



**Mecklenburg County
Department of Internal Audit**

Health Department
Restaurant Inspections Follow-Up Audit
Report 1821

October 5, 2018

Internal Audit's Mission

To support key stakeholders in cultivating an environment of accountability, transparency and good governance.

Internal Audit Contacts

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Staff Acknowledgements

Eric Davis, CIA, CISA, CRMA, Auditor-in-Charge

**Obtaining Copies of
Internal Audit Reports**

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<https://www.mecknc.gov/audit/reports/pages/default.aspx?>



MECKLENBURG COUNTY
Department of Internal Audit

To: Dena Diorio, County Manager

From: Joanne Prakapas, Director, Department of Internal Audit

Date: October 5, 2018

Subject: Health Department Restaurant Inspections Follow-Up Audit Report 1821

The Department of Internal Audit completed a follow-up audit on reported issues from the Health Department Restaurant Inspections Audit Report 1563 issued September 30, 2016. The follow-up audit objective was to determine with reasonable but not absolute assurance whether management took effective corrective action on the issues presented in the audit report.

Internal Audit staff interviewed key personnel; observed operations; reviewed written policies, procedures, and other documents; and tested specific transactions where applicable. Internal Audit conducted this audit in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

FOLLOW-UP SUMMARY

There were ten recommendations in the Health Department Restaurant Inspections Audit Report 1563. The following table provides the original number of recommendations and summarizes the follow-up audit results performed to date.

Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2017	1563 ²	N/A				10
2018	1821	10				0

The attached **Follow-Up Results** matrix provides details for the most recent follow-up audit. Internal Audit will review any carryforward issues later to verify recommendations are fully implemented and working as intended.

¹ Management assuming risk for not taking corrective action

² Initial report

The cooperation and assistance of the Health Department staff are recognized and appreciated.

- c: Deputy County Manager/Chief of Staff
- Assistant County Managers
- Deputy County Attorney
- Senior County Attorney
- Board of County Commissioners
- Audit Review Committee
- Director, Health Department

Follow-Up Results
Health Department Restaurant Inspections Report 1563

- **Implemented** – Audit issue has been adequately addressed by implementing the original or alternative corrective action plan (**I**)
- **Open** – Corrective action for audit issue initiated but not completed (**P**); Implemented but not operating as intended (**IO**); Not been addressed but management fully intends to address issue (**O**)
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- **Withdrawn** – Audit issue no longer exist due to operational changes (**W**)

				Implementation Status	
Risk Observation	Recommendation	Management’s Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
1.1	<p>Internal Audit recommends management review and update policies and procedures to reflect current and best practices in the following areas:</p> <ul style="list-style-type: none"> • Quality assurance activities, to include quality monitoring criteria and guidelines on management’s application of such criteria • Record retention and disposal requirements, including processes to determine appropriate retention requirements were met • Inspection scheduling, including staff assignment and inspection prioritization 	<p>Quality Assurance Activities— Supervisors will be accountable for ensuring that quality assurance is completed for each assigned staff at a frequency specified in both an updated quality assurance policy and individual work plans. They will use a standardized field assessment tool and marking instructions. The results of each assessment will be tabulated on a spreadsheet, and critical measures reported quarterly by the Program Manager to the Division Director and Health Department Division Quality Improvement staff.</p> <p>All supervisors received training by North Carolina DHHS staff on the use of this assessment tool in FY 2015. Additionally, in FY 2015 all supervisors were FDA standardized, meaning that they have been assessed and found to be fully knowledgeable in the application and interpretation of the most current version of the FDA Food Code, upon which the North Carolina Food Code is based. All policy revisions, forms, marking instructions, and spreadsheets will be in place by the end of July 31, 2016.</p>	07/2016	I	

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Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
		<p>Record Retention and Disposal Requirements—A new policy will be created by the end of July 2016 to address the procedure for quality assurance of records being scanned into OnBase to ensure that records are properly retained. The policy will address clarity of the scanned images and address quality assurance steps needed to ensure the documents are correctly indexed and categorized. A form to document the review will be developed simultaneously with the policy.</p> <p>Training will be provided to the individual(s) responsible for the review and it will be added to their work plan. Through FY 2014 into FY 2015 all paper records were scanned into OnBase and all other inspection records are retained in the inspection database and are currently being retained forever. No paper inspection records are stored in the office. We will work with IT staff to have unneeded records removed in accordance with state records retention requirements mandated by the North Carolina Department of Cultural Resources.</p>			

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		<p>Inspection Scheduling— Current territories based on corrected parcel numbers are in the process of being created for a more equitable distribution of workload. Expected completion of this project is December 31, 2016. In addition, facilities are being evaluated to ensure that they are assigned correct risk categories which will correct inspection frequency, expected completion by September 30, 2016. Policies and procedures will be revised to reflect changes by July 31, 2016.</p> <p>We will work with our Environmental Health Analyst to determine a way to flag foodservice establishments using our current priority assignment system to ensure that high risk, low performing establishments do not miss inspections. Policies and procedures will be revised to reflect changes by July 31, 2016. Staff work plans will include this requirement as well. Work plans will be revised and signed during October 2016 and the priority list tested and ready to use by November 1, 2016.</p> <p>Environmental Health will contact GIS by September 1, 2016 to determine if there</p>			

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		are routing efficiency recommendations or applications that we can implement to improve inspection performance.			
2.1	Internal Audit recommends management ensure required file reviews of inspection documentation are conducted.	Specific requirements for inspection documentation review will be added to the quality assurance policy, along with a standardized form to capture the review and marking instructions. All will be in place by the end of July 2016 and file review will be implemented by October 1, 2016. Data captured will be available by January 15, 2017.	01/2017	I	
2.2	Internal Audit recommends management ensure restaurant inspections performed by supervisors are subject to quality assurance assessments.	<p>Inspection consistency between the six Food and Facilities Sanitation (F&FS) supervisors is vitally important. In FY 2015, to begin addressing this issue, all F&FS supervisors were Food and Drug Administration (FDA) standardized, meaning that they have been assessed and found to be fully knowledgeable in the application and interpretation of the most current version of the FDA Food Code, upon which the North Carolina Food Code is based. This standardization creates the foundation on which the following processes will be built.</p> <ul style="list-style-type: none"> • The FDA Regional Retail Food Specialist has standardized two of the six supervisors. They serve as the 	10/2016	I	

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		<p>Standards for this Department and are required, as part of this designation, to complete staff standardizations yearly and to attend the annual Southeast Regional FDA Food Safety Conference to ensure that they maintain their knowledge base and are kept informed of the latest developments in food safety. Beginning in FY 2017, each of these Standards will complete two standardizing inspections with two of the remaining four supervisors yearly.</p> <ul style="list-style-type: none"> • The Program Manager will complete an annual field inspection assessment of each supervisor, utilizing a standardized assessment tool and marking instructions. The quality assurance policy will be revised to reflect this change. • Both projects will be implemented beginning October 1, 2016 with information available for three quarters of the fiscal year at the end of FY 2017. 			
2.3	Internal Audit recommends management ensure quality assurance assessments are	The measures put in place in 2.1 and 2.2 of this Risk Observation should accomplish this goal. All supervisors will	10/2016	I (3)	

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	consistently performed, documented, and maintained.	be held accountable for quality assurance assessments beginning October 1, 2016.			
3.1	<p>Internal Audit recommends management continue to seek strategies that increase the efficiency of the inspection process and the number of required inspections performed. Strategies could include, but are not limited to:</p> <ul style="list-style-type: none"> • Continually assessing the use of emerging technology • Periodically evaluating adequacy of staffing levels • Centralizing the inspection scheduling process • Using compliance history as an additional criterion to determine inspection frequency • Leveraging geospatial data for routing inspections 	<p>Preliminary results for FY 2016 indicate an increase of over 30% in inspections compared to FY 2015 results. This was accomplished by completing State authorization requirements for nine positions, which included seven vacancies and two betterment positions, before the end of December 2015. We also were able to hire an authorized individual in the spring of 2016 to fill a vacancy. We believe that we can continue this upward climb in FY 2017 by the following strategies:</p> <ul style="list-style-type: none"> • Hiring one additional staff from an approved betterment in September 2016, anticipating 5 to 8 months of training prior to authorization; • Continued improvement in employee retention through initiatives created by the Environmental Health Quality Improvement team in FY 2016; • Requesting a manpower study from North Carolina DHHS by September 1, 2016; • Realignment of current territories to create a more equitable distribution of workload by January 1, 2017 and; 	06/2017	I	

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		<ul style="list-style-type: none"> • Evaluating facilities to ensure that they are assigned correct risk categories which will correct inspection frequency by September 30, 2016. • Working with our Environmental Health Analyst to determine a way to flag foodservice establishments using our current priority assignment system to ensure that high risk, low performing establishments do not miss inspections. Staff work plans will include this requirement as well. Revised priority list tested and implemented by November 1, 2016. • Environmental Health will contact GIS by September 1, 2016 to determine if there are routing efficiency recommendations or applications that we can implement to improve inspection performance. 			
3.2	Internal Audit recommends management ensure staff captures the restaurant person-in-charge signatures on all enforcement actions. They should also review documentation for completeness and accuracy.	Supervisors will review 100% of all enforcement actions for accuracy and completeness. All staff will receive training on this documentation in August 2016	08/2016	I (2)	

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4.1	Internal Audit recommends management include record retention as a component of the EHD's quality assurance program.	A new policy will be created by the end of July 2016 to address the procedure for quality assurance of records being scanned into OnBase to ensure that records are properly retained. The policy will address clarity of the scanned images and address quality assurance steps needed to ensure the documents are correctly indexed and categorized. A form to document the review will be developed simultaneously with the policy. Training will be provided to the individual(s) responsible for the review and it will be added to their work plan. This will be initiated beginning January 1, 2017 due to a vacancy in the Division. Through FY 2014 into FY 2015 all paper records were scanned into OnBase and all other inspection records are retained in the inspection database and are currently being retained forever. No paper inspection records are stored in the office. We will work with IT staff to have unneeded records removed in accordance with state records retention requirements mandated by the North Carolina Department of Cultural Resources.	07/2016	I	