



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

AUDIT INFORMATION

Applicant Name:	Guaranteed Organic Certification Agency
Est. Number:	N/A
Physical Address:	5464 Eight Street, Fallbrook, CA 92082
Mailing Address:	Same
Contact & Title:	Charles Heermans
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Phone Number:	760-731-0496
Auditor(s):	Miguel A. Caceres
Program:	USDA National Organic Program (NOP)
Audit Date(s):	June 13 and July 20, 2006
Audit Identifier:	NP5301MMA
Action Required:	No
Audit Type:	Corrective Action Audit
Audit Objective:	To verify that corrective actions adequately address the non-compliances identified during the 2005 Annual Update audit
Audit Criteria:	<ul style="list-style-type: none">• 7 CFR Part 205.510, National Organic Program; Final Rule, dated December 21, 2000, Amended November 2003.
Audit Scope:	Submitted corrective actions
Location(s) Audited:	Desk

The auditor of record received Guaranteed Organic Certification Agency's (GOCA) corrective actions on May 11 and June 29, 2006. The corrective actions consisted of the corrective action proposal; the GOCA Policy Manual GA 007-6079, March 2006; the GOCA Administrative Procedures Manual GA 008-6079, July 2005; a copy of the revised Transitional Certificate; a List of Inspectors; a Conflict of Interest and Disclosure Report, resume and performance evaluation for an inspector; a Memorandum letter from the NOP; Highlights of crop, livestock, and wild crop standards; and a revised fee schedule.

FINDINGS

The submitted corrective actions adequately addressed five major and six minor non-compliances. One (1) major non-compliance was withdrawn (NP5301MMA.NC4).



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

NP5301MMA.NC4 – Major – Withdrawn – Final Rule section 205.2 defines Agricultural product as “Any agricultural commodity, or product, whether raw or processed, including any commodity or product derived from livestock, that is marketed in the United States for human or livestock consumption.” *Non-agricultural product (as defined by the NOP) certified by GOCA. The certification certificate for Flora Pacifica, stated the Certified Organic Product as “Wild Harvested, Fresh, Dried, and Preserved Flora Arrangement Ingredients, Wreaths and Finished Products”.* **Reason for Withdrawal:** In a memorandum from Deputy Administrator, Transportation and Marketing Programs, Barbara C Robinson, dated August 23, 2005, it clearly allows for this type of certification as long as the NOP standards are accurately applied to the operation for production, handling and labeling of the products.

NP5301MMA.NC1 – Major – Adequately Addressed – Final Rule section 205.404(a) states, “If the certifying agent determines that the organic system plan and all procedures and activities of the applicant’s operation are in compliance with the requirements of this part and that the applicant is able to conduct operations in accordance with the plan, the agent shall grant certification.” Section 205.404(b) states, “The certifying agent must issue a certificate of organic operation which specifies...” *GOCA has procedures in place to provide transitional certificates. The sample provided states, “Guaranteed Organic Certification Agency...after reviewing all documents has determined that the transitional products listed below are compliant with the National Organic Program, in accordance with the United States Department of Agriculture standards and those set forth in the GOCA program for a period of more than 12 months but less than the required 36 months.” The certificate has an area for “Certified Organic Product” and goes on to state, “This product is represented by the Transitional Producer to be Organically Grown, Processed or Handled in accordance with the standards stated above.”* **Corrective Action:** The Policy Manual, Part 2, section C was revised to indicate that GOCA provides Non-NOP Scope certifications for marketing the product as non-organic under a “Green” or “Eco” label. Marketing of the product would be in the United States or for export to foreign countries. The Transitional Certificate was revised to remove all references to the National Organic Program and identifies the product as “Certified Transitional Product”.

NP5301MMA.NC2 – Major – Adequately Addressed – Final Rule section 205.501(a) states “A Private or governmental entity accredited as a certifying agent under this subpart must: (11)(v) Prevent conflicts of interest by: Requiring all persons who review applications for certification, perform on-site inspections...to complete an annual conflict of interest disclosure report.” *No conflict of interest disclosure report was submitted for inspector Sarah Heermans who conducted the inspection on the wild crop client file that was submitted with the annual update report. The inspection was conducted November 2004. The inspector was not listed on the GOCA 2004/5 List of Inspectors and Reviewers.* **Corrective Action:** A revised list of inspectors and the conflict of interest disclosure report was submitted.

NP5301MMA.NC3 – Major – Adequately Addressed – GOCA Policy Manual, Part 2, section C states “NON-NOP SCOPES, GOCA provides as its base service, NOP accredited organic certification. However, GOCA offers additional services based on scopes not covered by the NOP. GOCA has adapted NOSB recommended standards as its own standard in those areas where the NOSB has published their recommendations, such as, cosmetics, pet foods, textiles, honey and, aquaculture. Upon request, GOCA



Livestock and Seed Program Audit, Review, and Compliance Branch Quality System Audit Report

will use any other accredited organic standards to certify products as organic. Any area not specifically covered by the NOP, but which does otherwise meet the NOP regulations, will be eligible for NOP certification”. *NOSB recommendations cannot be used for certification until they are incorporated into the regulations. Aquaculture cannot be certified to the NOP as the definition for livestock specifically excludes aquatic animals, and only agricultural products that are in compliance with the regulations can be certified to the NOP standards.* **Corrective Actions:** The verbiage was removed from the Non-NOP Scope section.

NP5301MMA.NC5 – Major – Adequately Addressed – GOCA Policy Manual, Part 5, section J states “If the person most knowledgeable of the operation is not in attendance at the inspection, the inspector must contact the GOCA office. In most cases the entire inspection will have to be rescheduled.” *This is not in compliance with the NOP standards. Section 205.403(b)(2) requires an authorized representative who is knowledgeable of the operation to be present for the inspection, not necessarily the most knowledgeable.* **Corrective Action:** Verbiage of the Policy Manual was revised to reflect “an authorized representative who is knowledgeable”.

NP5301MMA.NC6 – Major – Adequately Addressed – Final Rule section 205.501(a)(11)(vi) states “A Private or governmental entity accredited as a certifying agent under this subpart must: Prevent conflicts of interest by: Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection.” *The Administrative Procedures Manual, Part 6, section E states, “When GOCA receives an application for certification that includes a notification of noncompliance or notification of denial of certification, GOCA treats the application as a new application and begins the certification process with an Initial Administrative Review. The Director is required to monitor and review the Initial Review to verify the Initial Reviewer’s accuracy”. Since the Director makes the certification decision and there was no objective evidence that there is another staff member making the certification decision when the Director is also involved in the Initial Administrative Review this is noted as a non-compliance. Several areas of the Policy Manual also state that the Director will get involved in the initial administrative review of previously denied operations.* **Corrective Action:** The verbiage indicating that the Director is involved with the initial review and the certification decision was removed from section 6.E.2.

NP5301MMA.NC7 – Minor – Adequately Addressed – Final Rule section 205.501(a)(11)(vi) states “Upon acceptance of an application for certification, a certifying agent must: Determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part”. *The GOCA Policy Manual, Part 3, section D states, “If a brand name material has already been reviewed for a client by GOCA or another accredited certification agency...then GOCA will determine that the brand name material is compliant and acceptable for use in organic production or handling”. This procedure is not in compliance with the NOP standards because if the formulation is changed or an ingredient is substituted the procedure does not allow for the GOCA to review the ingredients and ensure that they are acceptable in accordance with the National List.* **Corrective Action:** The verbiage in this section was revised to include a review of the material inputs if the ingredients in the brand name item have changed or have not been previously reviewed for compliance to the National List.



Livestock and Seed Program Audit, Review, and Compliance Branch Quality System Audit Report

NP5301MMA.NC8 – Minor – Adequately Addressed – Final Rule section 205.501(a)(5) states “A Private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees...have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned” and 205.501(a)(6) states, “ Conduct an annual performance evaluation of all persons who...” *There was no information provided on inspector Sarah Heermans who conducted the inspection on the wild crop client file that was submitted with the annual update report. The inspection was conducted November 2004. The inspector was not listed on the GOCA 2004/5 List of Employees and Contractors and there was no performance evaluation submitted for her.*

Corrective Action: The GOCA 2004/5 List of Inspectors and Reviewers, the inspector’s resume, and the Employee/Contractor Performance Evaluation was submitted. Although there was not any experience or organic training for conducting inspections for this inspector the June 29, 2006 response from Mr. Heermans stated that the inspector was trained in accordance to GOCA’s inspector training policy. The inspector terminated her contractual relationship with GOCA prior to updating her resume and has not worked for the certifying agent for more than 1-1/2 years.

NP5301MMA.NC9 – Minor – Adequately Addressed – Final Rule section 205.501(a)(14) states, “A Private or governmental entity accredited as a certifying agent under this subpart must: Refrain from making false or misleading claims about its accreditation status...” *The GOCA Policy Manual, Part 2, section I.1 states “GOCA was announced by the USDA as a NOP accredited certification agency in the first round of announcements on April 21, 2002.” GOCA was accredited in the first round and listed on the NOP website on April 29, 2002.* **Corrective Action:** The date in the Policy Manual was corrected to reflect April 29, 2002.

NP5301MMA.NC10 – Minor – Adequately Addressed – Final Rule section 205.601(a)(2) states, “In accordance with the restrictions specified in this section, the following synthetic substances may be used in organic crop production: (a) As algicide, disinfectants, and sanitizer, including irrigation system cleaning systems. (2) Chlorine materials – Except, that, residual chlorine levels in the water shall not exceed the maximum residual disinfectant limit under the Safe Drinking Water Act.” *The GOCA Highlights of Organic Crop Production Standards states “9. Water: There are no regulations specifically about water source, and in organic agriculture, any source of water may be used (Section 205.671) as long as it does not contain a prohibited substance that can be detected at a residual rate higher than 5% of the EPA’s tolerance.” Similar statements are made on the Livestock and wild crop “Highlight” forms that the applicants are required to sign. These statements are not totally accurate in that water used for crops and livestock must meet the maximum residual levels of the Safe Drinking Water Act.* **Corrective Action:** The verbiage was revised in the “Highlights” documents for organic crops, livestock, and wild crop harvest standards to accurately reflect the requirements of §205.671 as they pertain to the sale of organic products and not the substances in water.

NP5301MMA.NC11 – Minor – Adequately Addressed – Final Rule section 205.642 states, “... the certifying agent may set the nonrefundable portion of certification fees; however, the nonrefundable portion of certification fees must be explained in the fee schedule.” *Non-refundable fee information contained in the GOCA Policy Manual, Part 4 and in the GOCA Administrative Procedures Manual, Part 4, section I is not included in the 2005 fee schedules submitted. Fee information for Production Groups and Marketing Groups contained in the APM, Part 6, section O is not contained in the fee schedule.*



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

Corrective Action: The non-refundable fees information from the Policy Manual and the Administrative Procedures Manual was included in the revised fee schedule submitted. Fee information for Production and Marketing groups was added to the fee schedule.

NP5301MMA.NC12 – Minor – Adequately Addressed – Final Rule section 205.642 states, "... the certifying agent shall provide each applicant with an estimate of the total cost of certification and estimate of the annual cost of updating the certification." *The GOCA Policy Manual, Part 4, section H states, "At the request of an applicant or client, and with sufficient information regarding the operation, GOCA will provide a quotation for all services rendered." There is no requirement in the policy manual or the administrative procedures manual to provide applicants with an estimate of the total cost of certification and estimate of the annual cost of updating the certification unless they request the estimate. The certifying agent is required to supply the estimate, this is especially important with a fee schedule that incorporates as many variables on the fees as the GOCA Fee Schedule.* **Corrective Action:** Both manuals were revised in the appropriate sections to reflect that GOCA will provide clients with an estimate for the total cost of certification in the Inspection Services Agreement and the cost of continuing certification in the Certification Services Contract.