



Audit Report Number 2006-02
City of Richmond
Audit of the Department of Public Health
Environmental Health Division
12 months ended June 30, 2005

Prepared by
CITY AUDITOR
Richmond, Virginia

Submitted to
The Honorable Members of City Council
September 6, 2005

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The Honorable Members of City Council
Richmond City Audit Committee
City of Richmond, Virginia 23219

City Auditor's Report

SCOPE

We audited the books, accounts and records of the Environmental Health Division of the Department of Public Health (DPH), specifically relating to *Food Service Establishment Regulation*, for the 12 months ended June 30, 2005. We have reviewed and evaluated the system of internal controls in place for the same period to the extent considered necessary.

OBJECTIVES

Our audit objectives were to:

- determine whether the City's Health Department was in compliance with the State's minimum inspection requirements,
- determine whether the City's Health Department was in compliance with the State's goal to maintain the frequency of inspections based upon a risk assessment approach, and
- ascertain if citizen complaints regarding food establishments were inspected by City staff within the required time period.

Additionally, we reviewed the internal controls surrounding certain aspects of the cash collection process and offered suggestions to management in a separate letter, dated July 29, 2005. Our testing did not indicate any internal control weaknesses that would allow material misstatement in the records processed and maintained by the City to go undetected.

METHODOLOGY

We conducted our audit in accordance with Government Auditing Standards for Performance Audits issued by the Comptroller General of the United States. During the course of our work, we reviewed supporting documents, evaluated internal controls, held discussions with City staff and joined the Health Department staff on several food establishment inspections.

We observed that the City's Department of Health used the State's database system, HealthSpace. We did not perform procedures to verify the data in that system or audit the system controls. We relied upon hard-copy documentation to support our conclusions. We believe that our audit provides a reasonable basis for our conclusions and recommendations.

CONCLUSIONS

- The Environmental Health Division did not meet the State's minimum level of inspections. Nor did the Division meet the State's goals for the level of inspections based upon the risk associated with the establishment.
- The process to respond, record, and track citizen complaints needs strengthening in order for the Division to achieve its goals. Staff responded to food illness complaints within forty-eight (48) hours in 71% of the instances we sampled.

The management of the City of Richmond, Virginia, is responsible for maintaining financial records. It is also responsible for establishing and maintaining a system of internal accounting control and management control. In fulfilling this responsibility, management is required to assess the expected benefits and related costs of control procedures.

We discussed the attached comments and recommendations with management throughout the audit and formally on August 24, 2005; we have included management's responses from the responsible officials. We would like to thank the departmental management and staff for their cooperation and assistance during this audit.

This report is intended for the members of the Richmond City Council, the City Audit Committee, the City and departmental management of the City; it is a matter of public record.

Respectfully submitted,

Lance Kronzer, CPA
City Auditor

Randi L. Ricco-Clifford, CPA, CIA, CGAP
Auditor IV

August 5, 2005

EXECUTIVE SUMMARY

Background	<p>The Richmond City Department of Public Health Environmental Health Division provides services in several program areas such as food sanitation, rabies control, West Nile Virus surveillance, environmental nuisances and citizen complaints for a city of approximately 200,000 residents. It also interacts with State and local agencies to deliver many other services. The Division regulates and permits over 1,300 various establishments throughout the City.</p> <p>The staff is comprised of nine (9) environmental health inspectors, one (1) supervisor, one (1) office service assistant, and (1) program manager. The Division's budget for FY2005 was approximately \$803,000.</p> <p>During the latter part of July 2005, the State indicated that it would take control over the City's Health Department.</p> <p>The <i>Code of Virginia</i> requires that each food establishment be inspected not less often than annually. Food establishments in the City of Richmond are inspected according to their priority or risk assessment. This could be from one to four yearly inspections, based on the menu items, and follow-up inspections, as necessary. Generally, high risk establishments should be scheduled for a minimum of four routine inspections per year; moderate risk establishments should be scheduled for a minimum of three routine inspections per year; low risk establishments should be scheduled for a minimum of 2 inspections and no risk establishments should be scheduled for a minimum of 1 inspection per year. The Division also intermingles training opportunities with scheduled inspections.</p> <p>A person who wishes to serve food to the public must obtain a permit. Routine inspections during subsequent operations help to assess the operator's success in assuring that routine practices are conducted in a safe and sanitary manner. If deficiencies are observed, they are classified as critical or non-critical type violations. The Internet offers an opportunity to share information with consumers, which may assist in being well-informed foodservice consumers. Consumers can log on to www.healthspace.ca/vdh/ for results of individual food establishment inspections.</p>
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**Noteworthy
Accomplishments**

Over the past 10 years there were changes in the leadership of the Richmond City Department of Public Health. Interspersed between the new directors were interim directors whose primary role was to maintain basic services until a new director was appointed. Because of these changes, some of the Health Department's programs, including the environmental health program, did not fare well. To further complicate matters, there were budget cuts that led to decreases in environmental health staff despite increases in the number of food establishments operating within the city.

The present director has strong experience in environmental matters. Under the current leadership, the Department has begun improving the existing structure and environmental health programs. To ensure effectiveness and consistency of the environmental health services, inspectors working in foodservice protection receive both basic training and periodic review of their ability to correctly recognize, document, and correct food protection deficiencies.

To improve their effectiveness, Environmental Health Inspectors became ServSafe Certified and were standardized in their approach to inspections. (The ServSafe program provides accurate, up-to-date information on all aspects of handling food, from receiving and storing to preparing and serving.) All environmental health inspectors were ServSafe certified during FY 2005. Additionally, all inspectors were standardized by a standardization officer. Absent standardization, the department had not been in compliance with State requirements. Standardization is the foundation of foodservice protection services.

The number of environmental health inspectors was increased from seven inspectors (only five (5) inspectors were physically in place at the end of FY 2004 due to the loss of two inspectors during the year) performing daily inspections at the end of the last fiscal year to nine (9) inspectors currently.

The Health Department also sought to enhance the inspection process by implementing the Workload Balancing Tool – a workload- scheduling tool utilized by the Arlington, VA Health Department. The Workload Balancing Tool allows for improved scheduling, inspector rotation and the calculation of average inspection times for equal workloads and quality assurance.

Summary of Recommendations	<p>In order to improve operations and better achieve the Department's objectives, we made recommendations for management's consideration:</p> <ol style="list-style-type: none">1. Review the existing strategy for compliance with the State's minimum inspection requirements.2. Improve the permit renewal and risk assessment process.3. Strengthen the process to respond, record, and track complaints.
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FINDINGS AND RECOMMENDATIONS

1. Review the existing strategy for compliance with State minimum inspection requirements.

The City of Richmond is one of a few localities that manages its own Health Department.¹ However, the City still records inspection activity in the State's database for statistical purposes. As of June 30, 2005, the State's database showed 294 facilities not inspected during the 12-month period ending June 30, 2005. As noted earlier in this report, the *Code of Virginia* requires each food establishment to be inspected not less often than annually. The Auditor's Office selected a sample of these facilities and reviewed the document files in order to analyze the inspection history.

Of the 69 files we selected (Health Department staff could not locate 1 file), we observed the following:

- There were 33 (48%) instances whereby the food establishment facility had not been inspected within the 12 month period.
- Four additional facilities had closed since the last inspection and did not require an inspection during the time period. However, City staff did not remove these facilities properly from the database system.
- There were 32 facilities identified on the list as "not inspected" that *were* inspected; the inspection data was not recorded in the State's database.

Our sample was not large enough to be considered a statistically valid sample. However, our testing indicates that the listing of 294 facilities classified as "not inspected" has the potential to be reduced by approximately 54% to 136 facilities.

¹ During fiscal year 2006, the State will take control of the Health Department.

Our Office benchmarked the City's performance against other localities to determine the average non-compliance rate from the statistical information available in the State's database system (we have not audited the statistics within the State's database). We selected 5 different localities and documented the range, as follows:

Locality	Total number of Permitted Facilities	Facilities not inspected during the 12 months ended 6-30-05	Percentage of non-compliance
City of Richmond	1,327	294	22% (A)
Locality #1	1,192	32	3%
Locality #2	919	100	11%
Locality #3	1,308	30	3%
Locality #4	840	18	3%
Locality #5	1,650	88	5%

(A) As noted above, if we assume that 294 is incorrect and should be reduced to approximately 136, the City's noncompliance rate would be 10%.

Regardless of which numbers are used, we conclude that there are two issues to point out in this area:

- the Division is not in compliance with State requirements, and
- staff are not maintaining the City's data in the State's database system to obtain credit for all inspections performed and to provide accurate statistics.

RECOMMENDATION

We recommend that management:

- a) review and enhance the existing strategy to meet the State's minimum inspection requirements. This should include an analysis of the number of staff required to perform the inspections, as well as technology requirements (laptops) to reduce clerical time for the inspectors. If resources are not adequate, management should take the appropriate steps to obtain the necessary resources, and
- b) determine the cause of the missing inspections (technology issues or resource issues) and take steps to update the data in the State's database.

MANAGEMENT RESPONSE

- a) The Health Department is in the process of interviewing to fill its current vacant Environmental Health Inspector position. Two new positions for the Environmental Health Division have recently been approved by the CAO and recruitment for these positions will begin shortly. With the addition of these staff members, we will convert one of our current EHI positions to that of a supervisor/QA and standardizing officer for the Division. Additional details regarding the responsibilities of this position are included in these management responses. To improve the

efficiency of the EHIs, we are exploring the purchase of laptop computers, loaded with the VDH Healthspace software to improve the inspection documentation process, for all EHIs. Two (2) trial computers are being made available to the staff the week of August 29, 2005. We hope to have computers available for in the field use by November 1, 2005.

- b) The department is in desperate need of additional office support. This has been borne out by a review from the city's finance department. The Health Director will make a request to the budget office that funds be transferred from another Health Department Division to support the addition of a new clerical support staff member for this division by September 1, 2005.

2. Improve the permit renewal and risk assessment process.

As required by 12 VAC 5-421, all current permit holders shall submit an application for permit renewal before the expiration of the current permit. The facility owner is responsible for completing and submitting the application and a City inspector is responsible for reviewing the information. The application includes several questions regarding the nature of the food establishment services. These answers, coupled with the inspector's analysis, determine the risk category and priority for subsequent inspections. The inspector is required to perform an inspection at the time of the renewal if there had not been an inspection within the last 30 days. The following table sets forth the Division's recommended format for the assignment of priority:

Priority	Risk Category	Frequency of inspections
1	No Potentially Hazardous Foods Served	1 Standard Inspection per year
2	Low Priority	1 Standard and 1 additional *
3	Moderate Priority	1 Standard and 2 additional *
4	High Priority	1 Standard and 3 additional *

* Certain training courses and other procedural evaluations would meet the requirements of an additional inspection.

Noting the weaknesses observed in the overall frequency of inspections, as noted in Recommendation #1, our Office reviewed the permit renewal and risk assessment process using a small sample of inspections and restaurants. We identified the following weaknesses:

- Renewal inspections did not occur in 5 of the 10 files we reviewed.
- None of the 10 files had any indication as to what risk category or priority the inspector had established.
- The questions on the risk assessment section of the permit application (which are answered by the food establishment owner) are not very clear and could be reworded to help the inspector analyze the risk.

- Most importantly, none of the 10 files had subsequent inspections that corresponded with the apparent risk category and priority assessment.

RECOMMENDATION

We recommend that management:

- a) ensure staff perform renewal inspections,
- b) provide a space for the inspector to include the risk category and priority assessment on the inspection form,
- c) revise the application to ensure the questions are clear, concise and similar to the existing tool used by the Division for risk analysis purposes, and
- d) continue efforts to perform inspections based upon the risk-assessment approach.

MANAGEMENT RESPONSE

- a) The Environmental Health Division has revised its renewal permit and inspection policy and procedure. A copy of our new policy has been provided to the Auditor's Office. The QA Officer will monitor compliance with this policy by reviewing the Health Space data system to ensure timely renewal inspections. The QA Officer will also monitor the workload of the Environmental Health clerical staff to ensure that appropriate information is loaded into the database in a timely manner. Staff members will be held accountable by the Environmental Health Management Team and the Health Director for compliance with this policy.
- b) The Virginia Department of Health (VDH) is in the process of revising the inspection form for food establishment inspections. A Richmond City Health Department employee is on VDH's committee to revise environmental health forms. This individual will recommend to VDH that a space for the risk category be included on this state mandated form.
- c) After further consultation with VDH, we will revise the permit application form to improve its clarity. Our current form is based on a current VDH form which had been modified by us to improve the clarity.
- d) The QA officer will be responsible for auditing the inspection process to ensure that inspections are completed based on the risk assessment protocol. Staff not following proper protocol will be disciplined appropriately.

Components (a), (b) and (c) are expected to be addressed by December 31, 2005.

3. Strengthen the process to respond, record, and track citizen complaints.

The Environmental Health Division uses a standard complaint form to record citizen complaints for environmental health concerns. The Customer Service Representative records the information, which is later logged manually into a log book for inspector assignment. The log book also includes a column for a closure date. During fiscal year 2005, the Division received approximately 725 citizen complaints. We observed the following weaknesses within the process:

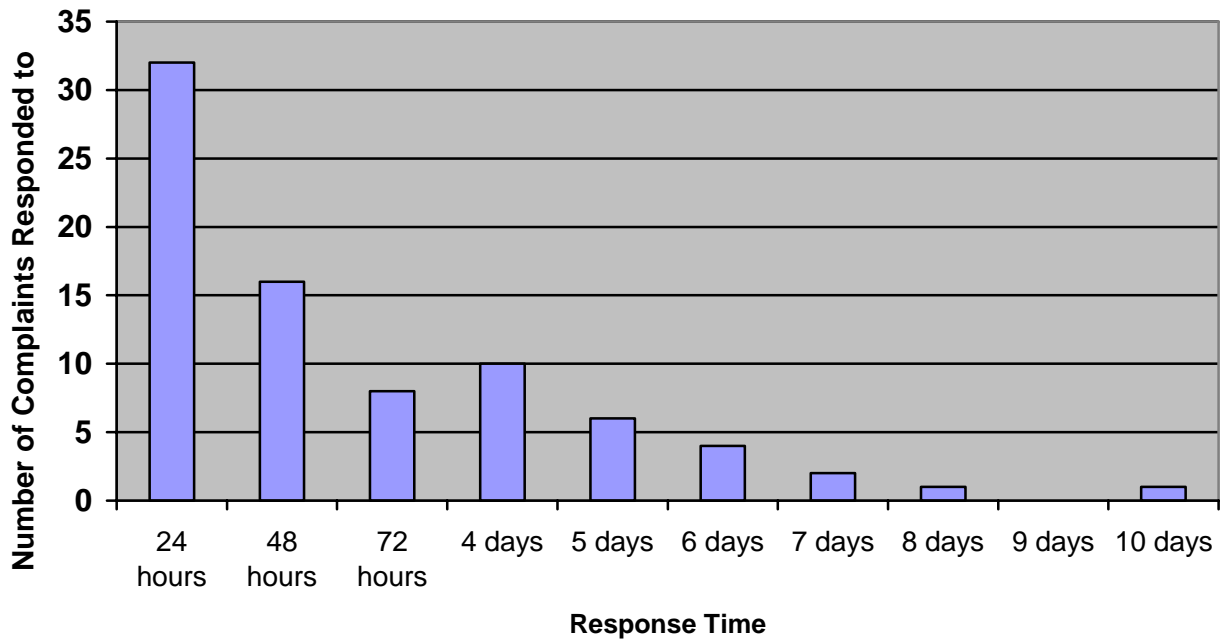
- The Division did not use the City's Service Request Tracking System for incoming complaints. Administrative Regulation #5.12 (effective 9/1/2004) requires all agencies to use the system unless they have their own specialized request tracking database, such as a help-desk system. Due to the change over to the State, the Division will follow the Virginia Department of Health Food Borne Illness Investigation Program guidelines instead of the City's system.
- The log book did not have closure dates for 40% of the complaints logged during fiscal year 2005. Individual complaint forms included a closure date, but the form was then filed away in individual food establishment files. Discussions with staff indicated that the supervisor is the only one authorized to insert the closure date in the log book; however, the log book is accessible to all staff. This method does not allow management to analyze staff performance associated with response times.
- The complaint form has an area for management's sign-off, but management is not using it to authorize the closure of a complaint. The complaint form does not include a space for the relative urgency of the complaint. As noted below, assignments were often delayed, contributing to delays in the response time.

Analysis of the Division's response time to citizen complaints

At the start of the audit, we asked the City Health management and staff, the State Health Department and surrounding counties about the proper standard to use for response time targets relative to food establishment complaints. While the answers varied, the general consensus was that the target response time for urgent items (food borne illness, food sickness) was to have an inspection on the same day as the complaint or by the next day. Other food complaints (dumpster odors, unsanitary conditions) were generally targeted for a 3-working-day time period.

We selected a sample of 86 food complaints over the course of fiscal year 2005. The Department could not provide six of the complaint forms that we requested. From the remaining 80 complaints, we calculated the time between the receipt of the complaint and the inspector's initial response.

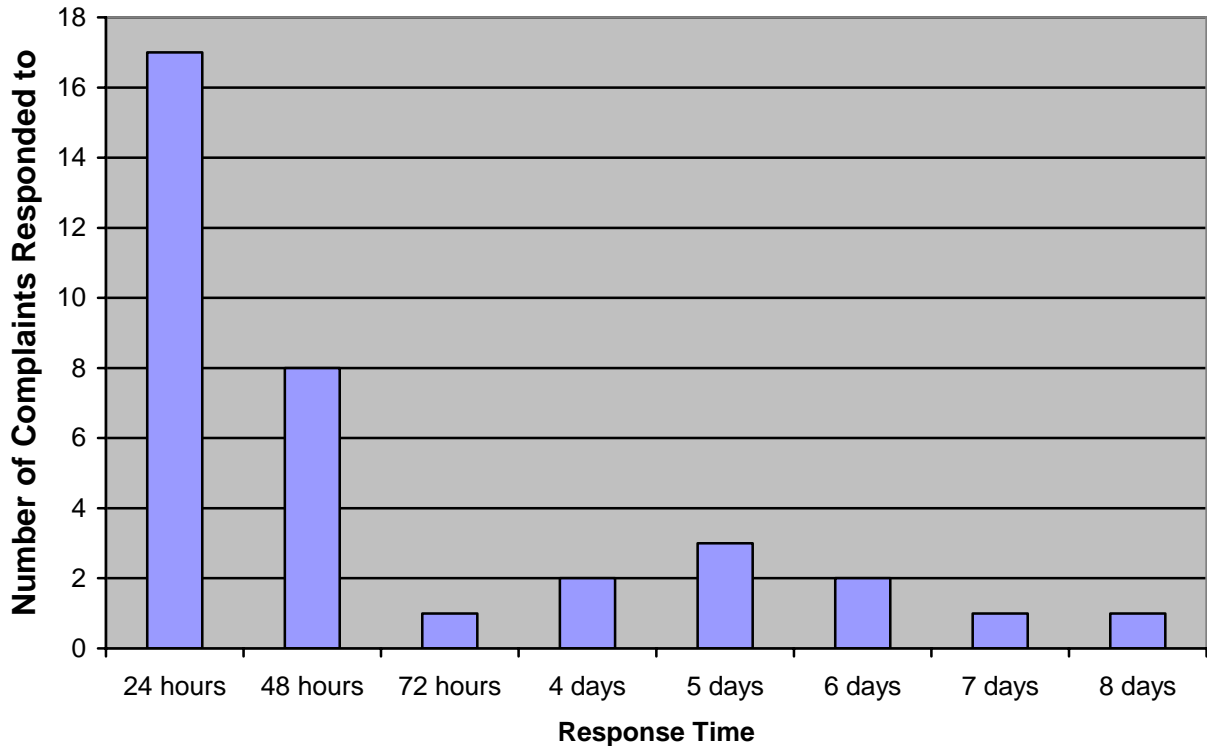
The following chart shows the response time to the 80 complaints



Note: individual bars are not cumulative and were calculated in terms of working days

The chart shows that 70% of the responses were within a 72 hour (3 day) time period. However, response time in some cases did extend out to 10 days.

We further segregated complaints that identified food illness concerns. The following chart shows the response time for those complaints that we deemed as urgent in nature. These are complaints surrounding food illness, items found in the food, or instances of infected food workers.



Note: bars are not cumulative and represent working days

The chart shows that staff generally responded to food illness complaints within a 48 hour time period in 71% of the instances. However, there were still delays up to 8 days. This also indicates that the division did not meet its performance measurement goals in this particular area for fiscal year 2005.

We then analyzed the instances of response times of 4 days or more and found that in 7 of the 9 instances, the “assignment” of the complaint by the supervisor to an inspector took more than one day (the assignment procedure ranged from 1 day to 5 days in these instances). Therefore, we conclude that *the assignment process needs improvement* in order for the Division to better achieve its performance measurement goals.

RECOMMENDATION

We recommend that management enhance existing procedures to:

- a. Record closure dates
- b. Include management authorization to close a complaint file
- c. Identify the complaint up front as urgent or non-urgent
- d. Improve the inspector assignment process by ensuring daily complaints are reviewed and assigned, accordingly.

MANAGEMENT RESPONSE

A policy has been developed and implemented that identifies our complaint tracking process. It includes items a – d above. The Environmental Health management staff will be held accountable by the Health Director for ensuring compliance with this policy and staff found to be non compliant will be disciplined appropriately.

