



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS
DIRECTOR

DATE: May 25,2017

TO: Director Rick Lowe
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 8th Floor
Lansing, MI 48913

FROM: Jamie Clover Adams, Director
Michigan Department of Agriculture and Rural Development

SUBJECT: Corrective Action Plan for the Performance Audit of the Bottled
Water Regulation Program, Report # 791-0225-16

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached 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 Bottled Water Regulation Program in the Michigan Department of Agriculture and Rural Development.

Questions regarding the summary table or corrective action plans should be directed to Maria Tyszkiewicz, Director of Financial and Office Services at 517-284-5722.

cc: Executive Office
Doug A. Ringler, Office of the Auditor General
Mary Ann Cleary, House Fiscal Agency
Ellen Jeffries, Senate Fiscal Agency
House and Senate Appropriations Sub-committees on Agriculture and Rural
Development
House and Senate Standing Committees on Agriculture and Rural Development
Gordon Wenk, Chief Deputy, MDARD
Kevin Besey, Director, MDARD Food and Dairy Division



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**Performance Audit of the Food and Dairy Division, Bottled Water Program
Michigan Department of Agriculture & Rural Development
Summary of Agency Responses to Recommendations
Audit Period October 1, 2013 through June 30, 2016**

- 1. Audit recommendations the agency complied with:**
 - NONE

- 2. Audit recommendations the agency agrees with and will comply:**
 - Finding 1
 - Finding 2

- 3. Audit recommendations the agency disagrees with:**
 - Finding 3

OAG Audits\ESD 60 Day Summary Response to OAG 062015 Exhibit B.doc

Performance Audit of the Food and Dairy Division, Bottled Water Program
Michigan Department of Agriculture & Rural Development
Dated January 2017
CORRECTIVE ACTION PLAN, March 21, 2017

FINDING #1:

Agree

FDD agrees with part A. Due to the low-risk nature of bottled water program activities, FDD will continue to focus on adhering to its policy that no establishment is three or more routine inspections overdue per the minimum inspection schedule by August 1, 2017 and per the desired schedule by June 1, 2020. Only nine inspections (0.3%) were past due per the division's minimum inspection schedule.

FDD agrees with part B. The audit has identified the need to update policies regarding inspections. It is not the intent of the agency to regularly inspect bottled water registration sites that are not licensed as a food establishment due to their very low risk. The intent is to only inspect these locations on a complaint basis. Policies will be updated to reflect this by July 1, 2017.

FINDING #2:

We agree and will comply by July 1, 2017.

A program review was conducted on March 21, 2017. Policies will be updated to include an annual scan of retailers for unregistered products and assure that they become registered. An initial annual scan will be completed by the above date.

FINDING #3:

Disagree

A program review was conducted on March 21, 2017. After this review FDD determined a desired strategy for testing as described below. This approach meets the current national approaches from the Food and Drug Administration and is based on a survey of national and state partners completed approximately two years ago. Policies will be changed as needed by July 1, 2017.

FDD Future Testing/Monitoring Strategy:

1. Water bottlers are required by the food law to test the water that is bottled and FDD inspectors will continue to review that internal testing as part of bottling plant evaluations.
2. FDD regularly conducts surveillance and sampling of a wide variety of food and dairy products of current interest and will conduct sampling of all food (including bottled water), as needed, to detect emerging contamination threats to the food supply during this overall sampling program.

Justification:

1. Water entering any commercial building is already regulated per the Michigan Safe Drinking Water Act and approved as being potable. DEQ runs type I and II water supply programs which both include verification of proper system construction, ongoing verification that backflow prevention devices are in place and periodic testing as required by law.
2. A significant amount of food products contain water and there is no business case to require testing of bottled water alone any more than there is for beverages, soups, etc. that contain water. Also bottled water machines are no more likely to be subject to contamination than any other filtered faucet in a licensed food establishment and therefore no more need testing than those other faucets regularly used to make food containing water for public consumption.