



## **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(h)) and implementing regulations (7 CFR Part 59) by the Agricultural Marketing Service (AMS), Livestock and Seed (LS) Program, Audit, Review, and Compliance (ARC) Branch.

### **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 ARC compliance verification audits of all packers covered under the Act and the regulations.

### **3 Reference Documents**

ISO 19011:2002 Guidelines for quality and/or environmental management systems auditing  
Livestock Mandatory Reporting Act of 1999, 7 U.S.C. 1635-1636h  
Livestock Mandatory Reporting, 7 CFR Part 59  
Livestock and Grain Market News Branch (LGMN) 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. 1635-1636h, Livestock Mandatory Reporting, 7 CFR Part 59 and all LGMN policy statements.

The ARC Branch 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 ARC Branch Program Manager.

### **5 Contact Information**

Livestock Mandatory Reporting  
Program Manager  
USDA, AMS, LS Program, ARC Branch  
STOP 0294, Room 2627-S,  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250.

---

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of color, race, national origin, gender, religion, age, disability, sexual orientation, marital or family status, political beliefs, parental status, or protected genetic information. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW., Washington, DC 20250-9410 or call 202-720-5964 (voice and TDD). USDA is an equal opportunity provider and employer."

---



## 6 Audit Frequency

On-site LMR compliance verification audits for each covered plant will be conducted at a minimum of three times per year or once every four months (Oct-Jan, Feb.-May, and June-Sept.). Additional on-site audits may be conducted under the approval of the Compliance Program Manager and at the request of the LGMN Branch.

## 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 ARC 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 team leader and submitted to the packer 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 ARC 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 ARC 1201 Procedure LMR Audits and ARC 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. 1635-1636h, Livestock Mandatory Reporting, 7 CFR Part 59 and LGMN 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 ARC 1201 Procedure LMR On-Site Audits and *ISO19011:2002 Section 6 Audit Activities*. All audit documentation is retained by the ARC Branch in an electronic format.

## 11 Audit Results

The audit results are discussed with the LGMN Branch upon return from the on-site audit. The audit results are outlined in the audit report. The report is submitted to the ARC Compliance Program Coordinator. The ARC Compliance Program Coordinator has the discretion to modify the audit report. The final report is filed in a shared folder for the LGMN Branch. In the ARC 1200 series procedures and instructions, the terms noncompliance 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 ARC Compliance Program Coordinator who in turn notifies the appropriate personnel in LGMN 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 ARC Compliance Program Manager and LGMN.

Corrective action will be requested by LGMN. The plant must notify LGMN 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 Validation Applet, LGMN will verify the corrective action. Any other verification of corrective action will be done by ARC in accordance with ARC 1201 Procedure LMR Audits.

- 12.1** *Corrective Action:* Action to eliminate the cause of a detected noncompliance. Corrective action is taken to prevent recurrence.
- 12.2** *Correction:* Action to eliminate a detected noncompliance. Correction does not address the cause of the noncompliance 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 ARC 1201 Procedure LMR Audits unless a cancellation request is received from LGMN. The auditor incorporates the supporting documentation and audit findings in an audit report and submits the report to the ARC Compliance Program Coordinator. After being reviewed by the ARC Compliance Program Coordinator, the reports are forwarded to LGMN.

## **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 LGMN Branch Chief within 30 days of the request for corrective action by LGMN. 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 LGMN Branch Chief, 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 noncompliances remain in effect pending the outcome of the appeal.