



Livestock Mandatory Reporting Compliance Verification Program (LMR) General Policies and Procedures

1 Purpose

This procedure provides guidelines and policies for planning, conducting, and concluding objective onsite compliance verification audits of packers pursuant to the Livestock Mandatory Reporting Act of 1999 (Act) (7 U.S.C. 1635-1636(i)), implementing the reestablished and revised regulations (7 CFR Part 59) and the Agricultural Marketing Service (AMS), Livestock, Poultry and Seed (LS) Program's Livestock, Poultry and Grain Market News Division (LPGMN) Policy Statements.

2 Scope

The provisions of this procedure apply to the compliance of the Livestock Mandatory Reporting Act of 1999. Specific requirements are set forth in individual program procedures. The provisions of this document apply to all LPGMN compliance verification audits of all packers covered under the Act and the regulations.

3 References

ISO 19011:2002 Guidelines for quality and/or environmental management systems auditing
Livestock Mandatory Reporting Act of 1999, 7 U.S.C. 1635-1636i
Livestock Mandatory Reporting, 7 CFR Part 59
LPGMN Policy Statements

4 Responsibilities

All packers covered by the Livestock Mandatory Reporting Act must be compliant with the Livestock Mandatory Reporting Act of 1999, 7 U.S.C. 1635-1636i, Livestock Mandatory Reporting, 7 CFR Part 59 and all LPGMN policy statements.

The LPGMN Compliance must meet all applicable policies and procedures outlined in this Procedure. All audit activities are conducted in accordance to *ISO 19011:2002 Section 6 Audit Activities*.

Any suggested changes to this Procedure should be submitted via email to the LPGMN Compliance Program Manager.

5 Contact Information

Livestock Mandatory Reporting
Compliance Program Manager
USDA, AMS, LPS Program, LPGMN Division
Room 2619-S,
1400 Independence Avenue, S.W.
Washington, D.C. 20250.

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6 Audit Frequency

On-site LMR compliance verification audits for each covered plant will be conducted at a minimum of two times per year or once every six months (Oct – March & April - Sept.). Additional on-site audits may be conducted under the approval of the LPGMN Compliance Program Manager and at the request of the LPGMN Division Director.

7 Audit Location

On-site LMR compliance verification audits will be conducted at a location where original plant records and supporting documentation are available. The audit location is mutually acceptable to the auditee and the auditor as pre-approved by the LPGMN Compliance Program Manager.

8 Pre On-site Audit Activities

The size and composition of the audit team is determined in accordance to *ISO 19011:2002 Section 6 Audit Activities*. An audit plan must be prepared by the audit team leader and submitted to the packer 7 to 10 business days prior to the scheduled on-site audit. The lead auditor selects sample data from the information submitted to AMS through Livestock Mandatory Price Reporting in accordance with MNC 1203 Procedure LMR Audit Sampling. The Lead auditor then sends the auditee the lot identification numbers for the selected data. More specific pre on-site audit activities can be found in MNC 1201 Procedure LMR Audits and MNC 1203 Procedure LMR Audit Sampling.

9 On-site Audits

On-site audits are conducted in accordance to *ISO 19011:2002 Section 6 Audit Activities*. The frequency of on-site audits is outlined in Section 6 above.

The objective of on-site audits is to verify the packers' compliance to the Livestock Mandatory Reporting Act of 1999, 7 U.S.C. 1635-1636i, Livestock Mandatory Reporting, 7 CFR Part 59 and LPGMN Policy Statements.

9.1 Compliance: The condition or fact of a supplier being in agreement with regulatory requirements.

10 Post On-site Audit Activities

Corrective action is verified and any other post on-site audit activities are conducted in accordance with MNC 1201 Procedure LMR On-Site Audits and *ISO19011:2002 Section 6 Audit Activities*. All audit documentation is retained by the LPGMN Branch in an electronic format.

11 Audit Results

The audit results are outlined in the audit report. The report is submitted to the LPGMN Compliance Program Coordinator. The LPGMN Compliance Program Coordinator has the discretion to modify the audit report. The final report is filed in a shared folder for the LPGMN Division. In the MNC 1200 series procedures and instructions, the terms non-compliance and finding are used synonymously.

11.1 When an auditor finds that a packer who is required to report refuses to submit information or knowingly submits incorrect or false information in an attempt to affect the accuracy of published reports, the auditor must immediately call the LPGMN Compliance Program



Coordinator or the Compliance Program Manager who in turn will notify the appropriate personnel in LPGMN so that prompt corrective action can be initiated.

12 Correcting Identified Non-compliances

Plants must address all non-compliances and respond to all requests for corrective actions as applicable, within the time frame specified by the LPGMN Compliance Program Manager and LPGMN reporting staff.

Corrective action will be requested by the LPGMN reporting staff. The plant must notify the LPGMN reporting staff that corrective action has been taken and the date that it was implemented. If the corrective action can be verified with the use of the Livestock Mandatory Reporting Data Import and Validation Applet, the LPGMN reporting staff will verify the corrective action. Any other verification of corrective action will be done by LPGMN Compliance in accordance with MNC 1201 Procedure LMR Audits.

- 12.1 **Corrective Action:** Action to eliminate the cause of a detected non-compliance. Corrective action is taken to prevent recurrence.
- 12.2 **Correction:** Action to eliminate a detected non-compliance. Correction does not address the cause of the non-compliance but rather the specific non-complying data being submitted.

13 Surveillance

All plants covered under the Livestock Mandatory Reporting Act of 1999, are audited on an on-going basis as described in the MNC 1201 Procedure LMR Audits unless a cancellation request is received from the LPGMN reporting staff. The auditor incorporates the supporting documentation and audit findings in an audit report and submits the report to the LPGMN Compliance Program Coordinator. After being reviewed by the LPGMN Compliance Program Coordinator, the reports are forwarded to the LPGMN reporting staff.

14 Appeals, Complaints, and Disputes

Plants have the right to appeal any adverse audit findings or decisions. Appeals, complaints, and disputes must be submitted in writing to the LPGMN Division Director within 30 days of the request for corrective action by LPGMN. Requests for appeals, complaints, and disputes must include:

- 14.1 The basis for the appeal, complaint, or dispute, and
- 14.2 The requested alternative decision or actions.

The LPGMN Division Director, or designee, reviews any request for action and notifies the plant of the final decision within 30 working days of the receipt of the request. Any non-compliances remain in effect pending the outcome of the appeal.