

Management Accountability Review

Midwestern Regional Office

May 6 – June 30, 2010



Areas Reviewed:

Standard Operating Procedures
Strategic Business Plan
Packers & Stockyards Automated System

Executive Summary

The Packers and Stockyards Program (P&SP) Management Assessment Review Team (MART) conducted a Management Accountability Review (MAR) on May 25 through May 26, 2010, the remaining review and assessment was conducted by Paradigm Technologies on June 1 through June 18, 2010 of the following Midwestern Regional Office (MRO) operational areas:

1. Standard Operating Procedures (SOP)
2. Strategic Business Plan (SBP) objectives
3. Packers & Stockyards Automated System (PAS)

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 that were identified as part of this MAR. The SOPs were weighted the most, however, in instances where the SBP compliance was not applicable, the SOPs and PAS compliance were weighted equally.

For each area under review, the following scorecard was used to assess overall compliance.

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 MRO that require attention or improvement. The following table depicts the MRO 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
GREEN	RO-1: Registration and Bonding	91%
GREEN	RO-2: Investigations	90%
GREEN	RO-3: Regulatory Actions	94%
YELLOW	RO-4: Enforcement	73%
YELLOW	RO-5: Bond/Trust Claims	76%
YELLOW	RO-6: Financial Instrument Termination / Expiration	84%
RED	RO-7: Scale Test Reports	46%

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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.

From May 6 to May 21, 2010 data was abstracted from PAS by the PAS Administrator and provided to Paradigm Technologies for the initial validation, assessment, and selection of random sampling sizes. On May 25 and 26, 2010, the Management Assessment Review Team (MART) reviewed and evaluated the technical performance of the Midwestern Regional Office (MRO). The remaining randomly selected data from PAS was assessed and evaluated by Paradigm Technologies from June 1 to 18, 2010. This MAR includes the time period of October 1, 2009 through April 30, 2010 in the following three operational areas: Standard Operating Procedures (SOPs), Strategic Business Plan (SBP) objectives, and Packers and Stockyards Automated System (PAS). The MART consisted of the following individuals:

- Dana Stewart, ODA, P&SP, Headquarters
- Regina Ware, P&SP, Headquarters PAS Administrator
- Katie Stout, P&SP, LIE, Midwestern Regional Office
- Steve Pappaducus, Marketing Specialist, Midwestern Regional Office
- Carla Thomas, P&SP, LIE, Eastern Regional Office
- Robbie Obiekwe, P&SP, Auditor, Eastern Regional Office
- Ann Webster, P&SP, CRU, Western Regional Office
- Jack VerLinden, P&SP, Auditor, Western Regional Office
- Julie Shamblin, P&SP, RA, Western Regional Office
- Alan Booco Paradigm Technologies, Inc.
- Virginia Cole, Paradigm Technologies, Inc.

The MAR evaluated the MRO's ability to effectively and uniformly apply the rules and requirements set forth in the Department and Agency objectives and standards, policies, and PAS 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 MRO 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, SBP, and PAS 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

RO-1: Registration and Bonding

The MRO was rated green in this area; several minor findings are reported for continuous improvement.

RATING	REVIEW AREA	SCORE
GREEN	RO1: Registration and Bonding	91%

P&SP Management Accountability Review Form			
Section 1 - Guidance			
SOP	RO-1 Registration and Bonding		
SBP	Goal 1 - Increase level of compliance through preventive regulatory actions Objective 1 - Ensure those operating subject to the P&S Act are properly registered and/or bonded and meet reporting requirements		
Section 2 - Review Plan			
Purpose of Review	<input type="checkbox"/> Initial	<input type="checkbox"/> Periodic	Annually
Frequency	Annually unless otherwise specified		
Sampling Plan	Random sample		
Validation	SOP(1): Review PAS to obtain entity listing that required corrections in the registration and bonding process SOP(2): Review listing from PAS to obtain entities registered within scope of review SOP(3): Review PAS for NOD documentation		
Section 3 - Results			
	Number Reviewed	Number Compliant	%
SOP Performance Objectives and Compliance			
(1) Send paperwork to entity within five days of receipt for corrections	9	9	100%
(2) Send Acceptance Letter within five days from receipt of registration	10	8	80%
(3) Send NOD with approval signature within one business day of receipt	10	9	90%
(4) SOP Checklist	30	27	90%
SBP Activity Performance Standard			
There are no Regional Office level Strategic Business Plan performance measures to be reviewed at this time	N/A	N/A	100%
PAS Compliance (Checklist)			
PAS Checklist	40	34	85%
Overall RO-1 Compliance		91%	
Section 4 - Summary			
Findings / Recommendations:			
<p>General Comment - For additional details and findings, see RO1 Supporting Documentation and/or Tech Team Reviewer's Sheet</p> <p>SOP (1) - PAS is not setup to handle multiple Correction Letter tasks. Although the task indicates the Correction Letter was sent within the 5 day timeframe, we could not validate the date on the actual scanned correction letter in PAS. Recommend a work around to add an additional correction letter task until PAS can be modified. (Entities where correction letters could not be verified in PAS: ECM #34818, #34571, #43425, #41334, #42102)</p> <p>SOP (2) - ECM #40193, the Registration Application could not be found in PAS but the ECM Workflow was used to validate. ECM #39923, the Acceptance Letter was sent prior to Registration Package being complete.</p> <p>PAS Checklist - The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relook at instructions for naming convention to make them clear and concise where employees can understand and follow, which will help with locating files.</p>			
Overall Rating:	GREEN		91%
Persons interviewed:	N/A		
Reviewers:	Regina Ware (Headquarters PAS Administrator for Data Validation) Anne Webster (WRO - MAR Tech Team) Virginia Cole (Paradigm Technologies, Inc) Alan Booco (Paradigm Technologies, Inc.)	Date:	05/25/10 - 05/26/10

Findings

SOP Performance Objective (1): "Send paperwork to entity within five days of receipt for correction"

- A total of nine samples were reviewed. All nine instances were found to be compliant
- PAS is not setup to handle multiple Correction Letter tasks. Although the task indicates the Correction Letter was sent within the 5 day timeframe, we could not validate the date on the actual scanned correction letter in PAS. Entities where correction letters could not be verified in PAS: ECM #34818, #34571, #43425, #41334, #42102

SOP Performance Objective (2): "Send acceptance letter within five days from receipt of registration"

- A total of ten samples were reviewed. Of the ten, two instances were found in which the MRO failed to send the acceptance letter within the allotted timeframe.
 - ECM #29629, this was an involuntary registrant who did not respond to the NOD within the 30 day timeframe. The entity was put on hold awaiting registration package (from 10/13/09 - 4/15/10) rather than an investigation being initiated. The date stamp indicates registration package received on 4/6/10 but ECM indicates 4/15/10
 - ECM #40193, the Registration Application could not be found in PAS but the ECM Workflow was used to validate.
 - ECM #39923, the Acceptance Letter was sent prior to Registration Package being complete. Registration Package was put on hold awaiting financial instrument. Registration Package was process on 03/02/10, however the Acceptance Letter was sent on 12/30/10 prior to receiving financial instrument.

SOP Performance Objective (3): "Send NOD with approval signature within one business day of receipt"

- A total of ten samples were reviewed. Of the ten, only one instance was found in which the MRO failed to send the NOD with approval signature within one business day of receipt.
 - ECM #22785 - failed to send the NOD with approval signature within the allotted timeframe

SOP Checklist #1: "If new registrant, did the PSU staff send the Standard Packet and include POC information?"

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

SOP Checklist #2: "If amended, supplemental, reactivated, or limited, did the PSU staff send appropriate paperwork to the entity within five business days of receipt to collect the necessary information?"

- A total of ten samples were reviewed. Of the ten, one instance was determined not applicable (ECM #31454), three instances were found in which the MRO failed to send the appropriate paperwork to the entity within the allotted timeframe to collect the necessary information.
 - ECM #3369, #40073, #44454 – failed to send appropriate paperwork to entity within the allotted timeframe to collect the necessary information.

SOP Checklist #3: "If paperwork is correct, did the PSU staff input information into PAS? Is documentation available showing appropriate letter was sent?"

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

PAS Checklist #1: "Business entity and Address tab completed in AMS"

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

PAS Checklist #2: "If market agency, dealer, or packer with volume over \$500,000 is financial instrument tab complete?"

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

PAS Checklist #3: "Entity paperwork included in ECM documentation folder"

- A total of ten samples were reviewed. Of the ten, only one instance was found in which the MRO failed to include the entity paperwork in the ECM documentation folder.
 - ECM #3369 – failed to include bond clause 1 paperwork in ECM documentation folder

PAS Checklist #4: "Is the file naming convention correct?"

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

Recommendations

- Recommend a work around to add additional correction letters task until PAS can be modified.
- To ensure and verify notices are sent within the allotted timeframe, a printed copy of confirmation should be attached to the notice for receipt of traceable delivery point (i.e. Post Office, Federal Express, USPS). This serves as a quick reference for tracking.

- The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relooking at naming convention instructions to make them clearer, more concise, and easier to understand. Additionally, if at all possible, we recommend PAS be modified to build the file names automatically. All the agent would have to provide is basic information about the file such as the entity name, type of file, etc. and PAS should do the rest. This seems like a function that could be automated and this would remove any human error from the process.

RO-2: Investigations

The MRO was rated green in this area; several minor findings are reported for continuous improvements. The MRO results in this area were best in SBP Activity Performance Standards and fair in SOP Performance Objectives and PAS Compliance.

RATING	REVIEW AREA	SCORE
GREEN	RO-2: Investigations	90%

P&SP Management Accountability Review Form			
Section 1 - Guidance			
SOP	RO-2 Investigations		
SBP	Goal 2 - Attain compliance through investigation and enforcement Objective 2 - Expedite the timely completion of investigations		
Section 2 - Review Plan			
Purpose of Review	<input type="checkbox"/> Initial	<input type="checkbox"/> Periodic	<input checked="" type="checkbox"/> Annually
Frequency	Annually unless otherwise specified		
Sampling Plan	100% Records inspection		
Validation	SBP(1-2) and SOP(1-3): Verify case files in PAS SOP(4): Randomly sample investigative case files in PAS		
Section 3 - Checklist Results			
	Number Reviewed	Number Compliant	%
SOP Performance Objectives and Compliance			
(1) Close Rapid Response within 75 calendar days of receipt of complaint/event	N/A	N/A	N/A
(2) Close Level 1 Priority within 160 calendar days of receipt of complaint/event	15	14	93%
(3) Close Level 2 Priority within 100 calendar days of receipt of complaint/event	15	10	67%
(4) SOP Checklist	55	52	95%
SBP Activity Performance Standard			
(1) Initiate Rapid Response investigation within two business days from time of complaint/event	1	1	100%
(2) Investigation and its related Enforcement were completed within timeframes established by the SOPs	15	14	93%
(3) SBP Checklist	29	29	100%
PAS Compliance (Checklist)			
PAS Checklist	40	32	80%
Overall RO-2 Compliance			90%
Section 4 - Summary			
Findings / Recommendations:			
General Comment - For additional details and findings, see RO2 Supporting Documentation and/or Tech Team Reviewer's Sheet.			
SOP (1) - No Rapid Response investigations were conducted during the timeframe of the MAR.			
SOP (2) - For ECM#34686, Synopsis of Facts on the Investigative Report indicates the investigation was conducted on 11/16/09, however the folder in ECM was not setup in ECM until 11/30/09. Dates on folder do not match the case file; no approval signature from the Legal Specialist, Regional Director or Supervisor. There are instances where no subprocess module or supporting documentation was attached to the folder (ECM #34801, #34155, #34006). For Level 1 investigations reviewed during this timeframe, agents are completing the investigation on an average of 40 days, either the agents are actually completing investigations in a shorter timeframe or all the associated work being performed is not being entered in ECM.			
SOP (3) There are cases where a significant amount of time was spent re-routing the investigation prior to the appropriate agent being assigned. It does not appear that all the work is being captured in PAS. Some subprocess modules were not signed by the supervisor; suggest clarify whether the actual subprocess modules have to be signed by the supervisor in addition to checking the approval field in ECM. For Level 2 investigations reviewed during this timeframe, agents are completing the investigation on an average of 79 days (not including Enforcement). Thus, it is taking longer to complete L2 investigations than L1, which has a greater impact and higher priority level. Suggest relook at when agents are entering investigation details in ECM to ensure all the associated work is being captured, if correct. Management may also want to relook at the number of days agents are allowed to complete a L1 or L2 and determine if the criteria is too high or low and needs to be adjusted.			
SOP Checklist - As mentioned in SOP 2 and 3 above, there are subprocess modules and/or case files that were not signed by the agent, Supervisor and/or the Regional Director (ECM #33784, #33705, #42785, #34686), but the approval field was checked in ECM. Thus, appearing to have been sent forward as a case file, but it is questionable to whether the documentation was actually reviewed by management for accuracy and completeness.			
PAS Checklist - There are some instances where the Outcome Field was not completed			
Overall Rating:	GREEN		90%
Persons interviewed:	N/A		
Reviewers:	Regina Ware (Headquarters PAS Administrator for Data Validation) Jack VerLinden (WRO - MAR Tech Team) Virginia Cole (Paradigm Technologies, Inc.) Alan Booco (Paradigm Technologies, Inc.)	Date:	05/25/10 - 05/26/10

Findings

SOP Performance Objective (1): "Close Rapid Response within 75 calendar days of receipt of complaint/ event"

- No rapid responses were completed during the review period.

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

- A total of fifteen samples were reviewed. Of the fifteen, only one was found in which the MRO failed to close the L1 investigation in the allotted timeframe.
 - Entity 22064 - Received task to perform investigation on 7/27/2009 and closed folder on 1/27/2010; a difference of 180 days.
- For ECM#34686, Synopsis of Facts on the Investigative Report indicates the investigation was conducted on 11/16/09; however the folder in ECM was not setup in ECM until 11/30/09. Dates on folder do not match the case file; no approval signature from the Legal Specialist, Regional Director or Supervisor. There are instances where no sub-process module or supporting documentation was attached to the folder (ECM #34801, #34155, #34006). For Level 1 investigations reviewed during this timeframe, agents are completing the investigation on an average of 40 days, either the agents are actually completing investigations in a shorter timeframe or all the associated work being performed is not being entered in ECM.

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

- A total of fifteen samples were reviewed. Of the fifteen, five instances were found in which the MRO failed to close the L2 investigation within the allotted timeframe.
 - Entity 22510 - Received task to perform investigation on 7/31/2009 and closed folder on 1/6/2010; a difference of 156 days.
 - Entity 24936 - Received task to perform investigation on 9/14/2009 and closed folder on 1/11/2010; a difference of 117 days.
 - Entity 33158 - Received task to perform investigation on 10/13/2009 and closed folder on 3/31/2010; a difference of 168 days.
 - Entity 35033 - Received task to perform investigation on 12/10/2009 and closed folder on 4/29/2010; a difference of 139 days.
 - Entity 2557 - Received task to perform investigation on 3/6/2009 and closed folder on 10/14/2010; a difference of 218 days.

- There are cases where a significant amount of time was spent re-routing the investigation prior to the appropriate agent being assigned. It does not appear that all the work is being captured in PAS. Some sub-process modules were not signed by the supervisor; suggest clarify whether the actual sub-process modules have to be signed by the supervisor in addition to checking the approval field in ECM. For Level 2 investigations reviewed during this timeframe, agents are completing the investigation on an average of 79 days (not including Enforcement). Thus, it is taking longer to complete L2 investigations than L1, which has a greater impact and higher priority level.

SBP Goal 2, Objective 1, Activity 1: "Initiate Rapid Response investigation within two business days from time of complaint/ event"

- One sample item was reviewed and was compliant.

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

- A total of fifteen samples were reviewed. Of the fifteen instances, only one was found to not have been completed in the allotted timeframe.

SBP Checklist Goal 1, Objective 1, Activity 1: "Investigate a select number of failure-to-file cases"

- A total of twenty-nine samples were reviewed. All twenty-nine instances were found to be investigated failure-to-file cases.

SOP Checklist, RO-2, Step 2: "PAS accurately reflects whether claim /investigation Priority Level (L1, L2) was properly identified"

- A total of fifteen samples were reviewed. All fifteen instances were found to have the claim/investigation priority properly identified.

SOP Checklist, RO-2, Step 4.a: "For complaints deemed "terminated", the AMS entry is closed with an explanation in the notes file"

- A total of ten samples were reviewed. Of the ten, only one was found where MRO failed to close the AMS entry with an explanation in the notes file.

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."

- A total of ten samples were reviewed. Of the ten, eight were found to be compliant while two were deemed not applicable.

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?"

- A total of ten samples were reviewed. Of the ten, only one was found where MRO failed to fill out an Investigative Synopsis, place it in the PAS folder, before submitting the folder to the Unit Supervisor. One was also deemed not applicable.

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?”

- A total of ten samples were reviewed. Of the ten, only one instance was found in which the MRO failed to complete the Closing Summary in the Investigation Module before closing the folder in PAS.

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

- A total of ten samples were reviewed. Of the ten, three instances were found where MRO failed to complete the Outcome tab and/or Violation tab.

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

- A total of ten samples were reviewed. Of the ten, three instances were found where MRO failed to complete the Species and/or Enforcement field.

PAS Checklist, RO-2 #3: “Are Notes tab clear and easy to understand?”

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

PAS Checklist, RO-2 #4: “Is the file naming convention correct?”

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

Recommendations

- Consider enhancing data validation in PAS that will require the agent to complete essential fields prior to closing the folder.
- Based on the results, agents are completing L1 investigations on an average of 40 calendar days vs. 160 and L2 investigations on an average of 79 days vs. 100 days. There is definitely a discrepancy in the completion of these investigations. Suggest management relook at when agents are entering investigation details in ECM to ensure all the associated work is being captured. Management may also want to relook at the established criteria for completing L1 or L2 to determine if the performance standard is too high or too low and adjust, if needed.

- Originally, ten entities were reviewed for L1 and L2 investigations but after initial analysis, it was determined the sample size needed to be raised to fifteen to determine if there is a significant difference in the amount of time it takes to complete a “Business Premise” verse a “PSP Office” investigation. Analysis showed that “Business Premise” and “PSP Office” investigations appear to be taking similar amounts of time to complete and both have cases that exceed the allotted timeframes.
- The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relooking at naming convention instructions to make them clearer, more concise, and easier to understand. Additionally, if at all possible, we recommend PAS be modified to build the file names automatically. All the agent would have to provide is basic information about the file such as the entity name, type of file, etc. and PAS should do the rest. This seems like a function that could be automated and this would remove any human error from the process.

RO-3: Regulatory Activities

The MRO was rated green in this area; several minor findings are reported for continuous improvements. The MRO results in this area were strong in SOP Performance Objectives and Compliance and SBP Activity Performance Standard. The MRO results were weakest in PAS Compliance.

RATING	REVIEW AREA	SCORE
GREEN	RO-3: Regulatory Activities	94%

P&SP Management Accountability Review Form			
Section 1 - Guidance			
SOP	RO-3 Regulatory Activities		
SBP	Goal 1 - Increase level of compliance through preventive regulatory actions Objective 2 - Protect industry's financial interest Objective 3 - Protect Fair Business Practices (Competition/Trade)		
Section 2 - Review Plan			
Purpose of Review	<input type="checkbox"/> Initial	<input type="checkbox"/> Periodic	<input type="checkbox"/> Annually
Frequency	Annually unless otherwise specified		
Sampling Plan	SBP(1-5): 100% Records inspection; SOP: Random sample		
Validation	SBP(1-4): Review folders and Sub Process Modules in PAS and compare to the BEAD risk rankings and random audit list		
Section 3 - Results			
	Number Reviewed	Number Compliant	%
SOP Performance Objectives and Compliance			
SOP Checklist	30	28	93%
SBP Activity Performance Standard			
(1) Completed 100% of insolvency audits of identified high risk packers, auction markets, and dealers (10 per region by 10/10)	N/A	N/A	N/A
(2) Completed 100% of random sample of custodial/prompt pay audits to a 90% confidence level (by 10/10)	35	35	100%
(3) Completed 100% of scale/weighing trolleys and weighing practices of every packing plant that purchase in excess of 1,000 head of livestock annually on a carcass-weight basis and determine the rate of compliance (by 10/10)	15	15	100%
(4) Completed randomly stratified sample of scales and weighing inspection (dealers/auction markets/poultry plants/poultry feed mills) to a 90% level of confidence and determine the rate of compliance (by 10/10)	8	8	100%
(5) Completed 100% monitoring of the fed cattle each week	N/A	N/A	N/A
PAS Compliance (Checklist)			
PAS Checklist	30	23	77%
Overall RO-3 Compliance			94%
Section 4 - Summary			
Findings / Recommendations:			
<p>General Comment - For additional details and findings, see RO3 Supporting Documentation and/or Tech Team Reviewer's Sheet.</p> <p>PAS Checklist - There were a number of entities where the Violation Type was not completed. The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relook at instructions for naming convention to make them clear and concise where employees can understand and follow, which will help with locating files.</p>			
Overall Rating:	GREEN		94%
Persons interviewed:	N/A		
Reviewers:	Regina Ware (Headquarters PAS Administrator for Data Validation) Julie Shamblin (WRO - MAR Tech Team) Robbie Obiekwe (ERO - MAR Tech Team) Virginia Cole (Paradigm Technologies, Inc.) Alan Booco (Paradigm Technologies, Inc.)		Date: 05/25/10 - 05/26/10

Findings

SBP Goal 1, Objective 2, Activity 1: “Completed 100% of insolvency audits of identified high risk packers, auction markets, and dealers (10 per region by 10/10)”

- No high risk packers, auction markets, or dealer audits were found during the review period.

SBP Goal 1, Objective 2, Activity 2 and 3: “Completed 100% of random sample of custodial/prompt pay audits to a 90% confidence level (by 10/10)”

- A total of thirty-five samples were reviewed. All thirty-five instances were found to be compliant.

SBP Goal 1, Objective 3, Activity 1: “Completed 100% of scale/weighing trolleys and weighing practices of every packing plant that purchase in excess of 1,000 head of livestock annually on a carcass-weight basis and determine the rate of compliance (by 10/10)”

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

SBP Goal 1, Objective 3, Activity 3: “Completed randomly stratified sample of scales and weighing inspection (dealers/auction markets/poultry plants/poultry feed mills) to a 90% level of confidence and determine the rate of compliance (by 10/10)”

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

SOP Checklist RO-3 Step 2: “Regulatory Activity Sub-process Module technical content is accurate and complete”

- A total of ten samples were reviewed. Of the ten, two instances were found in which the MRO failed to complete the Regulatory Activity Sub-process module.

SOP Checklist RO-3 Step 4: “Did the assigned Agent complete the Exit Conference and Findings tab and denote any recommendations in the Regulatory Sub-process Module before submitting the folder to the Unit Supervisor?”

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

SOP Checklist RO-3 Step 4.b: “If no violation is found, did the assigned Agent denote the findings in PAS and close the Regulatory Activity folder?”

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

PAS Checklist RO-3 #1: “Completed Species tabs and Sub-process module included in documents”

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

PAS Checklist RO-3 #2: “Completed Close Reason and Outcome and if applicable, the Violation tab”

- A total of ten samples were reviewed. Of the ten, only one instance was found in which the MRO failed to complete the Close Reason and/or Outcome and if applicable, Violation tab.

PAS Checklist RO-3 #2: “Is the file naming convention correct?”

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

Recommendations

- The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relooking at naming convention instructions to make them clearer, more concise, and easier to understand. Additionally, if at all possible, we recommend PAS be modified to build the file names automatically. All the agent would have to provide is basic information about the file such as the entity name, type of file, etc. and PAS should do the rest. This seems like a function that could be automated and this would remove any human error from the process.

RO-4: Enforcement

The MRO obtained a yellow rating; which requires immediate attention in this area. MRO is strong in PAS compliance, however, there were several material weaknesses found in SOP Performance Objectives.

RATING	REVIEW AREA	SCORE
YELLOW	RO-4: Enforcement	73%

P&SP Management Accountability Review Form			
Section 1 - Guidance			
SOP	RO-4 Enforcement		
SBP	N/A		
Section 2 - Review Plan			
Purpose of Review	<input type="checkbox"/> Initial	<input type="checkbox"/> Periodic	<input checked="" type="checkbox"/> Annually
Frequency	Annually unless otherwise specified		
Sampling Plan	Random sampling and records review		
Validation	SOP(1): Review PAS for NOV documentation		
Section 3 - Results			
	Number Reviewed	Number Compliant	%
SOP Performance Objectives and Compliance			
(1) Send Notice of Violation with approval signature within one business day of receipt	10	9	90%
(2) SOP Checklist	20	8	40%
SBP Activity Performance Standard			
N/A	N/A	N/A	N/A
PAS Compliance (Checklist)			
PAS Checklist	40	35	88%
Overall RO-4 Compliance			73%
Section 4 - Summary			
Findings / Recommendations:			
General Comment - For additional details and findings, see RO4 Supporting Documentation. PAS Checklist - For the random sampling size, the agents did not complete the Close Reason. The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relook at instructions for naming convention to make them clear and concise where employees can understand and follow, which will help with locating files.			
Overall Rating:	YELLOW		73%
Persons interviewed:	N/A		
Reviewers:	Regina Ware (Headquarters PAS Administrator for Data Validation) Virginia Cole (Paradigm Technologies, Inc.) Alan Booco (Paradigm Technologies, Inc.)	Date:	05/25/10 - 05/26/10

Findings

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

- A total of ten samples were reviewed. Of the ten, only one instance was found in which the MRO failed to send the NOV with approval signature within one business day.
 - ECM # 34504 – approved NOV was not sent within the allotted timeframe

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

- A total of ten samples were reviewed. Of the ten, two instances were found in which the MRO failed to complete all Enforcement activities within 20 days of approved investigation report.
 - ECM #34775 and #24855 – Enforcement activities were not completed within the allotted timeframe.

SOP Checklist #2 RO-4 Step 1.a.5: "Did the assigned Agent complete Close reason in AMS?"

- A total of ten samples were reviewed. The MRO failed in all ten instances to complete the Close reason in AMS (see RO4 supporting documentation for details)

PAS Checklist #1 RO-4: "If NOV Enforcement, does the folder contains actual NOV document?"

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

PAS Checklist #2 RO-4: "Is the document type correct?"

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

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

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

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 MRO failed to use the correct naming convention (see RO4 supporting documentation for details).

Recommendations

- Consider data validation that will require the agent to complete essential fields prior to closing the folder. This could be a simple check to see if the essential field in the database has been populated. If not, PAS will prompt the agent to complete the field prior to closing the folder.
- The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relooking at naming convention instructions to make them clearer, more concise, and easier to understand. Additionally, if at all possible, we recommend PAS be modified to build the file names automatically. All the agent would have to provide is basic information about the file such as the entity name, type of file, etc. and PAS should do the rest. This seems like a function that could be automated and this would remove any human error from the process.

RO-5: Bond/Trust Claim

The MRO results in this area were weakest in PAS Compliance and SOP Performance Objectives. Although the MRO rated yellow, this area can use improvement to avoid becoming red.

RATING	REVIEW AREA	SCORE
YELLOW	RO-5: Bond/Trust Claims	76%

The lack of attention and necessary corrective action in this area could cause potential harm to the industry in which P&SP is charged to protect.

P&SP Management Accountability Review Form			
Section 1 - Guidance			
SOP	RO-5 Bond/ Trust Claims		
SBP	Goal 2 - Attain compliance through investigation and enforcement Objective 1 - Expedite the timely completion of investigations		
Section 2 - Review Plan			
Purpose of Review	<input type="checkbox"/> Initial <input type="checkbox"/> Periodic	Annually	<input type="checkbox"/> Follow-up
Frequency	Annually unless otherwise specified		
Sampling Plan	Random sampling and records review		
Validation	SBP(1) and SOP(1): Verify bond claim files in AMS		
Section 3 - Results			
	Number Reviewed	Number Compliant	%
SOP Performance Objectives and Compliance			
(1) Send Certified Bond/Trust Letter with approval signature within one business day of receipt to Surety or Trustee	5	4	80%
(2) SOP Checklist	8	6	75%
SBP Activity Performance Standard			
(1) 100% of Bond and trust claim forms are forwarded to known unpaid sellers within 10 business days.	22	19	86%
PAS Compliance (Checklist)			
PAS Checklist	11	7	64%
Overall RO-5 Compliance			76%
Findings / Recommendations:			
General Comment - For additional details and findings, see RO5 Supporting Documentation and/or Tech Team Reviewer's Sheet Three bond claims provided by MRO were outside the timeframe and could not be reviewed. SOP (1) - Reviewed 5 bond claims, one surety letter was identified in the claim spreadsheet, however, there was no date to indicate whether the letter was sent; letter was not provided to validate. SOP Checklist - The claim spreadsheet is not being updated to reflect the most current status of a bond claim (e.g., missing initial claim date, date letter sent to surety or trustee, date letter sent) SBP (1) - Letters could not be validated due to missing data in claim spreadsheet (e.g. initial claim date, date letter sent, claim letter tracking#) PAS Checklist - The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relook at instructions for naming convention to make them clear and concise where employees can understand and follow, which will help with locating files.			
Overall Rating:	YELLOW		76%
Persons interviewed:	N/A		
Reviewers:	Regina Ware (Headquarters PAS Administrator for Data Validation) Virginia Cole (Paradigm Technologies, Inc) Alan Booco (Paradigm Technologies, Inc)	Date:	05/25/10 - 05/26/10

Findings

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

- Five claims were reviewed. Of the five, one instance was found in which the MRO failed to send the surety letter
 - See RO-5 Supporting Documentation for details

SBP Goal 2, Objective 1, Activity 1: "100% of Bond and trust claim forms are forwarded to unpaid sellers within 10 business days"

- A total of twenty-two claims were reviewed. Of the twenty-two, three instances were found in which the MRO failed to forward bond and trust claim forms to unpaid sellers within 10 business days.
 - See RO-5 Supporting Documentation for details

SOP Checklist, RO-5 Step 4.a: "For claims received, did the PSU stamp the claim form with date of receipt?"

- A total of four claims were reviewed. Of the four, one claim was paid before the actual claim was filed; three instances were found in compliance with date stamp on claim with date of receipt.

SOP Checklist, RO-5 Step 4.b: "The Claims Spreadsheet is updated to accurately reflect receipt of claims within appropriate timeframes (60, 30 or 15 days)"

- A total of five claims were reviewed. Of the five, two instances were found in which the MRO failed to update the claim spreadsheet to accurately reflect receipt of claims within the appropriate timeframes.
 - The claim spreadsheet is not being updated to reflect the most current status of a bond claim (e.g., missing initial claim date, date letter sent to surety or trustee, date letter sent).

PAS Checklist #1: "For bond claims, was claim analysis attached?"

- A total of five claims were reviewed. Of the five, one instance was determined not applicable because the claim was paid before the claim was official file (per MRO) and one instance was found in which the MRO failed to attach the claim analysis.

PAS Checklist #2: "Was starting and primary factor identified?"

- A total of four claims were reviewed. Of the four, one instance was determined not applicable because no claim was officially filed (per MRO) and one instance was found in which the MRO failed to attach the claim analysis.

PAS Checklist #3: "Is the file naming convention correct?"

- A total of two claims were reviewed. Both instances were found in which the MRO failed to use the correct naming convention.

Recommendations

- Until a better tracking system is in place, suggest using the claim spreadsheet to establish clear traceability of claims, whether valid or not. This will serve as supporting documentation in all bond claim files to verify all dates mailed in case a trustee needs to view the original source of compliant and for verification that claims were sent within the allotted time.
- Suggest adding an enhancement for automated checks on appropriate folders to see if the claim analysis was attached. This check could be done by analyzing the files in the folder. The check would look at the file names to determine if the claim analysis was included. If the check determines the claim analysis is missing, PAS would send out an automated email alerting the agent to the issue.
- The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relooking at naming convention instructions to make them clearer, more concise, and easier to understand. Additionally, if at all possible, we recommend PAS be modified to build the file names automatically. All the agent would have to provide is basic information about the file such as the entity name, type of file, etc. and PAS should do the rest. This seems like a function that could be automated and this would remove any human error from the process.

RO-6: Financial Instrument Termination / Expiration

The MRO obtained a yellow rating; which requires immediate attention in this area. MRO is strong in SOP Performance Objectives, however, there were several material weaknesses found in PAS Compliance.

RATING	REVIEW AREA	SCORE
YELLOW	RO-6: Financial Instrument Termination / Expiration	84%

P&SP Management Accountability Review Form			
Section 1 - Guidance			
SOP	RO-6 Financial Instrument Termination / Expiration		
SBP	N/A		
Section 2 - Review Plan			
Purpose of Review	<input type="checkbox"/> Initial	<input type="checkbox"/> Periodic	Annually
Frequency	Annually unless otherwise specified		
Sampling Plan	100% Record inspection		
Validation	SOP(1): Review PAS		
Section 3 - Results			
	Number Reviewed	Number Compliant	%
SOP Performance Objectives and Compliance			
(1) Paperwork sent to entity within 5 business days of receipt for corrections	10	10	100%
(2) SOP Checklist	10	9	90%
SBP Activity Performance Standard			
N/A	N/A	N/A	N/A
PAS Compliance (Checklist)			
PAS Checklist	40	25	63%
Overall RO-6 Compliance			84%
Section 4 - Summary			
Findings / Recommendations:			
General Comment - For additional details and findings, see RO6 Supporting Documentation and/or Tech Team Reviewer's Sheet. SOP Checklist - No Statement of Operations or Statement of Registrant was found in PAS Reports; financial instrument amount was not entered.			
Overall Rating:	YELLOW		84%
Persons interviewed:	N/A		
Reviewers:	Regina Ware (Headquarters PAS Administrator for Data Validation) Virginia Cole (Paradigm Technologies, Inc.) Alan Booco (Paradigm Technologies, Inc.)	Date:	05/25/10 - 05/26/10

Findings

SOP Performance Objective (1): "Paperwork sent to entity within 5 business days of receipt for corrections"

- A total of ten samples were reviewed. All ten instances were found in which MRO were in compliance with sending paperwork to the entity within five business days of receipt for corrections.

SOP Checklist RO6 Step 1: "For Bond/TA/TFA, did the PSU enter the termination date in PAS?"

- A total of ten samples were reviewed. Of the ten, one instance was found in which MRO failed to enter the termination date in PAS.
 - ECM #26376 – termination date not entered in PAS

PAS RO6 Checklist #1: "Financial instrument type was properly identified in ECM?"

- A total of ten samples were reviewed. Of the ten, one instance was found in which MRO failed to properly identify the financial instrument type.

- ECM #26376 – financial instrument type not entered in ECM

PAS RO6 Checklist #2: “Financial instrument amount entered in ECM?”

- A total of ten samples were reviewed. Of the ten, five instances were found in which MRO failed to enter financial instrument amount in ECM.
 - ECM #23181, #24866, #26376, #40138, and #40812 – financial instrument amount not entered in ECM

PAS RO6 Checklist #3: “Financial instrument termination date was properly entered in ECM?”

- A total of ten samples were reviewed. Of the ten, one instance was found in which MRO failed to enter financial instrument date in ECM.
 - ECM #26376 – financial instrument termination date not entered in ECM

PAS RO6 Checklist #4: “Is the file naming convention correct?”

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

Recommendations

- Consider enhancing data validation that will require the agent to complete the Termination Date field in PAS prior to closing the folder. This could be a simple check to see if the Termination Date field in the database has been populated. If not, PAS could prompt the user to complete the field prior to closing the folder.
- Consider enhancing data validation that will require the agent to complete the Financial Instrument Type, Amount, and Date in PAS prior to closing the folder. This could be a simple check to see if these fields have been populated in the database. If not, PAS will prompt the user to complete the field prior to closing the folder.
- The naming convention is an issue. Employees have various interpretations of the instructions, which results in numerous variations of file names in PAS and makes it difficult to determine whether the correct file is located in the correct folder. Suggest relooking at naming convention instructions to make them clearer, more concise, and easier to understand. Additionally, if at all possible, we recommend PAS be modified to build the file names automatically. All the agent would have to provide is basic information about the file such as the entity name, type of file, etc. and PAS should do the rest. This seems like a function that could be automated and this would remove any human error from the process.

RO-7: Scale Test Reports

The MRO obtained a red rating; however, the MRO was deficient in SOP performance objectives. The only reason the MRO did not receive a red rating was the lack of SBP activity performance standards associated with Scale Test Reports. The lack of attention and necessary corrective action in this area could cause potential harm to the industry in which P&SP is charged to protect.

RATING	REVIEW AREA	SCORE
RED	RO-7: Scale Test Reports	46%

The lack of attention and necessary corrective action in this area could cause potential harm to the industry in which P&SP is charged to protect.

P&SP Management Accountability Review Form			
Section 1 - Guidance			
SOP	RO-7 Scale Test Report		
SBP	Goal 1 - Increase level of compliance through preventive regulatory actions Objective 3 - Protect Fair Business Practices (Competition/Trade)		
Section 2 - Review Plan			
Purpose of Review	<input type="checkbox"/> Initial	<input type="checkbox"/> Periodic	<input checked="" type="checkbox"/> Annually
Frequency	Annually unless otherwise specified		
Sampling Plan	Random sample		
Validation	Review and verify Scale Test records; review PAS for NOD and NOV documentation; manual check of scale test reports		
Section 3 - Results			
	Number Reviewed	Number Compliant	%
SOP Performance Objectives and Compliance			
(1) Send Notification of Default (SW2) with approval signature within one business day of discovering the report is late	24	0	0%
(2) Send Notification of Violation (SW3) with approval signature within one business day of determination	1	0	0%
(3) Enter test date in PAS within three business days of receipt	10	9	90%
(4) SOP Checklist	27	14	52%
SBP Activity Performance Standard			
There are no Regional Office level Strategic Business Plan performance measures to be reviewed at this time	N/A	N/A	N/A
PAS Compliance (Checklist)			
PAS Checklist	20	18	90%
Overall RO-7 Compliance			46%
Section 4 - Summary			
Findings / Recommendations:			
<p>General Comment - For additional details and findings, see RO7 Supporting Documentation and/or Tech Team Reviewer's Sheet Randomly selected scale test reports for review.</p> <p>SOP (1) - SW2 letters are abstracted from AMS batch files. There is either a niche in running the batch files or the employees are not checking AMS before sending SW2 letters because there are several instances where letters were sent after scale tests were received in the office or the scale is inactive (see SW2 Supporting Documentation). SW2 letters are not being tracked for receipt of scale, therefore, it is difficult to track whether reports were received within 30 days. Also, based on the next test date in AMS, there are many instances where test reports were not received or not received within the 30 day timeframe and an investigation was not initiated. There are no notes in AMS to document how these scale tests are being resolved for receipt. Of the nine batches received, none of the SW2 letters were sent within one business day of discovering the report is late, they were sent on an average of 31 days after the due date of the report. This is mostly due to the SW1 letters being sent after the scale tests are late rather than prior to the due date. The purpose of the SW1 was to act as a reminder prior to test due date. One scale test investigation was identified in ECM during this timeframe; the NOD was sent 10/23/09 and the investigation folder was created on 11/18/09. However, there are several instances where no test report has been received and no investigation has been initiated at this point in time (see SW2 Supporting Documentation).</p> <p>SOP (2) - There was one SW3 letter during this timeframe and it was not sent within one business day of determination. However, there were several rejected scales during this timeframe, but accepted reports were received; notes were not included in AMS to document the status of these reports.</p> <p>Recommendation: Establish traceability for tracking SW2 and SW3 letters. Currently, it is difficult to validate whether entities subject to the P&SP jurisdiction are legitimately complying with sending accurate and acceptable test reports on time. Even though, this process is currently being enhanced to enable a better tracking mechanism, a work around needs to be established as soon as possible so P&SP will not lose validity with regulating entities scales. Since SW2's and SW3's are not being sent in compliance with the SOP, suggest relook at how batch files are being ran to include those tests a month ahead rather than just past due reports, check for tests received or inactive scales, to reduce sending invalid letters, begin tracking the status of these letters and make use of the notes tab in ECM.</p>			
Overall Rating:	RED		46%
Persons interviewed:	N/A		
Reviewers:	Regina Ware (Headquarters PAS Administrator for Data Validation) Virginia Cole (Paradigm Technologies, Inc) Alan Booco (Paradigm Technologies, Inc)	Date:	05/25/10 - 05/26/10

Findings

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

- A total of twenty-four were reviewed. All instances were found in which MRO failed to send approved SW2 letters within one business day of discovering the report is late.
 - See RO-7 Supporting Documentation and

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

- One SW3 letter was reviewed. The MRO failed to send the approved SW3 letter within one business day of determination.

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

- A total of ten samples were reviewed. Of the ten, one instance was found in which MRO failed to enter the test date in PAS within three business days of receipt.
 - See RO-7 Supporting Documentation for details

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"

- A total of ten samples were reviewed. Of the ten, three instances were found in which MRO failed to receive scale test reports at least semi-annually.
 - See RO-7 Supporting Documentation for details

SOP Checklist R07 Step 5: "Did the BPU review the report to determine accuracy within 3 business days of receipt?"

- A total of ten samples were reviewed. Of the ten, four instances were found in which MRO failed to determine accuracy within 3 business days of receipt. There were several rejected scales during this timeframe, but accepted reports were received; notes were not included in AMS to document the status of these reports.
 - See RO-7 Supporting Documentation for details

SOP Checklist RO-7 Step 5.b: "If inaccurate and rejected, was an SW3 letter (NOV) sent through Enforcement folder?"

- A total of six samples were reviewed. Of the six, one instance was determined not applicable and five instances were found in which MRO failed to send the NOV through the Enforcement folder.

SOP Checklist R07 Step 9: "If the scale owner did not respond to the NOV within 15 days, did the assigned Agent initiate the Investigation process?"

- One NOV was reviewed. The MRO was not in compliance with initiating the Investigation process for no response with the allotted timeframe.

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

- A total of ten samples were reviewed. Of the ten, one instance was found in which MRO failed to enter serial number accurately into AMS

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

- A total of ten samples were reviewed. Of the ten, one instance was found in which MRO failed to have the scale test report on file for entity.

Recommendations

- Establish traceability for tracking SW2 and SW3 letters. Currently, it is difficult to validate whether entities subject to the P&SP jurisdiction are legitimately complying with sending accurate and acceptable test reports on time. Even though, this process is in the process of being enhanced to enable a better tracking mechanism, a work around needs to be established as soon as possible so P&SP will not lose validity with regulating entities scales. Since SW2's are not being sent in compliance with the SOP, suggest relook at how batch files are being ran to include those tests a month ahead rather than just past due reports, allow checks for tests received, inaccurate but acceptable tests, and inactive scales, to reduce sending invalid letters, begin tracking the status of these letters and make use of the notes tab in ECM. Management may consider changing the SOP to a more realistic timeframe for sending SW2 letters if it's not possible to send the letter within one business day of discovering the report is late.
- There are several instances where test reports were not received or response to the NOD was beyond the 30 day timeframe and no investigation was initiated and no notes are included in AMS to justify (see RO7 supporting documentation). Based on the query ran from PAS, five investigations were initiated during this timeframe for scale test not received, however, since letters are not being track it was difficult to trace. Suggest management review this matter to determine why investigations are not being conducted on these scale tests.

Attachment 1: Review Form

Section 1. Guidance	Strategic Business Plan (SBP) Objective Guidance and Direction (2009-2010) dated November 18, 2009	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 data, 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.
	PSAS 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, performance standards, and any relevant verbiage from SOP.</p> <p>Discuss findings with RO 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					
		Y	N	N/A	Comments
Strategic Business Plan (SBP)					
RO-2	Investigate a select number of failure-to-file cases	29			
		29	0	0	
Standardized Operating Procedures (SOP)					
RO-1 Step 2.a	If new registrant, did the PSU staff send the Standard Packet and include POC information?	10	0		Details are included in Comments provided by the Tech Team Review
RO-1 Step 2.b	If amended, supplemental, reactivated, or limited, did the PSU staff send appropriate paperwork to the entity within five business days of receipt to collect the necessary information?	6	3	1	Details are included in Comments provided by the Tech Team Review
RO-1 Step 4.a	If paperwork is correct, did the PSU staff input information into PSAS? Is documentation available showing appropriate letter was sent?	10	0		Details are included in Comments provided by the Tech Team Review
RO-1 Step 9.b	PSU staff can describe proper procedures to take if entity provides no response or late response (after 30 days), after NOD service date	0	0	0	Not Applicable since we did not conduct onsite interviews.
		26	3	1	
RO-2 Step 2	PSAS accurately reflects whether claim/investigation Priority Level (L1, L2) was properly identified	15			
RO-2 Step 4.a	For complaints deemed "terminated", the AMS entry is closed with an explanation in the notes file	9	1		
RO-2 Step 6	Investigation Subprocess Module technical content is accurate and complete and investigative findings are supported with appropriate documents and evidence.	8	0	2	Details are included in Comments provided by the Tech Team Review
RO-2 Step 7.a	If a violation was found, did the assigned Agent fill out an Investigative Synopsis, place in the PSAS folder, before submitting the folder to the Unit Supervisor?	8	1	1	Details are included in Comments provided by the Tech Team Review
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 PSAS?	9	1		Details are included in Comments provided by the Tech Team Review
		49	3	3	
RO-3 Step 2	Regulatory Activity Subprocess Module technical content is accurate and complete	8	2		Details are included in Comments provided by the Tech Team Review
RO-3 Step 4	Did the assigned Agent complete the Exit Conference and Findings tab and denote any recommendations in the Regulatory Subprocess Module before submitting the folder to the Unit Supervisor?	10	0		Details are included in Comments provided by the Tech Team Review
RO-3 Step 4.b	If no violation is found, did the assigned Agent denote the findings in PSAS and close the Regulatory Activity folder?	10	0		Details are included in Comments provided by the Tech Team Review
		28	2	0	

Standardized Operating Procedures (SOP)					
RO-4 Step 1	All Enforcement activities completed within 20 days of approved investigative report	8	2		
RO-4 Step 1.a.5	Did the assigned Agent complete Close reason in AMS?	0	10	Mentioned this to Regina and she said there is not a task for enforcement to enter close reason.	
		8	12	0	
RO-5 Step 4.a	For claims received, did the PSU stamp the claim form with date of receipt?	3		Claim for Richard Reece was paid before a claim was filed	
RO-5 step 4.b	For claims not received, did the PSU update the Claims Spreadsheet to accurately reflect receipt of claims within appropriate time frames (60, 30 or 15 days)?	3	2	Per memo to file 2/2/2010, Richard Reece was paid but the claim spreadsheet was not updated; date of original claim not included in Wyoming Sale Barn claim spreadsheet	
		6	2	0	
RO-6 Step 1	For Bond/TA/TFA, did the PSU enter the termination date in PAS?	9	1		
		9	1	0	
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	7	3	Two scale test provided were outside the timeframe. Two scale test were received late and no SW2 letter was sent, one test was received within a three month timeframe and did not include an explanation in AMS	
RO-7 Step 5	Did the BPU review the report to determine accuracy within 3 business days of receipt?	6	4		
RO-7 Step 5.b	If inaccurate and rejected, was an SW3 letter (NOV) sent through Enforcement folder?		5	1	Received hardcopy of one SW3 for Day & Day, Inc, however, it was not sent through the enforcement folder. The enforcement folder does not indicate any SW3 letters during this timeframe. There were 3 corrected test received for rejected test, but were not entered into AMS. Triumph Foods, LLC was contacted by the BPU for a corrected scale, which was received 3 business days later.
RO-7 Step 9	If the scale owner did not respond to the NOV within 15 days, did the assigned Agent initiate the Investigation process?		1		An SW3 letter was sent to Day & Day on 4/15/10 to repair scales for serial# 200936 and # 207310, ECM does not indicate an accurate scale test for these scales nor has an investigation been initiated
		13	13	1	

Packers and Stockyard Automated System (PSAS)					
		Y	N	N/A	Comments
RO-1	Business entity and Address tab completed in AMS	10	0		
RO-1	If market agency, dealer, or packer over with volume over \$500,000 is financial instrument tab complete?	10	0		Details are included in Comments provided by the Tech Team Review
RO-1 Step 3.a	Entity paperwork included in ECM documentation folder	9	1		Details are included in Comments provided by the Tech Team Review
RO-1	Is the file naming convention correct?	5	5	0	Reviewer did not review first entity on review sheet. Employees appear to have different interpretations of the naming convention requirements which results in inconsistent file names. Therefore, this results in a negative impact for all regions.
		34	6	0	
RO-2	Investigation data complete for Outcome tab and complete Violation tab, if applicable?	7	3		
RO-2	Species and Enforcement field complete?	8	2		
RO-2	Are Notes tab clear and easy to understand?	10	0		
RO-2	Is the file naming convention correct?	7	3		Details are included in Comments provided by the Tech Team Review
		32	8	0	
RO-3	Completed Species tabs and Subprocess module included in documents	10	0		
RO-3	Completed Close Reason and Outcome and if applicable, the Violation tab	9	1		
RO-3	Is the file naming convention correct?	4	6		Details are included in Comments provided by the Tech Team Review
		23	7	0	
RO-4	If NOV Enforcement, does the folder contains actual NOV document?	10	0		
RO-4	Is the document type correct?	10	0		
RO-4	Has GIPSA (Supervisor or Regional Director) official signed the NOV document?	10			
RO-4	Is the file naming convention correct?	5	5		
		35	5	0	
RO-5	For bond claims, was claim analysis attached?	3	1	1	N/A - Per memo to file 2/2/2010, Richard Reece was paid before the claim was officially filed; no bond claim folder Wyoming Sale Barn
RO-5	Was starting and primary factor identified?	2	1	1	N/A - no bond claim officially filed
RO-5	Is the file naming convention correct?		2		Date incorrect for ECM #33651 and #41911)
		5	4	2	
RO-6	Financial instrument type was properly identified in ECM?	9	1		
RO-6	Financial instrument amount entered in ECM?	5	5		
RO-6	Financial instrument termination date was properly entered in ECM?	9	1		
RO-6	Is the file naming convention correct?	2	8		Details are included in Comments provided by the Tech Team Review
		25	15	0	
RO-7	Data accurately entered into AMS (Scale Serial Number, Type, Status)?	9	1		Serial# on the actual test report for Heely Livestock Marketing, Inc. (9311-118) differs from AMS entry (9311-181)
RO-7	Is the scale test report on file for entity?	9	1		Scale test could not be located for Loy Brothers Stockyards (3/10/10, serial# 710270)
		18	2	0	

Attachment 3: Supporting Documents

RO-1 Supporting Documentation

 MRO RO1 - Supporting Document	 MRO RO1 Reviewer Sheet.pdf
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RO-2 Supporting Documentation

 MRO RO2 - Supporting Document	 MRO RO2 Reviewer Sheet.pdf
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RO-3 Supporting Documentation

 MRO RO3 - Supporting Document	 MRO RO3 Reviewer Sheet #1.pdf	 MRO RO3 Reviewer Sheet #2.pdf
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RO-4 Supporting Documentation

 MRO RO4 - Supporting Document
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RO-5 Supporting Documentation

 MRO RO5 - Supporting Document	 MRO RO5 Reviewer Sheet.pdf
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RO-6 Supporting Documentation

 MRO RO6 - Supporting Document	 MRO RO6 Reviewer Sheet.pdf
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RO-7 Supporting Documentation

 MRO RO7 - Supporting Document	 MRO RO7 Reviewer Sheet #1.pdf	 MRO RO7 Reviewer Sheet #2.pdf
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