

# OHIO AUDITOR OF STATE KEITH FABER



**From:** Auditor of State's Center for Audit Excellence

**To:** All IPA Firms

**Subject:** Food Service Management Companies

**Date:** January 27, 2023

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Over 150 Ohio schools utilize Food Service Management Companies (FSMCs) to provide nutrition services to their students. These FSMCs provide varying levels of service and charge districts based on either cost reimbursement or a price-per-meal basis. Please ensure that if you're auditing a school district which uses a FSMC that you evaluate whether the FSMC is a service organization. Additionally, if the Nutrition Cluster is tested as a major program, you should consider whether controls and compliance need to be tested at the FSMC level as well as the local level. In many instances, FSMCs are responsible for procurement as well as allowable costs / allowable activities and auditors will need to test the FSMC controls and compliance to gain sufficient, appropriate evidence to issue a single audit opinion on the Nutrition Cluster.

Questions can be directed to the Center for Audit Excellence at [AOSFederal@ohioauditor.gov](mailto:AOSFederal@ohioauditor.gov).