



STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

DON KOIVISTO
DIRECTOR

February 25, 2008

Mr. Doug Ringler, Director,
Support Services Division, Office of Financial Management
Office of the State Budget
George W. Romney Building, Fifth Floor
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, enclosed is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the Laboratory Division, Department of Agriculture, Report No. 791-0111-06.

Questions regarding the summary table or corrective action plans should be directed to Michael S. Pinagel, MDA Laboratory Division's Consumer Protection Section Director, (517) 655-8202, Ext. 301.

Sincerely,

Signature Redacted

Don Koivisto
Director

Enclosure

cc: Thomas H. McTavish, Auditor General
Mitchell Bean, House Fiscal Agency
Gary Olson, Senate Fiscal Agency
Senator Cameron Brown, Agriculture Senate Appropriation Sub-committee
Representative John Espinoza, Agriculture House Appropriation Sub-committee
Senator Gerald VanWoerkom, Agriculture Senate Standing Committee
Representative Jeff Mayes, Agriculture House Standing Committee
Ben McIntire, Office of the State Budget Analyst
Phyllis Mellon, MDA Executive Office
Richard Lowe, Internal Audit
Mark Stypinski, Internal Audit
David Bruce, MDA Finance and Administrative Services Division
Stephen D. Reh, MDA Laboratory Division
Celeste Bennett, MDA Laboratory Division
Robert DeRubeis, MDA Laboratory Division
Craig VanBuren, MDA Laboratory Division

Laboratory Division
Department of Agriculture
Summary of Agency Responses to Recommendations
Audit Period: October 1, 2003 through May 31, 2006

1. Audit recommendations the agency complied with:

Finding 3 – Standards for Frequency of Inspections and Formal Guidelines to Prioritize Inspections

Recommendation

We recommend that the Division develop standards for the frequency of inspections and develop formal guidelines to prioritize inspections of retail gas stations and distributors.

Corrective Action:

The MDA has formalized its standards and guidelines for the frequency and prioritization of inspections of retail gas stations and distributors. Specifically, the MDA:

1. Coordinated with the United States Department of Agriculture, National Agricultural Statistics Service, Michigan Field Office to utilize a combined quality/quantity sampling protocol with a three-year cycle target.
2. Continues to utilize a random sampling list for vapor reduction summertime audits as per the State Implementation Plan submitted to U.S. EPA to comply with the federal clean air requirements.

Date Completed: January 1, 2008

2. Audit recommendations the agency agrees with and will comply:

Finding 1 - Documentation Supporting Assessment of Fines

Recommendation

We recommend that the Division maintain documentation supporting the calculation of assessed fines and the decisions for waiving or reducing fines.

Corrective Action:

Documentation regarding the calculation of assessed fines and the decisions for waiving or reducing fines is now being maintained; however, a record retention schedule for this documentation is currently in development.

Date to be Completed: April 30, 2008

Finding 4 – Tracking and Monitoring of Inspections

Recommendation

We recommend that the Division improve the completeness and accuracy of the data management systems used to track and monitor inspection results.

Corrective Action:

1. The section is working with a vendor to establish a suitable inspection data management system based upon an existing inspection platform (WinWam).
2. The section is working to eliminate multiple data entry points to reduce risks to data accuracy.
3. The section is reviewing microfilmed data upon filming to verify accuracy.

Date to be Completed: January 1, 2009

3. Audit recommendations the agency disagrees with:

Finding 2 – Consistent and Full Use of Authority for Enforcement Actions

Recommendation

We recommend that the Division consistently and fully use its authority when applying enforcement actions in response to violations.

Agency Response:

While the Department takes the strongest action allowable by law for intentional violations of the statutes, the Department also believes that it is not practical or beneficial in obtaining compliance to utilize its full authority when applying enforcement in response to unintentional violations. Even though the MDA disagrees with this finding/recommendation, we have initiated changes in its enforcement policies to formalize its practices and place more emphasis in critical areas.