

OFFICE OF AUDITS & ADVISORY SERVICES



PERFORMANCE AUDIT OF AGRICULTURE, WEIGHTS AND MEASURES

FINAL REPORT

Chief of Audits: Juan R. Perez
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County of San Diego

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JUAN R. PEREZ
CHIEF OF AUDITS

April 28, 2017

TO: Ha Dang, Agricultural Commissioner/Sealer Weights and Measures
Agriculture, Weights and Measures

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: PERFORMANCE AUDIT OF AGRICULTURE, WEIGHTS AND MEASURES

Enclosed is our report on the Performance Audit of Agriculture, Weights and Measures. We have reviewed your response to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Ida Miclat at (858) 694-2050.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ
Chief of Audits

AUD:JRP:IM:dp

Enclosure

c: Sarah Aghassi, Deputy Chief Administrative Officer, Land Use and Environment Group
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Yuliya E. Leina, Group Finance Director, Land Use and Environment Group

INTRODUCTION

Audit Objective

The Office of Audits & Advisory Services (OAAS) completed a Performance Audit of the Department of Agriculture, Weights and Measures (AWM). The objective of the audit was to evaluate management controls in place to ensure effectiveness of operations and achievement of operational plan goals.

Background

AWM provides essential services that promote agriculture and protect the health and safety of its residents. AWM supports a fair marketplace and consumer confidence in the accuracy of product weight, measure and price. The California Department of Food and Agriculture (CDFA) and the California Department of Pesticide Regulation (CDPR) provide funding for several AWM services that are carried out through the following programs:

- **Weights and Measures** – Promotes value comparison and fair competition in the marketplace by ensuring the accuracy of commercial weighing, measuring devices and Point of Sale systems.
- **Agricultural Standards** – Supports local agriculture by ensuring a fair, competitive marketplace and promotes consumer confidence through inspection of eggs to prevent food-borne illnesses and regulating organic growers, certified producers and certified farmers' markets.
- **Integrated Pest Control** – Works under the Board of Supervisors' policy mandating the use of Integrated Pest Management which is an effective and environmentally sound approach while performing pest control.
- **Plant Health and Pest Prevention** – The first line of defense in keeping unwanted pests out of our county that can cause agricultural, environmental and economic harm.
- **Pest Detection** – The second line of defense against the introduction and spread of insect pests by certifying agricultural shipments for intrastate, interstate and international exports.
- **Pesticide Regulation Program** – Enforces state pesticide laws and regulations to ensure the safe and legal use of pesticides.

To ensure these essential services are provided, AWM has 162 staff years and a budget of \$20.2 million.¹

AWM uses Accela, a web-based enterprise application that provides automated workflow, forms management, activity tracking, cashiering,

¹ Source: Adopted Operational Plan Fiscal Years 2015-16 and 2016-17

reporting of geographic information specific to active cases, processing of applications and permits, and maintaining inspector license information.

Audit Scope & Limitations

The scope of the audit included a review of management controls during Fiscal Year 2015-16 to current. The audit focused on the following three AWM programs based on a departmental risk assessment conducted by OAAS:

- Agricultural Standards
- Pesticide Regulation Program
- Weights and Measures

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

Methodology

OAAS performed the audit using the following methods:

- Reviewed laws and regulations applicable to selected programs including policies and procedures.
- Reviewed AWM's strategic objectives and identified performance measures outlined in the Operational Plan Fiscal Years 2015-16 and 2016-17.
- Identified and evaluated internal controls in place to ensure accurate reporting and compliance with state requirements.
- Identified inspectors licensing and certifications requirements and determined compliance with these requirements.
- Identified and evaluated processes and controls in place to ensure efficiency and effectiveness of inspections conducted.
- On a sample basis, conducted specific audit procedures such as inquiry, document inspection, recalculation, reconciliation, and analysis.

AUDIT RESULTS

Summary

Within the scope of the audit, there is reasonable assurance that adequate management controls are in place to ensure effectiveness of operations and achievement of operational plan goals. However, OAAS identified some opportunities for improvement.

Finding I: Documentation of Inspections Process

OAAS reviewed activities performed by Agricultural Standards inspectors and found inefficiencies in the process of recording egg inspections.

Specifically, inspectors record the same information three times. When the inspections are conducted, they are documented on the CDFA paper form. The inspectors also type the information in the CDFA database and in the Accela database. Next, the inspectors scan and upload the CDFA forms to CDFA database and to Accela database. At the end of the month, the office support specialist scans the entire batch of paper forms, prepares the monthly report card and submits them via email to CDFA.

According to AWM management, CDFA provided specific reporting instructions that include duplicate steps. AWM indicated that they have recently submitted a recommendation to CDFA to streamline the reporting process. As of the end of audit fieldwork, no response from CDFA had been received.

AWM also performed a cost-benefit analysis for the implementation of an electronic form to document inspections. The result of the analysis reflected a total value in time savings of \$11,455 per month for multiple Agricultural Standards programs. Based on estimated cost to develop the electronic form of \$100,000, the return on investment is around 9 months. According to AWM management, a further analysis of the egg inspection form revealed that complexity of the required reporting was too great to be converted to an electronic form. AWM further explained that with the additional factor of low number of inspections as compared with other AWM programs, the implementation of electronic form was considered impractical and cost prohibitive at this time.

A streamlined and efficiently designed process can significantly increase productivity and decrease operational costs.

Duplication of efforts can result in ineffective and inefficient process, wasted resources, increased cost, bottlenecks, typing and reporting errors, and may bring frustration to staff.

Recommendation: To improve the efficiency in the process of reporting egg inspections, AWM should:

1. Follow up with CDFA on the recommendation submitted to streamline the process.
2. Consider developing electronic forms to record inspections in Accela.

Finding II: Renewal of Inspectors Licenses

OAAS requested inspector licenses for each selected AWM program to verify compliance with inspector licensing requirements. OAAS found

that 3 Agricultural Standards inspectors and 11 Weights and Measures inspectors did not have a copy of the renewed license available. Subsequent to audit fieldwork, AWM management contacted CDFA and requested copies of the renewed licenses. Upon receipt of the licenses, OAAS confirmed that all AWM inspectors' licenses are current.

Per California Code of Regulations (CCR) Food and Agriculture Administration, § 151-152², licenses for inspectors are good for five years unless revoked. They should be renewed upon expiration without further examination, provided the holder is employed at the time of its expiration in a County Agricultural or Weights and Measures position or in the California Department of Food and Agriculture.

According to AWM management, while they send a list of all inspectors employed with AWM to CDFA annually to verify employment, they do not require inspectors to renew their licenses and submit a copy to AWM.

Since AWM management does not monitor expiration of certifications, the risk that certifications are not renewed timely in accordance with CCR increases.

Recommendation:

To ensure compliance with CCR inspector licensing requirements, AWM should:

1. Develop a policy requiring inspectors to renew their licenses upon expiration and submit them to AWM management.
2. Consider expanding the inspector license Accela database module by identifying certifications held by inspectors including renewal dates.

Finding III:

Weights and Measures Internal Policies and Procedures

Weights and Measures inspectors are instructed to follow specific procedures outlined in the Uniform Laws and Regulations Handbook,³ as required by CDFA when conducting inspections. The handbook consists of several sections containing numerous instructions and covering different types of inspections. The volume of the handbook makes it difficult to conform. Weights and Measures management have not developed internal inspection policies and procedures that would provide specific standards and succinct guidelines for inspectors.

Lack of specific policies and procedures could potentially increase the risk of noncompliance with CDFA regulations. This may also result in inefficiencies and inconsistencies in carrying out the work. For instance,

² The California Code of Regulations (CCR) is the codification of the general and permanent rules and regulations announced in California Regulatory Notice Register by California state agencies.

³ Uniform Laws and Regulations in the Areas of Legal Metrology and Engine Fuel Quality, published by the National Institute of Standards and Technology (NIST) promotes and maintains measurement standards adopted by the Office of Weights and Measures. NIST is a unit of the United States Department of Commerce.

when reviewing a sample of inspections conducted by Weights and Measures, OAAS found a few inspections forms that were not properly completed.

A strong system of internal controls requires the establishment of clear policies and procedures to ensure that activities are carried out accurately and consistently. Written policies convey to staff the performance standard, ensure policy compliance and provide guidance in conducting the inspection process.

According to AWM management, internal policies and procedures were not considered necessary since the Uniform Laws and Regulations Handbook provides complete instructions to inspectors.

Recommendation: To enhance consistency and clarity when conducting weights and measures inspections, management should:

1. Develop clear and succinct policies and procedures including guidance in completing inspection forms.
2. Conduct training to clearly communicate policies and procedures to program staff.

Office of Audits & Advisory Services

C Compliance R Reliability E Effectiveness A Accountability T Transparency E Efficiency

VALUE

DEPARTMENT'S RESPONSE



RECEIVED

APR 27 2017

OFFICE OF AUDITS &
ADVISORY SERVICES

County of San Diego

HA DANG
AGRICULTURAL COMMISSIONER/
SEALER OF WEIGHTS & MEASURES

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MÉGAN MOORE
ASST. AGRICULTURAL COMMISSIONER/
SEALER OF WEIGHTS & MEASURES

April 25, 2017

TO: Juan R. Perez
Chief of Audits

FROM: Ha Dang, Agricultural Commissioner/Sealer Weights and Measures
Agriculture, Weights and Measures

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: PERFORMANCE AUDIT OF AGRICULTURE, WEIGHTS AND MEASURES

Finding I: Documentation of Inspections Process

OAAS Recommendation 1: Follow up with California Department of Food and Agriculture (CDFA) on the recommendation submitted to streamline the process.

Action Plan 1: Agricultural Commissioner, Ha Dang, and the egg program manager, Deputy Agricultural Commissioner, Karen Melvin, will conference call with Milton O'Haire, California Agricultural Commissioners and Sealers Association (CACASA) Standardization & Statistics Committee Chair to discuss CDFA's Egg Safety and Quality Management (ESQM) program. Commissioner O'Haire has been leading statewide efforts to improve ESQM processes, and was bringing forward the collective comments and suggestions of county agricultural commissioners for improving the ESQM program. We will follow up with Commissioner O'Haire on ESQM's program receptivity to comments and suggestions for streamlining duplicative reporting requirements and improving the ESQM database to eliminate duplicate County electronic tracking.

We will also follow up with the CDFA Southern District and Compliance and Risk Based Inspection Coordinator, Bill Rohner, on ESQM's receptivity to streamlining reporting requirements and/or improving their database.

Agricultural Standards Program (AGS) staff will document specific database malfunctions and deficiencies with the ESQM database. (The ESQM database came online in 2014 and has been very problematic.) Commissioner Dang will submit the collective data result document to Commissioner O'Haire to forward to ESQM. Deputy Melvin will also submit the database result document to Mr. Rohner as another line of communication with ESQM management in Sacramento.

Planned Completion Date: June 30, 2017

Contact Information for Implementation: Karen Melvin, Deputy Agricultural Commissioner;
Email: Karen.melvin@sdcounty.ca.gov; Phone: (858) 614-7784

OAAS Recommendation 2: Consider developing electronic forms (e-forms) to record inspections in Accela.

Action Plan 2: AGS staff will document complexities of the required handwritten inspection form that captures inspection information of multiple lots (of eggs) inspected during a single visit for further analysis and consideration to solutions that would save time and duplication of effort.

We will include in conference call with Commissioner O'Haire (referenced in Action Plan 1 above) inquiring about ESQM's receptivity of e-forms replacing hand written inspection forms currently required by ESQM.

Planned Completion Date: June 30, 2017

Contact Information for Implementation: Karen Melvin, Deputy Agricultural Commissioner;
Email: Karen.melvin@sdcounty.ca.gov; Phone: (858) 614-7784

Finding II: Renewal of Inspectors Licenses

OAAS Recommendation 1: Develop a policy requiring inspectors to renew their license upon expiration and submit them to AWM management.

Action Plan 1: Notify AWM staff of requirement of inspection staff to take the initiative in having current, valid hard copies of their licenses and ensure AWM HR has a scanned copy of the licenses.

Develop a formal written departmental policy requiring inspectors to renew their license upon expiration and submit them to the AWM Department Human Resource Officer.

Planned Completion Date: July 31, 2017

Contact Information for Implementation: Shirley Chin, Senior Human Resources Officer;
Email: Shirley.chin@sdcounty.ca.gov; Phone: (858) 614-7707

OAAS Recommendation 2: Consider expanding the inspector license Accela database module by identifying certifications held by inspectors including renewal dates.

Action Plan 2: Explore feasibility of expanding database to include license renewal dates and the possibility of auto-generated reminder emails when renewal date is pending.

Planned Completion Date: July 31, 2017

Contact Information for Implementation: Shirley Chin, Senior Human Resources Officer;
Email: Shirley.chin@sdcounty.ca.gov; Phone: (858) 614-7707

Finding III: Weights and Measures Internal Policies and Procedures

OAAS Recommendation 1: Develop clear and succinct policies and procedures including guidance in completing device inspection forms.

Action Plan 1: Develop formal written departmental policies for device and point of sale system inspections. These policies will direct staff to follow state mandated inspection procedures outlined in the Division of Measurement Standards Device Enforcement Program Manual and include internal policies that are not included in the Manual. These policies will also include detailed procedures for completing Accela inspection reports. We will develop a minimum of four policies a month, which will include POS and devices. This will bring us to about 24 or more written policies. As they are developed, we will roll out to staff on a monthly basis (most likely at monthly staff meetings). We will solicit the assistance of subject matter experts to complete the policies, which will include safety aspects as well.

As the formal written policies are completed, the Weights and Measures Program will conduct formal training in order to communicate these written policies to inspectors. These policies will also be incorporated into the training curriculum for new inspectors.

Planned Completion Date: October 1, 2017

Contact Information for Implementation: Marco Mares, Deputy Sealer; Email: Marco.mares@sdcountry.ca.gov; Phone: (858) 614-7726

OAAS Recommendation 2: Conduct training to clearly communicate policies and procedures to program staff.

Action Plan 2: As the formal written policies are completed, the Weights and Measures Program will conduct formal training in order to communicate these written policies to inspectors. These policies will also be incorporated into the training curriculum for new inspectors.

Planned Completion Date: October 1, 2017

Contact Information for Implementation: Marco Mares, Deputy Sealer; Email: Marco.mares@sdcountry.ca.gov; Phone: (858) 614-7726

If you have any questions, please contact me at (858) 614-7703.

Regards,



Ha Dang
Agricultural Commissioner/
Sealer of Weights and Measures

HD:ja

cc: Sarah Aghassi, Deputy Chief Administrative Officer, Land Use and Environment Group
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Yuliya E. Leina, Group Finance Director, Land Use and Environment Group