

Management Accountability Review

Business and Economic Analysis Division

July 26th – 28th, 2011



Areas Reviewed:

Standard Operating Procedures
Change Control Working Group

Executive Summary

The Packers and Stockyards Program (P&SP) Management Assessment Review Team (MART) conducted a Management Accountability Review (MAR) on July 26th – 28th, 2011, the remaining review and assessment was conducted by MART leader Regina Ware August 1 through 26th, 2011 of the following Business and Economic Analysis Division (BEAD) operational areas:

1. Standard Operating Procedures (SOP)
2. Change Control Working Group (CCWG)

An automated scoring module for each core process was developed and used to determine compliance with specific areas of the SOP's, SBP, and PAS/CCWG that were identified as part of this MAR.

GREEN	YELLOW	RED
Overall average per area between 90% to 100%; Minor improvements possible; No corrective action required; Less frequent audits required	Overall average per area between 70% and 89%; Findings, but no serious weaknesses; Corrective action required with follow-up from RD or more frequent audits	Overall average per area less than 70%; Material weakness discovered; Mandatory corrective action required with follow-up audit

Using this scorecard allowed the MART to identify those particular areas within the BEAD that require attention or improvement. The following table depicts the BEAD rating for each area reviewed. Additional details, including the overall score and findings/recommendations with supporting documents, are included in this report.

RATING	REVIEW AREA	SCORE
YELLOW	BEAD-1: Reporting Function	83%
GREEN	BEAD-2: Economic and Statistical Analysis	100%
YELLOW	BEAD-3: Business Procedure Creation or Revision	80%
	BEAD-4: Support Function	
GREEN	BEAD-5: PAS Change Control	97%
GREEN	BEAD/RO-1 Market Price Monitoring	97%

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Introduction

The United States Department of Agriculture (USDA) Grain Inspection, Packers and Stockyards Administration (GIPSA), Management Accountability Program, requires that reviews of the Packers and Stockyards Program (P&SP) Headquarters and Regional offices be conducted. Administrative Instruction (AI-3) sets forth the components of this program to ensure compliance with P&SP policies and procedures and with OMB Circular A-123's standards for management controls.

Data was abstracted from PAS and other sources for activities completed within the third quarter. The MART Leader used the data for the initial validation, assessment, and selection of random sampling sizes. Since the Business and Economic Analysis Division (BEAD) data isn't available in PAS, a small group which included Tyhisa Luckey, Peter Jackson, and Regina Ware reviewed and evaluated the BEAD data from August 1 to 26, 2011. This MAR includes the time period of April 1st through June 30th in the following two operational areas: Standard Operating Procedures (SOPs) and Change Control Working Group (CCWG). The MART consisted of the following individuals:

- Regina Ware, P&SP, Headquarters PAS Administrator
- Peter Jackson, PLD, Headquarters
- Ladondra Taylor, LIE, Midwestern Regional Office
- Twala Samuels, Marketing Specialist, Eastern Regional Office
- Steve Mason, LIE, Eastern Regional Office
- Michelle Caldwell, Auditor, Midwestern Regional Office
- Patti Tolle, CRU Supervisor, Western Regional Office
- Nancy Speer, Auditor, Western Regional Office
- Bart Di Giovanni, RA, Eastern Regional Office
- Leslie Jordan, RA, Midwestern Regional Office
- Chad Curry, RA, Western Regional Office
- Will Arce, Marketing Specialist, Midwestern Regional Office

The MAR evaluated the BEAD's ability to effectively and uniformly apply the rules and requirements set forth in the Department and Agency objectives and standards, policies, and CCWG compliance. The MAR final report includes a summary of findings, recommendations, and supporting documentation. The findings section reflects significant items that require corrective action by the BEAD and formal notification by memo to the Office of Deputy Administrator (ODA) that the item(s) were resolved, unless otherwise noted. For each finding, the recommendations section reflects the MART's suggestions for improving the performance in affected areas, some of which may not require formal notification to the ODA. The ODA may conduct follow-up reviews to ensure that corrective action was taken for those instances that were deemed major.

Methodology

The MART developed and used standardized review forms to determine and document compliance. The review forms contain the following sections: 1) Guidance, 2) Review Plan, 3) Results, and 4) Summary. An explanation of each section can be found in [Attachment 1](#).

For each specific area of the SOP, and CCWG under each core process review, the number of instances examined was compared to the number of instances deemed compliant to determine an individual percentage. The number of instances was determined by selecting an appropriate sampling plan (either 100 percent inspection or random sampling). Most of the data was abstracted from PAS queries; however, the remaining data was abstracted from existing reports, spreadsheets, documents, and logs; all of which are documented on the review form. Validation and sample sizes depended on weight of question and amount of instances reviewed. For this review, 100 percent verification was not possible in all areas, but the MART assures that a representative sample was sufficient for those not inspected at the 100 percent threshold. Each individual percentage was averaged to calculate an overall compliance percentage using the following scoring system:

GREEN	YELLOW	RED
Overall average per area between 90% to 100%; Minor improvements possible; No corrective action required; Less frequent audits required	Overall average per area between 70% and 89%; Findings, but no serious weaknesses; Corrective action required with follow-up from RD or more frequent audits	Overall average per area less than 70%; Material weakness discovered; Mandatory corrective action required with follow-up audit

Findings and Recommendations

BEAD-1: Reporting Function

The BEAD scored yellow in this area. Minor improvement possible but no corrective action is required.

RATING	REVIEW AREA	SCORE
YELLOW	BEAD-1 Reporting Function	83%

P&SP Management Accountability Review Form				
Section 1 - Guidance				
SOP	BEAD-1 Reporting Function			
SBP	N/A			
Section 2 - Review Plan				
Purpose of Review	<input type="checkbox"/> Initial	<input checked="" type="checkbox"/> Periodic	Annually	<input type="checkbox"/> Follow-up
Frequency	Annually unless otherwise specified			
Sampling Plan	Random sample of Annual Reporting			
Validation	Validate final report was completed and filed on time; using electronic documentation			
Section 3 - Results				
	Number Reviewed	Number Compliant	%	Numerical Score
SOP Performance Objectives and Compliance				
SOP Checklist	6	5	83%	
	Average SOP Compliance		83%	6
SBP Activity Performance Standard				
N/A				
	Average SBP Compliance			
CCWG Compliance (Checklist)				
N/A				
	Average CCWG Compliance			
Section 4 - Summary				
Findings / Recommendations:				
Employees on the business side of the unit have general knowledge of the process while the economist have more involvement with the process and know the details.				
Overall Rating:	YELLOW		83%	
Persons interviewed:	Roger Schnedier and Tina Dillard			
Reviewers:	Regina Ware, Tyhisa Luckey, Peter Jackson		Date:	Aug-11

Findings

BEAD-1 SOP Checklist (1): "Do personnel have a working knowledge of the P&SP Annual Reporting process?"

- A total of two members of BEAD were sampled. Both members had working knowledge of the P&SP Annual Reporting process.

BEAD-1 SOP Checklist (2): "Can personnel describe the internal review process and is it happening?"

- A total of two members of BEAD were sampled. Of the two members, one member could describe the internal review process and one member could not.

BEAD-1 SOP Checklist (3): "Was final draft report filed with the Under Secretary's Office no later than 01 January?"

- A total of one sample was reviewed. The instance was found to be compliant.

BEAD-1 SOP Checklist (3): "Was final copy stored on the I: drive for internal and external release?"

- A total of one sample was reviewed. The instance was found to be compliant.

Recommendations

- No recommendations.

BEAD-2: Economic and Statistical Analysis

The BEAD scored green in this area. Minor improvement possible but no corrective action is required.

RATING	REVIEW AREA	SCORE
GREEN	BEAD-2: Economical and Statistical Analysis	100%

P&SP Management Accountability Review Form				
Section 1 - Guidance				
SOP	BEAD-2 Economic and Statistical Analysis			
SBP	N/A			
Section 2 - Review Plan				
Purpose of Review	<input type="checkbox"/> Initial	<input checked="" type="checkbox"/> Periodic	<input type="checkbox"/> Annually	<input type="checkbox"/> Follow-up
Frequency	Annually unless otherwise specified			
Sampling Plan	100%			
Validation	Validate report was completed on time; using electronic documentation; verify posting of related work			
Section 3 - Results				
	Number Reviewed	Number Compliant	%	Numerical Score
SOP Performance Objectives and Compliance				
SOP Checklist	3	3	100%	
Average SOP Compliance		100%		
SBP Activity Performance Standard				
N/A				
Average SBP Compliance				
CCWG Compliance (Checklist)				
N/A				
Average CCWG Compliance				
Section 4 - Summary				
Findings / Recommendations:				
Tracking this work is difficult because the Director works directly with the employee to get the task done. Once complete the user is saving work to a folder on the I:drive				
Overall Rating:	GREEN		100%	
Persons interviewed:				
Reviewers:	Regina Ware, Tyhisa Luckey, Peter Jackson		Date:	Aug-11

Findings

BEAD-2 SOP Checklist (1): "BEAD Director assigned inquiry to BEAD staff with an internal suspense date?"

- There were no instances applicable for this review.

BEAD-2 SOP Checklist (2): "BEAD staff filed the final report within the targeted return date?"

- There were no instances applicable for this review.

BEAD-2 SOP Checklist (3): "Related work posted on the I: drive?"

- There were no instances applicable for this review.

Recommendations

- Inquires are assigned verbally with a suspense date and tracked through date posted on I:drive. Recommend implementing some type of tracking system to ensure assignments are completed within established timeframe.

BEAD 3: Business Procedure Creation or Revision

The BEAD scored yellow in this area. Minor improvement possible but no corrective action is required.

RATING	REVIEW AREA	SCORE
YELLOW	BEAD-3: Business Procedure Creation or Revision	80%

P&SP Management Accountability Review Form				
Section 1- Guidance				
SOP	BEAD-3 Business Procedure Creation or Revision			
SBP	N/A			
Section 2 - Review Plan				
Purpose of Review	<input type="checkbox"/> Initial	<input checked="" type="checkbox"/> Periodic	Annually	<input type="checkbox"/> Follow-up
Frequency	Annually unless otherwise specified			
Sampling Plan	Random sample			
Validation	Validate course of action was completed for change request and updates posted; using electronic documentation			
Section 3 - Results				
	Number Reviewed	Number Compliant	%	Numerical Score
SOP Performance Objectives and Compliance				
SOP Checklist	22	22	100%	
	Average SOP Compliance		100%	
SBP Activity Performance Standard				
N/A				
	Average SBP Compliance			
CCWG Compliance (Checklist)				
CCWG Checklist	23	14	61%	
	Average CCWG Compliance		61%	
Section 4 - Summary				
Findings / Recommendations:				
In an effort to simplify this process, emails aren't being sent each time there's an update to the library and/or PAS. Instead announcements of updates are being done on the Employee Library home page. So the SOP should be updated to reflect this change in process.				
Overall Rating:	YELLOW		80%	
Persons interviewed:				
Reviewers:	Regina Ware, Tyhisa Luckey, Peter Jackson		Date:	Aug-11

Findings

BEAD-3 SOP Checklist (1): "BEAD staff made necessary updates to the Employee Library and PAS (administrative changes)?"

- A total of eleven samples were reviewed. All were found to be compliant.

BEAD-3 SOP Checklist (2): "Was the notes tab updated in ECM?"

A total of eleven samples were reviewed. All were found to be compliant.

BEAD-3 CCWG Checklist (1): "Was the CCWG changes implemented within the appropriate timeframe (60 to 90 days)?"

- A total of eleven samples were reviewed. There were six instances found to be compliant.
 - CR 6121333, 6015050, 6135938, 5842226, and 5837333 were not completed within the 60 to 90 day timeframe.

BEAD-3 CCWG Checklist (2): "BEAD staff sent memo to 'P&SP ALL' about update and closed CCWG folder, if applicable?"

- A total of eleven samples were reviewed. Eight of the eleven instances were found to be compliant.

Recommendations

- The CCWG workflow is a manual workflow and is difficult to use to for the MAR.
- BEAD needs to reconsider the requirement to send updates in a memo to PSP All. Once updates are made in the library, announcements on the home page specify all new updates.
- Since most of BEAD implementation tasks involves the developers completing work, there may be a need to add a task to the workflow indicating that the work has been passed on to the developers.

BEAD-4: Support Function

Since the GIPSA Chief of Staff position handles all controlled correspondence, the BEAD Support Function tasks have shifted to that position responsibilities. The SOP should be updated to reflect this change in process. Therefore, there was no data to review for this SOP.

Recommendations

- BEAD and PLD need to reconsider these SOPs since all controlled correspondence is handled by the GIPSA Chief of Staff position.

BEAD-5: PAS Change Control

The BEAD scored green in this area. Minor improvement possible but no corrective action is required.

RATING	REVIEW AREA	SCORE
GREEN	BEAD-5: PAS Change Control	100%

P&SP Management Accountability Review Form				
Section 1- Guidance				
SOP	BEAD-5 PSAS Change Control			
SBP	Goal 4 - Improve organizational efficiency and effectiveness Objective 3 - Automate Operations			
Section 2 - Review Plan				
Purpose of Review	<input type="checkbox"/> Initial	<input checked="" type="checkbox"/> Periodic	Annually	<input type="checkbox"/> Follow-up
Frequency	Annually unless otherwise specified			
Sampling Plan	Random sample			
Validation	Validate PSAS change control process using electronic documentation			
Section 3 - Results				
	Number Reviewed	Number Compliant	%	Numerical Score
SOP Performance Objectives and Compliance				
SOP Checklist	2	2	100%	
Average SOP Compliance		100%		
SBP Activity Performance Standard				
There are no BEAD Strategic Business Plan performance measures to be reviewed at this time				
Average SBP Compliance				
CCWG Compliance (Checklist)				
CCWG Checklist	6	6	100%	
Average CCWG Compliance		100%		
Findings / Recommendations:				
Overall Rating:	GREEN		100%	
Persons interviewed:				
Reviewers:	Regina Ware, Tyhisa Luckey, Peter Jackson	Date:	Aug-11	

Findings

BEAD-5 SOP Checklist (1): "If role maintenance change, did SA notify the employee, POC, and Supervisor?"

- One instance was reviewed and deemed to be compliant.

BEAD-5 SOP Checklist (2): "If functionality or minor list maintenance change did SA update notes tab in ECM and close PAS folder?"

- One instance was reviewed and found to be not applicable.

BEAD-5 CCWG Checklist (1): "If PAS change, did SA send memo to 'P&SP All' about update, and close CCWG folder, if applicable?"

- A total of three samples were reviewed. All three reviewed were deemed to be compliant.

Recommendations

- When there's a list maintenance change or functionality change there may or may not be a folder to update. This SOP seems to coincide with BEAD 3.

BEAD/RO-1: Market Price Monitoring

The BEAD scored green in this area. Minor improvement possible but no corrective action is required.

RATING	REVIEW AREA	SCORE
GREEN	BEAD/RO-1: Market Price Monitoring	97%

P&SP Management Accountability Review Form				
Section 1- Guidance				
SOP	BEAD/RO-1 Market Price Monitoring			
SBP	N/A			
Section 2 - Review Plan				
Purpose of Review	<input type="checkbox"/> Initial	<input checked="" type="checkbox"/> Periodic	<input type="checkbox"/> Annually	<input type="checkbox"/> Follow-up
Frequency	Annually unless otherwise specified			
Sampling Plan	Random sample			
Validation	Verify market price monitoring process using electronic documentation			
Section 3 - Results				
	Number Reviewed	Number Compliant	%	Numerical Score
SOP Performance Objectives and Compliance				
SOP Checklist	36	34	94%	
	Average SOP Compliance		94%	
SBP Activity Performance Standard				
N/A				
	Average SBP Compliance			
CCWG Compliance (Checklist)				
N/A	6	6	100%	
	Average CCWG Compliance		100%	
Section 4 -Summary				
Findings / Recommendations:				
The person in BEAD responsible for this activity has left the agency. BEAD needs to identify the new person and there needs to be consistency on when folders should be created in PAS to handle the outliers.				
Overall Rating:	GREEN		97%	
Persons interviewed:				
Reviewers:	Regina Ware, Tyhisa Luckey, Peter Jackson		Date:	Aug-11

Findings

BEAD/RO-1 SOP Checklist (1): "Run market price monitoring models weekly reports (hogs only)?"

- A total of thirteen samples were reviewed. All were deemed to be compliant.

BEAD/RO-1 SOP Checklist (2): "Results circulated to the BPU's?"

- A total of thirteen samples were reviewed. All were deemed to be compliant.

BEAD/RO-1 SOP Checklist (3): "Prepared and sent reports with supporting documentation along with recommendation to close the report?"

- A total of five samples were reviewed. Four of five were deemed to be compliant.
 - There was no report found for the week of 4/1/11.

BEAD/RO-1 SOP Checklist (4): "If a significant outlier exists, employee creates a folder in PAS for an investigation?"

- A total of five samples were reviewed. Of the five, one was found in which the BEAD failed to create a folder in PAS for the investigation.
 - There wasn't folder for outlier identified on 5/27/11.

Recommendations

- Some of the reports' dates aren't consistent with the corresponding folder in PAS.
- There needs to be consistency with handling these reports.

Attachment 1: Review Form

Section 1. Guidance	Strategic Business Plan (SBP) Objective Guidance and Direction (2010 - 2011) dated September 7, 2010	Enter the SBP number and description.
	Standard Operating Procedure (SOP)	Enter the SOP number, title and process step number. if appropriate.
Section 2. Review Plan	Purpose of Review	Initial, Periodic (Annual, Quarterly, Monthly) or Follow-up
	Frequency	Recommend starting with long frequency (annual) then reduce if review results warrant.
	Sampling Plan	Either 100% inspection or draw random sample of total instances. Describe sampling method (example: selected every third case opened during the performance period)
	Validation	Describe the method or procedure used to validate answers provided during the review (examples: records review, PSAS, or other data collection system).
Section 3. Results	SOP Performance Objectives	Document the number of instances reviewed and number and percent compliant.
	SOP Checklist	Apply checklist to each instance reviewed. Calculate % compliant (total "Y"s divided by total number reviewed)
	SBP Activity Performance Standard	Document the number of instances reviewed and number and percent compliant.
	CCWG Checklist	Use the same method as SOP checklist.
Section 4. Summary	Findings	<p>Summarize results of checklist and Performance Standard comments should include: description of any non-compliant findings; explanation of risk, if corrective action is not taken; and a firm, realistic date for completing corrective actions and re-evaluation, if necessary.</p> <p>Justify rating by relating discrepancies to SBP objective and performance standards, and any relevant verbiage from SOP.</p> <p>Discuss findings with BEAD for feedback.</p>
	Recommendations	Every finding should include a recommendation for corrective action.
	Rating	Discovery of any Material Weakness can be grounds for Failure. For purposes of this review, a material weakness is defined as "A serious reportable condition in which the design or operation of one or more of the internal control structure elements (including management controls) does not reduce to a relatively low level the risk that errors or irregularities, in amounts that would be material in relation to the financial statements or schedules, would not be prevented or detected."

Attachment 2: Checklists

P&SP Management Accountability Review Form Supplemental Checklist					
Standardized Operating Procedures (SOP)					
		Y	N	N/A	Comments
BEAD-1 Step 1	Do personnel have a working knowledge of the P&SP Annual Reporting process?	2			
BEAD-1 Step 5	Can personnel describe the internal review process and is it happening?	1	1		
BEAD-1 Step 7	Was final draft report filed with the Under Secretary's Office no later than 01 January?	1			
BEAD-1 Step 7	Was final copy stored on the I: drive for internal and external release?	1			
		5	1	0	
BEAD-2 Step 2	BEAD Director assigned inquiry to BEAD staff with an internal suspense date			1	
BEAD-2 Step 7	BEAD staff filed the final report within the targeted return date			1	
BEAD-2 Step 8	Related work posted on the I:drive			1	
		0	0	3	
BEAD-3 Step 8	BEAD staff made necessary updates to the Employee Library and PAS (administrative changes)	11			
BEAD-3 Step 9	Was the notes tab updated in ECM?	11			
		22	0	0	
BEAD-4 Step 2	Did the Director assign inquiry to staff with an internal suspense date?				
BEAD-4 Step 4	Was the assignment tracked?				
BEAD-4 Step 5	Is related work saved to I:drive?				
		0	0	0	
BEAD-5 Step 8	If role maintenance change, did SA notify the employee, POC, and Supervisor?	1			
BEAD-5	If functionality or minor list maintenance change, did SA update notes tab in ECM and close PAS folder?			1	Update to the starting factor list occurred during the review period, but wasn't initiated thru the CCWG workflow.
		1	0	1	
BEAD/RO-1 Step 1	Run market price monitoring models weekly reports (hogs only)	13			
BEAD/RO-1 Step 2	Results circulated to the BPU's	13			
BEAD/RO-1 Step 3	Prepared and sent reports with supporting documentation along with recommendation to close the report	4	1		
BEAD/RO-1 Step 3	If a significant outlier exists, employee creates a folder in PAS for an investigation.	4	1		
		34	2	0	

Change Control Working Group (CCWG)					
		Y	N	N/A	Comments
BEAD-3	Was the CCWG changes implemented within the appropriate timeframe (60 or 90 days)?	6	5		Most BEAD task involved the developers implementation, so these take longer than 90 days to complete.
BEAD-3 Step 9	BEAD staff sent memo to "P&SP All" about update and closed CCWG folder, if applicable.	8	4		
		14	9	0	
BEAD-5 Step 6	If a PAS version change, did SA send memo to "P&SP All" about update, and close CCWG folder, if applicable?	3			
BEAD-5	Was the PSAS changes implemented within the appropriate timeframe (60 or 90 days)?			3	
		3	0	3	

Attachment 3: Supporting Documentation

There is no supporting documentation for BEAD.