggested that the Director consider performing a single site inspection per month/quarter  
   b. The school chosen for inspection should be selected at random  
   c. A standard checklist/inspection review sheet should be utilized at each inspection that documents District-wide standards for Food Service operations  
      i. A pass/fail should be determined based on the results of the standardized checklist  
      ii. Schools who receive a “failed” inspection should be re-inspected the following month to confirm issues have been remediated/resolved  
      iii. All school inspection results should be logged and maintained by the School Lunch Program Central Office

5. **Finding** – Policies are outdated  
   a. During our review, CLA obtained several policies and procedures surrounding the School Lunch Program. It was noted that many of these are outdated and may not reflect current operations under the new School Lunch Program leadership
IV. **Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Finding & Recommendations**

b. After interviewing the Director and Administrative Assistant, it was noted that several new procedures and enhanced controls are in the process of being implemented; they have yet to be formally documented
   i. Both employees are fairly recent hires to the District and our testing indicates that controls have improved in the 2020-2021 school year

5. **Recommendation** – Develop and document an updated policy and procedures manual

   a. We recommend that the Department develop an updated policy and procedure manual to help for training employees, including on the use of the new system

   b. The manual should include a documentation of where controls, signoffs, and approvals are required

   c. Procedures around cash reconciliation at end of day, inventory processes, Mosaic (new software) usage, voids, deliveries, and cash management should also be included

      i. The policies should be developed District-wide to include elementary, middle, and high school lunch activities

6. **Finding** – No regular review of void activity

   a. Based on our testing, it does not appear that the District is regularly reviewing voided/altered transactions on the School Lunch POS system

   b. In addition, our testing showed that each cashier can enter a void in the system. Based on our interviews with management, they intend to change this ability to be limited to Cooks/Supervisors at each school

6. **Recommendation** – Perform regular reviews of voided register activity

   a. The software has the ability to run a void report (this was viewed during our testing). This report can be exported to Excel and reviewed to identify which register and cashier created a void in the system, the amount voided, and the date
IV. **Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Finding & Recommendations**

b. The Director should run this report on a regular (monthly/quarterly) basis to review for any irregular or suspicious void activity (our testing did not reveal any irregular activities)

c. Void permissions (the ability to void) should be limited within the software settings to only Cook/Supervisor roles
School Lunch Program Controls Testing

As part of this audit, CLA tested the activities within School Lunch operations for the 2019-2020 and 2020-2021 fiscal years. For each control, CLA assessed the control for effectiveness and provided an audit conclusion of “Satisfactory,” “Needs Improvement,” “Unsatisfactory,” “Inconclusive,” or “Not Applicable.”

### Audit Conclusion Key

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<th>Conclusion Rating</th>
<th>Rating Calculation/Logic</th>
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<tr>
<td><strong>Satisfactory</strong></td>
<td>80-100% of the samples selected for testing passed the test criteria with no exceptions</td>
</tr>
<tr>
<td><strong>Needs Improvement</strong></td>
<td>50% - 80% of the samples selected for testing passed the test criteria with exceptions</td>
</tr>
<tr>
<td><strong>Unsatisfactory</strong></td>
<td>50% - 80% of the samples selected for testing did not pass test criteria; exceptions were noted</td>
</tr>
<tr>
<td><strong>Inconclusive</strong></td>
<td>Audit test files and/or supporting documents were not available during testing; unable to conclude on testing results</td>
</tr>
<tr>
<td><strong>Not Applicable</strong></td>
<td>Testing was not applicable for the selected control</td>
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Summary test results are on the following pages. Tests include:

1. Revenue Collection
2. Daily Inventory Delivery
3. Distributor Inventory Delivery
4. Emergency/COVID Food Process
5. Revenue Reconciliation
6. Void Reports
1. Revenue Collection

<table>
<thead>
<tr>
<th>#</th>
<th>Control Test</th>
<th>Results 2019-2020</th>
<th>Results 2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>RC.1</td>
<td>At the end of each business day, a Cafeteria worker reconciles all cash on hand to the amount recorded in the Cash Journal</td>
<td>Satisfactory (19% of Samples Tested Did Not Pass)</td>
<td>Satisfactory (16% of Samples Tested Did Not Pass)</td>
</tr>
<tr>
<td>RC.2</td>
<td>Variances of greater than three dollars are referred to the Food Service Manager for resolution</td>
<td>Unsatisfactory (100% of Samples Tested Did Not Pass)</td>
<td>Unsatisfactory (100% of Samples Tested Did Not Pass)</td>
</tr>
<tr>
<td>RC.3</td>
<td>The Weekly Cash Receipts Excel document matches the Cash Journal for each school</td>
<td>Satisfactory (1% of Samples Tested Did Not Pass)</td>
<td>Needs Improvement (26% of Samples Tested Did Not Pass)</td>
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Summary findings for 2019-2020 Revenue Collection

Based on a daily occurrence/frequency of process, CLA selected a sample of 10 days to verify the accuracy and collection of the cash received by Greenwich Food Services. Of the 10 dates selected, we noted the following:

a. During the period, there were 159 instances of school reconciliation of cash in the registers to cash amounts reported in the Heartland cash journal. (RC.1)
   i. Of the 159 selections, there were 31 instances where the variance between physical cash in the registers and expected cash amounts (per the system cash journal) exceeded three (3) dollars.

b. For the 31 instances of greater than three-dollar ($3) discrepancies, there was no evidence that additional investigation or reporting to the Food Services Director had occurred (RC.2.)

c. 159 instances occurred in which cash was deposited to the bank at the end of each date selected. (RC.3)
   i. Of the 159 selections, there was only one (1) instance where the deposit slip and cash journal amount varied (Bank deposit showed +$0.60)

Summary findings for 2020-2021 Revenue Collection

Based on a daily occurrence/frequency of process, CLA selected a sample of nine (9) days to verify the accuracy and collection of the cash received by Greenwich Food Services. Due to the ongoing COVID-19 pandemic, many of the school Cafeterias reduced in-person operations and as such, did not process as many cash transactions. The population for testing of the 2020-2021 was reduced to 31 total cash deposits. Of the nine (9) dates selected, we noted the following:

a. During the period, there were 31 instances of school reconciliation of cash in the registers to cash amounts reported in the Heartland cash journal. (RC.1)
   i. Of the 31 selections, there were five (5) instances where the variance between physical cash in the registers and expected cash amounts (per the system cash journal) exceeded three (3) dollars.

b. For the five (5) instances of greater than three-dollar ($3) discrepancies, there was no evidence that additional investigation or reporting to the Food Services Director had occurred (RC.2.)

c. 31 instances occurred in which cash was deposited to the bank at the end of each date selected. (RC.3)
V. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Testing

  i. Of the 31 selections, there was eight (8) instances where the deposit slip and cash journal amount varied (this appears to be a mis-reporting by the system, but there is no evidence to show that the variances were further investigated or validated)
V. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Testing

2. Daily Delivery Testing

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<tr>
<td>DDT.1</td>
<td>For Each School that recieves an inventory delivery from GHS, a signature is provided on the daily order sheet to confirm receipt of the goods</td>
<td>Needs Improvement (29% of Samples Tested Did Not Pass)</td>
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</tbody>
</table>
Summary findings for 2019-2020 Daily Delivery Testing

Food Services has no specific guideline for the frequency of inventory delivery from GHS to the other schools in the Greenwich School District. As this likely occurs a few times a week, CLA selected a sample of 10 days to verify sign off on the delivery sheet. Of the 10 days, we noted the following:

a. 99 deliveries occurred from Greenwich High School to other Greenwich Schools.

   i. Of the 99 deliveries, 29 instances occurred in which no sign off existed on the delivery sheet returned to the High School following delivery and one (1) instance occurred where the delivery sheet showed evidence of review but no actual signature

Summary findings for 2020-2021 Daily Delivery Testing

Food Services has no specific guideline for the frequency of inventory delivery from GHS to the other schools in the Greenwich School District. As this likely occurs a few times a week, CLA selected a sample of 10 days to verify sign off on the delivery sheet. Of the 10 days, we noted the following:

a. Of the 10 days selected, 86 deliveries occurred from Greenwich High School to other Greenwich Schools.

   i. Of the 86 deliveries, three (3) instances occurred where a delivery sheet had evidence of review but no actual signature
3. Distributor Inventory Delivery

**Summary findings for 2019-2020 Distributor Inventory Delivery**

Greenwich typically receives deliveries a few times a week; CLA selected a sample of 10 days throughout the 2019-2020 year. Of the 10 occurrences, we noted the following:

a. Nine (9) days of invoices reviewed showed evidence of sign off by a Food Service employee, indicating that the order was complete, accurate, and all goods arrived in good condition. (DID.1)

   i. One (1) day of testing had four (4) total invoices; one (1) of which showed evidence of review (e.g. checkmark) but no formal sign off (staff initials)

**Summary findings for 2020-2021 Distributor Inventory Delivery**

Greenwich typically receives deliveries a few times a week; CLA selected a sample of nine (9) days throughout the 2020-2021 year. Of the nine (9) occurrences, we noted the following:

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<th>#</th>
<th>Control Test</th>
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<tbody>
<tr>
<td>DID.1</td>
<td>Each distributor invoice is signed off by a member of Food Services after a cursory review of the delivery is conducted</td>
<td>2019-2020: Satisfactory (10% of Samples Selected For Testing Passed with Exception)</td>
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<tr>
<td></td>
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<td>2020-2021: Needs Improvement (11% of Samples Selected for Testing Passed with Exception, 17% Did Not Pass)</td>
</tr>
</tbody>
</table>
b. Five (5) days of invoices reviewed showed evidence of sign off by a Food Service employee, indicating that the order was complete, accurate, and all goods arrived in good condition. (DID.1)
   i. One (1) day of testing had three (3) total invoices; with two (2) of the three (3) showing no evidence of review or formal sign off
   ii. Another day of testing also had three (3) total invoices; with one (1) of the three (3) invoices showing no evidence of review or formal sign off. One (1) of the invoices showed evidence of review (e.g. checkmark) but lacked a sign off. It was noted that an item in this order was damaged. CLA confirmed with Food Services that a refund was provided to the District
   iii. One (1) day of testing had two (2) invoices; with one (1) of the two (2) invoices showing evidence of review but no formal sign off
   iv. One (1) day of testing had a single invoice which showed evidence of review but no formal sign off
Summary findings for 2020-2021 Emergency COVID Food Process

Greenwich Food Services performed this process weekly during the COVID pandemic. CLA selected a sample of 11 days to test. Of the 11 occurrences, we noted the following:

a. During the 11 days, there were 244 occurrences of meals served (breakfast and lunch) across Greenwich School Lunch locations. For each of these occurrences, the locations maintained a manual production sheet which was later compiled and recorded in a District-wide Excel log to be submitted to the state for reimbursement (ECFP.1)

i. 19 instances occurred in which the amount the individual locations listed on their production sheet did not agree to the amount reported to the state
5. Monthly Revenue Reconciliation

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<td></td>
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<td>2019-2020</td>
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<tr>
<td>MRR.1</td>
<td>Weekly cash receipt totals are reconciled to deposit slips and the bank statements</td>
<td>Satisfactory (10% of Samples Selected for Testing Did Not Pass)</td>
</tr>
<tr>
<td>MRR.2</td>
<td>Weekly credit card receipts are reconciled to the transaction logs in Heartland</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>MRR.3</td>
<td>Cash and credit card Revenues are entered into MUNIS at the end of each month and reconcile to the weekly summary sheets provided</td>
<td>Satisfactory (7% of Samples Selected for Testing Did Not Pass)</td>
</tr>
</tbody>
</table>
Summary findings for 2019-2020 Monthly Revenue Reconciliation

The Treasury Department performs a revenue reconciliation monthly. CLA selected a sample of three (3) months to test. Of the three (3) months, we noted the following:

a. 14 instances occurred in the three (3) months selected in which the weekly receipts, bank statement, MUNIS balance and Heartland balance all agreed, evidencing that all transactions were accurate and complete (MRR.1)

i. One (1) instance occurred in which the weekly receipt total did not agree to the bank balance, deposit slips, and MUNIS. This was noted as an exception as the Food Services Department did not update/correct the weekly receipt total but CLA did confirm that Treasury issued a correction in MUNIS.

Summary findings for 2020-2021 Monthly Revenue Reconciliation

The Treasury Department performs a revenue reconciliation monthly. CLA selected a sample of three (3) months to test. Of the three (3) months, we noted the following:

a. 23 instances occurred in the three (3) months selected in which the weekly receipts, bank statement, MUNIS balance and Heartland balance all agreed, evidencing that all transactions were accurate and complete (MRR.1)

6. Void Reports

Summary findings for 2019-2020 and 2020-2021 Void Reports

Food Services is able to generate a system report of all voided transactions per register, per cashier. With the understanding that voids can occur daily, CLA selected a sample of three (3) months for each year to test. Void reports were obtained and analyzed for trends, frequency of voids per staff, dollar amount of voids, voids per school, and any anomalies (e.g. exceedingly high or unusual amounts, etc.) using a variety of excel calculations and pivot tables. CLA did not note any unusual or suspicious activities.
Management Comments
The following comments were provided by Dave Nanarello, Director of Food Services, and Sean O’Keefe, Chief Operating Officer in regard to the audit findings and recommendations:

A. Finding #1 – There are minimal inventory control procedures in place

Recommendation – Implement inventory control software and monthly inventory procedures

   a. We recommend that the Food Services Department proceed with the full implementation of Mosaic inventory/ordering modules and train staff as soon as possible

      Management Response: “At the start of the audit, we disclosed to CLA that the Mosaic system had been purchased but not yet implemented and that training had not yet begun. Since then, training has been completed and passwords issued to the applicable supervisory staff. The goal is to be fully operational for the closing inventory as of June 30, 2021.”

   b. Inventory should be counted, tracked, and recorded monthly within the software

      1. High School/Commissary Kitchen Supervisors should be given software capabilities
      2. Each Middle School and Elementary School with inventory (although limited) should also be counting on a monthly basis and submitting to the Director/Central Office
      3. Discrepancies/variances in inventory counts should be reviewed and investigated by the Director

      Management Response: “Staff has been trained and will be initially implemented on June 30, 2021.”

   c. As an additional control/security measure for inventory, the District may consider installing cameras in kitchens, cafeterias, and anywhere product may be maintained

      Management Response – “The Food Services Director will discuss with the GPS Director of Security to weigh the cost/benefit of installations throughout the District.”
B. Finding #2 – There is no documentation or signoff policies in place, corresponding to daily cash counts/register reconciliations

**Recommendation** – Implement a log and signoff procedure for end of day register counts and variances

**Management Response:**
1. “The District will maintain a log for each shift that which will document any discrepancies and follow-up research into each of the variances identified.”
2. “This document will be initialed and dated by the Cook/Supervisor.”
3. “The Director of Food Services will review the logs within two weeks following the end of each quarter.”

C. Finding #3 – There is no policy around “timeliness” or required date of submittal for School Lunch revenue reporting to Town Treasury

**Recommendation** - Set a formal policy for frequency of revenue collection data to be submitted to Town Treasury

**Management Response:** “Currently, Food Services consistently submits all revenue/collections documentation to Town Treasury on a weekly basis on the Friday following the previous week’s activity.”

D. Finding #4 – Site inspections are not performed on a formal, regular basis

**Recommendation** - Perform school inspections on a more frequent, regular basis

**Management Response:** “Site inspections will be performed at random at one school per month resulting in every school being inspected at least once per year. Inspections will be conducted against a standard checklist/inspection review sheet. For any school receiving a “failed” inspection, a re-inspection will occur within 30 days to ensure the issues have been remediated or corrected. If the re-inspection determines that the issues have not been resolved in a satisfactory manner, possible disciplinary action may result as well as a third inspection within two weeks. All documentation will be kept on file at the office of the Food Services Director.”
VI. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Management Comments

E. Finding #5 – Policies are outdated

Recommendation - Develop and document and updated policy and procedures manual

Management Response: “The existing Policy & Procedures manual will be updated district-wide by September 1, 2021 and will include the following:

1. Section of the manual where controls, signoffs, and approvals are required
2. Daily cash reconciliation
3. Inventory processes
4. Mosaic software usage
5. Voids, deliveries, and cash management
6. Overall editing for conciseness”

F. Finding #6 – No regular review of void activity

Recommendation – Perform regular reviews of void activity

Management Response:

1. “A daily void report will be run (starting by July 1, 2021) and submitted with the daily paperwork from each school. The Director of Food Services will review monthly for any irregular or suspicious void activity. In addition, the Food Services Director will request each Supervisor to alert him of any unusual void activity.”
2. “The void permissions in the system will be “reset” to only Cook/Supervisor roles.”
Appendix A – Interview List
As part of this audit, the following individuals were interviewed:

1. Dave Nanarello – Food Service Director
2. Erika Peters – Administrative Assistant
3. Nataliya Yemets – Town Treasurer

Appendix B – Process Workflows
CLA mapped a number of operational/process workflows relating to operations of the Greenwich School Lunch Program. The following workflows are mapped on the continuing pages:

- Food Service Staffing
- MySchoolBucks Activity process
- Revenue Collection process
- Cash Deposit process
- COVID/Emergency Food process
- Inventory/Distribution process
- Revenue Reconciliation
Note: The Cook serves as the Supervisor at each School (aside from the High School). The Food Service Director also functions as the Executive Chef for the District and manages the High School food service operations.
Parents & Guardians load funds into student MySchoolBucks accounts online; students may also bring in checks to be deposited into their MySchoolBucks account.

Students use PIN number for purchases at school.

On a weekly basis, the Food Service Administrative Assistant runs a Batch report in MySchoolBucks.

On a weekly basis, the Food Service Administrative Assistant runs batch reports out of WebSMARTT.

Report/activity data is entered into Excel (sheet setup for the District).

Excel sheet is sent to Town Treasury via “interoffice envelope.”

Town Treasury enters into MUNIS.

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**Icons**

- ⚫ = Control Present
- ⚪ = Control Lacking
- 🌆 = WebSMARTT Software used
- 🍎 = MySchoolBucks software used
- 🌾 = Munis software used
- 📊 = Excel is used
- 📖 = Standard Form is used
Cook opens the POS system and selects “start breakfast (or lunch)” which activates cash registers in the school.

At end of day, Cook/Supervisor runs daily sales report out of WebSMARTT; removes cash/checks from registers.

Cash/checks are counted each AM and after lunch with two Food Service staff present, amount is recorded on register count sheet.

Food Service staff take the cash, checks, and count sheet number to the supervisor; overage or shortage is determined.

For 2020-2021, a la carte sales are entered into the system, but distribution of breakfast and lunch bags is kept manually in forms.

POS registers have button for “state reimbursable meal” Based on student’s pin, they may be eligible for a free or reduced lunch.

Cash/checks amount is logged into WebSMARTT.

Supervisor reviews POS transaction reports to identify discrepancy reason (for large shortages, the Director is engaged), final amount is logged.

For 2020-2021, a la carte sales are entered into the system, but distribution of breakfast and lunch bags is kept manually in forms.

Note: The Supervisor at each school can perform voids in WebSMARTT. The daily sales report shows the void count.

Note: There are no cameras in the cafeterias currently. There is no way to eliminate the risk of a cashier not entering an item but providing it to a student.
VII. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Appendix

Greenwich Cafeteria Internal Audit
Workflow Version 3
4/9/2021

Cash Deposit Process

Each day, a District Central Office employee collects cafeteria cash/checks from each School

Cash/checks are placed in a bank-sealed envelope/bag; initial deposit receiving record is kept

Staff who picked up the money performs bank deposit

Staff returns the bank deposit slip to the Administrative Assistant; each deposit slip has school name and date

A

Administrative Assistant enters deposit amount into Cafeteria Excel spreadsheet

Deposit amounts are reconciled against cash journal and daily cash reports

Cash counters are unaware of the expected cash collection total until money is brought to supervisor (Cash counters are rotated)

Icons

= Control Present

= Control Lacking

Heartland = WebSMARTT Software used

=MySchoolBucks software used

=Munis software used

=Excel is used

=Standard Form is used

Create Opportunities
Greenwich busses also deliver bagged meals throughout the community. Bags distributed are tracked by a count of how many bagged meals remain when buses return. Daily tally sheets/production reports with count information are provided to Food Services Central Office. Food Service Administrative Assistant logs daily activity in Excel uses excel.

Food Service Administrative Assistant enters monthly numbers into state website for reimbursement. Superintendent’s Office approves the entry on the state website and submits for the District.

State reimburses Greenwich for bagged meals (25 for each breakfast, $3 for lunch).

COVID (Grab n’ Go) Emergency Food Service Process

District Food Services Dept. creates pre-bagged breakfasts and lunches.

Students pick up the bagged meals across the District Schools.

Food Service staff at each School record the number of bags served (by student grade level) each day for breakfast and lunch.

Note: Greenwich Food Services has permission to operate the Emergency Food Services program through June 30, 2021. (There is an additional Federal government waiver Greenwich can apply for that will extend the reimbursement program through Sept. 30, 2021.)
VII. Town of Greenwich – Greenwich Public Schools Lunch Program Audit – Appendix

Greenwich Cafeteria Internal Audit
Workflow Version 3
4/9/2021

Food Service Director performs all scheduling, menu planning, and ordering of food/product. Orders are done out of the central office.

Vendors deliver to the high school; product is reviewed and received by 2 warehouse employees; products are inspected for quality/accuracy.

Items that are unsatisfactory are not accepted. The Food Service Director coordinates with sales representatives for credits/reimbursements.

Individual schools place their orders from the high school/commissary kitchen on a paper daily order sheet (orders are for short-term/next day needs).

Note: All goods are stored in the high school, with limited inventory kept in the middle and elementary schools.

Drivers drop off product at each school and pickup the daily order sheet for next day; food service staff signs off on order sheet.

Daily order sheets are compiled in the master distribution list by High School food service staff.

Note: Greenwich Food Services is working towards developing a monthly inventory count/procedure. There are currently no active inventory processes/counts.

3 Main Vendors:
1. Thurston Foods
2. Appco (paper/plastics)
3. Wade’s dairy

Icons:
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- = Control Lacking
Heartland = WebSMARTT Software used
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= Munis software used
= Excel is used
= Standard Form is used
Greenwich Cafeteria Internal Audit
Workflow Version 4
4/26/2021

Reconciliation Process

Heartland
Food services sends Town Treasury a batch summary report, weekly summary sheet (cash receipts) & all bank deposit slips for recent activity.

Heartland
Treasury reconciles the summary files to the JP Morgan monthly bank statement (by day).

Any mistakes, variances, or discrepancies are sent back to/ coordinated with Food Services to be resolved.

Revenue Clerk posts the weekly total revenue by school in MUNIS.

At month end, Treasury reconciles JP Morgan Chase Bank statement to MUNIS for all accounts/funds.

Note: Greenwich Food Services does not have a formal guideline or policy around required “timeliness” of reconciliation submittal from the School Lunch program to Town Treasury (e.g. weekly, biweekly).

Icons:
- Control Present
- Control Lacking
Heartland
- WebSMART software used
- MySchoolBucks software used
- Munis software used
- Excel is used
- Standard Form is used
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