

INFORMATION CALENDAR

April 29, 2025

To: Honorable Mayor and Members of the City Council
From: Jenny Wong, City Auditor *zw*
Subject: Restaurant Inspections Audit Report Wins National Recognition

INTRODUCTION

The City of Berkeley Auditor's Office has won the 2024 Distinguished Knighton Award for one of the best performance audit reports in the medium shop category from the Association of Local Government Auditors (ALGA). The report, *Berkeley Restaurant Inspections: Chronically Understaffed Program Did Not Meet Targets*, was judged on several key elements, such as the potential for significant impact, the persuasiveness of conclusions, the focus on improving government efficiency and effectiveness, and its clarity and conciseness.

CURRENT SITUATION AND ITS EFFECTS

Each year, local government audit organizations from around the U.S. and Canada submit their best performance audit reports for judging. The judges from peer organizations determined that our audit of the City of Berkeley's food inspection program was among the best of 2024.

BACKGROUND

We issued our audit report, *Berkeley Restaurant Inspections: Chronically Understaffed Program Did Not Meet Targets*, on July 10, 2024.¹

The purpose of the audit was to determine:

1. To what extent is the Food Safety and Inspection Program meeting its inspection targets?
2. To what extent is the Food Safety and Inspection Program adequately funded and staffed?
3. How well does the Food Safety and Inspection Program keep the public informed about food safety?

We found that the Environmental Health Division (Division) did not meet its targets for food facility inspections in 2023, increasing health risk. Almost half (45 percent) of Berkeley's food facilities were not inspected, including 193 restaurants. Further, the Division responded to only 26 percent of potential foodborne illness complaints within the target of one business day.

¹ https://berkeleyca.gov/sites/default/files/documents/Berkeley_Restaurant_Inspections_-_Chronically_Understaffed_Program_Did_Not_Meet_Targets.pdf

Additionally, the Division did not separately track food inspection revenue and spending from its other inspection programs over the audit period. Short staffing increased inspectors' workloads and made it difficult to meet targets and monitor program performance. Public information on food inspections was limited and hard to access. Berkeley provided less information about inspections online compared to other jurisdictions. Berkeley did not use placards, a common practice for communicating food safety used by other jurisdictions including Alameda County.

We made nine recommendations to improve inspection coverage and quickly respond to alleged foodborne illness complaints, as well as increase transparency and accessibility. City Management agreed or partially agreed to our findings, conclusions, and recommendations. Since audit issuance, the Division has made progress in implementing the audit recommendations.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with this report.

POSSIBLE FUTURE ACTION

We will continue to follow up on the status of audit recommendation implementation to ensure the City mitigates the risks that could prevent the City from providing efficient, effective, and equitable service delivery.

FISCAL IMPACTS OF RECOMMENDATION

Audit work leads to new or enhanced revenue, cost recovery, and increased efficiency, with economic impact well beyond the audit costs. Implementing the audit recommendations from the restaurant inspections audit will ensure that the Environmental Health Division improves coverage of food inspections and can provide the public with complete and accessible information on food safety, minimizing public health risk to the community.

Staffing up the food inspection program may carry financial implications depending on the specific implementation strategies. However, filling budgeted positions is necessary to meet inspection targets. Additionally, updating the information shared online and implementing placarding may require initial investments in design and implementation. We anticipate the ongoing costs of placarding to be minimal, as placards are updated as part of the routine inspection process.

CONTACT PERSON

Jenny Wong, City Auditor, City Auditor's Office, 510-981-6750

Attachments:

1: 2024 Knighton Award Letter from ALGA



Association of Local Government Auditors

April 4, 2025

Jenny Wong
2180 Milvia St. Third Floor
Berkeley, California 94704

RE: 2024 Knighton Award Winner

Dear Jenny,

The Association of Local Government Auditors' Awards Program Committee is pleased to announce that the City of Berkeley, City Auditor's Office's report, "Berkeley Restaurant Inspections: Chronically Understaffed Program Did Not Meet Targets," won the 2024 Distinguished Knighton Award in the medium shop category.

ALGA was founded in 1985 to serve auditors who specialize in working with local governments, and our members represent over 300 local government audit organizations across the United States and Canada. As you well know, local government auditors are committed to helping their governments provide services to the public more efficiently and effectively with the limited resources available to them.

To encourage increasing levels of excellence among local government auditors, ALGA created the Knighton Award in 1995 to recognize the best performance audit reports produced by local government audit shops in the previous year. Each year, local government audit organizations, like yours, submit their best performance audit report to be evaluated against four criteria:

- (1) An audit scope that has the potential for significant impact and is responsive to the needs and concerns of decision-makers and/or the public.
- (2) Audit conclusions that are persuasive, logical, and firmly supported by the evidence, which was gathered using appropriate research methods and tools.
- (3) Audit recommendations that are feasible and will make government programs more effective and efficient.
- (4) Audit results that are communicated clearly and concisely.

Judges from peer organizations determined your office's report was among the best of 2024.

The judges commented:

The report is well written, easy to follow, and digs all the way down to root causes. The comparison of the auditee's performance to similar entities is very effective in judging the magnitude of the findings. The auditors' use of visuals helps clearly articulate their



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messaging and capture readers' attention; specifically, figure 8 highlights the extent to which inspectors are overworked.

Congratulations on receiving this award!

Sincerely,

Kathie Harrison,
Acting ALGA President

Annamarie McNiel,
Awards Program Committee Chair