

Appendix P

FINAL REPORT

Fiscal Year 2023

North Carolina

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Federal-State Audit Staff
Office of Investigation, Enforcement and Audit
Food Safety and Inspection Service
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Executive Summary

This report describes the outcome of the annual audit of the North Carolina Department of Agriculture & Consumer Services – Meat and Poultry Inspection Division (NCDACS/MPID), conducted by the U.S. Department of Agriculture’s Food Safety and Inspection Service for fiscal year 2023. The purpose of the annual audit was to: (1) verify the State of North Carolina imposes laws, regulations, and related policies with authorities and requirements “at least equal to” those provided by the Federal Meat Inspection Act (21 U.S.C. 601, et seq.) and Poultry Products Inspection Act (21 U.S.C. 451, et seq.); (2) determine whether North Carolina 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; and (3) confirm the State MPI program carries out its regulatory oversight activities effectively and efficiently.

The annual audit focused on all nine “at least equal to” components: (1) Statutory Authority and Food Safety Regulations; (2) Inspection; (3) Sampling Programs; (4) Staffing, Training, and Supervision; (5) Humane Handling; (6) Compliance; (7) Laboratory Methods and Quality Assurance Program; (8) Civil Rights; and (9) Financial Accountability. This year, FSIS reviewed only the self-assessment documentation submitted by NCDACS/MPID to determine whether the State maintains and enforces requirements for a meat and poultry inspection (MPI) program “at least equal to” the Federal requirements.

An analysis of the audit findings within each component did not identify systemic findings that may pose an immediate threat to public health.

Based on thorough evaluations of the review results, FSIS determined that NCDACS/MPID continues to operate a meat and poultry inspection program “at least equal to” the Federal requirements.

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I. INTRODUCTION

This report communicates the results of an onsite verification audit conducted by the U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) in Federal fiscal year (FY) 2023 to evaluate North Carolina's administered meat and poultry inspection program to determine if it is "at least equal to" FSIS' requirements and is capable of ensuring that the State's supply of meat and poultry products is safe, wholesome, unadulterated, and properly labeled and packaged. This report also summarizes information examined and analyzed to determine whether the North Carolina meat and poultry inspection (MPI) program is "at least equal to" the FSIS inspection system.

The "at least equal to" standard requires that State MPI programs operate in a manner that is at least as effective as FSIS' Federal inspection program in the protection of public health. Under the Federal Meat Inspection Act (FMIA) and Poultry Products Inspection Act (PPIA), FSIS may contribute up to 50 percent of the estimated total cost of the State's MPI program and provide administrative support if the State operates and maintains a program that is "at least equal to" the Federal inspection program (21 U.S.C. 661(a)(3) and 454(a)(3)).

II. OBJECTIVE, SCOPE, AND METHODOLOGY

The scope of the FSIS review focused on the nine "at least equal to" components: (1) Statutory Authority and Food Safety Regulations; (2) Inspection; (3) Sampling Programs; (4) Staffing, Training, and Supervision; (5) Humane Handling; (6) Compliance; (7) Laboratory Methods and Quality Assurance Program; (8) Civil Rights; and (9) Financial Accountability. This year's review activities were limited to evaluations of self-assessment documents submitted by NCDACS/MPID via email or the State Review and Communication Tool (SRCT) for each component. FSIS also conducted interviews of State MPI program officials as needed to gain a better understanding of some submitted self-assessment documents. FSIS reported any findings¹ identified during this review to make certain the State MPI program effectively implements corrective actions to resolve them. FSIS analyzed all information collected for each "at least equal to" component during the review process before making a determination regarding the component. The overall determination for the State MPI program was based on the collective results and determinations made for the nine "at least equal to" components. FSIS conducted this review process in accordance with FSIS Directive 5720.3, Methodology for Performing Scheduled and Targeted Reviews of State Meat and Poultry Inspection Programs. NCDACS/MPID was not subjected to an onsite verification audit in FY 2023.

III. BACKGROUND

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. An individual State MPI program

¹ An issue identified by a Federal-State Audit Staff Auditor. There are two types of findings: 1. Noncompliance, failure to meet a regulatory requirement. 2. Nonconformity, State program, or any State official fails to implement and/or follow a policy or procedure as proffered in their self-assessment.

is limited to meat and poultry products that are produced and sold within the State and needs to operate in a manner and with authorities that are “at least equal to” the programs that FSIS implements under the ante-mortem and post-mortem inspection, reinspection, sanitation, record keeping, and enforcement provisions of the FMIA (21 U.S.C. 601, et seq.) and PPIA (21 U.S.C. 451, et seq.). State MPI programs are 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 of 1978 (HMSA) (7 U.S.C. 1901–1906).

The FMIA and PPIA provide for FSIS to review, at least annually, each State MPI program and its requirements and enforcement activities. If a State fails to administer a meat and poultry inspection program that is “at least equal to” FSIS’ Federal inspection program, FSIS will move to “designate” the State in accordance with 21 U.S.C. 661(c) and 454(c).

Annually, non-designated States are expected to assess and support determinations that their MPI programs operate in a manner “at least equal to” the Federal inspection program. FSIS requires State MPI programs to submit self-assessment documents in accordance with FSIS’ “At Least Equal To” Guideline for State Meat and Poultry Inspection Programs through the SRCT system to the appropriate FSIS staff on or before November 1 of each year. At a minimum, the self-assessment documentation should be representative of the current operations of the State MPI program and demonstrate the program’s ability to meet the “at least equal to” Federal requirements for the next 12 months. State MPI programs are to provide narratives in the submitted documentation for any identified administrative or operational changes made to its programs since the last FSIS audit. As a part of the self-assessment process, State MPI programs are expected to consider the intent and assess the applicability of FSIS statutes, regulations, FSIS directives, and notices in its inspection operations and compliance enforcement strategies. FSIS expects State MPI programs to submit for review copies of all applicable laws, administrative rules, regulations, and policies deemed necessary to carry out inspection programs “at least equal to” the Federal requirements.

In addition, the FSIS audit team conducts onsite audits of State MPI programs every 3 years at a minimum to verify the accuracy and implementation of the State MPI programs’ self-assessment submissions. The year when a State MPI program is subject to FSIS’ onsite audits, the annual “at least equal to” determinations will be based on analyses of results collected through FSIS’ two-part audit process. Otherwise, the annual “at least equal to” determination will be based solely on analyses of the desk audit results.

NCDACS/MPID, a State organization with the overall authority to administer the State MPI program, submitted as required program self-assessment documents to demonstrate administrative and program-wide compliance with all nine “at least equal to” components. FSIS conducted a desk audit of the State’s self-assessment documentation and an onsite verification audit of the State MPI program.

NCDACS/MPID administers the North Carolina MPI program under authority of North Carolina General Statutes (NCGS Chapter 106, Articles 49B, 49C, and 49D). NCDACS/MPID is organized on three levels: State office, State inspection, and compliance program. The program verifies compliance and enforces regulatory requirements at inspected facilities and custom

exempt operators.² In addition, NCDACS/MPID provides inspection at Federal-State Cooperative Agreement Inspection Program³.

FSIS verified through record reviews that all NCDACS/MPID personnel employed by the State of North Carolina are conducting verification activities as outlined in the self-assessment.

The State MPI Establishment Count Table below details the number of State-inspected establishments and custom exempt operators:

Total Number of State-Inspected Establishments and Custom Exempt Operators

	Establishment Type	Slaughter Only	Processing Only	Combination Slaughter and Processing	Total
Number of State-Inspected Establishments	Meat Only	1	18	12	31
	Poultry Only	0	1	0	1
	Combination Meat and Poultry	0	13	0	13
	Total	1	32	12	45
Number of Custom Exempt Operators	Meat Only	0	15	13	28
	Combination Meat and Poultry	0	2	2	4
	Total	0	17	15	32

IV. COMPONENT 1: STATUTORY AUTHORITY AND FOOD SAFETY REGULATIONS

The State laws or administrative rules must grant the State MPI program the legal authority to administer an inspection program. The State MPI program is required to have meat and poultry inspection laws and governing regulations to impose mandatory ante-mortem and post-mortem inspection, reinspection, sanitation requirements, recordkeeping requirements, and enforcement authorities “at least equal to” those prescribed by the FMIA (21 U.S.C. 601, et seq.) and PPIA (21 U.S.C. 451, et seq.).

FSIS reviewed the self-assessment documentation submitted and confirmed that North Carolina administers the NCDACS/MPID. The State law, NCGS, includes legal requirements comparable to the following mandatory requirements of the FMIA and the PPIA:

- ante-mortem and post-mortem inspection Sections 106-549.17, 106-549.18, and 106-549.53;
- reinspection Sections 106-549.18, 106-549.19, and 106-549.53;

² Custom exempt operators are not subject to the routine inspection requirements of the FMIA and the PPIA, provided the specified operations meet the exemption requirements (21 U.S.C. 623 and 464).

- sanitation requirements Sections 106-549.22 and 106-549.54;
- record keeping requirements Sections 106-549.36 and 106-549.58;
- humane methods of slaughter requirements Section 106-549.17;
- adulteration Section 106-549.15 and 106-549.51;
- misbranding Section 106-549.15 and 106-549.51;
- prohibited acts Section 106-549.23, 106-549.24 and 106-549.56;
- access and examination Sections 106-549.20, 106-549.36, and 106-549.58;
- product control actions (Sections 106-549.31, 106-549.32, 106-549.65, and 106-549.66); and
- exemption from inspection Sections 106-549.27, and 106-549.62.

The NCGS grants the authority to promulgate rules and regulations (Sections 106-549.22 and 106-549.61). North Carolina adopts by reference Title 9, Code of Federal Regulations (9 CFR), Parts 300 through 500, including subsequent amendments and editions in the North Carolina Administrative Code (02 NCAC 52D.0101).

FSIS auditors confirmed North Carolina did not enact any statutory or regulatory changes this year that may potentially affect how NCDACS/MPID carries out its regulatory duties.

FSIS did not have any findings and determined that NCDACS/MPID operates under State laws and regulations that provide legal authority “at least equal to” that provided under the FMIA, PPIA, HMSA, and governing regulations.

V. COMPONENT 2: INSPECTION

Inspection provided by the State MPI program is “at least equal to” that provided by FSIS. The State MPI program is required to administer a regulatory inspection program “at least equal to” that provided by FSIS. The inspection program is to include, at a minimum, inspection verification methods for verifying:

- Animals are suitable for slaughter, and carcasses and parts are eligible for human consumption;
- All meat and poultry products found in intrastate commerce are safe, unadulterated and truthfully labeled;
- All official establishments comply with sanitation performance standards, sanitation standard operating procedures and sanitary dressing regulatory requirements as articulated in 9 CFR 416 or equivalent governing State regulations; and
- All official establishments develop, implement, and maintain written Hazard Analysis and Critical Control Points systems as articulated in 9 CFR 417 or equivalent governing State regulations.

The inspection verification methods implemented by the State MPI program must include activities for evaluating compliance at official establishments with the applicable inspection and food safety verification requirements of 9 CFR 300 to End. These include observation of establishments’ operations and employees’ product handling practices, hands-on verification, and review of establishment records, with the results of verification being entered in the

associated inspection records. The State MPI program is also to implement inspection verification methods to ensure State-inspected meat and poultry products are wholesome, not economically adulterated, truthfully labeled, and meet regulatory requirements. The State MPI program must ensure inspection personnel interpret and apply relevant regulatory requirements uniformly when conducting inspection verification methods. The ultimate regulatory goal of the State MPI program is to protect consumers from meat or poultry products that are unwholesome, economically adulterated, or not truthfully labeled (21 U.S.C. 607 and 457).

NCDACS/MPID uses the FSIS Public Health Information System (PHIS) to schedule inspection tasks and to collect, consolidate, and analyze inspection data. NCDACS/MPID administers inspection for any meat or poultry product intended for human consumption, wholly or in part, from the carcass or parts of any animal defined as “livestock” or “poultry” in the North Carolina General Statutes and governing rules, regulations, and policies. The State inspection program maintains assurances that animals intended to be used in meat and poultry products sold commercially are slaughtered and processed in the presence of State inspection personnel. The resulting meat food products are inspected and passed for human consumption. NCDACS/MPID adopts and implements all relevant FSIS issuances as its own policies for carrying out inspection and food safety verification activities.

FSIS did not have any findings and determined that NCDACS/MPID maintains inspection and food safety verification systems that meet the “at least equal to” standards. Control measures are in effect to ensure that the inspection system functions as intended.

VI. COMPONENT 3: SAMPLING PROGRAMS

The State MPI program is required to assess establishments’ control of microbial pathogens and violative levels of veterinary drugs, pesticides, contaminants, and other adulterants through product sampling. The State MPI program must have access to laboratory services to conduct chemical, microbiological, physical, and pathological testing. Laboratories conducting official analyses for State inspection programs must ensure test results are accurate, reliable, and reproducible.

FSIS reviewed NCDACS/MPID’s product sampling documents, protocols, procedures, and results presented in the FY 2023 self-assessment submission. FSIS confirmed submitted documentation demonstrated NCDACS/MPID maintains sampling programs based on sound rationale and goals for the following:

- *Escherichia coli* (*E. coli*) O157:H7 in raw non-intact beef products and raw ground beef components;
- Non-O157 Shiga toxin-producing *E. coli* (non-O157 STEC) in beef manufacturing trimmings;
- *Listeria monocytogenes* (*L. monocytogenes*) and *Salmonella* in ready-to-eat (RTE) products; and
- Other consumer protection standards.

NCDACS/MPID implements sampling procedures for collecting samples, maintaining sample integrity, determining sampling frequencies, conducting sample analyses, responding to positive results, and preventing adulterated product from entering commerce. Additionally, NCDACS/MPID participates in the National Residue Program and collects and analyzes inspector-generated samples for violative drug residues.

NCDACS/MPID adopts and implements some relevant FSIS issuances as its own policies for carrying out inspection and food safety verification activities. FSIS noted some sampling procedural differences from those outlined in several FSIS directives. North Carolina Point System for Determining Risk for RTE Sampling provided guidance to calculate the testing frequency of RTE products at each inspected establishment, which would, in general, match FSIS RTE product sampling frequency. Besides raw beef manufacturing trimmings, NCDACS/MPID expanded *E. coli* O157:H7 and non-O157 STEC testing to other raw beef STEC verification sampling projects. Additionally, North Carolina has developed its own system for determining sampling eligibility, as well as disseminating and tracking both sampling requests and sampling results to establishments and IPP. This notable procedural difference did not impact NCDACS/MPID's capability to meet the intended purposes of the 10,000 series FSIS directives.

FSIS did not have any findings and determined that NCDACS/MPID maintains verification testing to address adulterants, other measures of properly operating food safety systems, and other consumer protection standards "at least equal to" the Federal requirements. Control measures are in effect to ensure that the sampling programs function as intended.

VII. COMPONENT 4: STAFFING, TRAINING, AND SUPERVISION

The State MPI program must maintain enough staff to carry out its responsibilities. The State MPI program is to organize a sufficient number of trained veterinarians, inspectors, and enforcement staff to carry out the inspection and regulatory duties of the MPI program well. The State MPI program ensures its personnel receive the professional, technical, inspection, and managerial training necessary to maintain a competent and effective workforce. The State MPI program provides instructions to MPI personnel on performing daily inspection tasks and compliance enforcement activities.

FSIS reviewed the submitted documents and confirmed that NCDACS/MPID implements an administrative program to ensure a competent workforce provides daily inspection coverage in each State-inspected meat and poultry establishment where the State inspection marks are applied to products. The NCDACS/MPID training includes formal classroom and on-the-job components and is developed based on the specific job requirements of its workforce. The State's supervisory system aligns individual workloads with North Carolina's public health and regulatory goals and sets standards for assessing job performance that include measures to correct unsatisfactory performance.

FSIS determined that NCDACS/MPID has an adequate number of trained persons to provide the required inspection coverage in the establishments, perform compliance verification activities, and provide supervisory oversight, and has implemented procedures to ensure daily inspection coverage in operating establishments. Inspection personnel apply NCDACS/MPID's inspection

methodology and make decisions based upon the correct application of inspection methodology, document findings, and initiate regulatory action if needed. The formal courses include Occupational Safety and Health Administration Safety Training, Lockout/Tag-Out, Ethics and Conduct, Inspection Methods, and Basic Slaughter Training. All new field inspection personnel complete a six-week on-the-job training (OJT) program, which includes performance evaluations. After inspectors complete the initial training, trainers communicate any areas of concern to the inspector's area supervisor. The area supervisor evaluates progress and, depending on need, may coach the employee or request additional OJT for the employee. NCDACS/MPID electronically tracks employee training on Employee Training Reports.

FSIS did not have any findings and determined NCDACS/MPID administrative program to be "at least equal to" the Federal program. NCDACS/MPID maintains sufficient resources to provide the required inspection coverage at State-inspected establishments to ensure that only safe, wholesome, unadulterated, and properly labeled meat and poultry products receive the State mark of inspection. The information supports the determination that inspection personnel have the education and training to consistently apply NCDACS/MPID's inspection methodology, to document findings, and initiate regulatory actions when necessary. Control measures are in effect to ensure that the staffing, training, and supervision systems function as intended.

VIII. COMPONENT 5: HUMANE HANDLING

The State MPI program is required to ensure the slaughter and handling of livestock is done humanely in accordance with the HMSA 1978 (7 U.S.C. 1901–1906) and FMIA 21 U.S.C. 603 (b) and 610 (b)). The State MPI program is expected to impose laws "at least equal to" the HMSA and the requirements outlined in FSIS Directives 6900.1 and 6900.2. When livestock are slaughtered humanely, they are to be rendered insensible to pain by means that are rapid and effective before being shackled, hoisted, thrown, cast, or cut. The HMSA requires establishments to comply with a prescribed method of slaughter in which the animal loses consciousness by severing its carotid arteries simultaneously and instantly with a sharp instrument when slaughtered livestock in accordance with the ritual requirements of the Jewish faith and any other religious faiths.

The State MPI Program is required to ensure poultry operators comply with Good Commercial Practices (GCP). The PPIA (21 U.S.C. 453(g)(5)) and the regulations (9 CFR 381.90) provide that poultry carcasses showing evidence of having died from causes other than slaughter are considered adulterated and must be condemned. The regulations (9 CFR 381.65(b)) also require that poultry be slaughtered in accordance with GCP. Poultry are to be slaughtered in a manner that ensures that breathing has stopped before scalding—so that the birds do not drown—and that slaughter results in thorough bleeding of the poultry carcass. Compliance with these practices helps ensure that poultry are treated humanely.

FSIS reviewed submitted self-assessment documents and confirmed NCDACS/MPID adopts the following FSIS humane handling and GCP directives as its own humane handling and GCP policies:

- FSIS Directive 6900.2, Humane Handling and Slaughter of Livestock, to communicate instructions to inspection personnel;
- FSIS Directive 6110.1, Verification of Poultry Good Commercial Practices; and
- FSIS Directive 6910.1, District Veterinary Medical Specialist (DVMS) - Work Methods.

NCDACS/MPID implements all relevant FSIS humane handling and GCP directives, with only minor changes made to denote the NCDACS/MPID personnel who are responsible for carrying out the verification activities articulated in these directives.

NCDACS/MPID uses FSIS Directive 6900.2, Humane Handling and Slaughter of Livestock, to communicate instructions to inspection personnel. Inspectors document humane handling verifications in PHIS. NCDACS/MPID adopts FSIS Directive 6110.1, Verification of Poultry Good Commercial Practices, to verify poultry are slaughtered in accordance with GCP requirements. NCDACS/MPID does not perform GCP verification procedure outlined in FSIS Directive 6110.1 at this time because none of the State-inspected establishments slaughter poultry under inspection.

NCDACS/MPID uses FSIS Directive 6900.2, Humane Handling and Slaughter of Livestock, to communicate instructions to inspection personnel. Inspectors document humane handling verifications in PHIS.

NCDACS/MPID employs regional veterinary medical officers to perform annual humane handling audits at slaughter facilities in accordance with FSIS Directive 6910.1, District Veterinary Medical Specialist (DVMS) - Work Methods.

FSIS did not have any findings and determined that NCDACS/MPID operates under State laws and regulations that provide legal authority “at least equal to” provided under the FMIA, PPIA, HMSA, and governing regulations.

IX. COMPONENT 6: COMPLIANCE

The State MPI program is required to enforce compliance with all applicable laws and regulations and take appropriate action in the event of noncompliance. The State MPI program must have the ability to:

- Detain adulterated or misbranded product (21 U.S.C. 672 and 467 (a));
 - Take appropriate control in intrastate commerce of adulterated or misbranded product and ensure proper disposition of such product, including seizure, condemnation, and destruction where appropriate (21 U.S.C. 673 and 467 (b));
 - Ensure establishments maintain written recall procedures for all meat and poultry products produced and shipped (21 U.S.C. 613 and 459 (c)(1));
 - Conduct surveillance activities to ensure animal carcasses and carcass parts that are not intended for use as human food are not diverted to such uses; and
 - Refuse or withdrawal inspection services as warranted (21 U.S.C. 671, 467, and 457 (b)).
- The State must maintain a statutory process to prosecute anyone who forcibly assaults,

resists, opposes, impedes, intimidates, or interferes with officials in the performance of their official duties (21 U.S.C. 675 and 461 (c)).

FSIS reviewed submitted self-assessment documents and confirmed that NCDACS/MPID maintains a compliance system to enforce food safety, food defense, inspection exemption, and other consumer protection statutory requirements in intrastate commerce. NCDACS/MPID follows State compliance policies or adopted FSIS directives to:

- Conduct surveillance activities and investigations, as warranted, of firms producing meat and poultry products in intrastate commerce;
- Control unsafe or violative products through detentions, seizures, and voluntary recalls;
- Take appropriate enforcement actions when adulterated or misbranded products are found in intrastate commerce; and
- Develop case files to ensure all enforcement actions imposed are legally supported by applicable State laws.

NCDACS/MPID follows the procedures and methods in FSIS Directive 8010.1, Methodology for Conducting In-Commerce Surveillance Activities, to assess food safety, food defense, non-food safety consumer protection, and compliance with administrative and judicial court orders in firms that prepare, transport, sell, or offer for sale meat and poultry products in intrastate commerce.

NCDACS/MPID investigates alleged or actual statutory or regulatory violations, as set out in FSIS Directive 8010.2, Investigative Methodology, and controls products when there is reason to believe that the products are adulterated, misbranded, or otherwise in violation of the NCGS. The Reports of Investigation were completed in accordance with FSIS Directive 8010.4, Report of Investigation. NCDACS/MPID uses the investigative findings and evidence to pursue enforcement actions for administrative, civil, or criminal sanctions.

NCDACS/MPID follows the recall procedures in FSIS Directive 8080.1, Recall of Meat and Poultry Products, with minor modifications fitting its organizational structure. No State-inspected establishments or retail firms recalled product during FY 2023.

NCDACS/MPID established methods to record, triage, analyze, and track consumer complaints related to State-regulated meat or poultry products. Compliance personnel either investigate these complaints or refer them to the local health authority. The investigative methods include procedures to collect and safeguard evidence, conduct interviews, submit product samples to the laboratory, initiate recall procedures and/or regulatory and enforcement actions, and report potential food safety threats.

NCDACS/MPID has a system for reviewing custom exempt operations that are in accordance with FSIS Directive 8160.1, Custom Exempt Review Process. Regional Veterinary Medical Officer (RVMO)s perform the review at custom and retail exempt operators at least annually but may be performed more frequently. RVMOs discuss findings with supervisor to determine the need for follow up review. Area supervisors perform the review at State-inspected establishments annually.

FSIS did not have any findings and determined the NCDACS/MPID compliance program to be “at least equal to” the Federal program. NCDACS/MPID maintains sufficient resources to conduct surveillance reviews at registered firms, which may lead to investigations and enforcement actions. The information supports individuals, firms, and corporations in complying with applicable State statutes when producing, transporting, storing, and distributing meat and poultry products in intrastate commerce. The information supports the determination that inspection personnel have the education and training to apply NCDACS/MPID’s inspection methodology, document findings, and initiate regulatory actions when necessary. Control measures are in effect to ensure that the compliance systems function as intended.

X. COMPONENT 7: LABORATORY METHODS AND QUALITY ASSURANCE PROGRAM

State MPI programs need product sampling and laboratory methods with capabilities and safeguards “at least equal to” FSIS’ Federal inspection program’s product sampling and laboratory methods. State MPI programs should update and maintain their laboratory microbiological and chemical detection methods, so they are “at least equal to” FSIS’ Federal methods, as detailed in the FSIS Microbiology Laboratory Guidebook and USDA FSIS Chemistry Laboratory Guidebook.

An off-site records review of North Carolina Department of Agriculture & Consumer Services, Food & Drug Protection Laboratory (NCDACS-FDPL) was performed during FY 2023 to evaluate laboratory quality assurance (QA) programs and method equivalence under the State MPI Program.

NCDACS-FDPL conducts microbiological testing for *Salmonella*, *L. monocytogenes*, *E. coli* O157:H7 and non-O157 STEC. USDA/FSIS/Eastern Laboratory conducts food chemistry testing on NCDACS-FDPL’s behalf to include the measurement of moisture, protein, fat, and salt.

FSIS compared the NCDACS-FDPL Laboratory Quality Assurance Program to the State MPI Program Laboratory Quality Management System Checklist, and evidence of laboratory proficiency and analyst training was evaluated. Based on its self-assessment, NCDACS-FDPL met all Laboratory QA requirements, including analysts’ training and related proficiency testing.

USDA/FSIS/Eastern Laboratory has adequate food chemistry capability for the measurement of moisture, protein, fat, and salt. NCDACS-FDPL has demonstrated adequate microbiological capabilities for the detection of *Salmonella*, *L. monocytogenes*, *E. coli* O157:H7, and non-O157 STEC.

Based on the Component 7 methods and quality assurance program review, North Carolina may be eligible to perform inspection:

- At beef establishments producing raw ground beef and bench trim, provided that the State collects and submits the appropriate number of samples that are tested for *Salmonella* and *E. coli* O157:H7 and at beef slaughter establishments producing manufactured trim,

where the State is to collect and submit the appropriate number of samples that are tested for *Salmonella*, *E. coli* O157:H7, and non-O157 STEC.

- At “ready-to-eat” meat and poultry establishments, provided that the State collects and submits the appropriate number of samples that are tested for *Salmonella* and *L. monocytogenes*.
- At poultry slaughter establishments, provided that the State collects and submits the appropriate number of samples that are tested for *Salmonella* and *Campylobacter*. MPI States with no participating facilities slaughtering at least 20,000 chickens and/or 20,000 turkeys per year are not required to test that raw product for *Salmonella* and *Campylobacter* since it is not required at similar federally inspected plants. Note: Analytical methods for *Salmonella* and *Campylobacter* in raw poultry products were not evaluated as North Carolina is not currently inspecting MPI program poultry establishments slaughtering at least 20,000 chickens and/or turkeys per year.

On September 13, 2023, FSIS determined the analytical methods used for microbiological and chemical analyses are “at least equal to” FSIS methods.

XI. COMPONENT 8: CIVIL RIGHTS

The State MPI program adheres to Federal Civil Rights laws: Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200(d)), Section 504 of the Rehabilitation Act of 1973, as Amended (29 U.S.C. 794), Age Discrimination Act of 1990 (42 U.S.C. 12101, et seq.) and applicable USDA Civil Rights regulations.

In November 2022, NCDACS/MPID submitted the required FSIS Form 1520-1, Civil Rights Compliance of State Inspection Programs, to demonstrate adherence to Federal civil rights laws and USDA civil rights regulations.

FSIS conducted a Civil Rights compliance review of NCDACS/MPID. The review was conducted to determine compliance with applicable Civil Rights statutes, USDA regulations, and FSIS policies and, where necessary, provide recommendations for program improvement. The review 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.

On August 1, 2023, FSIS determined North Carolina’s Civil Rights program to be in compliance with “at least equal to” standards for applicable civil rights laws, USDA regulations, and FSIS policies.

XII. COMPONENT 9: FINANCIAL ACCOUNTABILITY

The State is to appropriate funds commensurate with those provided by FSIS as specified in the Cooperative Agreement. Funding is sufficient to ensure the operation of an inspection program consistent with the criteria of the Cooperative Agreement and the satisfactory and uninterrupted operation of State inspection program activities. The State is to ensure that there is appropriate use of Federal funds, adequate accounting support for the State inspection program, and timely and accurate submission of expense reports.

NCDACS/MPID submitted quarterly and final Federal Financial Reports (SF-425) and an annual Indirect Cost Proposal to demonstrate it conforms to 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. FSIS determined that NCDACS/MPID is “at least equal to” Federal standards for financial accountability for FY 2023.

FSIS determined that NCDACS/MPID is “at least equal to” Federal standards for financial accountability for FY 2023.

XIII. DETERMINATION FOR NORTH CAROLINA

Based on the evidence and results described above, FSIS determined that NCDACS/MPID operates its MPI program “at least equal to” the Federal requirements for all audit components and enforces requirements “at least equal to” those imposed under the Federal Acts.