



**FULTON
COUNTY**

**FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
ARAMARK AUDIT REPORT
December 9, 2020**

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INTRODUCTION

In accordance with the 2020 approved Audit Plan, the Office of the County Auditor conducted an audit of the Aramark Inmate Food Services and Related Food Service Operations' contract.

BACKGROUND

Aramark Correctional Services, LLC (Aramark) provide food and nutrition services for some State and County correctional facilities. All correctional facility menus are designed by Registered Dietitians to meet the nutritional requirements specified by the facility, as well as the guidelines set by the *American Correctional Association (ACA)*. Aramark partners with each individual correctional facility to determine the nutritional specifications for the menus created (e.g., calories, portions, religious meals).

Fulton County has contracted Aramark to provide inmate food services at the jail and other facilities. Aramark provides inmate food services to inmates housed at the Fulton County Jail, the Alpharetta Jail, Marietta Annex, and the South Fulton Municipal Regional Jail.

OBJECTIVE

The objectives of the audit were to evaluate the adequacy and effectiveness of the internal controls and quality of performance in the execution of responsibilities as it relates to compliance with the contract deliverables.

SCOPE

The scope for this audit is January 1, 2019 through December 31, 2019.

METHODOLOGY

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

To achieve our audit objectives, we conducted the following:

- Reviewed the Food Services contract to gain an understanding of the deliverables to be performed;
- Reviewed Aramark's policies and procedures and the ACA to gain an understanding of how food services should be conducted within the jails; and
- Conducted various interviews with key staff members to obtain an understanding of the food processes being performed.

We believe that the evidence obtained provides a reasonable basis for our findings and recommendations detailed in the section below.

AUDIT FINDINGS AND RECOMMENDATIONS

Finding 1 – Organizational Structure Does Not Comply with the Contract

The Staffing Requirement section of the contract between Aramark and the County indicates there should be a Food Service Director on staff, as well as an Assistant Food Service Director. Additionally, the contract states, “for any position that remains vacant for longer than fifteen (15) days, the vendor will provide on the monthly, an invoice credit to the County for that position on a daily basis.”

Upon the review of the Organizational Chart submitted, there is no Food Service Director, nor Assistant Director listed. It appears that the Food Service Director and Assistant Director positions were vacant during calendar year 2019. In addition, we also noted that one (1) cook position was vacant for ninety (90) days and another cook position was vacant for nine (9) months. It was determine the vendor did not submit invoices to credit the County for any positions that remained vacant for longer than fifteen (15) days. These positions may not be listed on the organization chart due to the vendor incorporating a General Manager and Food Service Manager, in lieu of a Food Service Director and an Assistant Director. Failure to ensure vacant positions were filled within fifteen (15) days may have occurred due to an oversight by management. Consequently, the failure to ensure the vendor’s organizational structure agrees with the contract requirements and vacant positions are filled within fifteen (15) days could result in contract noncompliance.

Recommendation

We recommend Aramark comply with the agreed upon contract and ensure the organizational structure meets the requirements of the contract as well. Additionally, we recommend invoices be submitted to the County for any position that has been vacant for more than fifteen (15) days.

Finding 2 – Lack of Supporting Documentation

Supporting documentation provides a record of events and activities and therefore, should be accurate and complete. Proper documentation also provides evidence of what has transpired as well as provides information for researching discrepancies. During our audit, we sampled invoice files for the months of January, May, September, and October of 2019 or 134 days. We were unsuccessful with reconciling any of the files reviewed with meal count totals, specifically noting that of the 134 days included in our sample, 75 days, or 56%, did not include supporting documentation for the meal counts for the respective meals (i.e., breakfast, lunch, dinner). This could be the result of a lack of supervisory reviews and the failure to perform proper reconciliations. The lack of sufficient supporting documentation hinders the department’s ability to provide accurate information for sound decisions in the future.

Recommendation

Good recordkeeping is vital to providing accurate and substantive information. To ensure the accuracy of records/files, we recommend that an effective recordkeeping system be implemented. Additionally, supervisory reviews of these records should be performed on a consistent basis so any issues can be readily identified and remedied.

Finding 3 – Invalid Health Certificates

According to the Aramark contract, “It is mandatory that all vendor employees have valid health certificates and be approved by the Sheriff’s Office, prior to being allowed to work within the facility.”

During our review of the health certificates, it was noted that Aramark utilizes the *Aramark Safe Form A: Conditional Applicant Health Form*; however, we were unable to verify eight (8) out of twenty-four (24) employees that worked for Aramark during calendar year 2019 completed the *Aramark Safe Form A: Conditional Applicant Health Form*. Management did not perform adequate reviews to ensure valid health certificates were completed by every employee prior to employment. Failure to complete the *Aramark Safe Form A: Conditional Applicant Health Forms* may result in noncompliance with the terms of the contract.

Recommendation

We recommend that Aramark strengthens its review process to ensure potential employees complete the *Aramark Safe Form A: Conditional Applicant Health Form* prior to employment. In addition, although the contract does not require annual, valid health certificates, we recommend that all vendor employees be required to submit valid health certificates annually. Adequate annual reviews of these forms will allow any health issues to be readily identified.

Finding 4 – Inaccurate Meal Counts

According to the contract, “The vendor shall keep full and accurate records of sales and meal count records in connection with the food service.” Our review of invoices for the months of January, May, September, and October revealed inaccuracies between the meal counts provided by the Sheriff’s Office to the meal counts reflected on Aramark’s invoices. **See Chart 1**

Chart 1

Week	Sheriff Office’s Meal Count	Aramark’s Meal Count	Quantity Difference
12/28/2018	7,912	7,936	24
12/31/2018	7,955	7,980	25
1/3/2019	8,220	8,232	12
1/9/2019	8,602	8,232	(370)
1/15/2019	8,272	8,274	2

1/23/2019	8,311	8,315	4
4/25/2019	9,287	9,267	(20)
4/29/2019	9,017	9,018	1
5/10/2019	9,099	9,097	(2)
5/11/2019	9,329	9,323	(6)
5/15/2019	9,135	9,449	314
5/17/2019	9,244	9,234	(10)
5/22/2019	9,798	9,432	(366)
9/2/2019	10,204	10,205	1
9/11/2019	9,770	10,122	352
9/13/2019	9,865	9,873	8
9/20/2019	9,821	9,796	(25)
9/27/2019	9,794	9,734	(60)
9/30/2019	9,797	9,813	16
10/1/2019	10,055	10,021	(34)
10/2/2019	9,946	9,906	(40)
10/7/2019	9,712	9,706	(6)
10/13/2019	9,479	9,480	1
10/21/2019	9,718	9,888	170
10/23/2019	9,885	9,865	(20)
10/28/2019	9,907	9,853	(54)

As reflected in the chart above, there were significant differences on various days between the Sheriff Office’s meal count and Aramark’s meal count. As a result, we were unable to determine the accuracy of the associated invoices provided by the vendor. This occurred as a result of insufficient supervisory reviews. The inability to properly validate meal counts could result in inaccurate financial reporting.

Recommendation

We recommend that management strengthens its internal review process to include verification and reconciliation phases of all meals to ensure payments made to the vendor are accurate.

Finding 5 – Unable to Determine Meal Count Submission Date

In accordance with the contract, Aramark is required to send a copy of the sales and meal count records to the Sheriff or designee weekly, on the first working day of the subsequent week.

Our review of the weekly sales and meal count records for January, May, September, and October of 2019 concluded that Fulton County Sheriff’s Office did not properly document the date the meal count records were received in order to validate that meal count records were submitted on the first working day of the subsequent week. This was the result of an oversight by the

receiving department. Improper documentation could result in contract violation of not submitting the meal count records timely.

Recommendation

We recommend that the Sheriff's Office document the receive date on the meal count records in order to ensure meal count records are submitted timely in compliance with the contract.

Finding 6 – Untimely Payment of Invoices

According to the contract, "the County shall make payments to Contractor by U.S. mail approximately thirty (30) days after receipt of a proper invoice." During our review of our sample population, we noted that invoices dated from 11/21/2018 through 02/06/2019 were not issued payment until 03/29/2019. Additionally, any invoices for meals submitted after 10/23/2019 were not issued payment until calendar year 2020. The delay in issuing payments timely was the result of the Sheriff's Office not informing the Purchasing Department to provide a rolling purchase order to pay for inmate food services invoices related to year-end FY2017. This caused a domino effect on subsequent purchase orders to apply payment for prior year-end invoices. The untimely submission of payments to the Contractor do not align with the terms of the contract, and could potentially have a negative impact on the Contractor's performance.

Recommendation

We recommend the terms of the contract, and County policies and procedures pertaining to payment of invoices for service, be routinely followed. Any exceptions should be noted and a justification provided for the exception.

Finding 7 – Undocumented Guest Meal System

According to the contract, "The vendor is to provide and maintain a meal ticket system for guests. This system must be mutually agreed upon by the Sheriff or designee and the vendor." During the audit, a copy of the agreed upon meal ticket system for guests was requested, and a verbal synopsis of how guests' meals were handled was provided. However, an agreed upon, documented system was not provided. This may be the result of the comfortability with the undocumented process. It is important to note that the absence of a documented guest meal system increases operational ambiguity.

Recommendation

We recommend the respective parties generate an agreed upon, documented guest meal system to not only comply with the terms of the contract, but also to minimize confusion and improve business processes.

Concern 1 – Lack of Computerized System

The meal counting process should be accurate, streamlined, and consistent. Our audit revealed errors, including miscounts, which occurred as a result of the manual meal counting process. When a meal counting process involves several steps, multiple transfers of counts from one document/computer to another and/or many different sub processes within the main meal counting process, there is a high likelihood of errors occurring.

Recommendation

We recommend the implementation of a computerized meal counting system to limit human errors.

Concern 2 – Insufficient Minimum Requirement for Employment

According to the Staffing Requirement section of the contract between Aramark and the County, “Food Service Managers should have experience in food production and human resources issues in a jail facility housing a minimum 2000 inmates.” Upon the review of staff resumes, we identified one (1) instance where an employee did not possess the agreed upon experience, prior to becoming a food service manager. This may have occurred because the employee did have extensive previous experience in the food service industry. Failure to ensure applicants meet the minimum requirement for a prospective position prior to being hired, could affect employee morale and pay structures within a particular position.

Recommendation

We recommend Aramark ensure applicants meet the minimum requirements for all applicable positions, prior to obtaining employment.

Concern 3 – Condition of the Culinary Arts Program not Fulfilled

According to the contract, Aramark should continue the existing Culinary Arts Program for Inmate Training using the American Culinary Institute approved training curriculum, with approximately fifty (50) inmates assigned to the program annually.

During our review of the Culinary Arts Program, it was determined that Fulton County and Aramark continue the existing Culinary Arts Program during the calendar year of 2019; however, only twenty-two (22) inmates completed the program. This may have occurred as a result of most of the inmates being sent to prison prior to completing the program.

Recommendation

We recommend that Aramark continue its efforts to provide Culinary Arts training to approximately 50 inmates annually, as stated in the contract.

CONCLUSION

Our audit of the Aramark Inmate Food Services and Related Food Service Operations' contract identified weaknesses that have resulted in the following findings:

- Organizational Structure Does Not Comply with the Contract
- Lack of Supporting Documentation
- Invalid Health Certificates
- Inaccurate Meal Counts
- Inability to Determine Meal Count Submission Date
- Untimely Payment of Invoices
- Undocumented Guest Meal System

We also have three (3) concerns in reference to a computerized system, minimum requirements for employment, and the Culinary Arts Program.

We recommend management and staff give immediate attention to the above findings and recommendations.

Please provide a written response to this audit within ten (10) business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response should be submitted through the County Manager's Office and to Joi Hargis, Audit Coordinator, in the Office of the County Auditor at joi.hargis@fultoncountyga.gov. We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.