

WMSD Conducts a Variety of Inspections...

Motor Fuel Meters

Motor Fuel Quality

Small Capacity Scales

Large Capacity Scales

Retail Price Posting

Retail Price Accuracy

LPG Meters

CNG Meters

Packaged Commodities

Registered Service
Agency/Representative

Gasoline Vapor Recovery

Public Weighmaster

Timing Device

Linear Measuring Device

Counting Device

Water Vending Machines

Cleaner Burning Gasoline

Some inspection categories can be broken down into sub-categories...

Example: Small Capacity Scales

Grocery Stores

Hardware/Building Materials

Gold Buying

Rock and Gem Shows

Marijuana

Plant Nurseries

Shipping

Recyclers

Industrial/Manufacturing

Other Retail

130,532 licenses*

20,469 regulated locations*

16 Investigators**

*Data as of 03/09/2021

**Two are field supervisors who spend 50% of time on administrative duties

Auditor General Key Regulatory Responsibilities Report

Finding 1: "Division's inspection approached resulted in some higher-risk establishments not being inspected and inefficiently used inspection resources"

- Findings specific to WMSD:

Multiple visits by multiple inspectors to the same location

Multiple visits to the same location to conduct different types of inspections

Skimmer inspections:

- Finding 104 skimmers out of 2,455 inspections (4.2% of the time)
- Not conducting additional inspections 43% of the time

Auditor General Recommendation 1:

Require WMSD to develop and implement a risk-based, data-driven, and internally coordinated inspection approach to ensure higher-risk licensees and establishments are inspected and to minimize duplicated effort and travel.

What is a "risk-based inspection approach?"

Lynn Hamilton: Grocery, looking for opportunities with overcharging customers. Tare weights, retail discrepancies. Pricing/price posting. Greatest challenge is to establish a history of patterns of non-compliance (utilize previous inspection records).

Mark Ellery: "History" is the keyword for me. If you have done a million inspections of a facility and found no issues, the risk is low. Would like fuel retail to add their perspective. Hadley's statements would also be applicable to our position. COVID-19 has shown that virtual meetings can be significant and take care of issues.

Hadley Conner: We (Walmart) welcome inspections. We want consumers to have confidence. One thing that we have discussed is that some complaint-based inspections could be handled more proactively through telephonic or video information where inspector may not have to even respond based on evidence that we provide. Could also relate to retail pricing inspections.

What does "data-driven" mean to you?

Lynn Hamilton: Again, I think this goes back to the history (inspection records) about what has been recorded by WMSD in the past and also what has historically been of complaints and concerns to consumers.

What does "internally-coordinated" mean to you?

Hadley Conner: Proper resources allocated to the proper job with the highest risk.

Lynn Hamilton: Initially I thought "internally-coordinated" meant within state government, but I think it should involve industry as well.

Recommendation 1: Efforts Made So Far...

January 2020, investigators provided add'l direction on scheduling...

- Complete as many inspections as possible during a single visit
- Conduct inspections at additional locations nearby
- Remain in inspection districts unless assigned otherwise
- Do not conduct skimmer inspections unless assigned or conducting another inspection at the location

Recommendation 1: Efforts Made So Far...

Google Inspection Map...

Auditor General Recommendation 2:

Require WMSD to identify and document the risk factors they will use to inform their risk-based inspection approach and establish a process to periodically reassess these risk factors based on new information or changing circumstances.

What are "risk factors"?

Compliance history

Complaint history

- Validity of complaints

Percentage of population served

- History of compliance relative to the population served is important to think about

Consumer impact

- Financial

- Environmental

- Safety

Vulnerability of the population served

Necessities of the relative area e.g. food desert, things may happen in these areas that would not happen in metro areas. Areas where there are not a lot of resources to serve a population

Risk Factors:

WMSD has historically considered...

- Locations where most consumers conduct business
- Compliance history
- Categories with most complaints received

Auditor General Recommendation 3:

Require WMSD to collect, maintain, and review sufficient data regarding licensees, devices, and establishments subject to inspection and the results of prior inspections to help plan and execute.

What does Recommendation 3 mean to you?

Mark Ellery: I think the results of inspections are critical whether good or bad

Hadley Conner: I agree

Lynn Hamilton: Inspection history can be difficult to look through, perhaps offer the opportunity for public and industry to request summarized information.

Data Collection, Maintenance, Reporting...

WMSD has CTU...

- CTU manages licenses and licensee data
- CTU is the inspection scheduling interface
- CTU houses inspection reports
- CTU can generate reports on compliance rates, productivity, etc.

Where do we go from here?

- Take all comments from Advisory Council into consideration, discuss with AZDA Leadership and WMSD management.
- Mark Ellery: Encourage council members to respond after the meeting