MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT

PERFORMANCE AUDIT
OF THE

FOOD AND DAIRY DIVISION

MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

May 2013

THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

791-0200-12

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

– Article IV, Section 53 of the Michigan Constitution

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REPORT SUMMARY

Performance Audit

Food and Dairy Division

Michigan Department of Agriculture and Rural Development

Report Number:
791-0200-12

Released:
May 2013

The Food and Dairy Division (FDD) licenses and inspects more than 2,100 dairy farms, other dairy facilities, dairy trucks, and haulers and samplers. FDD also licenses and inspects more than 19,000 food establishments, including grocery and convenience stores, food processors, and food warehouses. In addition, FDD provides program oversight to the 45 local health departments (LHDs) that are responsible for inspecting more than 46,000 food service establishments, including restaurants.

Audit Objective:
To assess the effectiveness of FDD's efforts to inspect dairy facilities, trucks, and haulers and samplers.

Audit Conclusion:
We concluded that FDD's efforts to inspect dairy facilities, trucks, and haulers and samplers were moderately effective. We noted one material condition (Finding 1) and one reportable condition (Finding 2).

Material Condition:
FDD did not always conduct routine inspections and schedule reinspections of dairy facilities, trucks, and haulers and samplers according to law or guidelines. Also, FDD did not retain documentation of its approval of remodeling or equipment changes for dairy processing plants (Finding 1).

Reportable Condition:
FDD did not develop a centralized system to maintain complete dairy inspection records (Finding 2).

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Audit Objective:
To assess the effectiveness of FDD's efforts to license dairy facilities, trucks, haulers and samplers, and certified industry field representatives (CIFRs).

Audit Conclusion:
We concluded that FDD's efforts to license dairy facilities, trucks, haulers and samplers, and CIFRs were effective. However, we noted one reportable condition (Finding 3).

Reportable Condition:
FDD did not always license CIFRs in accordance with the Michigan Grade A

Milk Law of 2001. Also, FDD did not ensure and document that CIFRs received required annual training (Finding 3).

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Audit Objective:
To assess the effectiveness of FDD's efforts to ensure compliance with food safety regulations for selected food establishments under the Michigan Department of Agriculture and Rural Development's (MDARD's) jurisdiction.

Audit Conclusion:
We concluded that FDD's efforts to ensure compliance with food safety regulations for selected food establishments under MDARD's jurisdiction were moderately effective. We noted one material condition (Finding 4) and two reportable conditions (Findings 5 and 6).

Material Condition:
FDD did not always conduct routine and follow-up inspections of food establishments in accordance with the Michigan Food Law of 2000. Also, FDD did not always maintain inspection records for temporary food establishments in accordance with MDARD's records retention and disposal schedule (Finding 4).

Reportable Conditions:
FDD should modify the MI-Inspector System to accurately record and process inspection and consumer complaint data (Finding 5).

FDD should improve its monitoring of voluntary food product recalls (Finding 6).

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Audit Objective:
To assess the effectiveness of FDD's efforts to ensure that LHDs comply with Food Service Sanitation Program requirements.

Audit Conclusion:
We concluded that FDD's efforts to ensure that LHDs comply with Food Service Sanitation Program requirements were effective. Our audit report does not include any reportable conditions related to this audit objective.

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Agency Response:
Our audit report includes 6 findings and 9 corresponding recommendations. MDARD's preliminary response indicates that it agrees with the 9 recommendations and will comply.

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

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May 30, 2013

Mr. Bob Kennedy, Chair
Michigan Commission of Agriculture and Rural Development
and
Ms. Jamie Clover Adams, Director
Michigan Department of Agriculture and Rural Development
Constitution Hall
Lansing, Michigan

Dear Mr. Kennedy and Ms. Clover Adams:

This is our report on the performance audit of the Food and Dairy Division, Michigan Department of Agriculture and Rural Development.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; descriptions of surveys and summaries of survey responses, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's response subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Thomas H. McTavish, C.P.A.
Auditor General

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MICHIGAN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

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Description of Agency

The Michigan Department of Agriculture was created by Act 13, P.A. 1921 (Sections 285.1 - 285.7 of the *Michigan Compiled Laws),* and was renamed the Michigan Department of Agriculture and Rural Development (MDARD) by Executive Order No. 2011-2. The mission* of the Food and Dairy Division (FDD) is to protect the public health by ensuring a safe and wholesome food supply, while working to maintain a viable food and dairy industry.

FDD is responsible for licensing and inspecting more than 2,100 Michigan dairy farms annually or biannually to ensure the safety and quality of milk. FDD licenses, inspects, and regulates other dairy facilities, such as dairy processing plants, transfer stations, milk tanker truck cleaning facilities, milk distribution warehouses, and single service container and closure manufacturing facilities. FDD also licenses, inspects, and regulates dairy trucks, including milk tanker trucks; dairy personnel, such as bulk milk haulers and samplers; and certified industry field representatives*.

FDD is responsible for licensing and inspecting more than 19,000 licensed food establishments*. These establishments include grocery and convenience stores, food processors, farmer's markets, temporary and fair food operations, and food warehouses*. Inspections address sanitary conditions, infrastructure safety, cleanliness, and freshness and wholesomeness of food.

Food safety in Michigan restaurants is a collaborative effort between MDARD and the 45 local health departments (LHDs). FDD provides Statewide program policy, direction, consultation, and training services to LHD sanitarians. The Michigan Food Law of 2000 delegates to LHDs the authority to inspect more than 46,000 food service establishments* throughout the State. Food service establishments include restaurants, cafeterias, commissaries, vending machines, and temporary food vendors. FDD, in conjunction with the Michigan Public Health Institute*, participates in the performance evaluation and accreditation of the 45 LHDs every three years.

MI-Inspector* is an automated system used by FDD to record inspection, consumer complaint, seizure, and enforcement information for each food establishment

** See glossary at end of report for definition.*

licensed by MDARD. The system was implemented in September 2011. MI-Inspector is integrated with MDARD's License 2000*, the automated system that is used to generate new and renewal licenses for food establishments.

For the fiscal year ended September 30, 2012, the Legislature appropriated $13.5 million for FDD. As of May 31, 2012, FDD had 93 employees.

** See glossary at end of report for definition.*

Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objectives

Our performance audit* of the Food and Dairy Division (FDD), Michigan Department of Agriculture and Rural Development (MDARD), had the following objectives:

1. To assess the effectiveness* of FDD's efforts to inspect dairy facilities, trucks, and haulers and samplers.

2. To assess the effectiveness of FDD's efforts to license dairy facilities, trucks, haulers and samplers, and certified industry field representatives (CIFRs).

3. To assess the effectiveness of FDD's efforts to ensure compliance with food safety regulations for selected food establishments under MDARD's jurisdiction.

4. To assess the effectiveness of FDD's efforts to ensure that local health departments (LHDs) comply with Food Service Sanitation Program requirements.

Audit Scope

Our audit scope was to examine the program and other records of the Food and Dairy Division. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit procedures, conducted from April through September 2012, generally covered the period October 1, 2009 through May 31, 2012.

Audit Methodology

We conducted a preliminary review of FDD to gain an understanding of FDD's operations and to establish our audit objectives. We interviewed FDD management and reviewed applicable statutes, administrative rules, policies and procedures, and FDD activities and program records.

** See glossary at end of report for definition.*

To accomplish our first objective, we obtained electronic listings of the various dairy facilities, equipment, and haulers and samplers and used these records to test random samples of dairy farms, dairy processing plants, milk tanker trucks, and haulers and samplers. We reviewed 100% of the transfer stations, milk tanker truck cleaning facilities, milk distribution warehouses, and single service container and closure manufacturing facilities (single service facilities). We reviewed FDD's hard-copy files for selected dairy facilities, equipment, and haulers and samplers to test completed inspections. We reviewed a random sample of dairy sanitation rating audits to ensure that Interstate Milk Shipper (IMS) ratings were accurately calculated for grade A dairy farms. We surveyed 200 randomly selected dairy farms and 50 randomly selected dairy processing plants to obtain information and feedback regarding FDD's inspection process (see summaries of survey responses for dairy farms and dairy processing plants, presented as supplemental information). Our review did not include testing of inspection records for pasteurization equipment, laboratories, laboratory analysts, and drug residue screening sites.

To accomplish our second objective, we utilized the same samples selected for the first objective of dairy processing plants, milk tanker trucks, and haulers and samplers and we reviewed 100% of the transfer stations, milk tanker truck cleaning facilities, milk distribution warehouses, and single service facilities. We reviewed FDD's hard-copy files for selected dairy facilities, equipment, and haulers and samplers to test licensure timeliness. We also reviewed FDD's hard-copy files and training records for all of the active CIFRs to test completed certifications and recertifications.

To accomplish our third objective, we obtained electronic data from the MI-Inspector and License 2000 automated systems and analyzed the data to determine whether FDD conducted routine inspections in a timely manner and whether follow-up inspections were conducted. We analyzed electronic data related to consumer complaints that FDD received for food establishments. We analyzed electronic data related to plan reviews of new and remodeled establishments that FDD completed. We interviewed staff to obtain an understanding of the monitoring process of voluntary food product recalls* and foodborne illness* outbreaks reported to FDD. We analyzed and reviewed voluntary food product recall records. We surveyed 200 randomly selected food establishments to obtain information and feedback regarding the inspection process (see summary of survey responses for food establishments, presented as supplemental information).

** See glossary at end of report for definition.*

To accomplish our fourth objective, we reviewed the accreditation and training process and FDD's procedures for monitoring LHDs' reporting of foodborne illness outbreak data. We reviewed a random sample of accreditation reports and analyzed training data.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis.

Agency Responses and Prior Audit Follow-Up

Our audit report contains 6 findings and 9 corresponding recommendations. MDARD's preliminary response indicates that it agrees with the 9 recommendations and will comply.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require MDARD to develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We released our prior performance audit of the Animal Industry Division, Food and Dairy Division, and Laboratory Division, Department of Agriculture (79-110-02), in December 2002. Within the scope of this audit, we followed up on the portion of the prior audit recommendation related to FDD. MDARD complied with the portion of the prior audit recommendation that related to FDD.

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

INSPECTIONS OF DAIRY FACILITIES, TRUCKS, AND HAULERS AND SAMPLERS

COMMENT

Background: For the purposes of this audit, dairy facilities include dairy farms, dairy processing plants, transfer stations, milk tanker truck cleaning facilities, milk distribution warehouses, and single service container and closure manufacturing facilities (single service facilities). Dairy trucks include milk tanker trucks. As of May 31, 2012, the Food and Dairy Division (FDD) licensed the following number of active dairy facilities, trucks, and haulers and samplers:

Type of Dairy Facility, Truck, or Haulers and Samplers	Total Number of Active Dairy Facilities, Trucks, or Haulers and Samplers as of May 31, 2012
Grade A dairy farms	1,852
Manufacturing dairy farms	288
Grade A processing plants	33
Manufacturing processing plants	51
Transfer stations	6
Milk tanker truck cleaning facilities	8
Milk distribution warehouses	13
Single service facilities	8
Milk tanker trucks	708
Haulers and samplers	1,062

Audit Objective: To assess the effectiveness of FDD's efforts to inspect dairy facilities, trucks, and haulers and samplers.

Audit Conclusion: We concluded that FDD's efforts to inspect dairy facilities, trucks, and haulers and samplers were moderately effective. Our assessment disclosed one material condition*:

- FDD did not always conduct routine inspections and schedule reinspections of dairy facilities, trucks, and haulers and samplers according to law or guidelines. Also, FDD did not retain documentation of its approval of remodeling or equipment changes for dairy processing plants. (Finding 1)

In addition, our assessment disclosed one reportable condition* related to dairy inspection records (Finding 2).

* *See glossary at end of report for definition.*

FINDING

1. Dairy Inspections

FDD did not always conduct routine inspections and schedule reinspections of dairy facilities, trucks, and haulers and samplers according to law or guidelines. Also, FDD did not retain documentation of its approval of remodeling or equipment changes for dairy processing plants. As a result, FDD cannot ensure that the dairy industry is in compliance with the Michigan Grade A Milk Law of 2001 and the Michigan Manufacturing Milk Law of 2001.

Our review disclosed:

a. FDD did not always conduct routine inspections of dairy facilities, trucks, and haulers and samplers in accordance with inspection frequencies specified by law. The Michigan Grade A Milk Law of 2001 (Act 266, P.A. 2001) and the Michigan Manufacturing Milk Law of 2001 (Act 267, P.A. 2001) establish inspection frequencies for dairy facilities, trucks, and haulers and samplers. FDD conducts routine inspections of dairy facilities, trucks, and haulers and samplers to identify dairy safety violations. We sampled 147 facilities, trucks, and haulers and samplers for which FDD conducted 600 routine inspections between October 1, 2009 and May 31, 2012. We determined that, for 101 (17%) of the 600 routine inspections, FDD conducted inspections 30 or more days after the required inspection frequency. For those facilities at highest risk (dairy farms and processing plants), 32 (8%) of the 420 routine inspections were conducted 30 or more days after the required inspection frequency.

The following table summarizes the dairy inspection frequency and days late:

Type of Dairy Facility, Truck, or Haulers and Samplers	Required Inspection Frequency	Number of Inspections 30 or More Days Late	Range of Days Late
Grade A dairy farms	6 months	4 (2%) of 217	33 to 283 days
Manufacturing dairy farms	12 months	6 (19%) of 31	30 to 213 days
Grade A processing plants	3 months	16 (12%) of 134	30 to 263 days
Manufacturing processing plants	6 months	6 (16%) of 38	36 to 330 days
Transfer stations	6 months	4 (15%) of 26	30 to 1,816 days
Milk tanker truck cleaning facilities	6 months	7 (22%) of 32	152 to 884 days
Single service facilities	6 or 12 months	8 (20%) of 41	55 to 233 days
Milk tanker trucks	12 months	29 (56%) of 52	54 to 792 days
Haulers and samplers	24 months	21 (72%) of 29	37 to 1,343 days
Total		101 (17%) of 600	

b. FDD did not always schedule a reinspection of dairy facilities, trucks, and haulers and samplers as suggested by guidelines. The FDD Dairy Section Policy Manual provides guidance and identifies the conditions under which reinspections should occur, such as a certain type of violation, a certain number of violations, or violations identified in consecutive inspections. We determined that FDD did not schedule 133 (69%) of 193 reinspections for 70 dairy facilities, trucks, or haulers and samplers in which violations met the conditions for a reinspection. FDD informed us that inspectors use professional judgment in determining the need to schedule a reinspection; however, inspection documentation did not always contain information to support an inspector's decision that a reinspection was not required.

c. FDD did not establish a process to document its approval of detailed plans for remodeling and equipment changes at dairy processing plants. Section 288.501 of the *Michigan Compiled Laws* (Act 266, P.A. 2001) requires dairy processing plants to submit detailed plans for FDD approval before commencing new construction, remodeling, or equipment changes. FDD informed us that inspectors complete a checklist of criteria when issuing an initial license to dairy processing plants. However, FDD did not retain records to validate that its inspectors approved the plans. Without records to validate that FDD approved the plans, FDD cannot ensure that all remodeling or equipment changes met statutory requirements.

RECOMMENDATIONS

We recommend that FDD conduct routine inspections and schedule reinspections of dairy facilities, trucks, and haulers and samplers according to law or guidelines.

We also recommend that FDD retain documentation of its approval of remodeling or equipment changes for dairy processing plants.

AGENCY PRELIMINARY RESPONSE

The Michigan Department of Agriculture and Rural Development (MDARD) agrees with the recommendations and will comply.

With regard to part a. of the finding, MDARD informed us that it is currently in the process of obtaining an agency-wide inspection system that will provide the ability

to keep all program records in a centralized system and allow dairy inspections to be conducted and tracked more effectively. MDARD informed us that funding has been restored to the Dairy Inspection Program and, as of March 1, 2013, FDD inspectors have resumed inspection responsibility for 100% of Michigan's dairy farms and other licensed dairy entities.

Because of the retirement of 6 of the 25 Dairy Section staff in late 2010, FDD did not have adequate staff available to conduct all of its inspections at the frequency stated in the law and instituted the certified industry field representative (CIFR) program. This program allowed Dairy Section staff to focus on maintaining the quality and integrity of other areas of the Dairy Inspection Program, including enforcement activities such as permit suspensions and administrative fine issuance. Enforcement is a strong component of the Dairy Inspection Program and, during fiscal year 2011-12, law violations resulted in 60 dairy farm permit suspensions, 79 administrative fines, 173 enforcement letters, and 9 informal hearings/compliance reviews.

With regard to part b. of the finding, Dairy Section policies cover the circumstances under which reinspections should be conducted for noncompliance with milk sanitation requirements. These policies were developed to enhance milk safety enforcement and improve uniformity in the industry. These policies are not required by law. MDARD informed us that, from fiscal year 2009-10 through fiscal year 2011-12, MDARD staff and CIFRs conducted 2,031 reinspections. Also, MDARD informed us that both FDD inspectors and CIFRs are standardized for uniformity of inspection.

With regard to part c. of the finding, MDARD informed us that the Dairy Section will work toward improving its written documentation regarding the steps involved in the approval of the expansion of existing facilities. The Dairy Section has developed a comprehensive checklist of areas for dairy inspectors to review during construction or expansion of a dairy processing plant. Also, MDARD informed us that inspectors monitor the status of construction projects on an ongoing basis and make additional consultative visits to plants during construction.

FINDING

2. Dairy Inspection Records

FDD did not develop a centralized system to maintain complete dairy inspection records. As a result, FDD did not have an effective process to track and monitor inspections of dairy facilities, trucks, and haulers and samplers.

FDD uses several different databases, including the Dairy Farm Inspection System (DFIS), and manual processes to document dairy inspection information. In addition, FDD inspectors maintain inspection records at their personal residences or in FDD's central office files. Although FDD maintains some inspection documentation in its central office, FDD did not maintain complete inspection records. For example:

a. FDD was unable to locate inspection forms, license applications, or entire inspection files for 21 (12%) of 180 dairy facilities, trucks, and haulers and samplers selected for review.

b. FDD did not update the hauler and sampler and tanker truck databases to include inspection records for 644 (61%) of 1,062 and 421 (59%) of 708 inspections of active haulers and samplers and tanker trucks, respectively.

c. FDD did not have an electronic system to record the inspections of transfer stations, milk tanker truck cleaning facilities, milk distribution warehouses, and single service facilities.

d. FDD did not update DFIS to include inspection records for 1,467 (12%) of 12,495 and 248 (19%) of 1,280 inspections of grade A dairy farms and manufacturing dairy farms, respectively.

Developing a centralized system for documenting inspections would enable FDD to better oversee the Dairy Inspection Program and help ensure that inspectors are conducting inspections timely. Without inspection records, we could not verify that the inspections occurred.

RECOMMENDATION

We recommend that FDD develop a centralized system to maintain complete dairy inspection records.

AGENCY PRELIMINARY RESPONSE

MDARD agrees with the recommendation and will comply. MDARD informed us that it is currently in the process of obtaining an agency-wide inspection system that will provide the ability to store and track all program records in a centralized system.

LICENSING OF DAIRY FACILITIES, TRUCKS, HAULERS AND SAMPLERS, AND CIFRS

COMMENT

Audit Objective: To assess the effectiveness of FDD's efforts to license dairy facilities, trucks, haulers and samplers, and CIFRs.

Audit Conclusion: We concluded that FDD's efforts to license dairy facilities, trucks, haulers and samplers, and CIFRs were effective. However, our assessment disclosed one reportable condition related to licensure of CIFRs (Finding 3).

FINDING

3. Licensure of CIFRs

FDD did not always license CIFRs in accordance with the Michigan Grade A Milk Law of 2001. Also, FDD did not ensure and document that CIFRs received required annual training. As a result, FDD could not ensure that CIFRs met the qualifications to conduct inspections.

CIFRs are employees of the dairy industry who conduct grade A dairy farm inspections in place of regulatory inspections normally conducted by FDD staff. Section 288.502 of the *Michigan Compiled Laws* (Act 266, P.A. 2001) requires CIFRs to comply with the requirements of the 2007 edition of the Pasteurized Milk Ordinance* (PMO) and allows CIFRs to conduct official farm inspections with the authorization of FDD.

In fiscal year 2010-11, FDD instituted the CIFR program to conduct the required inspections of grade A dairy farms every six months. For fiscal year 2010-11, FDD

** See glossary at end of report for definition.*

licensed 37 CIFRs who conducted an average of 47% of the dairy farm inspections each month. Our review of the license records for the 37 CIFRs disclosed:

a. For 5 (14%) of the 37 CIFRs, FDD did not verify the accuracy of the CIFR's work by conducting and comparing the results of 25 inspections. For these 5 CIFRs, FDD documented the completion of 101 (81%) of the 125 required inspections. Section 5 of the 2007 PMO required that, for CIFR certifications and recertifications issued prior to October 14, 2010, FDD conduct inspections along with the CIFR for at least 25 farms and/or 5 milk tanker trucks. For 2 (5%) of the 37 CIFRs, FDD did not conduct and compare the results of 10 inspections prior to issuing a recertification. For these 2 CIFRs, FDD documented the completion of 14 (70%) of the 20 required inspections. Section 5 of the 2009 PMO required that, for CIFR recertifications issued after October 14, 2010, FDD conduct 10 inspections along with the CIFR. To be certified, the CIFR's inspection results should agree with FDD's inspection results 80% of the time.

b. FDD did not always maintain documentation to validate that CIFRs met training requirements in accordance with section 5 of the 2007 PMO. We noted that, for 2011, FDD did not maintain documentation that 10 (27%) of 37 CIFRs attended the annual Michigan Dairy Industry Conference or an equivalent training. We also noted that, for 2009 and 2010, FDD did not have adequate documentation to validate that any CIFRs attended the Michigan Dairy Industry Conference or equivalent training.

RECOMMENDATIONS

We recommend that FDD license CIFRs in accordance with the Michigan Grade A Milk Law of 2001.

We also recommend that FDD ensure and document that CIFRs receive required annual training.

AGENCY PRELIMINARY RESPONSE

MDARD agrees with the recommendations and will comply.

MDARD informed us that funding has been restored to the Dairy Inspection Program and, as of March 1, 2013, FDD inspectors have resumed inspection

responsibility for 100% of Michigan's dairy farms and other licensed dairy entities. MDARD informed us that it is working to improve tracking and documentation of all training and certification of its staff and industry staff as needed.

MDARD has voluntarily had the CIFR program in place for over 30 years. MDARD informed us that most states that conduct the dairy regulatory inspections do not certify their industry field representatives as outlined in the PMO. MDARD informed us that this joint venture with the dairy industry allowed for proper inspection of the farms by the industry while MDARD maintained control of all regulatory enforcement action and, without the program, the standards set by the PMO would not be met and milk from Michigan dairy farms would not be allowed into interstate commerce. MDARD informed us that this cooperative effort has made Michigan a leader in the nation in producing safe and quality milk. Michigan is currently ranked 8th in milk production in the nation and exports milk to many states.

During the recent implementation of the CIFR program, three senior dairy inspectors were assigned to oversee 37 CIFRs and were responsible for generating work assignments for the CIFRs, tracking and entering completed inspections in the dairy database, conducting joint inspections for certification, helping administer training, and monitoring work completed by the CIFRs according to MDARD dairy policy.

COMPLIANCE WITH FOOD SAFETY REGULATIONS

COMMENT

Background: The types of food establishments under MDARD's jurisdiction for licensing include retail food establishments*, extended retail food establishments*, wholesale food processors*, limited wholesale food processors*, food warehouses, mobile food establishments*, mobile food establishment commissaries*, State and county fair temporary concessions, special transitory food units*, and temporary food establishments*. Food service establishments, which include restaurants, cafeterias, commissaries, vending machines, and temporary food vendors, are licensed by MDARD based on the local health departments' (LHDs') recommendations. Our audit scope did not include the food service establishments inspected by LHDs.

** See glossary at end of report for definition.*

Audit Objective: To assess the effectiveness of FDD's efforts to ensure compliance with food safety regulations for selected food establishments under MDARD's jurisdiction.

Audit Conclusion: We concluded that FDD's efforts to ensure compliance with food safety regulations for selected food establishments under MDARD's jurisdiction were moderately effective. Our assessment disclosed one material condition:

- FDD did not always conduct routine and follow-up inspections of food establishments in accordance with the Michigan Food Law of 2000. Also, FDD did not always maintain inspection records for temporary food establishments in accordance with MDARD's records retention and disposal schedule. (Finding 4)

In addition, our assessment disclosed two reportable conditions related to MI-Inspector and monitoring of voluntary food product recalls (Findings 5 and 6).

FINDING

4. Food Establishment Inspections

FDD did not always conduct routine and follow-up inspections of food establishments in accordance with the Michigan Food Law of 2000. Also, FDD did not always maintain inspection records for temporary food establishments in accordance with MDARD's records retention and disposal schedule. As a result, food establishments may not operate in a controlled manner to protect consumers from foodborne illnesses.

Our review disclosed:

a. FDD did not conduct routine inspections at 6,324 (48%) of the 13,221 active food establishments for which an inspection was due.

For the 6,324 food establishments, it had been between 7 and 121 months since the last routine inspection. The following table summarizes the number of months since these active food establishments were inspected:

Number of Months Since Last Inspection	Number of Active Food Establishments
91 - 121 months	284
73 - 90 months	179
55 - 72 months	296
37 - 54 months	786
19 - 36 months	2,224
7 - 18 months	2,555
Total	6,324

Section 289.2111 of the *Michigan Compiled Laws* (Act 92, P.A. 2000) provides FDD with the authority to inspect any food establishment to determine if any provisions of the Michigan Food Law of 2000 are being violated. FDD established a risk-based inspection schedule for food establishments under the jurisdiction of MDARD and the LHDs, in accordance with the recommendations in the U.S. Food and Drug Administration (FDA) Food Code. Inspectors assign each food establishment a risk category based on the potential and inherent food safety risk associated with the establishment. Each risk category has a recommended normal inspection frequency of 6, 12, or 18 months.

b. FDD did not conduct timely follow-up inspections of food establishments where uncorrected critical violations were identified.

Section 289.6129(3) of the *Michigan Compiled Laws* (Act 92, P.A. 2000) requires that all critical food code and food law violations identified during an inspection shall be corrected immediately. In addition, it requires FDD to confirm, within 30 days after the inspection report was issued, that the food establishment corrected the critical violations. Critical violations are conditions that the Centers for Disease Control and Prevention has found to be highly associated with foodborne illness.

Between October 1, 2009 and May 16, 2012, FDD identified 15,591 critical violations during 8,216 routine inspections at 5,091 different food establishments. For example, some of the critical violations included 876 violations for potentially hazardous food (temperature control); 767 violations for equipment, food and non-food contact surfaces, and utensils; and 742 violations for ready-to-eat, potentially hazardous food (date marking).

For 4,356 (53%) of the 8,216 routine inspections, the food establishments corrected the critical violations at the time of the routine inspection and did not require a follow-up inspection. Our analysis of inspection records for the 3,860 routine food inspections for which a follow-up inspection was required disclosed:

(1) For 470 (12%) of the 3,860 inspections, FDD did not conduct a follow-up inspection within 30 days as required by law.

(2) For 61 (2%) of the 3,860 inspections, FDD did not conduct a follow-up inspection.

c. FDD did not always maintain inspection records for temporary food establishments at State or county fairs. As a result, FDD was unable to validate that all temporary food establishments have been inspected. Between October 1, 2010 and September 30, 2011, FDD licensed 957 temporary food establishments that provided concessions at State or county fairs. We sampled 27 of the 957 temporary food establishments and determined that FDD did not maintain inspection records for 14 (52%) of the 27 establishments. According to MDARD's records retention and disposal schedule, FDD should maintain inspection records of temporary food establishments for the current year plus one additional year.

FDD informed us that it did not have adequate staffing to provide timely inspections of all food establishments. The FDA recommends one full-time equated (FTE) for every 280 to 320 inspections performed. FDD performed 19,419 and 17,399 inspections in fiscal years 2009-10 and 2010-11, respectively. In fiscal years 2009-10 and 2010-11, FDD employed 49 and 44 FTEs, respectively. For fiscal

years 2009-10 and 2010-11, FDD would have needed at least 60 and 54 FTEs, respectively, to conduct all required inspections.

RECOMMENDATIONS

We recommend that FDD conduct routine and follow-up inspections of food establishments in accordance with the Michigan Food Law of 2000.

We also recommend that FDD maintain inspection records for temporary food establishments in accordance with MDARD's records retention and disposal schedule.

AGENCY PRELIMINARY RESPONSE

MDARD agrees with the recommendations and will comply.

With regard to parts a. and b. of the finding, MDARD informed us that FDD has and will continue to request additional inspection staff to increase food establishment inspection levels throughout the State. MDARD informed us that it is currently in the process of obtaining an agency-wide inspection system and related hardware that will provide the ability to more effectively conduct inspections.

MDARD informed us that a newly formed quality review workgroup is developing staff productivity reports, a food supervisor quality review policy, and an internal division scorecard with improved metrics, goals, and tracking. Also, MDARD informed us that the supervisor quality review policy will establish statistically valid sample sizes; standardize review elements; coordinate with FDA national standards, where feasible; and document results and improvement activities. In addition, MDARD informed us that the new policies will include improved monitoring and confirmation of completion by regional food supervisors.

With regard to part c. of the finding, MDARD informed us that a new policy with procedures for the flow of inspection and inspection reports for State or county fairs has been established. MDARD informed us that a fair summary report is now required for each fair event to document and track all evaluation activities during each event. Also, MDARD informed us that the new policy describes follow-up procedures to ensure the inspection of prepaid operators. MDARD informed us that the implementation of these policies and procedures for the 2013 fair season

will enable FDD to adequately maintain inspection records for temporary food establishments in accordance with MDARD's records retention and disposal schedule.

FINDING

5. MI-Inspector

FDD should modify MI-Inspector to accurately record and process inspection and consumer complaint data.

Our review disclosed:

a. MI-Inspector did not accurately calculate the next routine inspection date for food establishments in accordance with FDD's inspection schedule. As a result, FDD did not timely schedule routine food establishment inspections.

FDD uses MI-Inspector to document the inspections conducted, inspection frequency, and risk factors* of food establishments. However, MI-Inspector did not accurately calculate the next scheduled date of inspection (NSDI) based on the inspection frequency and the last inspection date. MI-Inspector improperly calculated the NSDI using the date that the inspector's supervisor reviewed the inspection rather than the actual last inspection date.

Our analysis of 3,234 food establishments for the period September 2011 through April 2012 disclosed that MI-Inspector should have generated inspection notices for 251 food establishments. However, because MI-Inspector used the supervisor review date rather than the actual last inspection date, MI-Inspector generated only 77 inspection notices.

FDD informed us that it submitted a system maintenance request to the Department of Technology, Management, and Budget in October 2011 to update MI-Inspector; however, the request had not yet been completed.

b. MI-Inspector did not consistently record the date that a consumer complaint was assigned to an inspector to begin an investigation. As a result, FDD cannot verify that it investigates consumer complaints in a timely manner.

** See glossary at end of report for definition.*

RECOMMENDATION

We recommend that FDD modify MI-Inspector to accurately record and process inspection and consumer complaint data.

AGENCY PRELIMINARY RESPONSE

MDARD agrees with the recommendation and will comply. MDARD informed us that it is currently in the process of obtaining an agency-wide inspection system that will provide the ability to keep all program records in a centralized system. MDARD also informed us that, prior to the implementation of a new system, it will make the highest priority system bug fixes that are affordable.

FINDING

6. Monitoring of Voluntary Food Product Recalls

FDD should improve its monitoring of voluntary food product recalls. Improved monitoring would help FDD ensure that businesses do not sell or use recalled food products.

A recall is a voluntary action by businesses to remove contaminated or mislabeled products from market. The U.S. Department of Agriculture's guidance in Food Safety and Inspection Service (FSIS) policy directive 8080.1 and FDA guidance in Title 21, Part 7 of the *Code of Federal Regulations* on product recalls recommend that the recalling business develop and implement a recall strategy to notify all parties that may have received, purchased, or used the product to stop using the recalled product. Regulatory agencies, such as MDARD, the FDA, and FSIS, may assess the adequacy of the recalling businesses' efforts by conducting effectiveness checks* or by requesting the businesses to submit periodic status reports on their recall efforts. Most recalls are initiated and managed by the FDA or FSIS. For these recalls, MDARD is typically in a voluntary assisting role.

FDD selects food product recalls to monitor based upon the type of recall, the overall risk and impact to Michigan citizens, and whether the FDA or FSIS is monitoring the recall. Our review disclosed:

a. From October 1, 2009 through May 4, 2012, MDARD was notified of 347 food product recalls, of which 147 (42%) were due to salmonella, *E. coli*, or listeria.

** See glossary at end of report for definition.*

FDD staff completed effectiveness checks for 8 (2%) of the 347 food product recalls. For the remaining 339 (98%) of the 347 food product recalls, FDD did not verify or maintain records as to whether another regulatory agency had monitored the recalls.

b. FDD did not document its requests of food inspectors to conduct effectiveness checks and complete effectiveness check forms for the 8 food product recalls that FDD reviewed. Effectiveness check forms are used by FDD to document its monitoring of the various food establishments affected by the recall. Without conducting effectiveness checks, FDD cannot ensure that food establishments removed or handled the recalled product correctly and that the product is no longer available for sale.

RECOMMENDATION

We recommend that FDD improve its monitoring of voluntary food product recalls.

AGENCY PRELIMINARY RESPONSE

MDARD agrees with the recommendation and will comply.

MDARD informed us that its corrective action plan will include further identification and tracking of responses to both FDA and FSIS recall notifications. MDARD also informed us that it does not anticipate an increase in the number of recall audits being completed by FDD staff, as both the FDA and FSIS are using their own staff to complete that work. In addition, MDARD informed us that jurisdiction over product recalls is a federal responsibility and MDARD does not have the legal authority to require food recalls. MDARD informed us that the FDA and FSIS may or may not request assistance from FDD when FDD is provided an adequate distribution list. MDARD also informed us that, since 2009, the request for assistance from the FDA and FSIS has decreased.

MDARD informed us that it has made revisions to the existing tracking system to capture additional data for those events for which FDD will conduct effectiveness checks, including the number of recall effectiveness checks assigned, the reason for a recall effectiveness check not being completed, and the reason for conducting a recall effectiveness check. MDARD also informed us that it has relied on the use of e-mail and a paperwork review process to monitor and track the completion of recall effectiveness checks.

MDARD informed us that, historically, it actively sought out opportunities to conduct recall effectiveness checks as part of its responsibility to protect the public health of the citizens of the State of Michigan. MDARD also informed us that, during the recalls associated with the Peanut Corporation of America, MDARD as a whole invested close to $1 million of staff time to identify affected products, remove affected products from commerce, and conduct recall effectiveness checks. In addition, MDARD informed us that it has developed its policy to address increased limitations in staffing and resources along with increasing responsibilities for FDD staff in other areas of inspection of food establishments and environmental assessment of facilities linked to the investigation of foodborne illnesses.

COMPLIANCE WITH FOOD SERVICE SANITATION PROGRAM REQUIREMENTS

COMMENT

Audit Objective: To assess the effectiveness of FDD's efforts to ensure that LHDs comply with Food Service Sanitation Program requirements.

Audit Conclusion: We concluded that FDD's efforts to ensure that LHDs comply with Food Service Sanitation Program requirements were effective. Our audit report does not include any reportable conditions related to this audit objective.

SUPPLEMENTAL INFORMATION

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Description of Dairy Farms Survey

We developed a survey to request input from dairy farms in the State regarding the Food and Dairy Division's (FDD's) process for conducting inspections of dairy farms.

We mailed the survey to a random sample of 200 dairy farms from FDD's listing of active grade A and manufacturing dairy farms. We received responses from 67 dairy farms, a response rate of 34%.

The responses indicated that 97% of the respondents were satisfied or very satisfied with the dairy farm inspection process, that 94% of the respondents agreed with the conclusions reached by the inspector, and that 78% of the respondents indicated that the inspector adequately explained his or her findings at the close of the inspection.

Following is a summary of the survey results, including the number and percentage of responses received for each question. The total number of responses for each question may not equal the 67 respondents because some respondents did not answer all items or were not required to answer all items. Also, because we did not include survey questions in our report that asked for respondent comments, there are breaks in the sequence of questions.

FOOD AND DAIRY DIVISION
Michigan Department of Agriculture and Rural Development (MDARD)

Summary of Survey Responses for Dairy Farms

Number of surveys mailed	200
Number of responses	67
Response rate	34%

	Number of Responses	Percentage of Total Responses
3. Did the inspector identify himself or herself?		
a. Yes	46	68.7%
b. No	0	0%
c. I did not see or speak with the inspector.	19	28.4%
d. Someone else was involved with this inspection.	2	3.0%
4. Did the inspector explain the reason(s) for the inspection?		
a. Yes	47	70.1%
b. No	2	3.0%
c. I did not see or speak with the inspector.	17	25.4%
d. Someone else was involved with this inspection.	1	1.5%
5. Please indicate the type of inspection completed.		
a. Initial	1	1.5%
b. Routine	59	88.1%
c. Reinspection	5	7.5%
d. Suspension	0	0%
e. Reinstatement	0	0%
f. High count	1	1.5%
g. Positive antibiotic	0	0%
h. Other (please explain)	1	1.5%
6. Please select the type of inspector that conducted your last inspection.		
a. MDARD inspector	29	43.3%
b. Certified industry field representative (CIFR)	23	34.3%
c. Unsure	10	14.9%
7. Please indicate how the completed inspection report was given to you.		
a. In person	38	56.7%
b. Left at dairy farm	25	37.3%
c. Sent by mail	1	1.5%
d. Did not receive an inspection report	0	0%
e. Other (please describe)	0	0%
8. Please provide your opinion of the inspector's knowledge of the dairy industry.		
a. Very knowledgeable	57	85.1%
b. Somewhat knowledgeable	9	13.4%
c. Not knowledgeable	0	0%

	Number of Responses	Percentage of Total Responses
10. Which of the following best describes your satisfaction with the inspection process?		
a. Very satisfied	35	52.2%
b. Satisfied	30	44.8%
c. Dissatisfied	0	0%
d. Very dissatisfied	1	1.5%
11. Were any violations identified during the last inspection?		
a. Yes	37	55.2%
b. No	29	43.3%
13. Do you agree with the conclusions reached by the inspector?		
a. Yes	63	94.0%
b. No	4	6.0%
15. Did the inspector provide recommendations and information for how the violation(s) could be corrected?		
a. Yes	42	62.7%
b. No	3	4.5%
c. Violations were not identified during this inspection.	18	26.9%
16. Do you feel that the inspector considered the feedback you provided when developing his or her conclusions?		
a. Yes	46	68.7%
b. No	3	4.5%
17. Did the inspector adequately explain his or her findings to you at the close of the inspection so that you understood what was found?		
a. Yes	52	77.6%
b. No	2	3.0%
18. If you responded "No" to Question 17, please select the most applicable statement(s) to explain why the inspector did not explain the findings.		
a. The violations were difficult to understand.	0	0%
b. The violations required additional follow-up with MDARD or others to determine how to correct.	0	0%
c. The inspector did not speak with anyone from the dairy farm.	8	11.9%
d. Other (please explain)	0	0%
19. Please select the statement that best describes how you feel about the frequency that your dairy farm is inspected.		
a. Too frequently	3	4.5%
b. Often enough	62	92.5%
c. Not frequently enough	1	1.5%

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Description of Dairy Processing Plants Survey

We developed a survey to request input from dairy processing plants in the State regarding the Food and Dairy Division's (FDD's) process for conducting inspections of dairy processing plants.

We mailed surveys to a random sample of 50 dairy processing plants from FDD's listing of active grade A and manufacturing dairy processing plants. We received responses from 28 dairy processing plants, a response rate of 56%.

The responses indicated that 86% of the respondents were satisfied or very satisfied with the dairy processing plant inspection process, that 79% of the respondents agreed with the conclusions reached by the inspector, and that 86% of the respondents indicated that the inspector adequately explained his or her findings at the close of the inspection.

Following is a summary of the survey results, including the number and percentage of responses received for each question. The total number of responses for each question may not equal the 28 respondents because some respondents did not answer all items or were not required to answer all items. Also, because we did not include survey questions in our report that asked for respondent comments, there are breaks in the sequence of questions.

FOOD AND DAIRY DIVISION
Michigan Department of Agriculture and Rural Development

Summary of Survey Responses for Dairy Processing Plants

Number of surveys mailed	50
Number of responses	28
Response rate	56%

	Number of Responses	Percentage of Total Responses
3. Did the inspector identify himself or herself?		
a. Yes	25	89.3%
b. No	0	0%
c. I did not see or speak with the inspector.	1	3.6%
d. Someone else was involved with this inspection.	1	3.6%
4. Did the inspector explain the reason(s) for the inspection?		
a. Yes	24	85.7%
b. No	0	0%
c. I did not see or speak with the inspector.	1	3.6%
d. Someone else was involved with this inspection.	1	3.6%
5. Please indicate the type of inspection completed.		
a. Initial	1	3.6%
b. Routine	25	89.3%
c. Reinspection	1	3.6%
6. Please indicate how the completed inspection report was given to you.		
a. In person	15	53.6%
b. Left at dairy processing plant	2	7.1%
c. Sent by mail	4	14.3%
d. Did not receive an inspection report	1	3.6%
e. Other (please describe)	3	10.7%
7. Please provide your opinion of the inspector's knowledge of the dairy industry.		
a. Very knowledgeable	23	82.1%
b. Somewhat knowledgeable	3	10.7%
c. Not knowledgeable	0	0%
9. Which of the following best describes your satisfaction with the inspection process?		
a. Very satisfied	11	39.3%
b. Satisfied	13	46.4%
c. Dissatisfied	2	7.1%
d. Very dissatisfied	0	0%

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	Number of Responses	Percentage of Total Responses
10. Were any violations identified during the last inspection?		
a. Yes	15	53.6%
b. No	11	39.3%
12. Do you agree with the conclusions reached by the inspector?		
a. Yes	22	78.6%
b. No	4	14.3%
14. Did the inspector provide recommendations and information for how the violation(s) could be corrected?		
a. Yes	17	60.7%
b. No	1	3.6%
c. Violations were not identified during this inspection.	7	25.0%
15. Do you feel that the inspector considered the feedback you provided when developing his or her conclusions?		
a. Yes	21	75.0%
b. No	1	3.6%
16. Did the inspector adequately explain his or her findings to you at the close of the inspection so that you understood what was found?		
a. Yes	24	85.7%
b. No	1	3.6%
17. If you responded "No" to Question 16, please select the most applicable statement(s) to explain why the inspector did not explain the findings.		
a. The violations were difficult to understand.	0	0%
b. The violations required additional follow-up with MDARD or others to determine how to correct.	1	3.6%
c. The inspector did not speak with anyone from the dairy processing plant.	0	0%
d. Other (please explain)	0	0%
18. Please select the statement that best describes how you feel about the frequency that your dairy processing plant is inspected.		
a. Too frequently	2	7.1%
b. Often enough	25	89.3%
c. Not frequently enough	0	0%

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Description of Food Establishments Survey

We developed a survey to request input from food establishments in the State regarding the Food and Dairy Division's (FDD's) process for conducting inspections of food establishments. The inspections are commonly referred to as evaluations by FDD and the food establishments.

We mailed the survey to a random sample of 200 food establishments from FDD's listing of active wholesale food processors, food warehouses, limited wholesale food processors, and retail food establishments. We received 64 responses from the 200 food establishments surveyed, a response rate of 32%.

The responses indicated that 86% of the respondents were satisfied or very satisfied with the food establishment evaluation process and that 84% of the respondents agreed with the conclusions reached by the inspector.

Following is a summary of the survey results, including the number and percentage of responses received for each question. The total number of responses for each question may not equal the 64 respondents because some respondents did not answer all items or were not required to answer all items. Also, because we did not include survey questions in our report that asked for respondent comments, there are breaks in the sequence of questions.

FOOD AND DAIRY DIVISION
Michigan Department of Agriculture and Rural Development

Summary of Survey Responses for Food Establishments

Number of surveys mailed	200
Number of responses	64
Response rate	32%

	Number of Responses	Percentage of Total Responses
3. Did the inspector identify himself or herself?		
a. Yes	54	84.4%
b. No	0	0%
c. I did not see or speak with the inspector.	3	4.7%
d. Someone else was involved with this evaluation.	2	3.1%
4. Did the inspector explain the reason(s) for the evaluation?		
a. Yes	53	82.8%
b. No	1	1.6%
c. I did not see or speak with the inspector.	3	4.7%
d. Someone else was involved with this evaluation.	2	3.1%
5. Please indicate the type of evaluation completed.		
a. New license	11	17.2%
b. Routine	43	67.2%
c. Follow-up	2	3.1%
d. Investigation	2	3.1%
6. Please indicate how the completed evaluation report was given to you.		
a. In person	48	75.0%
b. Left at food establishment	2	3.1%
c. Sent by mail	3	4.7%
d. Did not receive an evaluation report	3	4.7%
e. Other (please describe)	4	6.3%
7. Please provide your opinion of the inspector's knowledge of the food industry.		
a. Very knowledgeable	51	79.7%
b. Somewhat knowledgeable	4	6.3%
c. Not knowledgeable	1	1.6%

	Number of Responses	Percentage of Total Responses
9. Which of the following best describes your satisfaction with the evaluation process?		
a. Very satisfied	40	62.5%
b. Satisfied	15	23.4%
c. Dissatisfied	0	0%
d. Very dissatisfied	0	0%
10. Were any violations identified during the last evaluation?		
a. Yes	19	29.7%
b. No	38	59.4%
12. Do you agree with the conclusions reached by the inspector?		
a. Yes	54	84.4%
b. No	0	0%
14. Did the inspector provide recommendations and information for how the violation(s) could be corrected?		
a. Yes	22	34.4%
b. No	0	0%
c. Violations were not identified during this evaluation.	28	43.8%
15. Do you feel that the inspector considered the feedback you provided when developing his or her conclusions?		
a. Yes	44	68.8%
b. No	0	0%
16. Did the inspector adequately explain his or her findings to you at the close of the evaluation so that you understood what was found?		
a. Yes	45	70.3%
b. No	3	4.7%
17. If you responded "No" to Question 16, please select the most applicable statement(s) to explain why the inspector did not explain the findings.		
a. The violations were difficult to understand.	0	0%
b. The violations required additional follow-up with MDARD or others to determine how to correct.	0	0%
c. The inspector did not speak with anyone from the food establishment.	1	1.6%
d. Other (please explain)	1	1.6%
18. Please select the statement that best describes how you feel about the frequency that your food establishment is evaluated.		
a. Too frequently	0	0%
b. Often enough	52	81.3%
c. Not frequently enough	1	1.6%

GLOSSARY

certified industry field representative (CIFR)	A dairy industry employee who is trained and certified to conduct official grade A dairy farm inspections in the same manner that an MDARD inspector would inspect a dairy farm.
DFIS	Dairy Farm Inspection System.
effectiveness	Success in achieving mission and goals.
effectiveness check	A verification process that a recalling business is conducting the recall effectively, i.e., that the business is locating, retrieving, and controlling the product and that the product that is recalled does not remain available to consumers.
extended retail food establishment	A retail grocery that serves or provides an unpackaged food for immediate consumption and provides customer seating in the food service area.
FDA	U.S. Food and Drug Administration.
FDD	Food and Dairy Division.
foodborne illness	A disease acquired through eating or drinking contaminated food or liquids. The Centers for Disease Control and Prevention estimates that one of six Americans gets sick, 128,000 are hospitalized, and 3,000 die from foodborne illness annually.
food establishment	An operation where food is processed, packed, canned, preserved, frozen, fabricated, stored, prepared, served, sold, or offered for sale.
food product recall	A voluntary removal of distributed food products from commerce when there is a reason to believe such products

	are adulterated or misbranded under the provisions of applicable state and federal laws.
food service establishment	A fixed or mobile restaurant, coffee shop, cafeteria, sandwich shop, tavern, bar, industrial feeding establishment, private organization serving the public or similar place in which food or drink is prepared for direct consumption through service on the premises or elsewhere, and any other eating or drinking establishment or operation where food is served or provided for the public.
food warehouse	A food establishment that stores or distributes prepackaged food for wholesaling.
FSIS	Food Safety and Inspection Service.
FTE	full-time equated.
LHD	local health department.
License 2000	The electronic license processing system that maintains application, licensing, and accounting information for food establishments. Licensing technicians within MDARD's Central Licensing Unit use License 2000 to process new license applications, finalize licenses that have been approved by FDD inspectors, renew licenses, and monitor fees in coordination with MDARD's Accounting Services.
limited wholesale food processor	A wholesale food processor that has $25,000 or less in annual gross wholesale sales.
material condition	A reportable condition that could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.

MDARD	Michigan Department of Agriculture and Rural Development.
Michigan Public Health Institute	An organization that partners with the Department of Community Health, the Department of Environmental Quality, and MDARD to identify and promote the implementation of public health standards for LHDs and to evaluate and accredit the LHDs on their ability to meet these standards.
MI-Inspector	The electronic food inspection system used by FDD to capture inspection, consumer complaint, seizure, and enforcement information for food establishments. This system, implemented in September 2011, replaced a previous system known as eInspector.
mission	The main purpose of a program or an entity or the reason that the program or the entity was established.
mobile food establishment	A food establishment operating from a vehicle or watercraft that returns to a licensed commissary for servicing and maintenance at least once every 24 hours.
mobile food establishment commissary	An operation that is capable of servicing a mobile food establishment.
NSDI	next scheduled date of inspection.
Pasteurized Milk Ordinance (PMO)	Regulations approved by the FDA governing the design and maintenance of dairy farms and processing plants to make sanitation and milk quality uniform across state lines.
performance audit	An audit that provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program

	performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.
reportable condition	A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the audit objectives; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.
retail food establishment	An operation that sells food directly to a consumer. Retail food establishments include both retail grocery and food service establishments but do not include food processing plants.
risk factor	A rating assigned to a food establishment based on the potential and inherent food safety risk associated with the establishment.
single service facilities	single service container and closure manufacturing facilities.
special transitory food unit	A temporary food establishment that is licensed to operate throughout the State without the 14-day limit or a mobile food establishment that is not required to return to a commissary.
temporary food establishment	A food establishment that operates at a fixed location for a temporary period not to exceed 14 consecutive days.
wholesale food processor	An operation that processes, manufactures, packages, or labels food for wholesaling.

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STATE OF MICHIGAN

OFFICE of the AUDITOR GENERAL