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Office of the Auditor General

Report Summary

Performance Audit

Bottled Water Regulation

Michigan Department of Agriculture and Rural Development (MDARD) and Department of Environmental Quality (DEQ)

Report Number:
791-0225-16

Released:
January 2017

MDARD is responsible for registering and periodically inspecting water bottlers and water dispensing machines in Michigan. DEQ's approval of the water source is needed to produce and sell bottled water in Michigan. As of April 2016, 52 in-State bottlers, 115 out-of-State bottlers, 28 out-of-country bottlers, and 675 water dispensing machines were registered with MDARD.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of MDARD and DEQ's efforts to register and inspect water bottlers and water dispensing machines.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDARD did not fully comply with its policy to conduct routine inspections of water bottlers and establishments with water dispensing machines on a timely basis. We noted 587 (22%) overdue inspections of water bottlers or establishments with dispensing machines during our audit period (Finding #1).		X	Agrees
MDARD did not actively pursue the identification and enforcement of unregistered bottled water products sold in Michigan to help ensure fee payment and compliance with regulatory requirements (Finding #2).		X	Agrees

Audit Objective		Conclusion	
Objective #2: To assess the sufficiency of MDARD and DEQ's efforts to ensure that water sold in bottles and through dispensing machines for human consumption complies with selected water quality standards established by federal law.		Sufficient, with exceptions	
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDARD should implement procedures to ensure that water from dispensing machines is periodically tested for compliance with water quality standards. Otherwise, contamination issues could go undetected (<u>Finding #3</u>).		X	Agrees

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.audgen.michigan.gov

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