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**PERFORMANCE AUDIT
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**AUDITORS OF PUBLIC ACCOUNTS
KEVIN P. JOHNSTON ♦ ROBERT G. JAEKLE**

TABLE OF CONTENTS

EXECUTIVE SUMMARY i - iii

AUDIT OBJECTIVES, SCOPE AND METHODOLOGY 1

BACKGROUND INFORMATION 1

 Milk Safety Division..... 1

 Animal Health Division..... 2

NOTEWORTHY ACCOMPLISHMENTS..... 3

RESULTS OF REVIEW 4

 Item No. 1. The Agency does not have a written operations manual for the Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection..... 4

 Item No. 2. The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection do not have an effective reporting system. 4

 Item No. 3. The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection do not have an effective system for documenting and recording consumer complaints.. 5

 Item No. 4. The Department of Agriculture, Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection should consider the automation of the process of administering and reporting of the required laboratory tests of milk samples and livestock blood samples..... 6

 Item No. 5. The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection should fully utilize the available computer equipment and software..... 7

RECOMMENDATIONS..... 9

CONCLUSION 11

EXECUTIVE SUMMARY

In accordance with Section 2-90 of the General Statutes the Auditors of Public Accounts are authorized to review an area of the Agency's operations for performance and efficiency.

The Department of Agriculture's Bureau of Regulation and Inspection's Milk Safety Division and Animal Health Division, under Chapters 430, 431, 432, 433, 434, 437 and 438a of the General Statutes regulates milk production, processing and distribution to provide the public with a safe supply of milk and milk products. The Bureau also monitors the production of livestock for the prevention and/or control of animal diseases. Samples of milk and milk products are tested for bacteria, antibiotics and butterfat content on a monthly basis at the premises of all licensed milk processors. In addition retail stores are inspected to ensure proper milk storage and handling practices. Importation of healthy livestock, poultry and pet birds are regulated and intensive poultry farms are registered, regulated and inspected. During the 2000-2001 fiscal year the Agency inspected 223 dairy farms, 1,085 dairy stores, 10 milk and cream pasteurizing plants, and tested 12,691 livestock and 16,323 poultry for infectious diseases. The objective of this review was to determine if the Department of Agriculture's Bureau of Regulation and Inspection has established and utilizes adequate management control systems to measure, report and monitor its regulation of milk and livestock production, milk processing and distribution in providing the public with a safe supply of milk and milk products and the prevention and/or control of animal diseases. The scope of this evaluation focused on the Agency's operating procedures for the efficient, economical and effective regulation of milk and livestock production, milk processing and distribution. The areas of evaluation include the Agency's management control system for reporting, monitoring and measuring, the administrative procedures for milk inspections and livestock blood sampling, the procedures for obtaining and administering the results of the required laboratory tests, the administrative procedures for consumer complaints and the effective use of computer technology.

Management Control System:

- **The Agency does not have a written operations manual for the Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection.**

An Agency's administrative operations manual can provide staff and management with a defined, consistent and authorized approach to handling various administrative situations. This provides employees a clear understanding of what is required and expected to comply with Agency policies. It can also provide guidance in unfamiliar and infrequently occurring situations.

The Agency should establish an operations procedures manual for its Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection. (See Item No. 1)

- **The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection do not have an effective reporting system.**

The ability to monitor and control the economic and efficient operations of the Agency's Bureau of Regulation and Inspection, Milk Safety and Animal Health Divisions, requires a sound reporting system. Because a level of management was recently eliminated, the need for an effective reporting system is more essential to ensure efficient and economical performance and reporting by the staff to management.

The Agency should establish a reporting system between the staff of the Milk Safety and Animal Health Divisions and management to provide historical and definitive information that can be used by management to make effective operational decisions. (See Item No. 2)

Consumer Complaints:

- **The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection do not have an effective system for documenting and recording consumer complaints.**

The Agency does not have a system that logs complaints received by the Division and does not have any mechanism to capture the final disposition of each complaint. This drawback is magnified because only one individual has the responsibility to receive complaints, to distribute complaints to the appropriate inspector, to receive reports from inspectors and to respond to complainants. This means that the Agency does not have a mechanism to provide assurance that all correspondence is answered and to ensure continuity should a change in personnel occur.

The Agency should establish a system for tracking and summarizing consumer complaints in the area of Milk Safety and Animal Health. (See Item No. 3)

Laboratory Tests:

- **The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection have an adequate manual process for obtaining, administering and reporting the results of the required laboratory tests of milk samples and livestock blood samples. The Divisions do need to make use of available computer technology to aid in summarizing the results of this testing.**

The manual processing of this information, by representatives of the Department of Agriculture, appears to be adequate to protect the health of the general public and the farm animals. However, the Agency should consider using the available

computer technology to automate the process of handling these testing results to achieve better archival and summarization of historical data.

The Department of Agriculture, Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection should consider the automation of the process of administering and reporting of the required laboratory tests of milk samples and livestock blood samples. (See Item No. 4)

Computer Technology:

- **The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection are not using available computer equipment to the fullest in performing their duties.**

Several operations are being performed manually, such as reporting and documenting the results of the various inspections, reporting and documenting of blood test sample results, reporting and documenting of milk sample results, and the historical accumulation of inspection and testing results. In addition in most instances the scheduling of the various inspections and sampling is performed on a manual basis.

The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection should fully utilize the available computer equipment and software. (See Item No. 5)

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditors of Public Accounts, in accordance with Section 2-90 of the Connecticut General Statutes, are responsible for examining the performance of State entities to determine their effectiveness in achieving expressed legislative purposes. We conducted a performance audit of some segments of the Department of Agriculture in accordance with Generally Accepted Government Auditing Standards. The objective of this performance review was to determine if the Department of Agriculture's Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection have established and utilize adequate management control systems for measuring, reporting, and monitoring the regulation of milk production, processing, and distribution and of livestock production. The review focused primarily on the management control system and the administration of milk inspections and the taking of livestock blood samples, the administration of laboratory tests, the administration of consumer complaints and the effective use of computer technology.

To accomplish our objective, we reviewed our prior financial auditors' reports and supporting workpapers. We interviewed various officials and employees of the Department of Agriculture and analyzed Agency reports. We did not rely on any computer-based data for this audit; therefore, it was not necessary to test the validity and reliability of such data.

The audit reflects situations that existed at the time of our review and what was then the latest available data. Consequently, the report would not reflect improvements that may have occurred in the operations of the Agency's Bureau of Regulation and Inspections Divisions of Milk Safety and Animal Health since our review.

The field audit work was conducted from January 2002, through March 2002, by Principal Auditor Richard Labbe and Associate Auditor James Augustus.

BACKGROUND INFORMATION

Milk Safety Division:

The Milk Safety Division is part of the Department of Agriculture's Bureau of Regulation and Inspection. It consists of six inspectors who report directly to the assistant director of the Bureau. This Division is responsible for the effective public health control of milkborne disease throughout the production, handling, pasteurization, and distribution of milk. The Milk Safety Division physically inspects dairy farms, dairy plants, retail stores and the transportation of milk. It periodically takes various milk samples that are submitted for laboratory testing. The Milk Safety Division provides technical assistance to dairy farmers concerning sanitation and construction to ensure compliance with State and U.S. Department of Health and Human Services' Pasteurized Milk Ordinance regulations. The Milk Safety Division also furnishes technical assistance to milk processors regarding regulation compliance, quality control, construction, product label review as well as testing and quarterly inspection of pasteurization equipment. The U.S.

Department of Health and Human Services Food and Drug Administration establishes the frequency and requirements of the inspections and milk sampling.

Animal Health Division:

The Animal Health Division is part of the Department of Agriculture's Bureau of Regulation and Inspection. It consists of six inspectors who report directly to the assistant director of the Bureau. This Division is responsible for the inspection and testing of livestock and poultry to detect infectious and contagious diseases. The importation of healthy livestock, poultry and pet birds are regulated and health certificates are issued for livestock and poultry destined for export. Intensive poultry farms must be registered and inspected to maintain accepted environmental management practices.

NOTEWORTHY ACCOMPLISHMENTS

The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection have a total of 12 inspection employees who perform various inspections and obtain animal blood samples for testing. During the 2000-2001 fiscal year these Divisions inspected 223 dairy farms, performed 1,259 farm and plant inspections, inspected 1,085 dairy stores and tested 12,691 livestock and 16,323 poultry for infectious diseases. The Divisions also collected 39,794 milk samples for mastitis testing and collected 1,127 environmental cultures of poultry farms for salmonella testing.

RESULTS OF REVIEW

Management Control System:

Item No. 1. The Agency does not have a written operations manual for the Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection.

An Agency's administrative operations manual can provide staff and management with a defined, consistent and authorized approach for handling various administrative situations. This provides employees a clear understanding of what is required and expected to comply with Agency policies. It can also provide guidance in unfamiliar and infrequently occurring situations.

Other than inspection and sampling procedures that are performed in accordance with the U.S. Food and Drug Administration's Pasteurized Milk Ordinance (PMO) there is no written operations manual that defines administrative procedures and activity that are required of its staff. This can create an inconsistent handling of certain situations in a manner that is not consistent with Agency policy.

The Agency should establish an operations procedures manual for its Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection. (See Recommendation 1)

Agency Response:

"The agency agrees with the recommendation to develop an operations procedures manual for the Milk Safety and Animal Health divisions. Some preliminary work has already been completed for the manual for the Milk Safety Division. After completion of the manuals for the Milk Safety and Animal Health, The Bureau of Regulation and Inspection plans to develop similar manuals for the Agricultural Commodities and Animal Population Control divisions. The Animal Control Division currently has a procedures manual. The existing procedures manual for the Connecticut Mastitis Control and Milk Quality Program administered by the Animal Health Division will be reviewed and updated."

Item No. 2. The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection do not have an effective reporting system.

The ability to monitor and control the economic and effective operations of the Agency's Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection requires a sound reporting system. Without sound reporting the effectiveness of the scheduling of inspections and staff performance is difficult to measure.

The organizational structure has recently changed, basically by promotions, which eliminated a level of supervision, making an effective reporting system more essential to

ensure efficient and economical performance and reporting by the staff to management. Each Division has six employees who organizationally report directly to one assistant director.

Current activity reports are prepared manually on a monthly or weekly basis. These reports are not cumulative in nature. The reporting is basically limited to the reporting of the various types of inspections performed in general on a weekly or monthly basis. Historical data is not maintained in a manner that is readily available for review by management for reference or for supervisory purposes. There is no cumulative positive reporting of the various inspections that could assist in identifying strengths and weaknesses in the inspection results and process. They do not indicate precisely when, where or the time required to perform the respective inspections. In addition the results of the individual inspections are rarely reported directly to management unless there is a negative result or if the inspection requires some other form of Agency action.

The Agency should establish a sound reporting system for the Division of Milk Safety and Animal Health of the Bureau of Inspection and Regulation to provide historical and definitive information that can be used by management to make effective operational decisions. (See Recommendation 2)

Agency Response:

“The Agency agrees with the recommendation to develop a reporting system that would assist management in making sound decisions. The present reporting systems are hard-copy (paper) systems that need to be converted to computer-based systems that are easily assessable and manageable. The Bureau of Regulation and Inspection will need assistance in developing programs to manage the data. As the programs are developed, the data will be redefined and sorted prior to developing separate reporting systems for the Milk Safety and the Animal Health divisions. A computer-based reporting system will also assist the Bureau of Regulation and Inspection in completing various federal and state year-end reports. A computer system will also be useful for animal disease surveillance including documentation and publication of an annual report by the State Veterinarian of reportable animal and avian diseases.”

Consumer Complaints:

Item No. 3. The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection do not have an effective system for documenting and recording consumer complaints.

Correspondence with the public is an important part of a regulatory agency’s responsibilities. Part of this responsibility is to ensure that complaints are acted upon and the result of this action is relayed to the complainant.

The current procedure is for the Assistant Director of the Bureau of Regulation and Inspection to receive all the complaints relating to milk safety and animal health. The

Assistant Director is responsible for directing these complaints to the correct inspector. The inspector investigates the complaint and submits a report back to the Assistant Director. The Assistant Director reviews the report and then contacts the individual that submitted the complaint.

The Agency does not have a system that assigns each complaint a unique identifier, logs each complaint into a system, provides some mechanism to track the complaint until the result is reported back to complainant and then maintained within a system for historical and reporting purposes.

The Agency should establish a system to provide for tracking and summarizing consumer complaints in the area of Milk Safety and Animal Health. (See Recommendation 3)

Agency Response:

“The Agency agreed with the recommendation to establish a system for tracking and summarizing consumer’s milk safety and animal health complaints.

The Bureau of Regulation and Inspection currently has a hard-copy (paper) system for documenting these complaints. After the complaint has been referred to an inspector for an investigation, there is a need for a tracking and follow-up system to ensure timely action and response to the complaint. The Bureau of Regulation and Inspection will need assistance in developing a computer-based program to document, track and summarize consumer complaints. Reports generated by such a system will assist management in responding in a timely manner to many types of consumer complaints including milk safety, animal health and care, and nuisance complaints.”

Laboratory Tests:

Item No. 4. The Department of Agriculture, Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection should consider the automation of the process of administering and reporting the required laboratory tests of milk samples and livestock blood samples.

The ability to summarize and access historical data is an important part of an Agency’s reporting system. Such a system allows management to obtain or compare historical and current data about its operations.

Currently the Bureau of Regulation and Inspection is using a manual system to collect data about milk and animal testing. This system appears to be adequate to protect the health of the general public and the various farm animals tested. However, this data is not summarized nor are historical summaries of such testing easily accessible to management or staff of the divisions.

The Agency should make use of currently available computer technology to establish and maintain a system to record and summarize the results of testing on milk samples and of livestock blood samples. (See Recommendation 4)

Agency Response:

“The Agency agrees with the recommendation to use computer technology to develop systems to record and summarize data for the testing of milk samples, mastitis test results, Tuberculosis and Pseudorabies test results.

The Bureau of Regulation and Inspection is currently using hard-copy (paper) data systems that are used by the Dept. of Public Health Laboratory Services and the University of Connecticut Diagnostic Testing Laboratory for reporting test results. While copies of this information are useful in reporting test results to dairy farmers and livestock producers, a summary of the information would be useful for management review and decisions.

The Bureau of Regulation and Inspection will need assistance in developing computer-based programs to record and summarize data from test results.”

Computer Technology:

Item No. 5. The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection should fully utilize the available computer equipment and software.

The use of computer technology can promote more productive and efficient use of time and effort by the Agency. Computers make information more readily available and they also allow information to be more easily sorted and retrieved. In addition, data and records that are not processed in the most efficient manner can result in more errors and untimely reporting.

There are several administrative operations that the Divisions of Milk Safety and Animal Health could perform using computer technology. Currently management must manually sort through documents and/or reports to review performance or results of inspections or test samples of milk and animals taken over a period of time. Due to the limited staff available to the Bureau, which is comprised of mostly inspectors, the manual processing of administrative information is prohibitive. Because information is not readily available, events of the past become subject to the recollection and experience of employees rather than being available as a resource.

The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection should utilize the Agency’s available computer technology. (See Recommendation 5)

Agency Response:

“The Agency agrees with the recommendation to fully utilize available computer technology to record data for the Milk Safety and the Animal Health divisions.

The Bureau of Regulation and Inspection will need assistance in developing computer-based systems to record, manage and summarize data from these two divisions as documented in recommendations 2, 3 and 4. The Bureau must also decide on who is available and when to input the data, depending upon the availability of personnel resources.”

RECOMMENDATIONS

- 1. The Agency should establish an operations procedures manual for its Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection.**

Comment:

Other than inspection and sampling procedures that are performed in accordance with the U.S. Food and Drug Administration's Pasteurized Milk Ordinance (PMO) there is no written operations manual that defines administrative procedures and activity that are required of its staff.

- 2. The Agency should establish a sound reporting system for the Divisions of Milk Safety and Animal Health of the Bureau of Inspection and Regulation to provide historical and definitive information that can be used by management to make effective operational decisions.**

Comment:

The Divisions of Milk Safety and Animal Health of the Bureau of Inspection and Regulation do not have an effective reporting system to assist management in ensuring an efficient and effective operation.

- 3. The Agency should establish a system for tracking and summarizing consumer complaints in the area of Milk Safety and Animal Health.**

Comment:

The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection do not have an effective system for documenting and recording consumer complaints.

- 4. The Agency should make use of currently available computer technology to establish and maintain a system to record and summarize the results of testing milk samples and livestock blood samples.**

Comment:

The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection have an adequate manual process for obtaining, administering and reporting the results of the required laboratory tests of milk samples and livestock blood samples. The divisions do need to make use of available computer technology to aid in summarizing the results of this testing.

- 5. The Divisions of Milk Safety and Animal Health of the Bureau of Regulation and Inspection should utilize the Agency's available computer technology.**

Comment:

Currently management must manually sort through documents and/or reports to review performance or results of inspections or test samples of milk and animals taken over a period of time. The better use of the Agency's available computer technology should facilitate that process and provide the Agency with a useful resource of information.

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Department of Agriculture during the course of our examination.

Richard Labbe
Principal Auditor

Approved:

Robert G. Jaekle
Auditor of Public Accounts

Kevin P. Johnston
Auditor of Public Accounts