



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

AUDIT INFORMATION

Applicant Name:	Australian Certified Organic (ACO)
Est. Number:	N/A
Physical Address:	766 Gympie Rd, Chermside Queensland Australia 4032
Mailing Address:	PO Box 530, L1 766 Gympie Rd., Chermside Queensland Australia 4032
Contact & Title:	Michael Blakeney
E-mail Address:	Michael.blakeney@aco.net.au
Phone Number:	+61 (0)7 3350 5706
Auditor(s):	Alan Kohles
Program:	USDA National Organic Program (NOP)
Audit Date(s):	November 1, 2006
Audit Identifier:	NP6130LLA
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:	7 CFR Part 205.510, National Organic Program; Final Rule, dated December 21, 2000; Amended November 3, 2003
Audit Scope:	Submitted corrective actions
Location(s) Audited:	Desk

The auditor of record received Australian Certified Organic (ACO) corrective actions on July 21, 2006. The corrective actions consisted of the following: corrective action proposal; current number and the estimated number of each type of operation to be certified annually; the most recent resumes; training records and performance evaluations; the Pecuniary Interest Declaration statements for the auditors and new employees; and current Organic Management Plans and the certification evaluation documents.

FINDINGS

The corrective actions submitted by ACO adequately addressed the two major non-compliances and the one minor non-compliance. The non-compliances are therefore cleared.

NP6130LLA.NC1 – Major – Cleared – NOP §205.510(a) (1) states, “An accredited certifying agent must submit annually to the Administrator... A complete and accurate update of information submitted pursuant to §205.503 and §205.504.”



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

- a) NOP §205.503 (c) states, “Each area of operation (crops, wild crops, livestock, or handling) for which accreditation is requested and the estimated number of each type of operation anticipated to be certified annually by the applicant”. *The ACO USDA Client list does not include the estimated number of each type of operation to be certified annually.* **Corrective Action:** The USDA Certified Client list was provided for review and it included the current number and the estimated number of each type of operation to be certified annually.
- b) NOP §205.504 (a)(4) requires a description of any training that the applicant has provided or intends to provide to ensure that they comply with and implement the requirements *Resume and training records were not provided for three (3) auditors listed on the Approved Auditor Register. The auditors are Alexandra Kennedy, Akiko Nicholls and Shirley Olley.* **Corrective Action:** Alexandra Kennedy is no longer registered as an auditor; however, resumes and training records for Akiko Nicholls and Shirley Olley were provided.
- 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. *ACO did not submit the most recent performance evaluations of the auditors, the results of the annual program review, or the management review along with changes implemented as a result of the review. ACO did not provide the auditor with clear criteria on how employees are evaluated and an affirmative accounting of each employee that was evaluated.* **Corrective Action:** ACO provided records of the most recent performance evaluations. Procedures to provide performance review and emails of any changes to the auditors were provided.

NP6130LLA.NC2 – Major – Cleared – NOP §205.504 (c)(2) requires a conflict of interest disclosure report for all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and all parties responsibly connected to the certifying agent. The report must identify any food- or agriculture-related business interests, including business interests of immediate family members that cause a conflict of interest. *ACO did not submit the conflict of interest disclosure reports with the 2005 Annual Update for all the auditors listed on the Approved Auditors Register. The Pecuniary Interest Declaration statements included were for the staff members.* **Corrective Action:** ACO provided the Pecuniary Interest Declaration statements for the auditors and new employees.

NP6130LLA.NC3 – Minor – Cleared – NOP §205.504 (d)(2) states, “Copies of at least 3 different inspection reports and certification evaluation documents for production or handling operations certified by the applicant during the previous year for each area of operation for which accreditation is requested.” *The files submitted for review only contained the auditor’s checklist and the review worksheet. The files did not contain the current Organic Management Plan or any certification evaluation documents. Copies of the NOP Certificates that were issued were also not included.* **Corrective Action:** ACO provided the Organic Management Plan for review and copies of the NOP Certificates that were issued.