

# **Management Accountability Review Response**

**October 29, 2010**



**Western Regional Office**

## Findings and Responses

### RO-1: Registration and Bonding

The WRO was rated yellow in this area; several minor findings are reported for continuous improvements. The WRO scored well in the SOP Performance and Objectives but weakest in the PAS Compliance.

RATING	REVIEW AREA	SCORE
Yellow	RO1: Registration and Bonding	84%

#### MAR Findings

#### *SOP Performance Objective (2), Send acceptance letter within five days from receipt of registration*

Three instances were found in which the WRO failed to send an acceptance letter within the allotted timeframe.

#### *SOP Checklist*

Instances exist where the Acceptance Letter was sent even though the Registration Package was incorrect or not all registration documents had been received.

#### *PAS Checklist*

Is the file naming convention correct? A total of ten samples were reviewed. All ten instances were found in which the WRO failed to use the correct naming convention.

#### Response

The WRO LIE's are now operating under an instruction to forward complete and accurate registration packages through the BPU to PLD for acceptance by the Administrator. Completed registration packages are forwarded to BPU where a review of the applicant's prior history with PSP is conducted. After analyzing the documents, and determining that the documents are complete, the LIE's are instructed to scan all documents into the ECM Registration and Bonding folder, and send the proposed acceptance package to PLD within the timeframe as required by the SOP.

The LIE's have also been instructed to use the note tab in PAS and ECM to provide a document trail to support completed tasks. This is important when documents are replaced in ECM folders.

The WRO LIE's were using the naming convention instructions from the historical scanning process rather than the instructions in the employee library. WRO submitted a recommendation that the file title instructions in PAS be revised to clearly state the three

parts of a proper file title. The WRO LIE's have been instructed to use the naming convention instructions posted in the Employee Library. Additional training is being conducted to emphasize that the file title must contain the name, date and document type.

## **RO-2: Investigations**

The WRO was rated yellow in this area; several minor findings are reported for continuous improvements. The WRO scored well in SBP Activity Performance and SOP Performance Objectives but weakest in PAS Compliance.

<b>RATING</b>	<b>REVIEW AREA</b>	<b>SCORE</b>
<b>Yellow</b>	RO-2: Investigations	83%

### **MAR Findings**

***SOP Performance Objective (2): “Close Level 1 Priority within 160 calendar days of receipt of complaint/event”***

Of fifteen samples reviewed, there were two instances found in which the WRO failed to close the L1 investigation within the allotted timeframe.

***PAS Checklist #3 RO-4: “Has GIPSA (Supervisor or Regional Director) official signed the NOV document?”***

- Of the ten samples reviewed, one instance was found in which the WRO failed to obtain the official signature of the NOV.

***SOP Performance Objective (3): “Close Level 2 Priority within 100 calendar days of receipt of complaint/event”***

- Of fifteen samples reviewed, eight instances were found in which the WRO failed to close the L2 investigation within the allotted timeframe.
- The agents completed these investigations on an average of 127 days (27 days beyond the required timeframe); notes, if any, did not justify slip in schedule.

***SBP Goal 2, Objective 1, Activity 1: “Investigation and its related Enforcement were completed within timeframes established by the SOPs”***

- Of 23 samples reviewed, seven instances were found in which the WRO failed to complete the investigation and its related enforcement within the allotted timeframe.

***SOP Checklist, RO-2, Step 6: “Investigation Sub-process Module technical content is accurate and complete and investigative findings are supported with appropriate documents and evidence.”***

- Of nine samples reviewed, one instance was found in which the WRO failed to create an accurate and complete sub-process module with supporting documents and evidence.

***SOP Checklist, RO-2, Step 7.a: “If a violation was found, did the assigned Agent fill out an Investigative Synopsis, place in the PAS folder, before submitting the folder to the Unit Supervisor?”***

- In ten samples reviewed, one instance was found in which the WRO failed to fill out an investigative synopsis and place it in the PAS folder prior to submitting the folder to the Unit Supervisor.

***SOP Checklist, RO-2, Step 7.b: “If no violation was found, did the assigned Agent complete the Closing Summary in the Investigation Module, to report findings with documentation before closing the investigation folder in PAS?”***

- In ten samples reviewed, three instances were found in which the WRO failed to complete the closing summary in the Investigation Module.

***PAS Checklist, RO-2 #1: “Investigation data complete for Outcome tab and complete for Violation tab, if applicable?”***

- In ten samples reviewed, four instances were found in which the WRO failed to complete the Outcome and/or Violation tab.

***PAS Checklist, RO-2 #2: “Species and Enforcement field complete?”***

- In ten folders reviewed, five instances were found in which the WRO failed to complete the species and/or enforcement fields.

### **Response**

WRO will work with Agents to complete notes to provide explanations/justifications when investigations are delayed or go beyond the process due date and new process due dates have been set following discussions with Supervisors. WRO Supervisors will use ECM data to do a better job of overseeing investigations that are getting close to or have exceeded process due dates. Reports of investigations open over sixty days are being used to place emphasis on completing investigations.

The MAR review cited some instances where a sub-process module was not completed. Not all investigations conducted by Agents have a sub-process module specifically for that type of investigation. In those instances, a memo to the file was prepared explaining the disposition of the investigation. If a sub-process module is required on every investigation, WRO will notify its Agents to prepare some type of sub-process module for every investigation in addition to the memo to the file. There was another instance where it was stated that a synopsis was not provided. In that instance, no synopsis was

required as a NOV was sent. However, WRO acknowledges that there were no notes or memos attached to the folder explaining what had happened and there was no sub-process module for this type of investigation so no closing summary was completed either. WRO will work with Agents to ensure that either notes or memos are included in the folder explaining what occurred during the investigation.

WRO recognizes that there are still issues with the data entry in the AMS side and empty fields in folders. It will continue to work with Agents to ensure that all data is entered completely and accurately. WRO appreciates the MAR Team’s suggestion that some of that information be made mandatory prior to folders being closed and look forward to that change in the upcoming ECM update.

**RO-4: Enforcement**

The WRO obtained a yellow rating which requires immediate attention in this area since material weaknesses were found in both SOP Performance Objectives.

RATING	REVIEW AREA	SCORE
YELLOW	RO-4: Enforcement	70%

**Findings**

***SOP Performance Objective (1): “Send Notice of Violation with approval signature within one business day of receipt”***

- In ten samples reviewed, one instance was found in which the WRO failed to send the NOV with approval signature within one business day of receipt.

***SOP Checklist #1 RO-4 Step 1: “All Enforcement activities completed within 20 days of approved investigative report”***

- In ten samples reviewed, four instances were found in which the WRO failed to complete enforcement activities within 20 days of approved investigative report.

***SOP Checklist #1 RO-4 Step 1.a.5: “Did the assigned Agent complete Close reason in AMS?”***

- A total of ten samples were reviewed. Of the ten, nine instances were found in which the WRO failed to complete the Close Reason in AMS.

***PAS Checklist #3 RO-4: “Has GIPSA PAS Checklist #3 RO-4: “Has GIPSA (Supervisor or Regional Director) official signed the NOV document?”***

- In ten samples reviewed, one instance was found in which the WRO failed to obtain the official signature of the NOV.

***PAS Checklist #4 RO-4: “Is the file naming convention correct?”***

- A total of ten samples were reviewed. Of the ten, five instances were found in which the WRO failed to use the correct naming convention.

**Response**

WRO will work with agents to turn the data entry around to speed up the initiation of the enforcement folder. There was a delay caused by an agent not preparing an NOV timely. Some of the delays cited in the MAR report were caused by letters not being served. WRO has no control over the delivery of letters, but will work with the PSU unit to search for delivery receipts as soon as possible to get the folder closed.

WRO will work with agents to speed up the initiation of the enforcement folder.

Part of the problem with AMS data entry stemmed from a difference between the SOP and the ECM workflow. The SOP states that the enforcement folder is returned to the Agent for data entry in AMS. The workflow does not match the SOP which says the enforcement folder is returned to the Agent for data entry. The folder does not return to the Agent and there is no ECM task in the workflow for enforcement data entry. The errors were a case of everyone not being totally aware of the SOP and relying on the workflow.

WRO is diligently working with Agents to correct naming convention errors. Improvement is being made but work still remains to get that done correctly on a consistent basis.

**RO-5: Bond/Trust Claim**

The WRO was rated red in this area; several findings are reported for continuous improvements to avoid becoming red. The WRO results in this area were strong in SBP Activity Performance but weakest in both SOP Performance and PAS Compliance.

RATING	REVIEW AREA	SCORE
RED	RO-5: Bond/Trust Claims	56%

***Findings***

***SOP Performance Objective (1): “Send Certified Bond/Trust Letter with approval signature within one business day of receipt to Surety or Trustee”***

- Of six reviewed, five instances were found in which WRO failed to send approved bond/trust letters to the Surety or Trustee.

***SOP Checklist, RO5 Step 4.b: “The Claims Spreadsheet is updated to accurately reflect receipt of claims within appropriate timeframes (60, 30 or 15 days)”***

- Of 5 reviewed, four instances were found in which the WRO failed to update the Claims Spreadsheet to accurately reflect receipt of claims within appropriate time frames.

***PAS Checklist #1: “For bond claims, was claim analysis attached?”***

- Of five reviewed, four instances were found in which the WRO failed to attach the bond claims analysis spreadsheet in ECM.

***PAS Checklist #2: “Was starting and primary factor identified?”***

- Of four reviewed, two instances were found in which the WRO failed to identify the starting and primary factor.

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***PAS Checklist #3: “Is the file naming convention correct?”***

- Of five samples reviewed, two instances were found in which the WRO failed to use the correct naming convention.

**Response**

The largest problem in this section appears to be failure to keep spreadsheet records on invalid claims. This caused the MAR team to reach some incorrect conclusions related to some invalid claims because there were no spreadsheets. WRO now has prepared spreadsheets for all trust claims and bond claims received in fiscal year 2010 regardless of claim validity. Spreadsheets are now up to date and saved on the I Drive. Spreadsheets for all claims will be maintained from this point forward for all bond and/or statutory trust claims regardless of the status of the claims.

Procedures will be updated to prepare spreadsheets for any bond or trust claims received and to add the spreadsheets as a document into ECM when the bond or trust claim process is completed.

## RO-6: Financial Instrument Termination / Expiration

The WRO obtained a yellow rating which requires immediate attention in this area since material weaknesses were found in both SOP Performance Objectives and PAS Compliance.

RATING	REVIEW AREA	SCORE
Yellow	RO-6: Financial Instrument Termination / Expiration	73%

### MAR Finding

#### *PAS RO6 Checklist 2 Financial Instrument amount entered in ECM*

A total of ten samples we reviewed. Of the ten, six instances were found in which the WRO failed to enter the financial instrument amount in ECM.

### Response

The WRO LIE's have received additional training, to enter the amount and the type of bonding instrument that is due to expire in ECM and AMS. A meeting was held with the WRO LIE's to clarify what is required when entering a termination notice in ECM and AMS. Further training will be conducted.

Two PSU staff meetings were held recently to specifically address the Management Accountability Report and to implement the above immediate actions to ensure understanding with and compliance to the SOP's.

## WRO Response to MAR Findings for RO-7: Scale Test Reports

The WRO obtained a red rating; which requires immediate attention in this area. The WRO results in this area were stronger in PAS Compliance, but several material weaknesses were found in SOP Performance Objectives.

RATING	REVIEW AREA	SCORE
RED	RO-7: Scale Test Reports	33%

### MAR Findings

*SOP Performance Objective (1): "Send Notification of Default (SW2) with approval signature within one business day of discovering the report is late"*

- Of twenty-four samples reviewed, none were found in which the WRO sent the SW2 with approval signature within one business day of discovering the report is late.

***SOP Performance Objective (2): “Send Notification of Violation (SW3) with approval signature within one business day of determination”***

- One SW3 letter sent during this timeframe was found non-compliant.

***SOP Performance Objective #3: “Enter test date in PAS within three business days of receipt”***

- In ten samples reviewed, six instances were found in which the WRO failed to enter test date in PAS within three business days of receipt.

***SOP Checklist RO-7 Step 1: “Scales subject to P&SP jurisdiction require test and reporting at least semi-annually - check all dates in sample for compliance”***

- In ten samples reviewed, two test reports were outside of the timeframe (did not receive requested replacements), one test report did not include last test date and five instances were found in which WRO failed to receive scale test reports at least semi-annually.

***SOP Checklist RO-7 Step 5: “Did the BPU review the report to determine accuracy within 3 business days of receipt?”***

- In ten samples reviewed, two test reports were outside of the timeframe and five instances were found in which WRO failed to review the report to determine accuracy within 3 business days of receipt?

***PAS Checklist RO7 #1: “Data accurately entered into AMS (Scale Serial Number, Type, and Status)?”***

- In ten samples reviewed, two test reports were outside of the timeframe (did not receive replacements) and two instances were found in which WRO failed to accurately enter into AMS (Scale Serial Number, Type, Status).

***PAS Checklist RO7 #2: “Is the scale test report on file for entity?”***

- In ten samples reviewed, two instances were determined not applicable and one instance was found in which WRO failed to have the scale test report on file for entity.

## **Response**

A letter management system error caused the problem in not sending the SW 2 letters. Soon after Steve Patoray started his employment by P&SP in March 2010, he discovered that many entities which had not filed a test report within the last six months were not being sent SW2 letters through the letter management system in PAS. He worked with the head PAS programmer from Rural Development (RD) to discover the reasons the letter management system in PAS was not sending SW2 letters. The RD programmer discovered a system error that removed numerous entities from the list of entities in PAS that needed to be sent SW2 letters. While the system error was being fixed, the WRO

mailed SW2 letters to all entities which had not submitted scale tests in the last six months. This resulted in SW2s being sent as long as 602 days after the report was due.

RD corrected the system error in August 2010. The letter management system in PAS now works as intended. Every two weeks, the PSU queries the letter management system in PAS for entities which have not submitted a scale test report in the last six months and mails that entity an SW2. The AE reviews the letters before they are sent to ensure that letters are not sent to entities that have submitted scale tests and to entities whose scales are inactive. Thus, a system error which has been corrected was the major reason for SW2 letters not being timely sent.

The proposed change to regulation 201.72 will impact the entire scale test program and the frequency with which P&SP sends SW2 letters. A final proposed rule was forwarded to the Department for clearance in June 2010.

Based on the new regulation 201.72, the Scale Test Workflow Team revised RO-7 and created an ECM workflow in PAS where SW1 and SW2 letters will be mailed out only twice each year. In the revised SOP and the new workflow, PAS will create a new Scale Test Report folder for each entity on the SW1 mailing list and will place the folder on hold awaiting an acceptable scale test report. If the report has not been received by the dates specified in the SOP, the PSU will generate and send an SW2. The revised SOP is the current version of RO-7 that is posted on the Employee Library and the new workflow is expected to become operational at the beginning of the new calendar year. The revised SOP and the new workflow will automate the SW1 and SW2 process and ensure that all scale test letters are sent timely.

The combination of the correction to PAS system error, the revision to RO-7 based on the impending revision to regulation 201.72, and the new ECM Scale Test Workflow will automate the SW2 process resulting in all letters being mailed out timely, should the system work as anticipated. If the system does not work as intended, the BPU Supervisor will submit a CCWG to repair any system faults that are discovered.

Until the new STW becomes operational, the BPU Supervisor has provided additional training to ensure all SW3s will be sent with approval signature within one business day of determination of the need to send an SW3.

The data entry non-compliance was caused by a procedure where PSU entered the test date after the test report was reviewed by the BPU. PSU now enters the date of the scale test in PAS before forwarding the scale test to the BPU for review.

The BPU Supervisor provided additional training and guidance to employees to ensure that all scale test reports will be reviewed to determine accuracy within three days of receipt. One employee will be assigned this task to improve compliance as will the new STW.

The discrepancy the MAR team cited where the Painted Hills Natural Beef, Inc. test report indicated Tyson Fresh Meats (TFM) is not an error. Painted Hills Natural Beef, Inc. does not own a slaughter facility and has its livestock slaughtered at Tyson Fresh Meats. Thus, the scale test at the TFM facility is the appropriate scale test.

In the short run, the BPU Supervisor will provide additional training and guidance to the PSU on the importance of timely filing hard copies of scale test reports to reduce the possibility the reports will be misplaced and not filed. The new STW will be the long term resolution to the problem as each scale test report will be scanned into the newly created ECM folder for the owner of the scale as soon as it is received. Once the report is scanned in, it will not be possible for the scale test report to be misplaced and the scanned version will be the official version on file for the entity.

## **General Recommendations and Response**

1. P&SP would benefit by making PAS more user friendly. Mandatory fields could be identified to help reduce missing data problems and prescribed file title data entry fields would correct the file naming problem immediately. One person in each division needs administrative access to PAS folders. Field employees can see a missing piece of data in a closed folder, but can't enter it.
2. The MAR report investigation timeliness issues require some consideration by the management team. The Investigations SOP prescribes different types of investigations as L1 or L2. The (303) failure to register and bond folders are opened as L1, but can be some of the more difficult and complex assignments to complete. The ECM system creates the folders without regard for work load. An ECM search revealed WRO was assigned 62 investigations of new unregistered firms. These compete with NOV follow-ups, complaints, and business plan for completion. At times, individual agents become overloaded by the volume of the ECM assignments. WRO recently reassigned some away from an agent who had received six in a very short time period.
3. The management team should also assign a team to evaluate when it is appropriate for ECM to open investigations. The system currently opens folders 30 days after default or service of the NOV. However, this is an unrealistic date because an agent can't document a follow-up investigation until some amount of time has passed to accrue records to review which are after the service date and comply with APA requirements to give 30 days to correct.
4. The MAR Review Process would benefit from including an exit conference with the region or division and providing a brief period for communication. This would add integrity to the process by preventing errors and overstatements resulting from misunderstandings from being printed in the final report.