TO: Chair and Members  
Audit and Administration Committee  
WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: June 2, 2010

SUBJECT/REPORT NO:  
Audit Report 2010-02 - Public Health Services - Food Safety Program  
(AUD10020) (City Wide)

SUBMITTED BY:  
Ann Pekaruk  
Director, Audit Services  
City Manager’s Office

PREPARED BY:  
Ann Pekaruk 905-546-2424 x4469

SIGNATURE:

RECOMMENDATION

(a) That Report AUD10020 respecting Audit Report 2010-02, Public Health Services – Food Safety Program, be received; and

(b) That the management action plans as detailed in Appendix “A” of Report AUD10020 be approved and the Medical Officer of Health direct the appropriate staff to have the plans implemented.

EXECUTIVE SUMMARY

The 2010 Internal Audit work plan approved by Council included an audit of the Food Safety Program in Public Health Services (PHS). The audit focused on compliance with legislative requirements in terms of the extent of food inspections and the levying of appropriate fines. The effectiveness and efficiency of the current service delivery model including the administrative procedures were assessed.
The results of the audit are presented in a formal audit report containing observations, recommendations and management responses. In addition, an Addendum is prepared which identifies issues, risks or inefficiencies (not necessarily control deficiencies which appear in the main report) to which management has been asked to respond. The Report and Addendum are attached as Appendix “A” of Report AUD10020.

**Alternatives for Consideration – Not Applicable**

| FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only) |
| Financial: A higher degree of enforcement action will result in increased revenues from fines under the Provincial Offences Act. |
| Staffing: The management action plans relating to recommendation #3 and #4 indicate the creation of two new positions – a manager for the health hazard program and an Environmental Health Quality Assurance/Data Co-ordinator. Both of these positions are to be achieved within the existing budget and total staff complement of Public Health Services. |
| Legal: None. |

**HISTORICAL BACKGROUND (Chronology of events)**

The audit fieldwork was completed in April, 2010. The results of this audit are attached as Appendix “A” of Report AUD10020.

The Audit and Administrative Committee receives and approves final audit and review reports as part of its responsibilities for the oversight of governance and control.

**POLICY IMPLICATIONS**

Health Protection and Promotion Act – Regulation 562 (Food Premises)  
Food Safety Protocol, 2008  
By-law 07-245 – Mandatory Food Handler Certification
RELEVANT CONSULTATION

The attached report includes management action plans with reflect the responses of management and staff responsible for the administration and operations of the Food Safety Program – Environmental Health section of Health Protection Division of Public Health Services. A response from the Administrators of the Homes for the Aged is included in #3 of the Addendum.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

There are approximately 2,300 food premises in the City of Hamilton. As a result of an annual risk assessment by a Public Health Inspector, each premise is assigned a risk category of high, medium or low. Of the 2,300 food premises, there are 700 high risk premises, 1,000 moderate risk premises and 600 low risk establishments, with each category requiring a set number of inspections per year. In 2009, this should have resulted in 4,728 required routine inspections (as compared to 3,527 actual routine inspections carried out).

The table below indicates the various actual inspections carried out in 2009 by type.

<table>
<thead>
<tr>
<th>Inspection Type</th>
<th>Number of Occurrences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine Inspections</td>
<td>3,527</td>
</tr>
<tr>
<td>Re-inspections</td>
<td>852</td>
</tr>
<tr>
<td>Complaint</td>
<td>91</td>
</tr>
<tr>
<td>Complaint/Routine Combined</td>
<td>94</td>
</tr>
<tr>
<td>Consultation</td>
<td>66</td>
</tr>
<tr>
<td>Outbreak Investigation</td>
<td>5</td>
</tr>
<tr>
<td>Pre-opening Inspection (Licensing)</td>
<td>76</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>4,711</strong></td>
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The audit reviewed Public Health Services’ Food Safety Program whose components include risk assessment and inspections of food premises according to legislative and regulatory requirements, enforcement of non-compliance through ticketing and fines, food handler training and certification and response to food related incidents and complaints. Policies, procedures and workflows were evaluated to determine if the program is operating efficiently and effectively. The workload among the Public Health Inspectors and management oversight as well as the use of the Hedgehog software application were also assessed.
The audit identified opportunities for increased controls and accountability, greater management oversight and potential effectiveness and efficiency improvements.

A formal audit report containing observations, recommendations and management action plans was issued and is attached as Appendix “A” of Report AUD10020.

Nineteen (19) recommendations were included in the Report and Addendum. Among them are:

- Investigation of various means to ensure completeness of the inventory of premises subject to inspection.
- Determination and addressing of possible causes of low rate of inspection compliance and decreased productivity levels.
- Direct supervision of Public Health Inspectors with close monitoring of workload assignments and inspection cycles throughout the year.
- Expansion of the Quality Assurance process to include monitoring of information uploading, complaint follow up and enforcement actions.
- Tracking of premises with significant or habitual non-compliance issues.
- Specialization of Public Health Inspectors into specific inspection areas to improve managerial accountability.
- Reconsideration of the currently in use district concept for inspector allocation.
- Increased levels of enforcement (ticketing and fines) for repeat violations or violations not corrected in specified time periods.
- Review of mileage expenditures and supporting documentation with an aim to reduce the costs and streamline the workflows.

Management and staff have agreed or already have implemented all of the recommendations as noted in the Report except #2 dealing with other forms of public notice when a green card is removed from the establishment (due to infractions), especially when the business remains open. Management feels that the flagging of green card removal on the City's Food Safety Zone website is adequate for this purpose and thus, no further action is proposed.

Specific action plans for the other recommendations can be found in the attached audit report.

**ALTERNATIVES FOR CONSIDERATION**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Not applicable.
Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


Financial Sustainability
- Delivery of municipal services and management of capital assets/liabilities in a sustainable, innovative and cost effective manner

Healthy Community
- Adequate access to food, water, shelter and income, safety, work, recreation and support for all

APPENDICES / SCHEDULES

Appendix “A” to Report AUD10020.

ap:dt
# OBSERVATIONS OF EXISTING SYSTEM | RECOMMENDATION FOR STRENGTHENING SYSTEM | MANAGEMENT ACTION PLAN
--- | --- | ---
1. Completeness of Inventory of Premises  
Currently, there are no procedures or practices in place that would aid in the determination of the completeness of the premises inventory.  
Without such steps to determine the completeness, there is a risk that food premises which should be inspected under the Food Safety Program may be missed. Uninspected food premises in the City pose a potential public health risk to patrons of these establishments.  
That management investigate various means to verify the completeness of the inventory of premises subject to inspection. For example, the exercise of comparing the appropriate databases used in the Licensing section with the information contained on Hedgehog (divisional software application for inspections) on a regular basis may identify differences to the benefit of both operational areas. Another effort would include setting aside a period of time on a regular basis (i.e. quarterly) to allow Public Health Inspectors to perform walkabouts/driveabouts in assigned areas in order to identify new establishments.  
Agreed. The following items are planned to address the recommendation:  
a) initiate a process with Licensing for the regular cross-referencing of premises inventories (to be completed by end of Q3, 2010);  
b) consult with other health units to determine how/if this issue is dealt with by their food safety programs (to be completed by end of Q2, 2010); and  
c) Use the Food Safety Zone messaging as a means for the public to identify suspect premises to Public Health Services (PHS) (to be completed by end of Q3, 2010).

2. Removal of Green Card  
When a Green Card is removed from a food establishment due to infractions noted during a food premise inspection, no documentation is posted in place of the Green Card to advise food premise users that the Green Card has been removed.  
Without such information, users are not fully informed about the condition of the establishment and their decision-making may have been different if there had been notice drawn to the situation.  
That a form of notice to inform users of food premises in the City of Hamilton when a Green Card has been removed be developed, especially in situations where a Green Card has been removed but the establishment remains open.  
Disagreed. The “green card” system was adopted by the Board of Health in December, 2007. The Board’s decision at that time recognized that additional notices (including a “yellow card”) could be open to misinterpretation and that disclosure was in large part addressed by Food Safety Zone. Disclosure systems are not risk management tools. Their purpose is to fulfill public demand for inspection information and enhance transparency.  
As the green card removal is flagged on the City’s Food Safety Zone website, no further action is proposed.
### OBSERVATIONS OF EXISTING SYSTEM

3. Inspection Compliance Rate

   Food premises are not being inspected at the frequency mandated by the MOHLTC in the “Food Safety Protocol”. As noted from the annual statistics reported to the MOHLTC:
   - High Risk Premises (3 inspections required annually at each premise) – only 45% of the premises had all required inspections completed in 2009 and 80% in 2008.
   - Moderate Risk Premises (2 inspections required annually at each premise) – only 39% of premises had all required inspections completed in 2009 and 86% in 2008.
   - Low Risk Premises (1 inspection required annually at each premise) – 76% of premises had all required inspections completed in 2009 and 82% in 2008.

   Overall, the percentage of total required routine inspections completed was 72% in 2009. The Food Safety Program is not achieving a high level of compliance with required inspection rates.

   Food premises are not being inspected as frequently as they should be which potentially puts users of such establishments at increased risk of food borne illness due to non-compliant premises not being detected or being detected later than required.

   An attempt to compare 2009 compliance rates with those of 2008 proved inconclusive due to the inconsistency of the methodology used to derive the reported statistics and the adoption of the Hedgehog application. Also, management had not reviewed the statistics reported to the MOHLTC in 2009, an exercise which may have highlighted the inconsistency prior to the audit fieldwork.

### RECOMMENDATION FOR STRENGTHENING SYSTEM

- That management attempt to determine the reasons for the low rate of inspection compliance and decreased productivity levels and address the causes.
- That the level of direct supervision of Public Health Inspectors be increased so that the number of inspections completed and the level of compliance being achieved can be more closely monitored by Food Safety Program management. Direct accountability for the supervision of particular staff would allow for changes to inspection strategies and workload assignments to be made on a leading basis throughout the year by inspection cycle instead of a lagging basis after the year is complete and the statistics have been compiled. In addition, a more proactive approach to meeting inspection requirement rates through direct supervision may result in higher compliance rates.
- That management review and approve the annual inspection statistics reported to the MOHLTC to ensure their accuracy and completeness.

### MANAGEMENT ACTION PLAN

- Agreed. Food premises workloads have been reassigned to improve equity of distribution and to better address declines causes by summer pressures such as vacations and non-food seasonal inspections.
- Effective immediately, management has initiated monthly audits of productivity to track progress and address performance, as necessary.
- Agreed. A new manager position for the health hazard program is being considered to take on the duties currently carried out by the Food Safety Manager. This will allow the Food Safety Manager to exclusively manage the Food Safety Programs and the staff. The creation of an Environmental Health QA/Data Co-ordinator position will support the Quality Assurance functions of the Food Safety Program and other inspection related programs. Both of these positions will be achieved within the existing PHS budget and total staffing complement. No enhancement for funding or FTE is required (to be completed by end of Q4, 2010).
- Agreed. The new Hedgehog data system will allow management to accurately report inspection numbers. This can be achieved immediately for the 2010 statistics.
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<th>#</th>
<th>OBSERVATIONS OF EXISTING SYSTEM</th>
<th>RECOMMENDATION FOR STRENGTHENING SYSTEM</th>
<th>MANAGEMENT ACTION PLAN</th>
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<td>4.</td>
<td>Quality Assurance Processes The Quality Assurance (QA) process that is currently in place in the Food Safety Program does not address all QA concerns. Areas currently not included in the QA process are: monitoring the upload of inspection information from tablet PC’s to the network (to ensure inspection information on the City’s website is current), complaint database monitoring (to ensure complaint inspections are carried out and complaints are closed in a reasonable timeframe) and enforcement action monitoring (to ensure enforcement actions not taken can be tracked). In addition, processes that could be strengthened include reviews of Public Health Inspector productivity, monitoring of the most non-compliant premises in the City and evidence of review of digital documents by management.</td>
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<td>That management expand the current Quality Assurance (QA) process to include monitoring of information uploading, complaint follow up and enforcement actions. Further methods of monitoring Public Health Inspector productivity and tracking of the premises with significant non-compliance issues should be added to the QA process.</td>
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<td>That digital stamping be implemented to provide an audit trail for digital documents which have been reviewed by management as part of the QA process.</td>
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<td>Agreed. The following initiatives have been implemented or are proposed to address the recommendation: a) establish monthly productivity audits as described above in #3 (effective immediately); b) re-establish the Habitual Non-Compliance Audit to identify premises with poor compliance histories and/or flag situations where Public Health Inspectors (PHIs) may not be adhering to enforcement policies (completed); c) resume use of weekly Hedgehog upload audits (completed); d) audit complaint response processes by moving to an enhanced version of Hedgehog which integrates complaint data with inspection data (to be completed by end of Q1, 2011); and e) as indicated above, create a QA/Data Co-ordinator position within the existing PHS budget and staffing complement (to be completed by end of Q4, 2010).</td>
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<td>Agreed. Digital stamping has been initiated.</td>
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<td>Specialization of Public Health Inspectors (PHIs)</td>
<td>That management consider specializing Public Health Inspectors into specific inspection areas (i.e. focused area of inspection) in order to enable managers to effectively monitor the achievement of goals and objectives in their areas of responsibility. This would also provide managerial accountability for staff directly under the control of a particular manager.</td>
<td>Agreed. As a component of the PHS reorganization, public health inspector specialization of duties will be increased (to be completed by the end of Q4, 2010).</td>
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<td>5.</td>
<td>PHIs are not currently specialized. They perform Food Premise inspections and also Health Hazard, Rabies, Recreational Water and Safe Water inspections. PHIs have a manager who they report to for performance management purposes, but they also report to an additional two Environmental Health managers on a functional basis depending on the subject area of an inspection. It is difficult for functional managers (Food Safety / Recreational Water, Health Hazards / Safe Water and Rabies / West Nile Virus) to effectively supervise employees who are reporting to three different managers who are each trying to meet the goals and objectives of their specific program.</td>
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| 6. | Enforcement Actions Not Taken                                       | That the Food Safety Program’s enforcement procedures, in particular the ticketing process, be emphasized with the Public Health Inspectors. | Management concurs that enforcement actions are not being consistently applied but believes the manner in which Hedgehog tracks enforcement data overstates the issue.  
Agreed. The current policy will be reviewed to ensure that current enforcement action requirements are realistic and achievable. The policy will be revised, as necessary, and will be reinforced with PHIs (to be completed by the end of Q3, 2010). In addition, the inspection processes will be reconfigured to make enforcement action less confrontational (to be completed by the end of Q4, 2010).  
Agreed. Reporting options in Hedgehog will be explored to ensure that enforcement data accurately tracks adherence to the policy (to be completed by the end of Q3, 2010). Also, the re-establishment of the Habitual Non-Compliance Audit (as noted in #4 above) supports the implementation of this recommendation.  
Agreed. The current Inspection Policy Standards (which already prescribe enforcement actions) will be linked to the PHI performance evaluation process (to be completed by the end of Q4, 2010). |
|    | Enforcement actions (Provincial Offences Act ticketing) are not being consistently applied by Public Health Inspectors. The Food Safety Program’s Policy and Procedure Manual states that “repeat violations or violations not corrected within allotted time periods result in charges being laid under the Provincial Offences Act”. | That management add enforcement monitoring to its Quality Assurance process. | Agreed. Management has discontinued the use of districts to assign work. |
|    | Internal Audit identified approximately 450 premises (all categories) with multiple infractions in 2009. Yet, only 6 tickets were written by Public Health Inspectors during food premise inspections conducted in 2009. | That an analysis of proper enforcement actions taken become a component of management’s performance evaluation of PHIs. |                                                                                  |
|    | Potential Provincial Offences Act (POA) lost revenue for 2009 by the City, as a result of the enforcement actions not taken, was calculated in the range of $84,000 to $114,000. |                                                                                  |                                                                                  |
|    | The lower levels of enforcement could result in less incentive for food premise operators to comply with regulations. |                                                                                  |                                                                                  |
| 7. | District Assignments                                                | That management review the district concept with a view of providing “fresh eyes” inspection capabilities through random assignment of inspections and adequate rotation of PHIs. | Agreed. Management has discontinued the use of districts to assign work. |
|    | PHIs are assigned to specific districts and are rotated only every three years. This type of distribution and the infrequency of change can facilitate a sense of undue familiarity with the food premise operators or an informality to the process that may result in an ineffective inspection. |                                                                                  |                                                                                  |
The following items were noted during the course of the audit. Although they do not present internal control deficiencies, they are indicated in this Addendum so management is aware of the issues, risks and inefficiencies and can address them appropriately.

Food Handler Training Course Content
1. The Food Handler Training Course is missing one component that is required by the Food Safety Protocol to be a part of the course content. The missing component relates to food-related issues arising from floods, fires, power outages or other situations that may affect food safety.

This lack of knowledge may lead to an incorrect or inappropriate response by a food premise operator in such a circumstance.

It is recommended:
That management add the missing course component as required by the MOHLTC to the course content of the Food Handler Training Course and Exam.

Management Response:
PH - Agreed. This component will be added to the course at the end of Q2, 2010.

Mileage Expense Reports
2. Part of the reimbursable mileage expenditures are incurred due to the requirement for Public Health Inspectors (PHIs) to regularly synchronize their tablet PCs with the Food Safety Program’s network to ensure that the information published twice weekly to Food Safety Zone is accurate.

It is necessary for PHIs to attend the main office daily to download/upload information and receive any complaint information before commencing daily inspections.

Workflow of PHIs is currently not designed in a manner that minimizes the mileage expenditures incurred by the City nor the amount of lost inspection time while attending the office to synchronize equipment. Mileage expenses are typically over-budget every year.

It is recommended:
That management investigate alternative, innovative work arrangements to reduce mileage expenditures and streamline the workflows of Public Health Inspectors (PHIs). In particular, management should consider the possibility of equipping the Municipal Service Centres for uploading of information on the Inspectors’ tablet PCs. Complaint details required for inspection could be received through facilities available at the Centres or by telecommunication devices such as blackberries.

Management Response:
PH - Agreed. To facilitate the implementation of this recommendation, measures will be considered within the context of moving to an enhanced version of Hedgehog (see #4 above under QA Processes) that integrates complaints with inspection processes. However, it is uncertain whether these measures would actually result in significant mileage savings. Further, this recommendation will be considered in an overall Public Health Services (PHS) accommodation strategy (expected by the end of Q4, 2010) that will examine alternatives to traditional workspaces and the use of mobile technology.
Expense reports currently do not provide sufficient levels of audit evidence that would enable a manager to perform reasonability checks over the mileage reports they are authorizing. The lack of detail on mileage reports exposes the City to the risk of inflated mileage claims and increased operating costs.

It is recommended:
That management implement documentation standards for mileage amounts that are claimed on expense reports and communicate these standards to staff.

Management Response:
PH - Agreed. As of May, 2010, a detailed mileage tracking sheet has been implemented as an addition to the existing “mileage form”.

That management implement a process for performing reasonability checks over expense reports during the authorization process.

Management Response:
PH - Agreed. By the end of Q2, 2010, a monthly quality assurance process based on a representative random audit of submitted mileage claims will be developed and implemented.

City-Owned Homes for the Aged: Inspection Non-Compliance
3. During 2009, City-owned Homes for the Aged (Macassa and Wentworth Lodges) were not inspected at the frequency required by the Food Safety Protocol. In addition, for the food premise inspections that were carried out in 2009, infractions were noted.

It is recommended:
That management ensure that City-owned Homes for the Aged are inspected at the required frequency mandated by the Food Safety Protocol from the MOHLTC. Management of the Lodges should be made fully aware of any infractions and additional efforts made to have the Lodges in compliance with Food Premise Regulations.

Management Response:
PH – Agreed. Management will ensure that City-owned long term care facilities (and all long term care facilities within its jurisdiction) are inspected at the frequency required. This will be implemented immediately.

L – Agreed. The Lodges have an existing process in place. The Administrator reviews the inspection reports with the responsible manager of the Lodge (Wentworth or Macassa) who develops a plan of action for the remediation of any infractions to achieve compliance. Inspection results and follow ups are reported in a quarterly management report.

Cash Receipts – Non-Compliance with Policies and Procedures
4. The cash receipts Policy and Procedure for Environmental Health Programs (including Food Safety) indicates that no cash is to be accepted (only cheque or money order) as a form of payment. However, cash is being accepted by Food Safety Program when users make a case.

It is recommended:
That management stop accepting cash from users, with no exceptions being made, in order to comply with the procedure. Alternatively, management should update the policies and procedures to reflect what is actually practiced and ensure that the procedures are appropriately designed to address the increased risk of misappropriation.

Management Response:
PH - Agreed. Management has temporarily suspended the acceptance and handling of cash while an approved method is developed (expected resolution by the end of Q3, 2010).
Cash Receipts – Lack of Segregation of Duties

5. Receipt of cash (includes cheques and money orders), issuance of proper receipts and the responsibility to record and deposit cash received are all performed by the same staff member in the Food Safety Program. This poses a potential risk of misappropriation due to an inadequate segregation of duties.

It is recommended:
That management re-organize duties surrounding cash receipts handling to achieve appropriate segregation of duties among staff.

Management Response:
PH - Agreed. Management is exploring methods to meet this recommendation in a manner that is realistic with the allocation of clerical duties among programs and the availability of two responsible individuals during all times when clients submit payments (to be completed by the end of Q3, 2010).