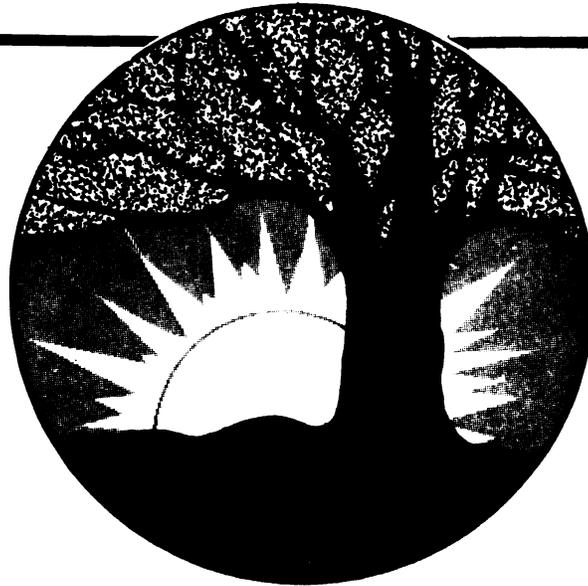


# PERFORMANCE AUDIT

Department of Agriculture  
March 2009



Justin P. Wilson  
Comptroller of the Treasury



State of Tennessee  
Comptroller of the Treasury  
Department of Audit  
Division of State Audit

*Arthur A. Hayes, Jr., CPA, JD, CFE*  
Director

*Deborah V. Loveless, CPA, CGFM*  
Assistant Director

*Dena Winningham, CGFM*  
Audit Manager

*Jennifer M. McClendon,*  
*CGFM, CFE*  
In-Charge Auditor

*Amy Abbott, CGFM, CFE*  
*Jim Harrison*  
*Nick Hudson*  
Staff Auditors

*Amy Brack*  
Editor

Comptroller of the Treasury, Division of State Audit  
1500 James K. Polk Building, Nashville, TN 37243-1402  
(615) 401-7897

Performance audits are available on-line at [www.comptroller1.state.tn.us/RA\\_SA/](http://www.comptroller1.state.tn.us/RA_SA/).  
For more information about the Comptroller of the Treasury, please visit our website at  
[www.tn.gov/comptroller/](http://www.tn.gov/comptroller/).



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF STATE AUDIT

SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7897  
FAX (615) 532-2765

March 10, 2009

The Honorable Ron Ramsey  
Speaker of the Senate  
The Honorable Kent Williams  
Speaker of the House of Representatives  
The Honorable Jack Johnson, Chair  
Senate Committee on Government Operations  
The Honorable Susan Lynn, Chair  
House Committee on Government Operations  
and  
Members of the General Assembly  
State Capitol  
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is the performance audit of the Department of Agriculture. This audit was conducted pursuant to the requirements of Section 4-29-111, *Tennessee Code Annotated*, the Tennessee Governmental Entity Review Law.

This report is intended to aid the Joint Government Operations Committee in its review to determine whether the Department of Agriculture should be continued, restructured, or terminated.

Sincerely,

Arthur A. Hayes, Jr., CPA  
Director

AAH/dww  
08-055

State of Tennessee

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Performance Audit  
Department of Agriculture  
March 2009

---

## AUDIT OBJECTIVES

The objectives of the audit were to review the Department of Agriculture's performance measures and the extent to which the department is meeting its measures; the department's Continuity of Operations Plan; the firefighter physical fitness standards; the department's contract with Garrison Enterprises for a management information system for the Division of Regulatory Services; the Animal Health Section's mandatory and non-mandatory investigations; the individual work plans for the staff of the Division of Market Development; the division's follow-up on grants it has disbursed to farmers; and the department's compliance with Title VI of the Civil Rights Act of 1964.

## FINDINGS

### **The Pesticide Section Still Lacks an Efficient Computer System That Would Help Management Ensure That All Pest Control Businesses Have Been Inspected and Complaint Investigations Are Completed in a Timely Manner**

The section's three computer information systems do not interact with each other, making it difficult for the staff to track the frequency of pest control business inspections and analyze other pertinent management data. Adequate management information is essential to ensure appropriate monitoring of pest control businesses and resolution of complaints (page 8).

### **The Department's Continuity of Operations Plan Lacks Principal Elements Critical to Ensuring the Department Can Resume Functioning and Performing Essential Duties in the Event of a Disruption of Normal Operations**

The department has not defined critical business functions or clearly specified plans for using and preparing for alternate locations in its continuity of operations plan for use in case of disaster. Also, the plan did not have pertinent documentation for implementation. Without a clear emergency plan, the department may not be able to

fulfill its functions essential to helping protect the health and safety of Tennesseans (page 12).

**The Department Lacks the Policy Necessary to Avoid Inconsistencies in Documentation Submitted for Firefighter Work Capacity Test Results**

The department requires all full-time firefighters hired after August 2004 to pass a work capacity test as a condition of employment. However, forestry districts do

not report the same information about firefighter work capacity tests, making central office verification of the test results difficult. The department's policy does not address what information is on the tests and what test results the districts should send to the central office. Without a policy requiring the consistent submission of full documentation that the test was taken and the individual results, management cannot verify the results (page 16).

## **OBSERVATIONS AND COMMENTS**

The audit also discusses the following issues: weaknesses in some divisions' performance measures; delays with a new information system for the Regulatory Services Division; the Animal Health Section's need for policies requiring completed and signed inspection forms and requiring management's review of these forms; and the verification process for the Tennessee Agriculture Enhancement Program (page 21).

# Performance Audit Department of Agriculture

---

## TABLE OF CONTENTS

---

	<u>Page</u>
<b>INTRODUCTION</b>	1
Purpose and Authority for the Audit	1
Objectives of the Audit	1
Scope and Methodology of the Audit	2
History and Statutory Responsibilities	2
Revenues and Expenditures	7
<b>FINDINGS AND RECOMMENDATIONS</b>	8
1. The Pesticide Section still lacks an efficient computer information system that would help management ensure that all pest control businesses have been inspected and complaint investigations are completed in a timely manner	8
2. The department's Continuity of Operations Plan lacks principal elements critical to ensuring the department can resume functioning and performing essential duties in the event of a disruption of normal operations	12
3. The department lacks the policy necessary to avoid inconsistencies in documentation submitted for firefighter work capacity test results	16
<b>OBSERVATIONS AND COMMENTS</b>	21
Weaknesses in Some Divisions' Performance Reporting and Performance Measures	21
New Information System for the Regulatory Services Division Delayed	24
The Animal Health Section Needs Policies Requiring Completed and Signed Inspection Forms and Requiring Management's Review of These Forms	25
Description of the Tennessee Agriculture Enhancement Program Verification Process	28

---

**TABLE OF CONTENTS (CONT.)**

---

	<u>Page</u>
<b>RECOMMENDATIONS</b>	29
Administrative	29
<b>APPENDIX</b>	30
Title VI Information	30

# **Performance Audit Department of Agriculture**

---

## **INTRODUCTION**

---

### **PURPOSE AND AUTHORITY FOR THE AUDIT**

This performance audit of the Tennessee Department of Agriculture was conducted pursuant to the Tennessee Governmental Entity Review Law, *Tennessee Code Annotated*, Title 4, Chapter 29. Under Section 4-29-229, the Department of Agriculture was scheduled to terminate June 30, 2008, and is currently in wind down, pending legislative action. The Comptroller of the Treasury is authorized under Section 4-29-111 to conduct a limited program review audit of the agency and to report to the Joint Government Operations Committee of the General Assembly. The audit is intended to aid the committee in determining whether the Department of Agriculture should be continued, restructured, or terminated.

### **OBJECTIVES OF THE AUDIT**

The objectives of the audit were

1. to review the Department of Agriculture's performance measures and to determine the extent to which the department is meeting its measures, the appropriateness of the measures, and (to the extent possible) the accuracy of the data being reported in the performance measures;
2. to review the department's Continuity of Operations Plan to determine the department's preparedness for a disaster;
3. to review the Fire Fighter Physical Fitness Standards and results from the beginning of the program in August 2004;
4. to review the department's contract with Garrison Enterprises for a management information system for the Division of Regulatory Services;
5. to review the Division of Regulatory Services' Animal Health Section to determine the section's definition of inspection, investigation, and mandatory and non-mandatory investigations;
6. to review the individual work plans for the staff of the Division of Market Development;
7. to determine how the division follows up on grants it has disbursed through the Tennessee Agriculture Enhancement Program; and

8. to determine the department's compliance with Title VI of the Civil Rights Act of 1964.

## **SCOPE AND METHODOLOGY OF THE AUDIT**

The activities of the Department of Agriculture were reviewed for the period August 2004 to March 2008. The audit was conducted in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included

1. review of applicable legislation, rules, and department policies and procedures;
2. examination of the department's files, reports, and other performance data;
3. examination of the entity's records, reports, and information summaries; and
4. interviews with department staff and staff of other state agencies that interact with the agency.

## **HISTORY AND STATUTORY RESPONSIBILITIES**

In 1854, the Bureau of Agriculture was organized as the first state agency in Tennessee. The bureau's purpose was to promote agriculture through fairs and livestock shows. In the 1890s, the agency began using the name Tennessee Department of Agriculture.

The mission of the Tennessee Department of Agriculture is to serve the people of Tennessee by promoting wise uses of agricultural and forest resources, developing economic opportunities, and ensuring safe and dependable food and fiber. The department provides an array of consumer services from food safety and product quality assurance to pesticide regulation and environmental monitoring. The department's traditional mission to promote agriculture has evolved to include domestic and international marketing, agribusiness recruitment, market news, and livestock grading services.

In fiscal year 2006-2007, the department had 900 staff positions (661 full-time and 239 part-time/seasonal). The department's revenues and expenditures are shown in the tables on page 7.

The Department of Agriculture is organized into four divisions: Administration, Regulatory Services, Market Development, and Forestry. (See organization chart on the following page.)

**DEPARTMENT OF AGRICULTURE  
ORGANIZATION CHART  
June 30, 2008**



## Division of Administration

The Division of Administration provides budgetary, legal, human resources, and communications support to help department staff achieve program goals and objectives in an efficient and cost-effective manner. Staff members also work with legislators and industry to ensure programs have adequate statutory authority, staffing, and clerical support. The following programs are also overseen by the Division of Administration:

- *Boll Weevil Eradication Program* – The program delivers economic and environmental benefits of reduced cotton insecticide use and increased yields for the state’s cotton growers. The Tennessee Boll Weevil Eradication Program is part of a nationwide effort to rid the cotton belt of the most costly insect in the history of American agriculture. Between 1892 and 1950, the boll weevil cost U.S. cotton producers \$10 billion.
- *Commodity Distribution* – The department administers the USDA’s food distribution program for the National School Lunch Program. The food distribution program supports American agriculture while providing nutritious food to schoolchildren. The department also administers the Emergency Food Assistance Program, which supplements the diets of people with low incomes.
- *Water Resources* – The Agricultural Resources Conservation Fund provides grants to help landowners install Best Management Practices to improve water quality. Water Resources also covers the federally funded nonpoint source program or 319 Program. The goal of this program is to remove rivers and streams from the state’s list of impaired waters. The division reviews all nutrient management plans associated with the federal permitting program for Concentrated Animal Feed Operations (CAFO). The Tennessee Department of Environment and Conservation administers CAFO.

## Division of Market Development

Market Development’s services span from traditional producer programs to industry development and international trade missions, with the aim to build farm income. Developing Tennessee’s agricultural industries is also a primary focus of Market Development. Current priorities focus on energy projects, ethanol, and bio-diesel. The department coordinates its efforts with the state Department of Economic and Community Development.

International marketing efforts build bridges of opportunity between Tennessee producers/processors and world markets.

Market Development has ongoing programs for the domestic marketing of organics, processed foods, aquaculture, equine, wineries, horticulture, livestock, hay, ratites, fruits and vegetables, and direct farm marketing, popularly referred to as agritourism.

The department helps fund agriculture fairs, livestock shows, agricultural youth organizations, and other programs promoting agriculture or providing agricultural education.

The Tennessee Agricultural Museum is the department's outreach program to provide school children and adults with an appreciation for agriculture's important past and current contributions.

### Division of Regulatory Services

The Division of Regulatory Services monitors agricultural raw materials, products, and services to assure quality, consumer protection, public safety, and a fair marketplace.

The division

- works to control animal diseases;
- certifies nursery, greenhouse, and plant dealers to ensure healthy, pest-free plant material in interstate and international trade;
- registers pesticides, certifies applicators, monitors groundwater quality, and inspects pest control businesses;
- inspects dairy farms, plants, milk transport trucks, dairy and trade product distributors, and milk samplers, and registers dairy products;
- analyzes the quality of feeds, seeds, and fertilizers;
- inspects retail food stores, food manufacturers, warehouses, and distributors;
- enforces bottled water regulations;
- performs custom slaughter-house inspections, and hazardous substance inspections and labeling;
- enforces state laws prohibiting the sale of tobacco products to minors;
- tests weighing and measuring devices such as fuel pumps, scales, and liquid propane gas meters for accuracy;
- inspects net quantity on packaged products and price verifications;
- ensures the accuracy of mass and volume standards; and
- supports animal diagnostics, food microbiology, toxicology, food residue, environmental monitoring, and quality assurance for agricultural inputs such as feed, seed, and fertilizers.

The Division of Regulatory Services consists of the following Sections: Animal Health; Plant Certification; Pesticides; Ag Inputs (Dairy; Feed, Seed, and Fertilizer); Food and Dairy; Petroleum Quality; Weights and Measures; and Laboratory Services.

## Division of Forestry

Forestry promotes the wise use of forest resources by helping landowners, fighting fires, providing quality seedlings, monitoring insects and diseases, improving urban forests, managing state forests, protecting water quality, and collecting forest inventory data.

### The division

- advises private, non-industrial landowners on sustainable forestry practices;
- fights wildland fires, trains volunteer fire departments, and issues burning permits;
- enforces fire laws and teaches the public fire safety;
- grows millions of pine and hardwood seedlings at division nurseries for use in timber production, wildlife habitat, and erosion control;
- monitors insect pests;
- provides information to the public and takes action to control or slow the spread of certain forest pests;
- administers federal grants and provides technical assistance for urban foresters;
- manages state forests for multiple benefits including recreation, wildlife, unique features, timber, and water quality;
- monitors the demand for roundwood and the total volume of timber harvested on private lands; and
- works with the Tennessee Department of Environment and Conservation to monitor compliance with state water quality regulations and trains loggers in the use of best management practices.

Certified inventory foresters take detailed measurements of tree growth, quality, health, and use for an annual update on the condition of Tennessee's forests.

## REVENUES AND EXPENDITURES

### Statement of Revenues and Expenditures Revenues by Source For the Fiscal Year Ending June 30, 2007

<i>Source</i>	<i>Amount</i>	<i>% of Total</i>
State	\$54,636,000	68.4%
Federal	12,217,900	15.3%
Other	13,017,500	16.3%
<b>Total Revenue</b>	<b>\$79,871,400</b>	100.0%

Source: The Budget 2008-2009.

### Statement of Revenues and Expenditures Expenditures by Account For the Fiscal Year Ending June 30, 2007

<i>Account</i>	<i>Amount</i>	<i>% of Total</i>
Payroll	\$36,137,200	45.2%
Operational	43,734,200	54.8%
<b>Total Expenses</b>	<b>\$79,871,400</b>	100.0%

Source: The Budget 2008-2009.

### Budget and Anticipated Revenues For the Fiscal Year Ending June 30, 2008

<i>Source</i>	<i>Amount</i>	<i>% of Total</i>
State	\$94,085,100	82.4%
Federal	11,292,500	9.8%
Other	8,855,300	7.8%
<b>Total Revenue</b>	<b>\$114,232,900</b>	100.0%

Source: The Budget 2008-2009.

---

## FINDINGS AND RECOMMENDATIONS

---

- 1. The Pesticide Section still lacks an efficient computer information system that would help management ensure that all pest control businesses have been inspected and complaint investigations are completed in a timely manner**

### Finding

The department's Pesticide Control Section regulates all pest-control businesses in Tennessee under Title 62, Chapter 21, of *Tennessee Code Annotated* and regulates all pesticides under Title 43, Chapter 8, of *Tennessee Code Annotated*. Inspections are the main instrument used in regulating pest control businesses and pesticide use. The department is authorized by Section 62-21-118, *Tennessee Code Annotated*, to "enter any place during normal business hours where pesticides are used or stored for the purposes of inspection, sampling, or observation." The broad scope of the inspection statute and the need for regular pesticide user inspections result in the section performing a number of different types of inspections. These inspections include but are not limited to pest control businesses, businesses that sell pesticides, restricted-use pesticide dealers, producers of pesticides, and some private users of pesticides such as farmers.

The April 1998 performance audit of the department found that management's information on the monitoring of pest-control businesses was inadequate. The department concurred and stated that staff intended to house case files in the main office, develop policies (e.g., how to manage case files), upgrade work documentation of field staff, and implement a case-tracking system.

However, the February 2004 performance audit determined that weaknesses still existed. Section management did not have adequate systems in place to ensure the routine inspection of all pest-control businesses. In addition, section management still did not have sufficient information to ensure that pest-control-related complaints were handled efficiently. Adequate management information is essential to ensure appropriate monitoring of pest control businesses. The department again concurred and stated that in July 2002, after the Environmental Protection Agency discontinued the required use of its compliance activity tracking information system, the Department of Agriculture's Information Systems (IS) Section converted the existing federal system to a state system. The system conversion of the Compliance Activity Tracking System (CATS) took from July to August 2002. In October 2002, the section began generating reports using this system; however, the system was not fully implemented until April 2006. The IS Section also began focusing on converting the complaint-tracking database to a Web-based system allowing easy access to information that would assist inspectors as well as the industry. This process began in September 2004 and was implemented in April 2006.

Our current review of the Pesticide Control Section revealed some improvements since the last audit, most notably, a Consumer Complaint Tracking System (CCT) and the establishment of a 90-day performance measure in fiscal year 2005 to handle pesticide complaints. While improvements have been made, we still found weaknesses in the computer information systems used to track complaints and inspections and their timeliness. The Pesticide Control Section lacks an integrated computer information system that would ensure that all pest control businesses have been inspected and that complaint investigations are completed in a timely manner.

### Weaknesses in Computer Information Systems

The section's three computer information systems do not facilitate efficient tracking of inspections and complaint investigations. The section uses three different computer systems to track the data captured from the various types of inspections and complaint investigations:

- A Web-based browser system stores a listing of pest control operators.
- Tennessee Compliance Activity Tracking System (TCATS) stores inspection data.
- Consumer Complaint Tracking System (CCT) stores initial complaint information; however, if the complaint results in an investigation, the investigation data are entered into TCATS.

These three systems do not interact with each other, making it difficult for the section staff to track the frequency of pest control business inspections and analyze other pertinent management data. Since the complete list of pest control operators is stored on the Web-based browser system and the inspection data are stored on TCATS, and these two systems do not interact, the only way to determine if the 1,355 pest control companies have been inspected is by hand via hard copies of the data. (There are 23,202 commercial and private pesticide applicators in the state.)

Since the complaint information is initially recorded on the CCT system and the data from the investigation of the complaint are recorded in TCATS, the only way to calculate the amount of time it takes to complete the complaint investigation is to manually compare the date the complaint was received in the CCT and the date the investigation was completed in TCATS. In fiscal year 2007, the section's program performance report showed that 88%, or 76 of their 86 complaint investigations, were completed within 90 days, leaving only 10 that were not complete in 90 days. However, when we independently reviewed a random sample of 28 of the 86 complaints that year, we found that 12, or 43% of the randomly sampled investigations, were not completed in 90 days, meaning the numbers reported by the section for fiscal year 2007 are not accurate. We also reviewed files for fiscal years 2005 and 2006. Our random review of 30 files for fiscal year 2005 found that 52% of the investigations were completed within 90 days; our review of 28 files for fiscal year 2006 found that 46% of the investigations were completed within 90 days. In fiscal year 2005, the Pesticide Control Section reported that 68% of its complaint investigations were completed in 90 days. In fiscal year 2006, the section reported that 100% of its complaint investigations were completed in 90 days.

Our file review also found other problems with the set-up and accuracy of the TCATS system:

- routine inspections were sometimes mislabeled as complaint inspections; and
- case file numbers and names in the database sometimes did not match the case file number and name on the hard copy file.

As of June 2008, when field staff perform an inspection or investigation, they send the completed paper case file to the Nashville office, where it is entered into the computer system by other staff. In April 2008, the section started a pilot program in which three inspectors have tablet personal computers they use to directly record inspections in the field. These inspectors can then send the data electronically over a wireless network to the databases automatically. The pilot program could lead to better tracking of the status of a case file and fewer resources being used to enter the files into the system. However, according to department management, the pilot program will be not expanded to other inspectors because of budget constraints.

Although there is no statutory requirement regarding the frequency of pesticide inspections, regular inspections are important. But the department has no policies regarding regular inspections. There are 1,355 pesticide companies and 23,202 pesticide applicators in the state and only 24 inspectors. Failure to routinely inspect all pest control businesses or to adequately investigate complaints gives unscrupulous owners more of an opportunity to falsify records, perform incomplete or inadequate pest control treatments, and employ fewer than the required number of licensed applicators. These deficiencies could result in poor service to customers, as well as severely damaging their property or negatively affecting their health or the environment.

### **Recommendation**

The Department of Agriculture's Information Systems Section should work with the Pesticide Control Section to revise the way the inspection data and pest control business listings are stored in the databases to ensure the three systems communicate with each other to ensure efficient tracking of inspections and complaint investigations.

The department should ensure that information reported for its annual program performance report is accurate.

The department should implement policies regarding the frequency of pesticide inspections.

If the pilot program is successful, the section should fully implement the tablet personal computer program for all section inspectors.

## Management's Comment

We concur in part. We concur that improvements do need to be made, both procedurally and/or technically, for each information system database to provide more accurate, timely information. We believe that integration of the CCT and TCAT systems will improve the efficiency of those two systems, which were designed for separate but related functions.

The CCT (Consumer Complaint Tracking System) is the system used to track all complaints and ensure that inspectors contact the complainant within 24 hours (as outlined in the TDA Pesticide Inspector SOP) regarding each health and environmental complaint received. The date the complaint is entered into CCT does not mean that an investigation has been initiated. Investigations are not opened until an inspector meets with a complainant and determines that an investigation is warranted. We concur that integrating the CCT and TCAT systems will allow for better management information to ensure that pesticide related complaints can be monitored and handled more efficiently. We have begun that process and expect to have it complete by May 1, 2009.

TCATS (Tennessee Compliance Activity Tracking System) is the system used for maintaining all routine inspections and investigations once they are initiated. We concur with the audit recommendation that the department should ensure that information reported in the annual program performance report is accurate. Performance numbers reported in the annual program performance report were inaccurate due to a procedural oversight. Previously, an investigation was not entered into TCATS at all until the investigation was complete. Consequently, investigations that had been initiated but not completed were not being tracked for timeliness during the course of the investigation. It was only after the investigation was complete that the "days to complete" was calculated. This resulted in some investigations that took longer than 90 days to not be reported during the appropriate time frame. As a result of the audit, this has been corrected and investigations are being entered into TCATS as soon as they are initiated. This will result in better management tracking of open investigations and also ensure accurate reporting.

We do not concur that integration of the Web-based Browser System with CCT and TCATS is necessary in order for it to perform its intended function efficiently. The browser system stores a listing of all chartered Pest Control Companies (Operators) operating in the state. A reporting mechanism is currently in place in TCATS, called "Due Inspection Report," to track the frequency of routine inspections on pest control companies. We agree that this information would be more relevant and useful if stored in the browser system. We are currently working with the Department's Information System Section to move that portion of the reporting capability to the browser system, specifically where the information for chartered pest control companies is located. We intend to have that change completed by May 1, 2009. At present, all of our inspectors do have access to the browser system.

We concur with the audit recommendation that we implement a written policy regarding the frequency of inspecting pest control companies to help ensure the routine inspection of all pest control companies. While there is no statutory requirement regarding the frequency of pest

control company inspections, the Pesticide Section has had a long-standing procedure of inspecting each pest control company once a year. A written policy has been developed and added to the SOP regarding the required annual inspection of all pest control companies.

We concur with the audit recommendation that the successful pilot program for using tablet PCs should be fully implemented. We will continue implementation as resources are available.

We would like to note that the most recent Environmental Protection Agency (EPA) Audit (Federal FY 07) of Tennessee's Pesticide Enforcement Program stated the following:

Conclusions and Recommendations for Compliance/Enforcement

The state continues to implement a sound pesticide enforcement program. Their commitment to training ensures inspectors have the necessary tools to complete their activities. Investigations were thorough and very well documented. Enforcement actions were consistent with the state's enforcement response policy. As mentioned above, TDA has made a commitment to ensure documentary samples are of high quality in enforcement case files.

---

**2. The department's Continuity of Operations Plan lacks principal elements critical to ensuring the department can resume functioning and performing essential duties in the event of a disruption of normal operations**

**Finding**

Executive Order 23 requires all state agencies to create and continually update a Continuity of Operations Plan (COOP) as set forth in the National Incident Management System. The COOPs are to ensure that agencies can resume functioning and performing essential duties in the event of a disruption of normal operations.

Section 58-2-108, *Tennessee Code Annotated*, requires each department to have an emergency services coordinator who is responsible for ensuring that the agency has a disaster preparedness plan that is reviewed by the applicable local emergency management agency and approved by the Tennessee Emergency Management Agency (TEMA). For the Department of Agriculture, the Information Systems Director updates the COOP annually. The Forestry Division has its own COOP which follows the template provided by the Federal Emergency Management Agency (FEMA). The Food Manufacturing Administrator in Regulatory Services and the Forest Protection Unit Leader in the Forestry Division have specific responsibilities to TEMA in the event of a natural disaster.

We reviewed the Continuity of Operations Plans the department submitted to the Department of Finance and Administration Office for Information Resources as part of its 2007 and 2008, three-year computer systems plans. The department also submits the plan to TEMA for review and approval. According to TEMA, a TEMA planner reviews the plan with the emergency services coordinator to ensure the plan is complete. TEMA had no concerns regarding Agriculture's COOP; however, we found that the plan does not always follow the FEMA Continuity of Operations Template. The department has not defined critical business functions or clearly specified plans for using and preparing for alternate locations in case of disaster. Further, certain administrative aspects of the plan are not covered. For example, there is no map to the off-site location in the plan, some information in the plan was left blank, the plan is not tested annually, and the divisions have not created their own "recovery boxes."

#### Necessary Planning Activities Not Done

According to FEMA's COOP Template Instructions, organizations should

1. identify all functions, then determine which must be continued under all circumstances;
2. prioritize essential functions;
3. establish staffing and resource requirements;
4. integrate supporting activities; and
5. develop a plan to perform additional functions as the situation permits.

The Department of Agriculture's plan provides that one of the COOP Team's first tasks is to assign a priority to each time-critical business activity identified by the COOP working group and department executive staff. The plan does not define items based on business activity or division; instead, the plan defines critical business functions as telephone service, e-mail connectivity, and computer access.

With regard to computer systems that would need to be restored, the plan lists the servers the department uses, but not the applications and databases on the servers. Only 2 of the 14 servers are listed as non-critical to have restored. When asked about a list of what was on each server, the Information Systems Director stated that the Office for Information Resources would have this data on its inventory lists. However, OIR staff stated that the department should maintain this information.

The plan requires the department's COOP Team to determine the scope of disasters and appropriate COOP scenarios. The plan states that the department could have one or more unusable buildings at Ellington Agricultural Center in Nashville so the department's plan of action will vary depending on scope of damage. The disaster plan lists scenarios and potential problems that would need to be resolved in the event of such disaster, but there is no plan of what to do in the event of these disasters. Per the FEMA COOP Instructions, there should be a section explaining the events following a decision to activate the COOP. This includes employee alert, notification procedures, and the implementation process.

The plan states that the Records Recovery Team is responsible for the initial appraisal of damage to the department's records in order to determine what type of assistance, facilities, and supplies are needed in order to carry out records recovery. The COOP also states that the team should prepare a diagram of each floor showing the location of file cabinets, shelving, or other storage units and the types of records located there to assist in finding records after a disaster. According to the Information Systems Director, to his knowledge, these diagrams have not been prepared and would need to be completed by each division. The FEMA COOP Instructions state that the organization's vital files, records, and databases which are necessary to perform essential functions and activities and restart normal operations after the emergency should be kept off-site and updated on a regular basis. There are three categories of records to be reviewed and prioritized, then transferred (either hard copy or electronic media) to an alternate location: Emergency Operations records, legal/financial records, and records used to perform national security preparedness functions and activities.

### Alternative Operating Location

The 2007 COOP lists two options for alternative sites: the Ed Jones Auditorium at Ellington Agricultural Center and the Cedars of Lebanon State Park Communication Facility. However, the Division of Forestry plans to use some of these sites in the event of an emergency, and the plan does not explain how all divisions could operate at the alternative locations. The FEMA COOP Template states that the alternative operating location section should explain the significance of identifying an alternative facility, the requirements for determining an alternate facility, and the advantages and disadvantages of each location. Senior managers should take into consideration the operational risk associated with each facility. Performance of a risk assessment is vital in determining which alternate location will best satisfy an organization's requirements. Alternate facilities should provide sufficient space and equipment; capability to perform essential functions within 12 hours, for up to 30 days; reliable logistical support, services, and infrastructure systems; consideration for health, safety, and emotional well-being of personnel; interoperable communications; and computer equipment and software. None of these items are addressed in the department's plan.

### Administrative Oversight

Administrative oversight of the plan should include ensuring that all aspects of the plan are complete. There is a note in the 2007 plan to insert a map to the Nashville Office and the Cedars of Lebanon State Park, but the plan did not have such a map. The 2008 plan changed the alternative locations, but again, the plan had no maps to these locations.

A document in both the 2007 and 2008 plan provides space to complete (by function) work area requirements such as how many desks, chairs, file cabinets, phone equipment, etc., but the document is blank. The Information Systems Director stated that the individual divisions or sections should complete the document.

The phone tree listed in the 2007 and 2008 plans does not list all departmental employees and is not tested annually. The department's COOP Phone Tree lists only the names of the staff on teams (22) outlined in the plan and not all employees of the agency (902). According to the FEMA COOP Template, testing, training, and exercises should be a part of the plan. This allows staff members to familiarize themselves with their roles and responsibilities during an emergency, ensure that systems and equipment are maintained in a constant state of readiness, and validate certain aspects of the plan.

The 2007 and 2008 plans require the location and contents of each division's "recovery box" to be described, but this part of the plan is blank. This box should contain specific items that the division would need if the building were not accessible such as copies of policies, procedures, and manuals; a list of department staff and external contacts; and supplies. The Information Systems Director stated that this would be for the individual divisions to complete.

The Department of Agriculture's mission is "to serve the citizens of Tennessee by promoting wise uses of our agricultural and forest resources, developing economic opportunities, and ensuring safe and dependable food and fiber." The Division of Regulatory Services has responsibilities from sampling the quality of feeds, seeds, and fertilizers to protecting livestock health, registering pesticides, and inspecting dairy farms. These and other regulatory services ensure the integrity of the state's food chain. There are two laboratories on the Ellington Agricultural Center's campus whose tests help safeguard the health and safety of Tennesseans. The department may not be able to fulfill all of its responsibilities without a clear plan of what to do in the event that the department facilities, including the labs, are severely damaged or destroyed.

### **Recommendation**

The department should follow the FEMA COOP Template. Each division should have a COOP that is compiled into one for the entire department. Each division should determine a priority list for the functions it performs. The department should then take each division's priority list and determine a departmental priority list to restore functionality to each division. Each division should ensure its part of the plan and phone tree is updated and changed as necessary.

The Continuity of Operations Team should coordinate the divisions' efforts in developing their own plans and ensure the department's plan is updated and tested annually. Coordination should also include ensuring alternate locations do not overlap between divisions and are appropriately wired and prepared for immediate use in the event of a disaster.

Management of each division should ensure that appropriate documents have been assembled into a recovery box stored off-site. At a minimum, the recovery box should contain copies of up-to-date policies, procedures, manuals, and forms that would be needed immediately. The box should also include a current list of employees, customers, vendors, contractors and their contact information, and any supplies that would be needed immediately.

The Records Recovery Team should ensure that each division prepares diagrams of its building that include the location of pertinent records.

The department should consider additional training for staff having specific responsibilities in developing the COOP as well as team members. This training can be provided by FEMA upon request.

### **Management's Comment**

We concur. We have begun the process to transition to the Federal Emergency Management Agency (FEMA) Continuity of Operations Plan (COOP) Template. Each division will provide input to ensure that critical elements are included in the COOP for the department.

We recently received approval from the United States Department of Agriculture to utilize the USDA Service Center located in the Lane Agri-Park in Murfreesboro, Tennessee, as our off-site administrative alternate operating location. We currently conduct pesticide license testing in the facility and have made an initial visit to determine additional infrastructure to accommodate activities and personnel identified in our COOP.

The Division of Regulatory Services is in the process of identifying essential laboratory functions and developing a COOP for the Porter and Ivy Laboratories.

Our goal is to have our COOP completed in the FEMA format by July 1, 2009.

---

### **3. The department lacks the policy necessary to avoid inconsistencies in documentation submitted for firefighter work capacity test results**

#### **Finding**

The Department of Agriculture employs over 400 full-time, part-time, and seasonal individuals qualified to fight forest fires in Tennessee. Fighting fires demands a high level of fitness to safely perform arduous, day-long work in difficult conditions, including extreme temperatures and smoke. A U.S. Forest Service study showed that physically fit workers perform better and recover quicker in difficult conditions. A firefighter's physical capabilities may affect the chance and/or the frequency of accidents, injuries, medical expenses, productivity losses, and administrative costs.

Forestry districts do not report the same information about firefighter work capacity tests, making central office verification of the test results difficult. Although information provided by the districts shows that all firefighters required to pass (as a condition of employment and

annually thereafter) do pass, the central office needs better information verifying the results to ensure their reliability.

Previous performance audits in 1998 and 2004 found that the Division of Forestry did not require firefighting personnel to achieve minimum fitness levels. However, the division did establish testing requirements in August 2004. The testing policy requires all full-time firefighters hired after August 1, 2004, to take the moderate (field) level of the U.S. Forest Services Work Capacity Test (WCT) as a condition of employment. The field test consists of a two-mile hike with a 25-pound pack in 30 minutes. Some firefighters opt to take the more arduous pack test to qualify to help fight wildfires in western states. The pack test consists of a three-mile hike with a 45-pound pack over level terrain in 45 minutes. Since this test is more arduous than the department’s policy requires, those taking this test are not required to take both tests.

Employees hired prior to August 1, 2004, are not required to pass the test as a condition of employment, but these employees must participate in the test. The policy defines participation as a good-faith effort to complete the requirements of the WCT to the best of the employee’s ability. The following table shows how the program was to be phased in for existing employees.

<b>Year</b>	<b>Fitness Level</b>
2005	Walk 1 mile in 16 minutes or less with no pack (Walk Test).
2006	Walk 2 miles in 30 minutes or less with no pack.
2007*	Walk 2 miles in 30 minutes or less with a 15 lb pack
2008	Walk 2 miles in 30 minutes or less with a 25 lb pack (Moderate Test).

\*In 2007, some employees hired prior to August 1, 2004, were confused and repeated the test with no pack. The agency believes this issue has been clarified for the 2008 tests.

### Inconsistencies in Documentation

The districts vary in the type of information sent to the central office to confirm the testing results. Some districts submit test verification forms which list the employee’s name, test date, test type, and the time taken to complete the test and are signed and dated by the district forester. Other districts send a list of participants and their times, while others just send in a list of participants. One reason for the inconsistency could be that the policy does not address what information the districts should send. (The forms were created after the policy was implemented.)

We reviewed the files the Nashville office keeps regarding the work capacity tests for calendar years 2005, 2006, and 2007. For the three years we reviewed, Districts 1 and 2 consistently submitted a work capacity test verification document for those required to take the test as a condition of employment; however, Districts 3, 4, 5, and 6 did not consistently submit the work capacity test verification document, and the documentation these districts did submit was also inconsistent between years. (See the map of the districts on the following page.)

# Department of Agriculture Forestry Districts



- In 2005, Districts 3, 4, 5, and 6 submitted lists of those participating in or completing the test with no times listed.
- In 2006, District 3 submitted a list of participants with their times while Districts 4, 5, and 6 simply submitted lists of those participating in or completing the test.
- In 2007, Districts 3, 4, 5, and 6 again simply submitted lists of those having completed the test.

In 2007, District 1 also submitted work capacity test verification forms for those employed prior to August 2004 required to participate in the test (but not complete it in a certain amount of time). These forms simply noted the number of laps completed and the weight of any pack carried.

Table 1 below shows the number of firefighters required to take the test as a condition of employment and the number of individual times reported. With the data from the reported times, we calculated average times for the pack and field tests in Table 2.

**Table 1**  
**Number of Test Times Reported for Employees Hired After August 1, 2004,**  
**Who Are Required to Pass the Work Capacity Test**

District	Calendar Year 2005			Calendar Year 2006			Calendar Year 2007		
	Number required to pass test	Number of times reported	%	Number required to pass test	Number of times reported	%	Number required to pass test	Number of times reported	%
1	48	48	100%	59	53	90%	54	39	72%
2	36	34	94%	43	40	93%	59	43	73%
3	12	5	42%	16	15	94%	11	0	0%
4	24	4	17%	27	0	0%	23	0	0%
5	8	4	50%	8	0	0%	8	0	0%
6	8	6	75%	11	0	0%	8	0	0%
<b>Total</b>	<b>136</b>	<b>101</b>	<b>74%</b>	<b>164</b>	<b>108</b>	<b>66%</b>	<b>163</b>	<b>82</b>	<b>50%</b>

**Table 2**  
**Average Time by District for Pack and Field Tests(1)**

Dist.	Calendar Year 2005		Calendar Year 2006		Calendar Year 2007	
	Pack	Field	Pack	Field	Pack	Field
1	42 min. 24 sec.	28 min. 29 sec.	42 min. 18 sec.	28 min. 29 sec.	42 min. 21 sec.	26 min. 30 sec.
(2)2		28 min. 29 sec.	42 min. 22 sec.	28 min. 30 sec.	42 min. 10 sec.	26 min. 22 sec.
3		28 min. 29 sec.	39 min. 35 sec.	27 min. 41 sec.		

Note: (1) Districts 4, 5, and 6 did not submit test completion times.

(2) In 2005, no one in Districts 2 or 3 completed the pack test. In 2007, district 3 did not submit test times.

Without a policy requiring the consistent submission of full documentation that the test was taken and the individual results, the department will continue to receive a mix of information from each district. Keeping up with individuals' times can provide the department with a basis for improvement. For example, calculating an average time for the department and an average time by district would show improvement or decline of the district's and the department's ability to meet the test requirements.

### **Recommendation**

The Department of Agriculture's Division of Forestry should implement and consistently enforce a policy requiring each district to submit complete information on the work capacity test verification page including times of those required to pass the test as a condition of their employment. The department may wish to consider requiring documentation of laps completed for those employees who are required only to participate in the tests. This information could be used to determine improvement or decline in the physical abilities of the firefighting work force.

### **Management's Comment**

We concur. The Division of Forestry has developed a standardized Work Capacity Test (WCT) Verification Summary form that will be utilized by every district to record test results and to document statewide test results. The division is in the process of amending the WCT Policy to include Addendum #5 that states the WCT Verification Summary form will be completed and filed at each district office, and a copy will be forwarded to the Safety and Training Unit Leader in the central office at the conclusion of testing.

---

## OBSERVATIONS AND COMMENTS

---

### **WEAKNESSES IN SOME DIVISIONS' PERFORMANCE REPORTING AND PERFORMANCE MEASURES**

The Tennessee Government Accountability Act of 2002 (Section 9-4-5602, *Tennessee Code Annotated*) requires all agencies of state government to implement a system of strategic planning, performance-based budgeting, and performance audits to measure the effectiveness and efficiency of government services.

We reviewed the performance measures and performance reports for the four divisions of the Department of Agriculture. We found the Division of Forestry to have acceptable performance reporting and practices in place. The Division of Grants and Administration's performance measures did not cover all responsibility areas. The Division of Regulatory Services applies improper rounding practices in their performance reporting. The Division of Market Development's work plan measures do not clearly flow into the divisions externally reported performance measures.

#### Forestry

The Division of Forestry reviews and updates its performance measures annually. Once measures are set, the division maintains data on the measures quarterly. Some performance measure data for this division go back 40 years. The division considers performance measurement an ongoing process in which priorities can change depending on seasonal and situational factors. Though not all measures are reported externally, division staff monitor and update measures to ensure they encompass all aspects of the division's responsibilities and to help make management decisions.

#### Grants and Administration

The Division of Grants and Administration is responsible for coordinating the department's budget, legal, human resources, and information services areas. In addition, the division is responsible for coordinating the efforts of the Agriculture Crime Unit, the Boll Weevil Program, Commodity Distribution, the Water Resources Program, and providing reimbursement for Agriculture Enhancement Grants and Spay and Neuter Grants.

Currently, the division has six performance measures. Of these six measures, three cover the Water Resources Program, two cover Commodity Distribution, and one covers the Agriculture Crime Unit. The division has no other performance measures to cover the other functions such as human resources, legal, or budget areas. Without performance measures covering each area, management lacks some oversight tools necessary for decision making.

Management should, at a minimum, ensure that each aspect of the Division of Grants and Administration has internal performance measures. Internal performance measures can be used for decision-making and do not have to be reported in the budget document.

Regulatory Services

The Regulatory Services Division is composed of eight sections: Ag Inputs, Animal Health, Food and Dairy, Laboratory Services, Pesticides, Petroleum Quality, Plant Certification, and Weights and Measures. While some sections have their own individual performance measures, some data such as mandated and non-mandated inspections are combined for reporting purposes.

The Regulatory Services Division Administrative Manager provided a document showing that the number of mandated and non-mandated inspections assigned and completed for fiscal year 2006-2007. We found that the seven sections reported completing 44,095 mandated and 5,527 non-mandated inspections. However, a rounding practice used by the division would not allow reporting of more inspections completed than assigned so only 42,168 mandated and 4,380 non-mandated inspections were reported. Overall, mandated and non-mandated inspection visit totals for fiscal year 2006-2007 were understated by 2,811 mandated and 877 non-mandated. The departmental performance report showed a completion rate of 96% of mandated and 98% of non-mandated inspections even though more than 100% of both types of inspections assigned were completed.

**Table 3**  
**Fiscal Year 2007 Final Year-End Data**  
**Regulatory Services Division**  
**Rounding Practice**

	<u>Mandated</u>			<u>Non-Mandated</u>		
	<u>Assigned</u>	<u>Completed</u>	<u>Reported</u>	<u>Assigned</u>	<u>Completed</u>	<u>Reported</u>
Agricultural Inputs	1,424	1,462	1,424	760	911	760
Animal Health	29	29	29	569	499	499
Food & Dairy	21,855	22,017	21,855	0	0	0
Pesticides	1,573	1,903	1,573	0	0	0
Petroleum Quality	4,656	4,495	4,495	0	0	0
Plant Certification	3,528	4,370	2,973	3,121	3,847	3,121
Weights & Measures	10,830	9,819	9,819	0	0	0
<b>Total</b>	<b>43,895</b>	<b>44,095</b>	<b>42,168</b>	<b>4,450</b>	<b>5,257</b>	<b>4,380</b>
Percent of Assigned		100.46%	96.07%		118.13%	98.43%

Rounding down the sections that exceed their targets for the performance reports adversely affects the accuracy and reliability of the data report to the Department of Finance and Administration, the legislature, and the citizens of Tennessee.

### Market Development

The Market Development Division uses annual work plans to measure the extent of success in achieving the division's goals, which include increasing market opportunities for Tennessee farmers and increasing investments in Tennessee's agri-economy. The purpose of the work plan is to provide a communication tool for staff and management to address job expectations. The work plan includes the staff person's name and job title, program area, program description and standard, performance measure, and budgetary information. Quarterly status reports are prepared by supervisors and submitted to the Assistant Commissioner of Market Development. If done effectively, both collection and recording of performance measure data should provide the Assistant Commissioner with the type of information needed to adequately determine the extent to which division goals have been achieved.

We reviewed the work plans for all employees for fiscal years 2007 and 2008. We found that in fiscal year 2007, there were 11 work plans prepared. The 11 work plans included 276 performance standards but only 180 performance measures (65%) for the standards. For 96 (35%) of the standards, there was no way to measure if the standard was met. For fiscal year 2008, 20 work plans were prepared with 392 performance standards and only 227 measures (58%). Further, one work plan for fiscal year 2008 had no descriptions, standards, or performance measures. We also found that in fiscal year 2008, the Tennessee Agriculture Enhancement Program (TAEP) coordinator created only one measure for his three standards. In the same fiscal year, the coordinator's supervisor failed to create 65% (15 of 23) of the measurement statements needed. If management is to gain the support of its staff regarding the work plans, management should demonstrate a stronger commitment to fulfilling its own expectation, i.e., showing a willingness to complete its own work plan documents.

Tracking the work plan data to the performance measures in the department's performance report proved difficult, and the division did not present any documentation concerning how the measures that are in place would flow into the performance measure data reported in the budget document.

The division should train employees on work plan expectations including the completion of a performance measure for each performance standard. The division should also implement a way to track the performance measures on the work plans to the department's annual performance report.

## NEW INFORMATION SYSTEM FOR THE REGULATORY SERVICES DIVISION DELAYED

Since 2004, the department has been trying to develop a new information system for its regulatory program areas, first with in-house staff and then with a contractor. The contractor has not met its deadlines, delaying the project. The Office for Information Resources in the Department of Finance and Administration conducted an evaluation in 2005 of the department's need for improvement to the Regulatory Services Division data management system. The department was interested in making the system improvements with in-house staff; however, the evaluation recommended that the department procure services from an outside vendor to replace the system. The evaluation stated concern with the department's timely completion of the project and recommended that the best option for the department was to outsource the project. OIR looked at a similar system that had been implemented with the Department of Health and based recommendations on this department's experience with an outside vendor.

The department issued a Request for Proposal in December 2005; three proposals were received and evaluated by the department. The department chose to contract with Garrison Enterprises, Inc., to provide computer services to support the licensure and regulation activities for various programs within the department. The contract also includes provisions for Garrison to train department employees on the system. The contract started on March 1, 2006, and will end on February 28, 2009; the total cost of the contract was \$570,100. The contract contains a payment schedule that breaks down the total contract amount by amount to be paid during each fiscal year:

<b>Fiscal Year</b>	<b>Amount</b>	<b>% of Total</b>
FY2006	\$255,300	44.8%
FY2007	\$171,300	30.0%
FY2008	\$100,300	17.6%
FY2009	\$ 43,200	7.6%
<b>Total</b>	<b>\$570,100</b>	<b>100.0%</b>

The department has withheld payment to Garrison because of the problems with the system implementation. The department has only paid two payments on the contract: one payment in FY2006 for \$249,900 and one payment in FY2008 for \$7,560 for a total amount paid of \$257,460.

The following table shows the program areas covered by the contract as well as the implementation schedule that corresponds with each program area:

<b>Program Area</b>	<b>Acceptance Begins</b>	<b>Full Implementation</b>
Retail Food Stores	5/1/2006	6/1/2006
Food Manufacturing/Warehouse	5/1/2006	6/1/2006
Weights & Measures	5/1/2006	6/1/2006
Petroleum Quality	5/1/2006	6/1/2006
Tobacco Compliance	5/1/2006	6/1/2006
Dairy Inspection	9/1/2006	10/1/2006
Plant Certification Inspections	1/4/2007	2/1/2007
Agriculture Input Inspections	5/2/2007	6/1/2007
Animal Health Inspections	9/1/2007	10/3/2007

The department is continuing to use the existing system while the new system is being implemented by Garrison. The department has encountered problems with the new system and states that the system needs improvement before it can be fully functional. The contractor has failed to meet the implementation schedule as outlined in the contract; however, the contract does not provide any liquidated damages or penalties if the schedule is not followed.

The department has also encountered problems with the data conversion from the old system to the system created by Garrison. These problems have contributed to the system not being implemented according to the contract schedule. Currently, Garrison is still in Phase 1 of implementing the new system; it is unclear whether Garrison will be able to complete both phases of implementation before the contract ends in February 2009. The department has stated that it plans to continue the contract with Garrison for at least an additional year.

Garrison Enterprises obtained the services of a subcontractor who could work on-site in the department to help complete the first phase of the contract. The subcontractor was hired to complete parts of the contract's initial phase and customize the system to better fit the department's needs. Garrison did not obtain written approval from the department for the subcontractor as required by the contract; however, the department states that it did verbally agree to this arrangement.

The department should consider canceling or renegotiating the contract with Garrison or reissuing the RFP for the system altogether. The department should also consider language in future contracts that will outline penalties and damages for work that is not completed on schedule.

**THE ANIMAL HEALTH SECTION NEEDS POLICIES REQUIRING COMPLETED AND SIGNED INSPECTION FORMS AND REQUIRING MANAGEMENT'S REVIEW OF THESE FORMS**

The Animal Health Section works to control animal diseases by conducting animal health inspections of two types—mandated and non-mandated. Mandated inspections are services required by state or federal law whereas non-mandated inspections are those specifically allowed

but not required by law. For both types of inspections, the Animal Health “Field Inspection Report” form requires that both the inspector and premises representative sign the document at the completion of a field inspection. However, we found that some non-mandated inspection forms were not complete. Without complete forms, management is not assured that the inspection itself was, in fact, complete.\*

We reviewed 509 non-mandated inspection forms for fiscal years 2005 through 2008. In 102 (20%) of these inspection forms, we found forms were missing premises representative information such as signatures, telephone numbers, and addresses. (See Table 4.)

**Table 4**  
**Incomplete Non-Mandated Animal Health Inspection Forms**  
**Fiscal Years 2005-2008**

Type of Inspection	FY 2004-'05	FY 2005-'06	FY 2006-'07	FY 2007-'08	No Dates Shown	Total
Fair & Exhibition Inspections <sup>1</sup>	37	0	0	4	0	41
Equine Inspections <sup>2</sup>	0	0	0	5	0	5
Livestock Inspections <sup>3</sup>	10	0	0	0	5	15
Cervida Inspections <sup>4</sup>	0	0	0	9	0	9
Other Inspections <sup>5</sup>	9	7	6	5	5	32
<b>Total</b>	56	7	6	23	10	102

1. Fair & Exhibition Inspections occur at fairs and exhibitions. Livestock and poultry are examined for apparent health and having required certificates of veterinary inspection.
2. Equine Inspections occur at assemblies. The department ensures horses have met the equine infectious anemia test requirements and have the accompanying documentation.
3. Livestock Inspections include inspection of records and markets for compliance with federal and state laws and rules.
4. Cervida Inspections verify compliance with the chronic wasting disease voluntary program regarding elk and deer.
5. Other Inspections include pet transporters and other specialized inspections.

Source: Review of Animal Health Inspection Files.

Table 5 below shows that 75% of the incomplete forms were missing premises signatures only.

---

\* We only found one form missing a required signature in our review of mandated inspections.

**Table 5**  
**Items Missing from Non-Mandated Inspection Forms**  
**Fiscal Years 2005-2008**

<b>Type of Problem</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>No Dates on Cases Reviewed</b>	<b>Total</b>
Missing Premises Signatures & Other Items	15	0	0	3	4	22
Missing Other Items Only	2	0	0	0	3	5
Missing Premises Signatures Only	6	6	7	53	3	75
<b>Total</b>	23	6	7	56	10	102

Source: Review of Inspection Files from the Animal Health Section.

The Animal Health Section has no procedures instructing inspectors concerning how to complete the inspection forms or what to do if a premises representative is not available to sign the inspection form. (Nor has the section provided any recent training on this topic.) On the inspection form, both the field inspector and “the premises representative” are expected to sign and date the form. If the phrase “if available” followed the words “premises representative” on the form, then concerns about missing premises representative signatures could be addressed. In addition, section management does not review inspection forms for completeness. Management does not track the number of incomplete inspection forms by field inspector and type of inspection.

Missing signatures or other information makes it difficult to verify whether a field inspection actually was completed. Also, the number of inspections is used in the department’s performance measure for complete inspections for all the department’s programs. If the number of completed inspections is not correct, data used by management to monitor performance and for performance measures will not be correct.

The Animal Health Section should develop policies and procedures that standardize how non-mandated inspections should be conducted. If premises representative signatures cannot be captured at the completion of an inspection, documentation should exist detailing when such occurrences are permissible. Also, Animal Health management should ensure inspection forms are complete.

## **DESCRIPTION OF THE TENNESSEE AGRICULTURE ENHANCEMENT PROGRAM VERIFICATION PROCESS**

The Tennessee Agriculture Enhancement Program (TAEP) is a Department of Agriculture initiative to promote livestock and farming operations by providing cost share funds to qualifying producers for items including but not limited to animal scales, water sterilization equipment, feeding equipment, grain vacuums, and building structures such as greenhouses, retail shelters, and pavilions. These grant funds may also be used for creating advertisements, web pages, and for the purchase or lease of a bull for breeding. Public Chapter 503 of Public Acts 2005 provided the program with initial appropriations of \$5 million per year for fiscal years 2004 and 2005 with an additional \$2 million non-recurring appropriation in each year. In fiscal year 2007, state law changed to provide the program with a minimum of \$21 million in cigarette tax revenue. In fiscal year 2007, the program fulfilled almost \$20 million in grant requests.

Currently, the department verifies the use of grant dollars in two ways. An after-purchase verification requires all grantees to submit a reimbursement request along with specific documentation including but not limited to receipts for purchase and photographs of purchased equipment. An on-site field visit is used to verify the acquisition and use of an acquired resource. We found that the department is completing all after-purchase and field-visit verifications with few problems. Less than 10% of field visits required follow-up visits to complete the verification process.

---

## RECOMMENDATIONS

---

### ADMINISTRATIVE

The Department of Agriculture should address the following areas to improve the efficiency and effectiveness of its operations.

1. The Department of Agriculture's Information Systems Section should work with the Pesticide Control Section to revise the way the inspection data and pest control business listings are stored in the databases to ensure the three systems communicate with each other to ensure efficient tracking of inspections and complaint investigations.

The department should ensure that information reported for its annual program performance report is accurate.

The department should implement policies regarding the frequency of pesticide inspections.

If the pilot program is successful, the Pesticide Control Section should fully implement the tablet personal computer program for all section inspectors.

2. The department should follow the Federal Emergency Management Agency (FEMA) Continuity of Operations Plan (COOP) Template. Each division should have a COOP that is compiled into one for the entire department. Each division should determine a priority list for the functions it performs. The department should then take each division's priority list and determine a departmental priority list to restore functionality to each division. Each division should ensure its part of the plan and phone tree is updated and changed as necessary.

The Continuity of Operations Team should coordinate the divisions' efforts in developing their own plans and ensure the department's plan is updated and tested annually. Coordination should also include ensuring alternate locations do not overlap between divisions and are appropriately wired and prepared for immediate use in the event of a disaster.

Management of each division should ensure that appropriate documents have been assembled into a recovery box stored off-site. At a minimum, the recovery box should contain copies of up-to-date policies, procedures, manuals, and forms that would be needed immediately. The box should also include a current list of

employees, customers, vendors, contractors and their contact information, and any supplies that would be needed immediately.

The Records Recovery Team should ensure that each division prepares diagrams of its building that include the location of pertinent records.

The department should consider additional training for staff having specific responsibilities in developing the COOP as well as team members. This training can be provided by FEMA upon request.

3. The Department of Agriculture's Division of Forestry should implement and consistently enforce a policy requiring each district to submit complete information on the work-capacity-test verification page including times of those required to pass the test as a condition of their employment. The department may wish to consider requiring documentation of laps completed for those employees who are required only to participate in the tests. This information could be used to determine improvement or decline in the physical abilities of the firefighting workforce.

---

## APPENDIX

---

### Tennessee Department of Agriculture Title VI Information

Pursuant to Title VI of the Civil Rights Act of 1964, all programs or activities receiving federal financial assistance are prohibited from discriminating against participants or clients on the basis of race, color, or national origin. In response to a request from members of the Government Operations Committee, we compiled information concerning federal financial assistance received by the Tennessee Department of Agriculture and the department's efforts to comply with Title VI requirements. The results of the information gathered are summarized below.

The Department of Agriculture received \$12,217,900 in federal funding during fiscal year 2007 and an estimated \$11,292,500 in fiscal year 2008 for administering grants or providing services related to soil conservation and water quality, commodity distribution, forest landowner assistance, and regulation of pesticides. The department submitted its Title VI Implementation Plan for fiscal year 2007-2008 to the Office of the Comptroller of the Treasury as required by Section 4-21-901, *Tennessee Code Annotated*.

The department has a Title VI compliance team, composed of the Deputy Commissioner (who also acts as the Title VI coordinator), the Fiscal Director, the Grant Accountant, the Human Resource Director, and directors and program managers within each division of the department. The Title VI coordinator is responsible for

- approving the department's Title VI Implementation Plan and plan updates;
- verifying that all aspects of the Title VI plan are being implemented;
- reviewing assurances, audit reports, complaint reports, and other documentation to determine if additional compliance efforts are needed;
- consulting with the Commissioner of Agriculture to resolve complaints and findings of noncompliance with Title VI;
- serving as liaison with federal and other state personnel on Title VI issues and concerns; and
- serving as a resource person to all divisions to provide information and guidance to help the divisions of the department comply with applicable statutes and regulations.

Grant recipients are required to notify potential applicants of the policy of nondiscrimination and post that policy in a conspicuous place. Recipients of agreements, grants, and contracts issued by the Department of Agriculture are required to sign a statement

concerning “Compliance with Civil Rights Act of 1964.” In this statement, the recipient agency agrees to comply fully with Title VI, in that no person on the grounds of race, color, religion, national origin, age, sex, or handicap be excluded from participation in, be denied benefits of, or otherwise subject to discrimination under any program or activity for which the program applicant received federal financial assistance from the department. The department requires recipients to agree (in writing) to comply fully with provisions prohibiting discrimination. The department distributes Title VI materials to department offices, subrecipients, employees, and other interested parties.

After awards are made, the field inspector conducts reviews for the Commodity Distribution Section and completes a Civil Rights Compliance review form. According to the Title VI Plan, the department is taking steps to reemphasize and expand this practice in other sections and to making field staff more aware of the importance of post-award reviews.

The department has adopted policies and procedures to be followed in the course of complaint investigations or compliance reviews, whenever it has determined that a Title VI violation has occurred. The department reported no knowledge of any instances of noncompliance with Title VI and did not have any complaints pending.

According to the Title VI Plan, the department collects and analyzes available data to determine if there are indications of discrimination on the basis of race, color, or national origin in federal and state-funded programs. Participation data will not be the only basis for finding noncompliance with Title VI. Participation data will be used as an indicator of potential noncompliance. The following reports of minority participation for fiscal year 2007-2008 are included in the department’s Title VI Plan.

**Agricultural Resource Conservation Funding**

<b>Region</b>	<b>Total Applicants</b>	<b>Total Approved</b>	<b>Minority Applicants</b>	<b>Minority Approved</b>
1	257	223	10	10
2	482	453	4	4
3	310	190	7	6
4	259	150	3	2
5	334	203	0	0
6	224	114	0	0
7	622	247	1	1
8	128	114	0	0
<b>Total Applicant</b>	2,616	1,694	25	23

### Forestry Landowner Assistance Program

	African- American	Hispanic	Asian- American	American- Indian	All Others	Total
Number	14	1	0	4	1,503	1,522
Percent	1%	0%	0%	0%	99%	100%

### Emergency Food Assistance Program

#### Percent of Households Served

Agency Name	American-					
	Indian	Asian	Black	Hispanic	White	Other
Blount County Community Action Agency	1%		4%	2%	93%	
Bradley Cleveland Community Services Agency	<1%	<1%	12%	<1%	86%	2%
Chattanooga Human Services Agency	<1%	<1%	56%		43%	
Delta Human Resources Agency	<1%	<1%	70%	<1%	29%	<1%
East Tennessee Human Resources Agency	<1%	<1%	<1%	<1%	99%	<1%
Knox County Community Action Center		2%	35%	3%	60%	
Memphis Food Bank	<1%	<1%	70%	<1%	27%	<1%
Mid-East Community Action Agency	<1%		3%	5%	84%	8%
Northwest Tennessee Economic Development Agency			39%	1%	60%	
Second Harvest of Middle Tennessee			45%		52%	3%
Second Harvest of Northeast Tennessee	<1%		5%	<1%	88%	2%
Shelby County Government Community Services Agency			55%		40%	5%
South Central Human Resources Agency	1%		19%	1%	79%	
Southeast Tennessee Human Resources Agency	<1%		4%	<1%	93%	2%
Southwest Human Resources Agency	<1%	<1%	32%	2%	65%	<1%
Upper Cumberland Human Resources Agency	<1%	<1%	1%	<1%	98%	<1%
Upper East Tennessee Human Development Agency		<1%	4%	<1%	95%	<1%

**AgGrowth Program**  
**Tennessee Agricultural Enhancement Program**

	<b>Responses</b>	<b>Percent of Total</b>
Native American Indian	1	0.38%
African-American	1	0.38%
Asian	1	0.38%
White, Male	207	78.11%
White, Female	55	20.75%
<b>Total</b>	<b>265</b>	<b>100.00%</b>

**Cattle Improvement Initiative**  
**Tennessee Agricultural Enhancement Program**

	<b>Responses</b>	<b>Percent of Total</b>
African-American	26	0.63%
Native American Indian	3	0.07%
Asian	1	0.02%
White, Female	291	7.06%
White, Male	3,795	92.13%
Other	3	0.07%
<b>Total</b>	<b>4,119</b>	<b>100.00%</b>

**Hay Storage Initiative  
Tennessee Agricultural Enhancement Program**

	<b>Responses</b>	<b>Percent of Total</b>
African-American	9	.57%
American Indian	-	0.00%
Asian	1	0.06%
Hispanic	2	0.13%
White, female	146	9.29%
White, male	1,414	89.95%
Other	-	0.00%
<b>Total</b>	<b>1,572</b>	<b>100.00%</b>

**4-H**

	<b>Responses</b>	<b>Percent of Total</b>
African-American	44,342	12.79%
Hispanic	10,716	3.09%
Asian-American	2,015	0.58%
American Indian	1,007	0.29%
White	288,557	83.24%
<b>Total</b>	<b>346,637</b>	<b>100.00%</b>

**Ag in the Classroom - Tennessee Farm Bureau**

	<b>Responses</b>	<b>Percent of Total</b>
African-American	3	1.04%
Hispanic	1	0.35%
Asian	-	0.00%
White	285	98.62%
American Indian	-	0.00%
Other	-	0.00%
<b>Total</b>	<b>289</b>	<b>100.00%</b>

### **Future Farmers of America**

	<b>Responses</b>	<b>Percent of Total</b>
African American	2,425	6.18%
White	36,222	92.29%
Other	603	1.54%
<b>Total</b>	<b>39,250</b>	<b>100.00%</b>

### **TSU Small Farm Expo**

	<b>Responses</b>	<b>Percent of Total</b>
African American	219	58.71%
Other	3	0.80%
White	151	40.48%
<b>Total</b>	<b>373</b>	<b>100.00%</b>

**Department of Agriculture  
Staff by Title, Gender, and Ethnicity  
As of May 15, 2008**

Title	Gender		Ethnicity		
	Male	Female	African- American	Caucasian	Other
Accounting Clerk	0	3	1	2	0
Accounting Manager	2	0	0	2	0
Accounting Technician 1	0	2	0	2	0
Accounting Technician 2	0	1	0	1	0
Accountant 2	2	1	0	3	0
Assistant Commissioner 1	1	0	0	1	0
Assistant Commissioner 2	2	1	0	3	0
Administrative Assistant 1	0	13	1	11	1
Administrative Services Assistant 2	1	3	0	4	0
Administrative Services Assistant 3	2	5	0	7	0
Administrative Services Assistant 4	0	1	0	1	0
Administrative Secretary	0	19	2	17	0
Agricultural Enforcement Officer Supervisor	1	0	0	1	0
Agricultural Enforcement Officer	7	3	0	10	0
Agriculture Lab Director	1	0	0	1	0
Agriculture Marketing Director	1	0	0	1	0
Agriculture Marketing Specialist 1	0	1	0	1	0
Agriculture Marketing Specialist 2	6	3	0	9	0
Agriculture Marketing Specialist 3	2	3	0	5	0
Agriculture Quality & Standards Director	1	0	0	1	0
Animal Health Technician	10	4	0	14	0
Apiary Inspector	1	0	0	1	0
Attorney 2	1	0	0	1	0
Auditor 2	2	1	0	3	0
Auditor 3	1	0	0	1	0
Auditor 4	0	1	0	1	0
Budget Analyst Coordinator	0	1	0	1	0
Chemist 2	2	4	1	4	1
Chemist 3	2	1	1	1	1
Chemist 4	2	0	0	1	1
Clerk 1	0	1	0	1	0

Title	Gender		Ethnicity		
	Male	Female	African-American	Caucasian	Other
Clerk 2	0	2	0	2	0
Clerk 3	0	3	2	1	0
Computer Operations Manager 2	1	0	0	0	1
Commissioner 1	1	0	0	1	0
Commodity Administrator	0	1	0	1	0
Commodity Program Specialist	0	3	0	3	0
Dairy Inspector 3	1	1	0	2	0
Deputy Commissioner 1	1	0	0	1	0
Data Processing Operator 1	0	1	0	0	1
Data Processing Operator 2	0	1	1	0	0
Environmental Assistance Program Manager 1	3	0	0	3	0
Entomologist	1	0	0	1	0
Environmental Program Manager 2	1	0	0	1	0
Environmental Specialist 3	8	1	0	9	0
Environmental Specialist 4	0	1	0	1	0
Epidemiologist	2	0	0	2	0
Equipment Mechanic 1	1	0	0	1	0
Executive Administrative Assistant 1	0	1	0	1	0
Executive Administrative Assistant 2	1	1	0	2	0
Executive Administrative Assistant 3	4	0	0	4	0
Executive Secretary 1	0	1	0	1	0
Feed, Seed, and Fertilizer Administrator	1	0	0	1	0
Food and Dairy Regional Supervisor	3	2	0	5	0
Food and Dairy Administrator	1	0	0	1	0
Food and Dairy Inspector 2	11	11	0	22	0
Food and Dairy Inspector 3	6	2	1	7	0
Fiscal Director	0	1	0	1	0
Food Manufacturing Administrator	1	0	0	1	0
Forestry District Manager	6	0	0	6	0
Forestry Management Administrator	9	0	1	8	0
Forestry Program Specialist	17	1	1	17	0
Forester 2	10	2	0	12	0
Forester 3	35	3	1	37	0
State Forester	1	0	0	1	0
Assistant State Forester	2	0	0	2	0
Forestry Aide 1	182	49	1	230	0
Forestry Aide 2	130	2	0	132	0

Title	Gender		Ethnicity		
	Male	Female	African-American	Caucasian	Other
Forestry Technician	60	0	1	59	0
General Counsel 1	1	1	0	2	0
Geographic Information Systems Analyst 2	1	0	0	1	0
Ground Worker 1	2	0	0	2	0
Horticulturist	1	0	0	1	0
Human Resources Analyst 3	0	2	0	2	0
Human Resources Director 3	0	1	0	1	0
Human Resources Manager 1	0	1	0	1	0
Human Resources Technician 2	0	1	0	1	0
Information Resource Specialist 3	2	0	0	2	0
Information Resource Specialist 4	2	1	0	3	0
Information System Director	1	0	0	1	0
Laboratory Supervisor 1	1	0	0	1	0
Laboratory Technician 1	2	0	1	0	1
Laboratory Technician 2	3	1	2	2	0
Laborer	4	2	0	6	0
Livestock Marketing Specialist	1	0	0	1	0
Livestock Specialist	7	0	0	7	0
Mail Technician 1	1	0	1	0	0
Medical Transcriber 1	0	1	0	1	0
Metrologist	1	0	0	1	0
Microbiologist 2	3	10	2	11	0
Microbiologist 3	1	2	0	3	0
Milk Rating Officer	2	0	0	2	0
Museum Curator	0	1	0	1	0
Museum Program Coordinator	0	1	0	1	0
Pesticide Administrator	0	1	1	0	0
Pesticide Inspector 2	20	3	1	22	0
Pesticide Inspector 3	7	1	1	7	0
Petroleum Program Administrator	1	0	0	1	0
Plant Administrator	1	0	0	1	0
Plant Inspector 2	16	4	0	19	1
Plant Inspector 3	3	0	0	3	0
Plant Pathologist	0	1	0	1	0
Program Analyst 4	3	0	1	2	0
Publications Editor 2	0	1	0	1	0
Radio Communications Technician 3	3	0	0	3	0

Title	Gender		Ethnicity		
	Male	Female	African-American	Caucasian	Other
Regulatory Services Administrator Manager	1	0	0	1	0
Secretary	1	12	1	12	0
Seed Analyst	1	1	1	0	1
Statistical Analyst 2	1	1	0	2	0
Statistical Analyst 3	1	0	0	0	1
Storekeeper 1	0	1	0	1	0
Vehicle Operator	0	1	0	1	0
Veterinarian Diagnostic Laboratory Director	1	0	0	1	0
Veterinarian Diagnostician 2	4	2	0	5	1
Veterinarian Staff	4	1	0	5	0
Weights and Measures Administrator	1	0	0	1	0
Weights and Measures Regional Supervisor	3	0	0	3	0
Web Developer 1	1	0	0	1	0
Weights and Measures Inspector 1	8	0	0	8	0
Weights and Measures Inspector 2	17	1	0	18	0
	684	218	27	864	11