

FSIS REVIEW OF STATE MEAT AND POULTRY INSPECTION PROGRAMS

FISCAL YEAR 2023 SUMMARY REPORT

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Office of Investigation, Enforcement and Audit
Food Safety and Inspection Service
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Executive Summary

This report summarizes the results of 29 annual Meat and Poultry Inspection (MPI) program reviews conducted by the US Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) in the fiscal year of 2023. The purpose of conducting these annual reviews is to ensure that all States with MPI programs are compliant with the "at least equal to" standard and administrative requirements of the State-Federal Cooperative Agreements signed with FSIS.

FSIS is responsible for inspection services under the Federal Meat Inspection Act (FMIA), as amended (21 U.S.C. 601 et seq.), the Poultry Products Inspection Act (PPIA), as amended (21 U.S.C. 451 et seq.), and the Humane Methods of Livestock Slaughter Act (7 U.S.C. 1901 et seq.). It manages State-Federal cooperative agreements according to Section 301 of the FMIA (21 U.S.C. 661) and Section 5 of the PPIA (21 U.S.C. 454).

Under the FMIA (Section 301(c), 21 U.S.C. 661(c)) and the PPIA (Section 5(c), 21 U.S.C. 454(c)), the USDA Secretary authorizes FSIS to conduct reviews of the State MPI programs annually to verify compliance with the "at least equal to" standard and the terms of the cooperative agreements. FSIS conducts an annual review of each State MPI program in accordance with FSIS Directive 5720.3, Methodology for Performing Scheduled and Targeted Reviews of State Meat and Poultry Programs. The results of the annual program review help FSIS determine whether to renew the cooperative agreement with the State. If FSIS determines that a State is incapable of meeting the terms of the cooperative agreement, it must assume full responsibility for inspection within that State.

In FY 2023, FSIS signed cooperative agreements with 29 States¹ authorizing them to operate MPI programs. FSIS dispersed more than 67 million dollars to the States to administer cost-effective MPI programs, regulating 1,450 small or very small State-inspected establishments, 2,133 custom exempt operators, and a multitude of intrastate commerce² firms and businesses. Distribution and sales of products produced under the State MPI programs are limited to intrastate commerce.

Based on the program reviews conducted in FY 2023, FSIS determined all 29 State MPI programs provided adequate documentation supporting the implementation of MPI programs "at least equal to" the Federal requirements and in compliance with the signed cooperative agreements. FSIS determined that 9 of the 11 State MPI programs³ subjected to onsite verification audits operated regulatory programs in accordance with the submitted self-assessment documentation. FSIS issued to Arkansas and Oregon's newly developed MPI programs "at least equal to" with provisions determinations because the State-inspected establishments hardly operated during the onsite audits. Minimal slaughter and processing

¹ Currently, FSIS has signed State MPI cooperative agreements with Alabama, Arizona, Arkansas, Delaware, Georgia, Indiana, Illinois, Iowa, Kansas, Louisiana, Maine, Minnesota, Mississippi, Missouri, Montana, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.

² Intrastate commerce refers to the economic transactions and business activities that occur entirely within a single State's borders.

³ FSIS conducted onsite verification audits in the following States: Alabama, Arizona, Arkansas, Georgia, Illinois, Montana, Ohio, Oregon, Utah, Vermont, and Wyoming.

operations conducted at State-inspected establishments precluded the State MPI programs from demonstrating their abilities to fully implement the written program procedures and policies as presented in the submitted self-assessments. Before making definitive determinations, FSIS will conduct targeted onsite audits of both State MPI programs in FY 2024.

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I. Background

The Food Safety and Inspection Service (FSIS) is a public health regulatory agency of the U.S. Department of Agriculture (USDA). Its main responsibility is to ensure that meat, poultry, and egg products, whether domestic or imported, are safe, properly labeled, and wholesome. The mission of FSIS is to protect public health by preventing illness from meat, poultry, and egg products. To carry out its functions, FSIS is authorized by the Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA), which allow FSIS to act as the Secretary of Agriculture. These acts mandate FSIS to protect the public by ensuring that meat and poultry products are safe, wholesome, unadulterated, and properly labeled and packaged.

In 1967, the Talmadge-Aiken Act authorized the Secretary of Agriculture to enter into cooperative agreements with States or representative State agencies. These agreements assist the Secretary of Agriculture in enforcing relevant Federal laws and regulations to the extent and in the manner appropriate to the public interest (7 U.S.C. 450).

Since 1967, States with State MPI programs have become key FSIS partners and integral parts of the nation's food safety system. The cooperative agreements between FSIS and State agencies set forth the terms of the formal working relationships. Cooperation with State agencies under the FMIA and PPIA may include furnishing to the appropriate State agency advisory assistance in planning and developing an adequate State program under the State law. It may also include technical and laboratory assistance and training (including necessary curricular and instructional materials and equipment), and financial and other aid for administration of such a program. The FMIA (21 U.S.C. 661) and the PPIA (21 U.S.C. 454) authorize FSIS to cooperate with State agencies in developing and administering State MPI programs. The FMIA and the PPIA limit the inspection and regulatory authorities of each cooperative State MPI program to meat and poultry products that are produced, transported, stored, and sold within the State (21 U.S.C. 661(a)(1) and 454(a)(1)). The cooperative State MPI program is required to operate in a manner and with authorities "at least equal to" the provisions set out in the FMIA (21 U.S.C. 661(a)(1) and the PPIA (454(a)(1)).

As stated in the signed cooperative agreement, a State MPI program is required to operate in a manner and with authorities "at least equal to," but not necessarily identical to, the provisions set out in the FMIA and the PPIA (21 U.S.C. 661 (a)(1) & 454 (a)(1)). The "at least equal to" standard requires a State MPI Program to operate under laws, administrative rules, and governing regulations that are at least as effective as those imposed for the Federal inspection program. Additionally, the State MPI program is required to ensure that livestock are treated humanely by imposing humane handling requirements that are "at least equal to" the requirements FSIS has established under the Humane Methods of Slaughter Act (HMSA) (7 U.S.C. 1901–1906).

The Acts provide for FSIS to contribute up to 50 percent funding to a cooperative State MPI program for these services annually if the State program is effectively enforcing requirements that are "at least equal to" the Federal program (21 U.S.C. 661(a)(3) and 454(a)(3)). This Federal funding cannot exceed 50 percent of the estimated total cost to operate the cooperative State MPI program. Such cooperation and payment are also contingent upon the administration of the State

MPI program in full compliance with the signed cooperative agreement between the State or State agency and FSIS. If a State is unable or unwilling to continue to operate a cooperative State inspection program in an “at least equal to” manner, FSIS designates¹ the State as not having an “at least equal to” program by publishing this designation in the Federal Register. After the expiration of 3030 days of such publication, the State establishments are subject to Federal inspection (21 U.S.C. 661(c)(1) and 454(c)(1)).

In FY 2023, FSIS signed cooperative agreements with 29 States² authorizing them to operate MPI programs. FSIS dispersed more than 67 million dollars to the States to administer cost-effective MPI programs, regulating 1,450 small or very small State-inspected establishments, 2,133 custom exempt operators, and a multitude of intrastate commerce³ firms and businesses. Distribution and sales of products produced under the State MPI programs are limited to intrastate commerce.

Under the FMIA (Section 301(c), 21 U.S.C. 661(c)) and the PPIA (Section 5(c), 21 U.S.C. 454(c)), the Secretary of Agriculture authorizes FSIS to conduct program reviews of the State MPI programs at least annually to verify compliance with the “at least equal to” standard and the terms of the cooperative agreements. FSIS conducts an annual program review of each State MPI program in accordance with the FSIS Directive 5720.3, Methodology for Performing Scheduled and Targeted Reviews of State Meat and Poultry Programs. FSIS analyzes the results of each annual program review to determine whether to renew the cooperative agreement with the applicable State or State agency. For this reason, the annual program review cycle coincides with the Federal fiscal year.

II. Objectives, Scope, and Methodology

FSIS conducted program reviews of all 29 State MPI programs in accordance with FSIS Directive 5720.3, Methodology for Performing Scheduled and Targeted Reviews of State Meat and Poultry Inspection Programs. The review methodology required the FSIS review teams to plan and conduct program reviews to obtain sufficient, appropriate evidence to support all findings and conclusions based on the review objectives.

The objectives of each program review are to verify the following:

- State imposes laws, regulations, and governing regulations with authorities “at least equal to” those provided by the FMIA (21 U.S.C. 601, et seq. and PPIA (21 U.S.C. 451, et seq.);

¹ Designate means all establishments within the State where livestock or poultry amenable to Federal inspection are slaughtered, or their carcasses or parts are prepared or processed for use as human food under the State’s inspection program, must be transferred to the Federal meat and poultry inspection program overseen by FSIS.

² Currently, FSIS has signed State MPI cooperative agreements with Alabama, Arizona, Arkansas, Delaware, Georgia, Indiana, Illinois, Iowa, Kansas, Louisiana, Maine, Minnesota, Mississippi, Missouri, Montana, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.

³ Intrastate commerce refers to the economic transactions and business activities that occur entirely within a single State’s borders.

- State administers a State MPI program capable of ensuring meat and poultry products produced, distributed, and sold within the State are safe, wholesome, unadulterated, and properly labeled;
- State MPI program carries out its regulatory oversight activities effectively and efficiently; and
- State MPI program complies with all terms of the signed cooperative agreement between FSIS and the State.

Each program review focused on administrative and regulatory activities performed by a State MPI program relating to the following nine “at least equal to” components:

1. Statutory Authority and Food Safety Regulations – This component evaluates whether the State MPI program operates under laws and regulations that provide legal authorities “at least equal to” those imposed by FSIS for the ante-mortem and post-mortem inspection, reinspection, sanitation, record keeping, and enforcement provisions of the FMIA, PPIA, and the HMSA.
2. Inspection – This component evaluates whether State MPI program personnel perform inspection activities to verify whether establishments comply with applicable regulations and take appropriate enforcement actions when establishments are not in compliance with provisions that are “at least equal to” those of FSIS.
3. Sampling Programs – This component evaluates whether State MPI program personnel sample meat or poultry products to verify whether they are free of adulterants (e.g., *Escherichia coli* (*E. coli*) O157:H7 in raw, non-intact, beef products, and raw ground beef components; Shiga toxin-producing *E. coli* (STEC) serotypes in beef manufacturing trimmings; *Listeria monocytogenes* (*L. monocytogenes*) and *Salmonella* in ready-to-eat (RTE) products; or drug residues at violative levels), comply with *Salmonella* and *Campylobacter* performance standards in raw classes of meat and poultry, comply with other consumer protection standards, and are properly labeled (e.g., with nutrition information).
4. Staffing, Training, and Supervision – This component evaluates whether the State MPI program provides competent inspection coverage in each establishment on days the establishment produces product that, if found to be safe, wholesome, unadulterated, and properly labeled, is to bear the State mark of inspection.
5. Humane Handling – This component evaluates whether State MPI program personnel perform regulatory verification procedures to assess whether establishment personnel humanely handle all livestock and take appropriate regulatory actions in response to noncompliance. State MPI program personnel are also to perform regulatory verification procedures to assess whether poultry carcasses showing evidence of having died from causes other than slaughter are considered adulterated and condemned. In addition, personnel are to assess whether poultry is slaughtered in accordance with good commercial practices in a manner that results in thorough bleeding of the poultry carcass and ensures that breathing has stopped before scalding so that the birds do not drown.

6. Compliance – This component evaluates whether State MPI program personnel perform surveillance activities concerning meat or poultry products in intrastate commerce and take appropriate enforcement actions if adulterated or misbranded products enter intrastate commerce.
7. Laboratory Quality Assurance Program and Methods – This component evaluates whether State MPI programs maintain laboratory methods and laboratory quality assurance programs that address food pathogen and food chemistry analytes.
8. Civil Rights – This component evaluates whether the State MPI program adheres to Federal civil rights laws and the U.S. Department of Agriculture’s civil rights regulations.
9. Financial Accountability⁴ – This component evaluates whether the State MPI program conforms with 2 CFR Part 400 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and follows FSIS Directive 3300.1, Fiscal Guidelines for Cooperative Inspection Programs.

In FY 2023, FSIS assembled multi-disciplinary review teams to perform the program reviews for the 29 State MPI programs. The review teams were comprised of subject matter experts from the Civil Rights Staff (CRS), Federal-State audit Staff (FSAS), Financial Review and Systems Branch (FRSB), and Laboratory Quality Assurance, Response, and Coordination Staff (LQARCS). Review team members were assigned to conduct review activities only for components relevant to their expertise. The review team analyzed the results of nine component reviews before making an overall determination regarding the “at least equal to” status of the State MPI program.

The FSIS program review methodology consists of two parts: (1) an annual review of a State MPI program’s self-assessment submission (self-assessment review) and (2) a triennial onsite verification audit (onsite audit). FSIS used its analyses of the self-assessment review results as the basis of the annual determination for a State MPI program. When the onsite audit is conducted, FSIS makes its annual determination for a State MPI program based on the results of the self-assessment review and onsite audit.

FSIS maintains a cyclical 3-year review schedule to ensure each State MPI program is subjected to a self-assessment review annually and an onsite audit at least every 3 years. The cyclical 3-year review schedule is dynamic. Thus, FSIS may conduct unscheduled targeted onsite reviews of a State MPI program at any time the evidence or conditions identified during the program review suggest the existence of operational findings that may result in unacceptable risk to public health.

⁴ Considering the current economic conditions, some State governments are experiencing financial challenges, which may result in overall budget cuts or the enactment of laws that could jeopardize the administration of their meat and poultry inspection programs. To ensure the safety of State-inspected meat and poultry products, FSIS has initiated more vigilant monitoring to track and analyze circumstances and conditions that adversely affect the State MPI program’s financial resources. When FSIS identifies concerns with a State MPI program’s financial resource, the Agency will further examine each situation to determine the impact on the State MPI program’s inspection activities, product sampling programs, staffing, and compliance activities. The Agency will also determine if the State MPI program maintains its “at least equal to” status.

Part 1 – Self-Assessment Review

The FSIS audit teams conducted self-assessment reviews for all 29 State MPI programs. FSIS required each State MPI program to submit all self-assessment documents to the State Review and Communication Tool (SRCT) or directly to the requesting FSIS staff by November 1 (see Table 1).

Table 1 – FSIS Review Team Assignments by Components

Component	Self-assessment Documents Submission Method	Reviewing Staff/FSIS Program Area
Components 1-6	Electronically via SRCT	FSAS/The Office of Enforcement, Investigation and Audit (OIEA)
Component 7	Electronically via general staff email box	LQARCS/The Office of Public Health and Science
Component 8	Electronically via general staff email box	CRS
Component 9	Electronically via general staff email box	FRSB/The Office of Chief Financial Officer (OCFO)

FSAS Components 1-6 Self-assessment Review

The FSAS auditors reviewed and analyzed each State MPI program's Components 1–6 survey responses and supporting documentation that were uploaded in the SRCT. The submitted documents included State laws, administrative rules and regulations relevant to the State MPI program; descriptions of the State MPI program's administrative and operational systems and related policies; and evidence of regulatory activities performed in the last 12 months. During the self-assessment reviews, FSAS auditors interviewed State MPI program officials to gain a better understanding of survey responses or submitted self-assessment documents. FSAS issued an interim report to State MPI programs subjected to only self-assessment reviews; an onsite audit notification letter to State MPI programs also subjected to the onsite audit process. FSAS carbon copied CRS, LQARCS, and FRSB on all interim reports and onsite audit notification letters issued.

LQARCS Component 7 Self-assessment Review

LQARCS reviewed and verified that each State MPI program used product sampling and laboratory methods with capabilities and safeguards "at least equal to" FSIS' product sampling and laboratory methods. Each State MPI program must meet the criteria to achieve and maintain "at least equal to" laboratory methods in the following three areas: (1) Program Sampling and Reporting, (2) Laboratory Quality Assurance Programs, and (3) Laboratory Testing Methods.

Each State MPI program submitted to LQARCS for evaluation completed FSIS Form 5720-15, Laboratory Method Notification Form, and FSIS Form 5720-14, State Meat and Poultry Inspection (MPI) Program Laboratory Quality Management System Checklist. The submitted CComponent 7 forms included information regarding minimum quality assurance practices, a list of analytical methods and procedures, names of all analysts trained on each method, and a list of

the laboratory proficiency testing programs. In addition, LQARCS interviewed laboratory personnel and requested corrective action responses along with objective evidence for any findings identified during the self-assessment reviews. LQARCS issued a closeout letter to the State agency, and carbon copied it to FSAS upon completion of the self-assessment review.

CRS Component 8 Self-assessment Review

CRS reviewed and evaluated each State MPI program's completed FSIS Form 1520-1, Civil Rights Compliance of State Inspection Programs, to verify the State's overall compliance with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. When applicable, CRS requested the State MPI program to resolve any inconsistencies identified during the self-assessment reviews. CRS issued a closeout letter to the State agency, and carbon copied it to FSAS upon completing the self-assessment review.

FRSB Component 9 Self-assessment Review

FRSB reviewed each State MPI program's completed forms to assess compliance with the terms of the signed cooperative agreements and the financial and administrative requirements of FSIS Directive 3300.1, Fiscal Guidelines for Cooperative Inspection Programs. As a part of its review process, FRSB monitored and evaluated each State MPI program's financial reporting throughout the Federal fiscal year to verify compliance with the following certification requirements of review Component 9:

- Submission of an annual budget to OCFO and all data requested.
- Submission of an annual indirect cost proposal to FRSB (due within 66 months after the close of the State fiscal year).
- Submission and reconciliation of Federal Financial Reports (SF-425) by FRSB for four quarters. The quarterly reports are due within 3030 days after the close of each quarter.
- Timely resolution of all corrective actions on financial findings pursuant to the onsite fiscal review.

OCFO provided annual assurance statements to FSAS indicating that the State agencies were current in the financial reporting activities required throughout FY 2023.

Part 2 – Onsite Audit

In FY 2023, FSIS conducted 11 triennial verification onsite audits. During the onsite audits, the FSIS review teams examined and analyzed State MPI program functions at State offices, State-inspected establishments, contract laboratories, custom exempt operators, retail firms, and other in-commerce businesses. The FSIS audit teams interviewed State officials, reviewed program records, and observed program activities to verify all review objectives were met and that the State MPI programs' administrative and operational systems were implemented as documented in their self-assessment submissions.

FSAS Onsite Audit

FSAS sent written notifications to the State MPI programs to inform them about the scheduled dates for the upcoming onsite audits, before conducting Component 1–6 reviews. In preparation for the onsite audits, the FSAS auditors thoroughly reviewed determination summaries,

documented the results of the self-assessment reviews, and included notes regarding any potential program nonconformities to be examined during the onsite audits. To begin each onsite audit, FSAS held an entrance meeting with State MPI program officials to discuss the audit objectives, scope, and methodology.

FSIS analyzed the SRCT responses regarding the State MPI program's regulatory and administrative activities conducted within review Components 1-6 during the preceding 12 months. The preparation process included the analysis of data collected by FSIS over three years and information obtained directly from State MPI programs through the SRCT.

For each onsite audit of a State MPI program, FSIS selected a representative set of State-inspected establishments to be audited using a two-step risk-based systematic approach. The goal was to audit a sufficient number of State-inspected establishments during each onsite audit to provide a known, acceptable level of confidence that incidents of nonconformity and noncompliance would be identified. First, FSAS determined appropriate sample sizes (establishment sets) from total populations of State-inspected establishments to audit each scheduled State MPI program onsite audit using Table 2 – Guideline for Selecting a State-inspected Establishment Set to Audit.

Table 2 – Guideline for Selecting a State-inspected Establishment Set to Audit

Total Population of State-inspected Establishments	Establishment Sets
1-30	7
31-50	10
51-100	13
101+	15

Next, FSAS populated the establishment sets by ranking and selecting establishments in order of risk, from highest to lowest priority risk, using Table 3 – Risk Determinants. Each selected establishment met at least one risk determinant listed in the table. The intent is to select establishments in order of risk until the establishment set is complete. FSIS included one low-priority risk establishment to verify the results of MPI program's regulatory activities reflect the actual condition observed at the establishment. It allows FSAS to assess the effectiveness of the risk-based approach.

Table 3 – Risk Determinants Table

Priority Risk Category	Description of Risk Determinants
High Priority Risks	Human Illness, Class I or Class II public health recall, or public health alert linked to Establishment in past 12 months
	Establishments with positive sample results (RTE pathogens or STEC) in the past 12 months
	Establishments with one or more sets exceeding <i>Salmonella</i> Performance Standards (Category 3) in Past 12 months
	Establishments with Tier 1 Public Health Regulation (PHR) NC Rate in the past 12 months

Medium Priority Risks	Human Illness, Class I or Class II public health recall, or public health alert linked to Establishment in past 13 – 36 months
	Establishments with positive sample results (RTE pathogens or STEC) in the past 13 – 36 months
	Establishments with one or more sets exceeding <i>Salmonella</i> Performance Standards (Category 3) in Past 13 – 36 months
	Establishments linked to administrative enforcements (e.g., suspensions, withholding the marks, notices of intended enforcements imposed during the preceding 12 months
	Establishments that sustained structural damage in production areas due to a natural disaster during the preceding 12 months
	Miscellaneous meat and poultry inspection (MPI) program-based issues (e.g., isolated establishments, new establishments, establishments within the assignments of new program inspectors or circuit supervisors, etc.) since last FSIS audit
	Establishments producing large volumes of products under the following HACCP categories*: Slaughter, Raw/Non-Intact, Raw Intact, Fully Cooked/Not Shelf Stable Post-lethality Exposed, Not Heat Treated/Shelf Stable, Heat Treated/Not Fully Cooked/Not Shelf Stable, Secondary Inhibitors, Heat Treated/Shelf Stable, Full Cooked/Not Shelf Stable Not Post-lethality Exposed, and Thermally Processed.
	*The HACCP categories are ranked by inherited risk (highest to lowest) per FSIS Directive 5000.6, Performance of the Hazard Analysis Verification Task .
	Establishments with documented public health regulations (PHR) based on noncompliances documented during last FSIS onsite audit.
Low Priority Risks	Establishments with Tier 2 PHR NC Rates in the past 12 months
	Risk footprint ranking of the remaining establishments

During the onsite audits, FSAS reviewed each selected State-inspected establishment included in the establishment set to assess a State MPI program’s ability to conduct regulatory inspections and food safety verifications in the context of the “at least equal to” standard. At each State-inspected establishment review, the FSAS auditors:

- Observed the State MPI program’s enforcement of applicable State requirements on HACCP, Sanitation Standard Operating Procedures, Sanitation Performance Standards, non-food safety consumer protection, control of specified risk material, humane handling, and custom and retail exempt requirements;
- Observed State MPI program inspectors as they perform ante-mortem and post-mortem inspection procedures;
- Examined any enforcement letters, food safety assessment results, and noncompliance records (NR) from the previous 12 months to determine any trends of noncompliance and assess whether NRs are fully and accurately completed and closed in a timely manner;
- Documented noncompliance observed at the establishment that the State MPI program failed to identify or for which the State MPI program failed to take appropriate regulatory action;
- Observed the extent to which establishment management and State MPI program officials interacted to prevent regulatory noncompliances that threaten food safety;
- Discussed the review findings with State MPI Program officials; and
- Ensured, before leaving an establishment, that State MPI program officials have taken appropriate actions with respect to all noncompliances observed during the establishment review.

The FSAS auditors, with the help of OIEA, Compliance and Investigations Division (CID), conducted 'ride along' reviews to ensure the effective implementation of each State MPI program's compliance program. These reviews included state compliance officers conducting a variety of compliance activities such as custom exempt operator reviews, in-commerce surveillance activities, investigations, product controls, etc. The FSIS audit teams also reviewed product sampling, staffing, training, compliance, internal control activities, and related documents at State offices. These activities were conducted to verify that observed operations and policies implemented by State MPI programs reflect those described in the submitted self-assessment documents and were carried out effectively.

After the completion of the Component 1-6 reviews, FSAS identified findings by comparing the results of onsite verification findings against the program standard policies, procedures, and supporting evidence submitted in the current year's self-assessment. FSAS held an exit meeting with State MPI program officials to present the results of the Component 1-6 review and communicated an expectation for the State MPI program to submit a written corrective action plan (CAP) for resolving all review findings. The CAP must include the underlying causes of any findings, propose corrective actions for resolving each finding, and an implementation timeline for all proposed corrective actions.

FSAS concluded the Components 1-6 onsite audits by issuing an interim report detailing audit observations, vulnerabilities, and findings to the respective State MPI program, if applicable. Copies of the interim reports were shared with CRS, FRSB, and LQARCS. FSAS classified findings into two categories: noncompliance and nonconformity. Noncompliance is a failure to meet a regulatory requirement outlined in 9 CFR, which all State MPI programs have adopted as the governing set of regulations for meat and poultry operations under their jurisdiction. Nonconformity is a failure of the State MPI program or any State official to comply with an administrative or operational standard, policy, or procedure submitted in the current year's self-assessment document. In addition to findings, FSAS may identify program vulnerabilities during the onsite audit. A vulnerability is an observed weakness involving a program or management practice that may jeopardize the State MPI program's ability to carry out its public health and regulatory objectives if it is not corrected. Vulnerabilities do not rise to the level of noncompliance or nonconformity because, currently, FSIS does not require the State MPI program to have a set policy or standard for the observed practice.

LQARCS Onsite Audit

LQARCS microbiologists and chemists performed scheduled onsite audits of each contract laboratory that performs testing for the 11 State MPI programs. The purpose of the onsite audits was to verify that each laboratory applied laboratory methods with capabilities and safeguards in accordance with the submitted Component 7 self-assessment documents.

During each laboratory audit, LQARCS verified compliance with the required laboratory quality assurance activities, employed trained analysts to perform the submitted analytical methods as written, and maintained the capability to perform applicable analyses. LQARCS reviewed the records of laboratories supporting the food safety and regulatory activities of State MPI programs to ensure that the full implementation of all methods and the laboratory's quality system comply with applicable FSIS ““at least equal to”” standards.

LQARCS microbiologists and chemists held exit meetings with each laboratory to discuss all identified nonconformances regarding quality assurance and method requirements during the audit to ensure that the laboratory contacts had a clear understanding of the identified nonconformances. Within 30 days of completing an onsite laboratory audit, LQARCS distributed an audit report to the contract laboratory.

When applicable, each laboratory was given 30 days to provide corrective action responses (CARs) and objective evidence to support the described actions taken to resolve any nonconformance identified in the audit report. LQARCS reviewed the submitted CARs and verified nonconformances were resolved. After reviewing and accepting the submitted CAR, LQARCS distributed an audit closure letter to the laboratory. LQARCS provided a Component 7 determination regarding each laboratory audited to FSAS before the end of FY 2023.

In instances when an identified nonconformance remained unresolved by a laboratory, LQARCS worked with the laboratory to establish a timeline for resolving them. LQARCS issued a closure letter upon the laboratory's successful resolution of the nonconformance and relayed the information to FSAS.

CRS Onsite Audit

CRS reviewed 11 State MPI programs' management controls for preventing discrimination in the delivery of program services to determine whether they are "at least equal to" FSIS' management controls, which are designed to prevent discrimination in the delivery of program services. The reviews were conducted to determine compliance with applicable Civil Rights statutes, USDA regulations, and FSIS policies and, where necessary, to provide recommendations for program improvement. CRS held an entrance meeting with each reviewed State MPI program to discuss the compliance review purpose and procedures. Each onsite review's scope focused on the State's compliance in eight components: (1) Civil Rights Assurances; (2) State Infrastructure and Program Accountability; (3) Public Notification; (4) Complaints of Discrimination; (5) Civil Rights Training; (6) Civil Rights Compliance, (7) Program Accessibility to Individuals with Limited English Proficiency; and (8) Compliance with the Age Discrimination Act of 1975.

The CRS reviewer thoroughly assessed the State MPI program's submitted FSIS Form 1520-1, Civil Rights Compliance of State Inspection Programs, in preparation for each onsite review. The CRS reviewer conducted compliance reviews of Civil Rights notifications and posters and a facility assessment of the State office building's accessibility for persons with disabilities. In addition, the CRS reviewer interviewed establishment owners or firm operators to determine whether the State MPI program provided inspection services in a nondiscriminatory manner.

After completing each onsite review, the CRS reviewer discussed all findings and, when necessary, provided recommendations for program improvement. Within 120 days of the onsite audit, the CRS reviewer provided an audit results report to the State MPI program and FSAS, documenting any applicable findings and recommendations. CRS confirmed implementation of recommendations by requiring the State MPI program to report the implementation status of recommendations in the next annual self-assessment submission of FSIS 1520-1 Form, Civil

Rights Compliance of State Inspection Programs. Upon receipt of the self-assessment, CRS issued a letter of determination based on the information provided in the self-assessment.

FRSB Onsite Audit

FRSB held an entrance meeting with each State MPI program audited to explain the purpose, scope, and procedures. The audit scope focused on financial records and reports for the previous three Federal fiscal years encompassed the State MPI program's Federal-State Cooperative Agreement and other applicable cooperative agreements⁵.

Each financial audit and analysis was conducted in accordance with the U.S. Government Auditing Standards issued by the Comptroller General of the United States of America, FSIS Directive 3300.1, Fiscal Guidelines for CIPs; FSIS Directive 5720.3, Methodology for Performing Scheduled and Targeted Reviews of State Meat and Poultry Inspection Programs; "At Least Equal To" Guidelines for State Meat and Poultry Cooperative Inspection Programs; and 2 CFR Part 400 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

During each audit, the FRSB auditor reviewed the internal control structure of the State agency managing the State MPI program; prepared a detailed reconciliation of the proposal costs to the accounting records; reviewed management's classifications of exclusions, unallowable costs, indirect and direct costs; conducted limited transaction testing to determine the reasonableness, allowability and allocability of exclusions, indirect and direct costs; and reviewed equipment or building usage costs.

After completing each onsite audit, FRSB held an exit meeting to discuss audit results. The FRSB reviewer provided to the State agency and State MPI program a report detailing audit results, which may have included audit findings and recommendations. When applicable, the FRSB reviewer worked with the State agency to develop a corrective plan to resolve audit findings. Once the findings were resolved, the FRSB issued a closeout letter to the State agency and carbon copied it to FSAS.

III. Annual Determination

FSIS provides a determination for each component based on the respective State MPI program reviews conducted by FSAS, LQARCS, CRS and FRSB. Following each self-assessment review and onsite audit, if applicable, FSIS compares the results of the nine component reviews to the "at least equal to" standard for the relevant component to determine whether the State MPI program met the component's standard. FSIS collectively evaluates the nine component determinations to make one of the following three overall determinations:

- (1) "At Least Equal To" means that the State MPI program imposes applicable State laws, regulations, and policies necessary to operate an inspection program in a manner that is "at least equal to" Federal requirements for all review components.

⁵ FSIS and State agencies may cooperate under the following additional cooperative agreements: the Talmadge/Aiken Overtime or Cross Utilization Award Programs and the Federal-State Cooperative Inspection Programs. FSIS conducts separate reviews of these programs to verify compliance with the terms of the cooperative agreements.

- (2) “At Least Equal To with Provisions” means that the State MPI program has not fully implemented effective measures proposed to resolve findings identified in one or more review components by the end of the review year. The State MPI program needs additional time to demonstrate effective resolution of review findings and full compliance with the “at least equal to” Federal requirements.
- (3) Not “At Least Equal To” means that the State MPI program does not impose State laws, regulations, or policies necessary to operate an inspection program in a manner that is “at least equal to” Federal requirements for all review components.

FSIS will notify State MPI program officials in writing if the State's MPI program is issued an “at least equal to” determination. Before making a determination, FSIS may request additional information from State officials to give the State MPI program sufficient opportunity to support its “at least equal to” claims or to demonstrate corrective actions taken in response of review findings. If FSIS determines that a State MPI program is unable or unwilling to maintain an inspection program that is “at least equal to” the Federal inspection program, the USDA Secretary will promptly notify the Governor of the State and allow the State an opportunity to discuss the Agency’s findings and recommendation to designate the State. If a State MPI program becomes subject to the designation process, the FSIS Office of Policy and Program Development’s Issuance Staff will prepare a Federal Register notice informing the public that the State has been designated, as required by the FMIA (Section 301(c), 21 U.S.C. 661(c) and PPIA (Section 5(c), 21 U.S.C. 454(c)), and that the designated State’s meat or poultry product establishments will be subject to Federal inspection 30 days after publication of the notice.

IV. Program Review Results

FSAS compiled component determination reports and supporting documents from CRS, FRSB, and LQARCS for all 29 State MPI programs. After compiling the component reports, FSAS created corresponding annual comprehensive determination reports for publication on the FSIS website and distributed to applicable State MPI programs. The individual program reviews conducted for each State MPI program are detailed in the attached annual comprehensive determination report.

In FY 2023, FSIS received self-assessments from the 29 State MPI programs. Based on reviews of the submitted self-assessments, FSIS determined that all States had developed and maintained necessary laws, administrative rules, regulations, program policies, and related operational procedures and records to administer programs "at least equal to" the Federal program. The self-assessment determinations for each State MPI program are summarized in Table 4.

After conducting self-assessment reviews, FSIS audited and determined that nine State MPI programs - Alabama, Arizona, Georgia, Illinois, Montana, Ohio, Utah, Vermont, and Wyoming - were "at least equal to" the Federal program as described in their self-assessment submissions. FSIS also conducted initial onsite verification audits of the Arkansas and Oregon MPI programs. FSIS issued to Arkansas and Oregon’s newly developed MPI programs “at least equal to” with provisions determinations because the State-inspected establishments hardly operated during the onsite audits. Minimal slaughter and processing operations conducted at State-inspected establishments precluded the State MPI programs from demonstrating their abilities to fully

implement the written program procedures and policies as presented in the submitted self-assessments. Before making definitive determinations, FSIS will conduct targeted onsite audits of both State MPI programs in FY 2024.

The determinations for all onsite verification audits conducted this year are listed in Table 5. For further details, refer to the attached individual State reports.

Table 4 – FY 2023 Determinations for State MPI Program Subjected to a Self-Assessment Audit Only

State	<u>“At Least Equal To”⁶</u>	<u>“At Least Equal To” with Provisions⁷</u>	<u>Not “At Least Equal To”⁸</u>
Delaware	✓		
Indiana	✓		
Iowa	✓		
Kansas	✓		
Louisiana	✓		
Maine	✓		
Minnesota	✓		
Mississippi	✓		
Missouri	✓		
North Carolina	✓		
North Dakota	✓		
Oklahoma	✓		
South Carolina	✓		
South Dakota	✓		
Texas	✓		
Virginia	✓		
West Virginia	✓		
Wisconsin	✓		

⁶ “At Least Equal To” – The State MPI program imposes applicable State laws, regulations, and policies necessary to operate an inspection program in a manner that is “at least equal to” Federal requirements for all review components.

⁷ “At Least Equal To” with Provisions – The State MPI program has not fully implemented effective measures proposed to resolve findings identified in one or more review component by the end of the review year. The State MPI program needs additional time to demonstrate effective resolution of review findings and full compliance with the “at least equal to” Federal requirements.

⁸ Not “At Least Equal To” – The State MPI program does not impose State laws, regulations, or policies necessary to operate an inspection program in a manner that is “at least equal to” Federal requirements for all review components.

Table 5 – FY 2023 Determinations for State MPI Programs Subjected to a Self-Assessment Review and an Onsite Verification Audit

State	<u>“At Least Equal To”¹²</u>	<u>“At Least Equal To” with Provisions¹³</u>	<u>Not “At Least Equal To”¹⁴</u>
Alabama	✓		
Arkansas		✓	
Arizona	✓		
Georgia	✓		
Illinois	✓		
Montana	✓		
Ohio	✓		
Oregon		✓	
Utah	✓		
Vermont	✓		
Wyoming	✓		

V. Next Steps

By April 2024, FSIS will publish this annual summary report on the FSIS website and attach 29 individual State MPI program reports detailing the results and final determinations of the program audits.

In FY 2024, FSIS will conduct 29 self-assessment program reviews, 9 scheduled onsite verification and 2 targeted onsite audits in accordance with FSIS Directive 5720.3, Methodology for Performing Scheduled and Targeted Reviews of State Meat and Poultry Inspection Programs.

FSIS and the State MPI programs will continue to monitor media and other information sources for new or revised State laws, financial expenditures, and program governance practices that may detrimentally impact the abilities of the 29 States to administer meat and poultry inspection programs that continue to meet “at least equal to” standards.

¹² “At Least Equal To” – The State MPI program imposes applicable State laws, regulations, and policies necessary to operate an inspection program in a manner that is “at least equal to” Federal requirements for all review components.

¹³ “At Least Equal To” with Provisions – The State MPI program has not fully implemented effective measures proposed to resolve findings identified in one or more review component by the end of the review year. The State MPI program needs additional time to demonstrate effective resolution of review findings and full compliance with the “at least equal to” Federal requirements.

¹⁴ Not “At Least Equal To” – The State MPI program does not impose State laws, regulations, or policies necessary to operate an inspection program in a manner that is “at least equal to” Federal requirements for all review components.

Appendices

ANNUAL INDIVIDUAL STATE MPI PROGRAM REPORTS

[PLACEHOLDER]