



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

AUDIT INFORMATION

Applicant Name:	Certified Organic Inc, (COI)
Est. Number:	NA
Physical Address:	500 1 st St. Keosauqua, IA 52556
Mailing Address:	500 1 st St. Keosauqua, IA 52556
Contact & Title:	Nanette Daugherty Rambo,
E-mail Address:	certifiedorg@netins.net
Phone Number:	866-581-6428
Auditor(s):	Phil Frederick
Program:	USDA National Organic Program (NOP)
Audit Date(s):	May 03 & 27, 2005
Audit Identifier:	NP5123FFA
Action Required:	Yes
Audit Type:	Annual Update
Audit Objective:	To determine the compliance of the company's information to the audit criteria
Audit Criteria:	• USDA, AMS 7 CFR Part 205.510 National Organic Program, Final Rule, dated December 21, 2000
Audit Scope:	Certified Organic Inc. 2005 NOP Annual Update.
Location(s) Audited:	Desk audit

Information submitted by COI included:

- Estimated certification for 2005: Crops=2, Livestock=6 and Processing Operations=2
- Current applicants fee schedule.
- Updated inspector list
- List of all certified clients located in Illinois, Iowa, Minnesota and Wisconsin
- New F form (Farm Operations), H form(Processors, Distributors, Handlers and Retailers), F form (Farm/Livestock/Site System and Plan Update) and H form (Renewal for Processors, Distributors, Handlers and Retailers)
- Updated section H (procedure used for sampling and residue testing)
- Annual Conflict of Interest Reports for inspectors (only for 2 out of the 5 inspectors) .
- Two (2) crop operations files and one (1) livestock file that included inspection reports and copies of certificate issued.



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FINDINGS

Procedures and records reviewed verified that COI is currently operating in compliance to the requirements of the audit criteria except as noted below. One major and two minor non compliances were identified during the audit.

NP5123FFA.NC1 – Major – NOP §205.510(a)(1) requires "A complete and accurate update of information submitted pursuant to §205.503 and §205.504."

- a) NOP §205.501(a)(11)(v); All persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification must complete and annual conflict of interest disclosure report. *COI only submitted conflict of interest (COF) disclosure reports for inspectors - Sharon Colbenson and Stanley J. Hildebrand. COF disclosure reports were not submitted for inspectors Arthur Harvey, George Martin, Mary Wilson, and Don Konrad. Also, a COF disclosure report was not submitted for Nanette Rambo.*
- b) NOP §205.504 (d)(2); Copies of at least three different inspection reports and certification evaluation documents for production or handling operations certified during the previous year for each area of operation for which accreditation is requested. *COI only submitted 2 crops and 1 livestock files. A processor file was not submitted for review. Additionally, the files that were submitted were incomplete because a certification evaluation document was not submitted with each file.*
- c) NOP §205.510 (a) (4) requires submission of the results of the most recent performance evaluations and annual program review and a description of adjustments to the certifying agent's operation and procedures implemented or to be implemented in response to the performance evaluations and program review included in the report. The proposed changes must satisfy the NOP requirements. *COI did not submit their most recent performance evaluations and annual program review and a description of adjustments to the certifying agent's operation and procedures implemented or to be implemented in response to the performance evaluations and program review.*
- d) NOP §205.504 (6) A copy of the procedures used for sampling and residue testing pursuant to § 205.670. *The updated procedure was submitted, but only part of the section H (COI Residue Testing) was included.*

NP5123FFA.NC2 – Minor – NOP §205.404 (b) (2) The certifying agent must issue a certificate of organic operation which specifies the... (2) Effective date of certification. *COI submitted two (2) crop and one (1) livestock producer files for review. The certificate for each producer showed the effective date was in 2004. Also copies of the original certificates that were issued in 2003 were submitted for review. COI is issuing a new certificate each year, but the new certificate being issued does not have the original issue date on the certificate.*

NP5123 FFA.NC3 – Minor – NOP §205.406 (a) To continue certification, a certified operation must annually pay the certification fees. *The producer (crop & livestock) files that COI submitted did not have a fee schedule included in the files to show what the client's annual certification fee would be.*