



United States Department of Agriculture

FAV—APHIS Plant Protection and Quarantine Preclearance Offshore Program



Report 33026-0001-22

June 2020

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FAV
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TO: Stanley McMichael
Associate Chief Financial Officer
Office of the Chief Financial Officer

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: FAV—APHIS Plant Protection and Quarantine Preclearance Offshore Program

The Office of Inspector General (OIG) completed a final action verification (FAV) of all 16 recommendations in our September 24, 2014 report, *Plant Protection and Quarantine Preclearance Offshore Program* (Audit Report 33601-0001-23). An FAV determines whether the final action documentation the agency provides to the Office of the Chief Financial Officer (OCFO) supports the agency's management decision reached with OIG.^{1, 2} Our objective was to determine whether the documentation the Animal and Plant Health Inspection Service (APHIS) provided to OCFO was sufficient to close the recommendations made in Audit Report 33601-0001-23.

In a memorandum dated September 13, 2016, OCFO reported to APHIS that it closed all of the recommendations, and we concur with this decision.

Background

Our report, *Plant Protection and Quarantine Preclearance Offshore Program*,³ made 16 recommendations to improve APHIS' controls to help detect and eradicate problematic pests and plants in their countries of origin, facilitate safe trade by monitoring imports, protect against the introduction of pests in precleared products, and assist exporters.

¹ *Final action* is the completion of all actions that management had concluded in its management decision are necessary with respect to the finding and recommendations included in an audit report. DR1720-001, 6g(1), *Audit Followup and Management Decision* (Nov. 2, 2011).

² *Management decision* is an agreement between agency management and OIG on the actions taken or to be taken to address a finding and recommendations cited in an audit report. The management decision must include the agreed-upon dollar amount affecting the recommendations and an estimated completion date unless all corrective action is completed by the time agreement is reached. DR1720-001, 6i, *Audit Followup and Management Decision* (Nov. 2, 2011).

³ Audit Report 33601-0001-23, *Plant Protection and Quarantine Preclearance Offshore Program*, Sep. 2014.

OIG and APHIS reached final management decision on all 16 recommendations in a memorandum dated December 4, 2014. The memorandum detailed what APHIS needed to implement in order to achieve final action on the recommendations.

In accordance with Departmental Regulation 1720-001,⁴ OCFO has the responsibility to determine final action for recommendations where OIG has agreed to management decision. As such, OCFO evaluates agency-provided documentation to support planned corrective actions and to determine if final action has occurred.

Scope and Methodology

The scope of this FAV was limited to determining whether APHIS' plan of action for all of the recommendations in the subject report was completed in accordance with the management decisions reached on October 1, 2014, and December 4, 2014. To accomplish our objective, we reviewed documentation APHIS submitted to OCFO. We did not perform internal control testing or make site visits to determine whether the underlying deficiencies that were initially identified had been corrected. In addition, we did not provide an opinion on the results of the implementation or effectiveness of each recommendation. This FAV was conducted in accordance with our internal guidance IG-7710, *Non-audit Work and Final Action Verification Guidance and Procedures*. As a result, this FAV was not conducted in accordance with the *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States or the *Quality Standards for Inspection and Evaluation*, issued by the Council of the Inspectors General for Integrity and Efficiency. However, before we performed the non-audit service, we determined that it would not impair our independence to perform audits, inspections, attestation engagements, or any other future or ongoing reviews of the subject.

Results of Final Action Verification

We determined that APHIS provided sufficient documentation to OCFO to close the 16 recommendations we made in our September 24, 2014 audit report, *Plant Protection and Quarantine Preclearance Offshore Program*. The table summarizes the action APHIS took with respect to each recommendation.

We informed APHIS officials of the results of this final action verification.

Rec. No.	Recommendation	Action Taken
1	Develop and implement specific performance measures to assess the effectiveness of the Preclearance Offshore Program (POP) as it relates to commodity preclearance activities; and include measures to determine the effectiveness of all components of the safeguarding system (mitigations, treatments, and	APHIS evaluated the commodity preclearance process to determine critical control points (CCP) to measure performance. It provided OCFO a copy of a document, <i>Performance Measures for the Commodity Preclearance Program</i> . The document outlines the method used, the three CCPs identified, and the associated performance measures. In performance

⁴ DR1720-001, 7d(1-9), Audit Follow-up and Management Decision (Nov 2, 2011).

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	inspections) performed under the operational work plan. Publish these measures in the plant protection and quarantine operational work plan, which supports PPQ's strategic plan.	measure 1.1, APHIS evaluated the effectiveness of inspection and certification in the country of origin. APHIS developed policy memo 0011 and an Excel spreadsheet to collect data on precleared shipments in the country of origin. For performance measure 2.1, APHIS will evaluate the treatment effectiveness of high-risk commodities that require treatment as a condition of entry. In performance measure 3.1, APHIS will evaluate POP overall by monitoring if any precleared shipment is recalled once in U.S. commerce due to a pest issue. APHIS will include these performance measures as part of the operational work plans.
2	Require POP managers to undergo management controls training to ensure that all officials understand the significance of good management control practices.	APHIS provided a copy of a training syllabus for a course titled <i>Internal Controls</i> . Plant Protection and Quarantine (PPQ) management, including POP management, took the course on March 17–19, 2015. A list of POP management and staff who participated in the training was provided. APHIS' Financial Management Division gave a presentation to PPQ management, including POP management and staff on OMB Circular A-123 on April 3, 2013. APHIS also provided a copy of a new guidance for the calculation of travel time, including a copy of the calculation form and an example of a completed form. APHIS provided a copy of policy memo 0007, <i>APHIS Preclearance and Offshore Programs TDY Travel Policy</i> , dated April 20, 2015. The policy provides information on the expectation and responsibilities associated with travel for a temporary duty assignment. The agency also provided a copy of an email from the POP director, transmitting policy memo 0007 to management and staff.
3	Revise and update the <i>Preclearance Commodity Management Guidelines</i> to provide clear roles	APHIS completed the development of the <i>Commodity Preclearance Program Management Guidelines</i> . To implement the

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	and responsibilities for all staff and management officials.	recommendation, APHIS developed roles and responsibilities of the POP unit and closely associated units in Chapter 1 of the guidelines. APHIS created Appendix B of the guidelines, which describes the specific roles and responsibilities related to POP preclearance team members.
4	Develop and implement written policies, procedures, and guidelines for performing and reporting program operation reviews on a regular and recurring basis. As part of these policies, require program managers to document the results of reviews, including the status of any recommended corrective actions.	APHIS developed policy memo 0009, <i>Policy for Commodity Preclearance Program Assessment</i> , to outline the process for POP assistant directors and area directors to conduct annual or biannual program assessments. The policy requires that the APHIS representatives use the template outline in the policy enclosure, <i>Guidelines to Conduct a Commodity Preclearance Program Assessment</i> .
5	Require APHIS to develop and implement a process to conduct assessments of risk for POP activities, ensure measurable outcomes, and implement effective reporting processes.	APHIS developed a programmatic risk assessment checklist which complements the new policies and procedures implemented in POP. The checklist requires that critical preclearance activities are completed and documented on the checklist, including an end-of-year (or end-of-season) certification of actions completed by the POP assistant director. The checklist was incorporated into the <i>Commodity Preclearance Program Management Guidelines</i> to ensure that APHIS assesses risk at each critical point in the commodity preclearance process. The checklist incorporates tasks to ensure compliance and outcomes with policy memos 0004, <i>Policy for Trip Report Review and Documenting Corrective Actions</i> ; 0005, <i>Updated Training Requirements for Full-Time Locally Employed Staff (LES) Preclearance Inspectors</i> ; and 0011, <i>Policy for Commodity Preclearance Data Collection</i> .
6	Establish a process to collect and analyze data on actionable pest interceptions for precleared shipments arriving in the United States.	APHIS developed a report, <i>Preclearance and Offshore Programs-Actionable Pest Tracking</i> . The report describes the new data collection and analysis processes. APHIS also revised the online instructions for interceptions forms 309 and 309A.

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		<p>Customs and Border Protection Agriculture Shipments (CBPAS) now enter the phrase <i>Precleared</i> or <i>Precleared Shipment</i> in the remarks field of both forms, should a live pest be intercepted on a precleared commodity shipment. APHIS also revised the CBPAS training curriculum to ensure that new employees accurately complete the forms. APHIS and CBP distributed the notification to CBP field staff and APHIS identifiers. In addition, APHIS developed a reporting mechanism to track and analyze interceptions on precleared shipments. Should an interception be detected on a precleared shipment, it will be included in the report sent to a dedicated preclearance email account for additional action by POP management.</p>
7	<p>Develop and implement procedures requiring APHIS' review units to conduct ongoing assessments or audits of the programmatic aspect of POP</p>	<p>APHIS provided a copy of an informational memorandum that documented a new internal assessment process to evaluate that all of APHIS programs are effective, efficient, and performance-based. The memorandum describes a three-tier priority system implemented by the APHIS Program Assessment and Accountability (PAA) unit. The memorandum outlines the assessment process, which includes a publication of the assessment agenda, project initiation, review and analysis by PAA, review of draft report by APHIS program officials, assessment briefing for the Office of the Administrator, implementation of recommendations, if applicable, and assessment close out.</p>
8	<p>Develop and implement a process requiring POP directors to review and evaluate trip reports to ensure that the reports include relevant operational information, as stated in trip report guidelines.</p>	<p>APHIS provided a copy of policy memo 0003, <i>Requirements for Trip Reports</i>, outlining the requirements for POP trip reports. The agency also provided copy of policy memo 0004, <i>Policy for Trip Report Review and Documenting Corrective Actions</i>. This policy describes the process for POP managers to review and evaluate trip reports and to document issues and corrective actions. The agency also</p>

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		provided a copy of a spreadsheet chart for staff to complete after a trip report.
9	Implement a system that tracks the recommendations and planned corrective actions included in the trip reports, and require managers to ensure that all recommendations are addressed and that appropriate corrective actions are taken.	APHIS provided a copy of policy memo 0003, outlining the requirements for POP trip reports. They also provided a copy of policy memo 0004, which describes the process for POP managers to review and evaluate trip reports and to document issues and corrective actions. The agency also provided a copy of a spreadsheet chart for staff to complete after a trip report.
10	Ensure operational work plans for the Commodity Preclearance Programs include commodity-specific sampling methodologies and lot sizes, and that the term “lot” is clearly defined in each operational work plan.	APHIS analyzed the commodity preclearance operational work plans to determine if each plan had a definition for “lot.” From the analysis, APHIS developed a standard definition for “lot.” APHIS also developed policy memo 0010, <i>Policy to Determine Lot Definition and Sample Schemes in Commodity Preclearance Programs</i> , dated August 17, 2015.
11	Develop a standard set of consequences for violation of compliance requirements (such as sanitation, unsecured holding rooms, and suspension terms for rejected commodities) and include them in the POP’s work plan template. Require that these penalties be included as a part of each existing work plan. Review the template annually, and determine if updates are needed.	APHIS developed a framework, <i>Compliance Violations and Corrective Actions</i> . The document describes the progressive approach to respond to noncompliance issues for the commodity preclearance programs. The framework was developed using section 11, “Noncompliance and Resulting Actions,” of the North American Plant Protection Organization-Regional Standard for Phytosanitary Measures #19 for Bilateral Workplans (RSPM 19). The framework was incorporated into the operational work plan template. The template will be reviewed annually and revisions will be documented on Appendix B of the template.
12	Develop and implement a process for comprehensive annual review of work plans to ensure that any necessary recommendations (stemming from issues such as changes in regulations, different treatment methods, better business practices, repeated violations), are identified and appropriate revisions	APHIS developed an operational work plan template to standardize the Commodity Preclearance Program operational work plans. To supplement the template and to meet the recommendation, APHIS developed a review process and policy for area directors to complete a yearly review of operational work plans, which must also include an annual certification statement.

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	are made. This process should include a certification of each work plan to ensure that reviews have been performed annually.	APHIS implemented policy memo, PM-0008, <i>Policy for Annual Certification and Review Process for Commodity Preclearance Operational Work Plans</i> , to ensure that area directors are using the same criteria to complete annual reviews and to certify the operational work plans. The annual certification statement is included as an appendix of the operational work plan template. To ensure accountability and program management, APHIS also implemented a spreadsheet to document the completion of the annual reviews.
13	Develop a formal, on-the-job training program for locally-employed staff (LES) inspectors that will ensure they are trained in a manner equivalent to formal APHIS training in the United States. Include in this program specific standards and course lengths that will enable them to adequately learn the required inspection techniques, processes, and oversight activities for their assignments.	APHIS analyzed the PPQ technical curriculum to determine the courses needed by the LES to successfully conduct perishable commodity inspection and treatment activities. APHIS distributed surveys to area directors and inspectors to request their input. After evaluating survey results, APHIS finalized the LES technical curriculum. APHIS also issued a new policy memo, PM-0005, to identify the required general curriculum courses that must be completed by LES inspectors and the mechanism for tracking training completion.
14	Require that each cooperative service agreement or other applicable agreement between APHIS and the cooperator include a provision stating that a specific portion of the trust funds will be allocated toward training POP inspectors.	APHIS provided a copy of its financial plan budget estimate worksheet. The worksheet includes a new budget object classification code (BOC) for “other services” (including training). In addition, APHIS provided a copy of a blank cooperative service agreement, which shows that the training of POP inspectors has been included in Article 4, subsection d of the agreement.
15	Create and implement a tracking tool that records all inspector training, including courses taken, completion dates, and future training needs. Retain documentation of the completed training in the employees’ training records.	APHIS provided a copy of a document, <i>Preclearance and Offshore Program (POP) Locally Employed Staff (LES) Training Curriculum</i> . Section 3, “Tracking Mechanism,” states that area directors will track LES training in a spreadsheet. For each inspector, they will record course completion dates, evaluation scores, and future training needs. The tracking

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		spreadsheet will be housed and accessible on the POP SharePoint site.
16	Revise the <i>Commodity Preclearance Program Management Guidelines</i> to allow LES inspectors to perform primary inspections only after completion of on-the-job training.	APHIS described the training requirement for POP employees, including LES, in the subheading "Training" in Chapter 2 of the <i>Commodity Preclearance Program Management Guidelines</i> .

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