



U.S. Department of Agriculture  
Office of Inspector General  
Western Region  
Audit Report

**Accountability and Oversight of the  
National School Lunch Program -  
San Lorenzo Unified School District  
For the Year Ended June 30, 2003**



**Report No.  
27099-24-SF  
March 2004**



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Western Region - Audit

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DATE: March 26, 2004

REPLY TO

ATTN OF: 27099-24-SF

SUBJECT: Accountability and Oversight of the National School Lunch Program-  
San Lorenzo Unified School District

TO: Allen Ng  
Regional Administrator  
Western Region  
Food and Nutrition Service

ATTN: Kathleen Burks  
Director of Financial Management

This report presents the results of our audit of the National School Lunch Program (NSLP) at the San Lorenzo Unified School District. We limited our review to the school district's policies and procedures regarding (a) meal accountability (b) student eligibility and (c) monitoring. Nothing came to our attention during the audit that would indicate that the program was not operating as prescribed.

**BACKGROUND:**

On June 4, 1946, Congress passed the National School Lunch Program Act (42 U.S.C 1751), now the Richard B. Russell National School Lunch Act, as amended December 29, 2001, authorizing Federal assistance to the States in the establishment, maintenance, and operation of school lunch programs. The Act established the NSLP to safeguard the health and well being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities. The program provides Federal assistance to help public and nonprofit schools of high school grade or under, as well as public nonprofit private residential child care institutions that serve nutritious lunches to children.

The NSLP is usually administered through a State's Department of Education (State Agency) that has the responsibility for administration of the program. School Food Authority's are responsible for the administration of the program at the local, school district level. Individual schools are responsible for the onsite operation of the NSLP, which includes the implementation of an adequate meal accountability system, the approval of student applications, and a review of the monthly meal claim for accuracy.

**OBJECTIVE:**

Our objectives were to determine if the San Lorenzo Unified School District had a system in place to (a) account for program meals (b) verify student eligibility and (c) adequately monitor the program.

**SCOPE AND METHODOLOGY:**

Our review covered the period July 1, 2002 to June 30, 2003. During this period the district received USDA funds totaling \$1,171,468 for administering the program. We judgmentally selected for review the meals claims submitted by the district for January, February, and March 2003. During this 3-month period the district received \$385,796 in USDA funds. Audit work was performed during July 2003 through October 2003, at the Food and Nutrition Service Regional Office (FNSRO) in San Francisco, California; California Department of Education in Sacramento, California; and San Lorenzo Unified School District in San Lorenzo, California.

To accomplish our objectives, we performed the following procedures:

- We reviewed applicable laws, regulations, policies and procedures governing the NSLP to become familiar with the requirements of the program.
- At the FNSRO, we reviewed the latest evaluations of the State Agency to determine if there were any issues that needed to be reviewed at the San Lorenzo Unified School District.
- At the State Agency, we reviewed the latest single audit and the administrative reviews completed for the San Lorenzo Unified School District.
- At the San Lorenzo Unified School District, we interviewed school lunch program personnel and reviewed policies and procedures to become familiar with the district's operations. We conducted site visits to 2 schools within the district to verify that the district had a system in place that would adequately account for meals. We also reviewed documentation supporting the meal claim at the schools we visited and the district office to ensure that the correct number of meals was being reported.
- At the San Lorenzo Unified School District, we interviewed the Director of Child Nutrition to obtain an understanding of the process used to verify student eligibility and monitor schools in its jurisdiction.

This audit was performed in accordance with generally accepted government auditing standards.

**SUMMARY**

During our audit, nothing came to our attention to indicate that the San Lorenzo school district (a) was not adequately accounting for meals (b) was allowing ineligible students to participate in the program or (c) was not adequately monitoring schools in its jurisdiction.

We discussed the subject report with members of your staff on March 18, 2004. They agreed to elevate the subject report from discussion draft to final. Accordingly, no further action is required by your agency on this report. We will close our file on the audit with the issuance of this audit report.

We appreciate the assistance and cooperation of your staff during this review.

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SAM W. CURRIE

Regional Inspector General  
for Audit

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