



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

AUDIT INFORMATION

Applicant Name:	IBD – Associação Certificadora Instituto Biodinâmico
Est. Number:	N/A
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Phone Number:	55-14-3882-5006
Auditor(s):	Phil Frederick
Program:	USDA National Organic Program (NOP)
Audit Date(s):	February 1-2, 2006
Audit Identifier:	NP5213FFA
Action Required:	Yes
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">• <i>USDA, AMS, 7 CFR Part, National Organic Program (NOP) Final rule – December 21, 2000, Amended November 2003; and</i>• IBD's procedures, instructions and applicable documents pertaining to NOP certification
Audit Scope:	Submitted corrective actions
Location(s) Audited:	Desk

The corrective action that was submitted by IBD to the auditor on December 05, 2005:

- Updated Inspection Checklist (English)
- List of Inspectors (basic profile for each inspector, annex #15)
- Summary of training of personnel
- Updated IBD Quality Manual (NOP Procedures, Vol. 5), (annex #3)
- Certification Evaluation documents and certificates (for the 3 Producer & 3 Processor files That were submitted with the annual update)
- Copies of the fee schedule (that was included in the Producer and Processor files)
- Annual Program review



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FINDINGS

The submitted corrective action has not adequately addressed all of the non-compliances that were listed in the annual update audit report (NP5213FFA). The one previous major non-compliance is still outstanding.

NP5123FFA.NC1 – Major – Outstanding

- a) NOP 205.501(a)(11)(v); **Not Adequately Addressed** - 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. *IBD did not submitted conflict of interest disclosure reports for office staff and inspectors.* **Corrective Action:** IBD did not submit any conflict of interest disclosure for review.
- b) NOP 205.504 Evidence of expertise and ability; - **Not Adequately Addressed** - To become an accredited certifying agent, a private or governmental entity submitted documents and information to demonstrate its expertise in organic production or handling techniques; its ability to fully comply with and implement the organic certification program established in subparts B, C, D, E, and G; and its ability to comply with the requirements for accreditation set forth in subpart F. *IBD submitted update inspection checklist for farm & processor. The checklists were not in English. Auditor was not able to review them.* **Corrective Action:** IBD only submitted the inspection checklist for the processor. IBD still needs to submit inspection checklist for the producer (in English).
- c) NOP 205.504 (a) (2); - **Cleared** - The name and position description of all personnel to be used in the certification operation, including administrative staff, certification inspectors, members of any certification review and evaluation committees, contractors, and all parties responsibly connected to the certifying agent. *IBD referred to annex 15, not submitted for review..* **Corrective Action:** IBD submitted a list of Inspectors (basic profile for each inspector, annex #15) for review.

NOP 205.504 (a) (3); - **Cleared** - A description of the qualifications, including experience, training, and education in agriculture, organic production, and organic handling, for: (i) inspectors- *IBD referred to annex 15, not submitted for review.* **Corrective Action:** IBD submitted a list of Inspectors (basic profile for each inspector, annex #15) for review.

NOP 205.504 (a) (4); - **Cleared** - A description of any training that has been provided or is intended to be provided to personnel to ensure that they comply with and implement the requirements of the Act and the regulations in this part. *IBD submitted summary of training that certification officers, all reviewers, certification assistants and inspectors took. Not in English, so auditor could review the training.* **Corrective Action:** IBD submitted a Summary of the training of personnel for review.



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d) NOP 205.504 (b) - **Cleared** - Administrative policies and procedures: (1) a copy of the procedures used to evaluate certification applicants, make certification decisions, and issue certification certificates; *IBD updated procedure and referred to annex 03 for review. No annex 03 was submitted for review.* **Corrective Action:** IBD submitted an updated IBD Quality Manual (NOP Procedures, Vol. 5), (annex #3) for review.

NOP 205.504 (b) (2) - **Cleared** - A copy of the procedures used for reviewing and investigating certified operation compliance with the Act and the regulations in this part and the reporting of violations of the Act and the regulations in this part to the Administrator; *IBD updated procedure and referred to annex 03 for review. No annex 03 was submitted for review.* **Corrective Action:** IBD submitted an updated IBD Quality Manual (NOP Procedures, Vol. 5), (annex #3) for review.

NOP 205.504 (b) (3) - **Cleared** - A copy of the procedures used for complying with the recordkeeping requirements set forth in § 205.501(a)(9); *IBD updated procedure and referred to annex 03 for review. No annex 03 was submitted for review.* **Corrective Action:** IBD submitted an updated IBD Quality Manual (NOP Procedures, Vol. 5), (annex #3) for review.

NOP 205.504 (b) (4) - **Cleared** - A copy of the procedures used for maintaining the confidentiality of any business- related information as set forth in § 205.501(a)(10); *IBD updated procedure and referred to annex 03 for review. No annex 03 was submitted for review.* **Corrective Action:** IBD submitted an updated IBD Quality Manual (NOP Procedures, Vol. 5), (annex #3) for review.

NOP 205.504 (b) (6) - **Cleared** - A copy of the procedures used for sampling and residue testing pursuant to § 205.670; *IBD updated procedure and referred to annex 03 for review. No annex 03 was submitted for review.* **Corrective Action:** IBD submitted an updated IBD Quality Manual (NOP Procedures, Vol. 5), (annex #3) for review.

e) NOP 205.504 (c) Conflict of Interest;(1) - **Cleared** - A copy of procedures implemented to prevent the occurrence of conflicts of interest, as described in § 205.501(a)(11); *IBD updated procedure and referred to annex 03 for review. No annex 03 was submitted for review.* **Corrective Action:** IBD submitted an updated IBD Quality Manual (NOP Procedures, Vol. 5), (annex #3) for review.

f) NOP 205.504 (d)(2); **Cleared** - 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. *IBD submitted 3 crops and 3 processor files for review. Also the files that were submitted were incomplete because no certification evaluation documents and no certificates were submitted with each file.* **Corrective Action:** IBD submitted Certification Evaluation documents and certificates for the 3 Producer & 3 Processor files.



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- g) NOP 205.510 (a) (4) - **Not Adequately Addressed** -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. *IBD submitted no performance evaluations or no clear criteria on how employees are evaluated and an affirmative accounting of each employee that was evaluated and a statement that their performance appraisal was satisfactory were submitted for review. No annual program review was submitted for review only the summary of proposed corrective actions was submitted.* **Corrective Action:** IBD submitted the annual program review for review. IBD program review stated in their report that performance evaluations for the employees were not performed as required.

NP5123FFA. NC2 – Minor NOP 205.406 (a) - **Cleared** - To continue certification, a certified operation must annually pay the certification fees. *The producer and processor files that IBD submitted did not have a fee schedule included in the files to show what the client's annual certification fee would be.* **Corrective Action:** IBD submitted copies of the fee schedule that was included in the Producer and Processor files.