

# Brand Inspection

Analyst: Otto

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2020 Total App</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Approp</b>	<b>FY 2022 Request</b>	<b>FY 2022 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
Dedicated	3,215,300	2,879,800	3,254,300	3,473,800	3,439,300
Percent Change:		(10.4%)	13.0%	6.7%	5.7%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	2,617,900	2,455,600	2,656,000	2,780,300	2,745,800
Operating Expenditures	419,400	394,200	443,300	506,500	506,500
Capital Outlay	178,000	30,000	155,000	187,000	187,000
<b>Total:</b>	<b>3,215,300</b>	<b>2,879,800</b>	<b>3,254,300</b>	<b>3,473,800</b>	<b>3,439,300</b>
Full-Time Positions (FTP)	37.84	37.84	39.09	40.09	40.09

## Division Description

The Brand Inspection Division provides protection to the livestock industry from losses by theft and illegal slaughter [Statutory Authority: Section 25-1102, Idaho Code].

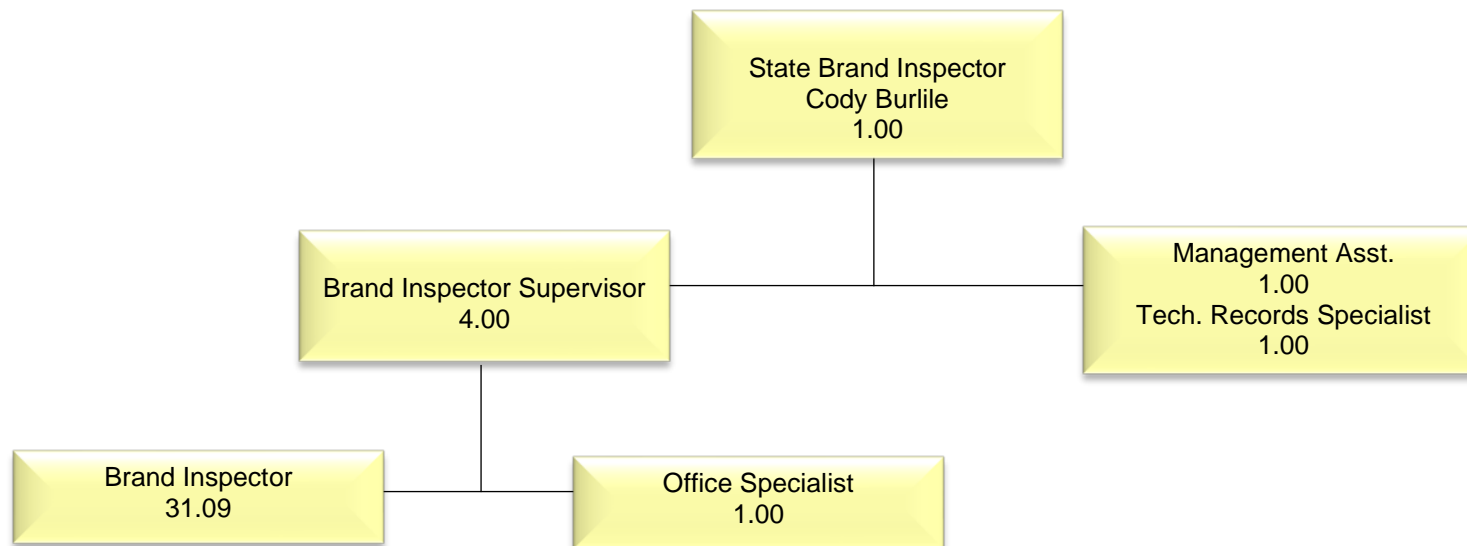
# Brand Inspection Agency Profile

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## Organizational Chart

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**39.09 FTP**

**0.00 Vacant**  
As of 9/1/2020

**Profile of Cases Managed and/or Key Services Provided**

Cases Managed and/or Key Services Provided	FY 2017	FY 2018	FY 2019	FY 2020
Total Number of Livestock Inspected	1,894,874	2,018,405	2,048,222	2,148,937
Number of Stray Livestock Recovered	172	109	121	127
Proceeds Held on Questionable Ownership/Number of Head	1,416,420 2623	1,465,500 2715	1,491,960 2724	1,961,590 2795
Total Number of Brands Recorded	17,540	17,416	17,388	17,327
New Brand Recordings Per Year	553	538	595	588

**Licensing Freedom Act**

Agencies who participate in licensure must report on the number of applicants denied licensure or license renewal and the number of disciplinary actions taken against license holders.

	FY 2017	FY 2018	FY 2019	FY 2020
Number of Livestock Dealer Licenses	n/a	n/a	189	205
Number of New Applicants Denied Licensure	---	---	---	---
Number of Applicants Refused Renewal of a License	---	---	---	---
Number of Complaints Against Licensees	n/a	n/a	n/a	2
Number of Final Disciplinary Actions Against Licensees	n/a	n/a	0	0

**Red Tape Reduction Act**

Each agency shall incorporate into its strategic plan a summary of how it will implement the Red Tape Reduction Act, including any associated goals, objectives, tasks, or performance targets. This information may be included as an addendum.

	As of July 1, 2019	As of July 1, 2020
Number of Chapters	2	1
Number of Words	6,681	5,496
Number of Restrictions	97	73

**Part II – Performance Measures**

Performance Measure	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Goal 1</b>					
<i>Complete implementation of the electronic Livestock Brand Inspection software platform</i>					
1. Complete platform development, software implementation and staff training to allow for proficiency with the modernized brand inspection software program.	actual	-----	-----	-----	45%
	target	-----	-----	-----	95%
<b>Goal 2</b>					
<i>Provide prompt service to livestock owners.</i>					
2. Respond to inspection requests from livestock owners within one to two hours.	actual	96%	96%	96%	96%
	target	96%	96%	96%	96%
<b>Goal 3</b>					
<i>Increase public awareness of agency through training.</i>					
3. Number of inspection certificates written for meeting attendees as a result of education when a brand inspection is required.	actual	80%	80%	85%	80%
	target	80%	80%	80%	85%

Performance Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Goal 4</b>						
<i>Process new brand recordings in a timely manner.</i>						
4. Process new brand recording applications with ten days.	actual	90%	90%	97%	92%	-----
	target	90%	90%	90%	95%	95%
<b>Goal 5</b>						
<i>Hold proceeds where ownership of livestock is questionable.</i>						
5. Return proceeds to rightful owners where ownership of livestock is questionable.	actual	97%	97%	97%	98%	-----
	target	97%	97%	97%	97%	98%

**For More Information Contact**

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Idaho Legislative Services Office  
Legislative Audits Division

## IDAHO BRAND BOARD

April Renfro, Manager

### SUMMARY

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#### **PURPOSE OF MANAGEMENT REVIEW**

We conducted a management review of the Idaho Brand Board (Board) covering the fiscal years ended June 30, 2018 and 2019. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

#### **CONCLUSION**

We identified deficiencies in the general administrative and accounting controls of the Board.

#### **FINDINGS AND RECOMMENDATIONS**

There are three findings and recommendations in this report.

**Finding 1** – Procedures and controls over the proceeds collected under hold orders on the sale of livestock are not adequate to prevent or detect errors or the misappropriation of funds.

**Finding 2** – Brand inspection receipts are not deposited timely in accordance with Idaho Code.

**Finding 3** – Travel expenditures were not documented or reimbursed in compliance with State travel policies.

The complete findings are detailed on pages 1 through 5 of this report.

#### **PRIOR FINDINGS AND RECOMMENDATIONS**

The prior management report contained three findings and recommendations, which were closed and repeated as findings in the current report.

Follow-up on the prior findings and recommendations is detailed on pages 7 and 8 of this report.

#### **MANAGEMENT'S VIEW**

The Board has reviewed the report and is in general agreement with the contents.

# Brand Inspection

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## FY 2020 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
<b>0.30 FY 2020 Original Appropriation</b>								
0229-15	Ded	37.84	2,622,600	419,400	178,000	0	0	3,220,000
<b>Totals:</b>		37.84	2,622,600	419,400	178,000	0	0	3,220,000
<b>0.44 Rescissions</b>								
0229-15	Ded	0.00	(4,700)	0	0	0	0	(4,700)
<b>Totals:</b>		0.00	(4,700)	0	0	0	0	(4,700)
<b>1.00 FY 2020 Total Appropriation</b>								
0229-15	Ded	37.84	2,617,900	419,400	178,000	0	0	3,215,300
<b>Totals:</b>		37.84	2,617,900	419,400	178,000	0	0	3,215,300
<b>1.41 Receipt to Appropriation</b>								
0229-15	Ded	0.00	0	0	35,400	0	0	35,400
<b>Totals:</b>		0.00	0	0	35,400	0	0	35,400
<b>1.61 Reverted Appropriation</b>								
0229-15	Ded	0.00	(162,300)	(25,200)	(183,400)	0	0	(370,900)
<b>Totals:</b>		0.00	(162,300)	(25,200)	(183,400)	0	0	(370,900)
<b>2.00 FY 2020 Actual Expenditures</b>								
0229-15	Ded	37.84	2,455,600	394,200	30,000	0	0	2,879,800
State Brand Board			2,455,600	394,200	30,000	0	0	2,879,800
<b>Totals:</b>		37.84	2,455,600	394,200	30,000	0	0	2,879,800
<b>Difference: Actual Expenditures minus Total Appropriation</b>								
0229-15	Ded		(162,300)	(25,200)	(148,000)	0	0	(335,500)
State Brand Board			(6.2%)	(6.0%)	(83.1%)	N/A	N/A	(10.4%)
<b>Difference From Total Approp</b>			(162,300)	(25,200)	(148,000)	0	0	(335,500)
<b>Percent Diff From Total Approp</b>			(6.2%)	(6.0%)	(83.1%)	N/A	N/A	(10.4%)

# Brand Inspection

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2021 Original Appropriation</b>	<b>39.09</b>	<b>0</b>	<b>3,254,300</b>	<b>39.09</b>	<b>0</b>	<b>3,254,300</b>
Removal of Onetime Expenditures	0.00	0	(157,800)	0.00	0	(157,800)
<b>FY 2022 Base</b>	<b>39.09</b>	<b>0</b>	<b>3,096,500</b>	<b>39.09</b>	<b>0</b>	<b>3,096,500</b>
Benefit Costs	0.00	0	63,200	0.00	0	8,700
Replacement Items	0.00	0	188,600	0.00	0	188,600
Statewide Cost Allocation	0.00	0	4,400	0.00	0	4,400
Change in Employee Compensation	0.00	0	21,700	0.00	0	45,000
<b>FY 2022 Program Maintenance</b>	<b>39.09</b>	<b>0</b>	<b>3,374,400</b>	<b>39.09</b>	<b>0</b>	<b>3,343,200</b>
1. Traceability Software Maintenance	0.00	0	60,000	0.00	0	60,000
2. Financial Technician Position	1.00	0	39,400	1.00	0	36,100
<b>FY 2022 Total</b>	<b>40.09</b>	<b>0</b>	<b>3,473,800</b>	<b>40.09</b>	<b>0</b>	<b>3,439,300</b>
Change from Original Appropriation	1.00	0	219,500	1.00	0	185,000
% Change from Original Appropriation			6.7%			5.7%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2021 Original Appropriation</b>					
The Legislature funded two line items for FY 2021: These included \$35,100 for a brand inspector and \$12,200 to upgrade to Office 365.					
	39.09	0	3,254,300	0	3,254,300

## Removal of Onetime Expenditures

This action removes expenditures for replacement items and line items funded on a onetime basis in FY 2021.

Agency Request	0.00	0	(157,800)	0	(157,800)
Governor's Recommendation	0.00	0	(157,800)	0	(157,800)

<b>FY 2022 Base</b>					
Agency Request	39.09	0	3,096,500	0	3,096,500
Governor's Recommendation	39.09	0	3,096,500	0	3,096,500

## Benefit Costs

Employer-paid benefit changes include an 11% increase (or \$1,280 per eligible FTP) for health insurance, bringing the total appropriation to \$12,930 per FTP. Also included is a restoration of the unemployment insurance rate, a partial restoration of the unused sick leave rate, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	63,200	0	63,200
<i>The Governor recommends no increase for health insurance due to fewer claims than expected and a one-year holiday for employers who contribute to the PERSI-managed sick leave plan.</i>					
Governor's Recommendation	0.00	0	8,700	0	8,700

## Replacement Items

The Brand Inspection Division requests \$188,600 from the State Brand Board Fund to replace five trucks and two tablets. The trucks' mileage range from 153,000 to 216,300, with an average of 180,000 miles per truck. This request includes \$1,600 in onetime operating expenditures and \$187,000 in onetime capital outlay.

Agency Request	0.00	0	188,600	0	188,600
Governor's Recommendation	0.00	0	188,600	0	188,600

## Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$1,000, risk management costs will increase by \$2,600, and State Controller fees will increase by \$800, for a net increase of \$4,400.

Agency Request	0.00	0	4,400	0	4,400
Governor's Recommendation	0.00	0	4,400	0	4,400

## Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	21,700	0	21,700
<i>The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 2% and includes \$4,600 for that purpose.</i>					
Governor's Recommendation	0.00	0	45,000	0	45,000

<b>FY 2022 Program Maintenance</b>					
Agency Request	39.09	0	3,374,400	0	3,374,400
Governor's Recommendation	39.09	0	3,343,200	0	3,343,200



# Brand Inspection

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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## 1. Traceability Software Maintenance

The division requests \$60,000 in ongoing operating expenditures from the State Brand Board Fund for the maintenance costs for its new traceability software system. The requested amount will cover the annual licenses as well as any maintenance that is needed throughout the year. The Legislature funded \$250,000 from the General Fund for the new system through a supplemental appropriation in FY 2017 with reappropriation into FY 2018 and an additional supplemental appropriation of \$86,400 from the General Fund in FY 2019. The licenses and annual maintenance costs were covered for the first two years with the purchase of the software.

Agency Request	0.00	0	60,000	0	60,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>60,000</i>	<i>0</i>	<i>60,000</i>

## 2. Financial Technician Position

The division requests 1.00 FTP and \$39,400 in personnel costs from the State Brand Board Fund for a financial technician position. This position will assist the brand recorder and the management assistant in performing the office duties within the division which include financial transactions, customer service, and data entry. Currently, there is a part-time group position that is helping with these duties and this request would convert that to a full-time position. If approved, the salary and benefits will be \$58,400. Since the agency has \$19,000 in the base appropriation it is only requesting \$39,400.

Agency Request	1.00	0	39,400	0	39,400
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*Recommended by the Governor with changes for benefits and compensation.*

<i>Governor's Recommendation</i>	<i>1.00</i>	<i>0</i>	<i>36,100</i>	<i>0</i>	<i>36,100</i>
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FY 2022 Total					
Agency Request	40.09	0	3,473,800	0	3,473,800
<i>Governor's Recommendation</i>	<i>40.09</i>	<i>0</i>	<i>3,439,300</i>	<i>0</i>	<i>3,439,300</i>

Agency Request					
Change from Original App	1.00	0	219,500	0	219,500
% Change from Original App	2.6%		6.7%		6.7%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>1.00</i>	<i>0</i>	<i>185,000</i>	<i>0</i>	<i>185,000</i>
<i>% Change from Original App</i>	<i>2.6%</i>		<i>5.7%</i>		<i>5.7%</i>