



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

AUDIT INFORMATION

Applicant Name:	North Carolina Crop Improvement Association (NCCIA)
Est. Number:	N/A
Physical Address:	3709 Hillsborough St., Raleigh, NC 27607
Mailing Address:	3709 Hillsborough St., Raleigh, NC 27607
Contact & Title:	Daryl Bowman, Interim Director
E-mail Address:	N/A
Phone Number:	919-515-2851
Auditor(s):	Martin Friesenhahn
Program:	USDA National Organic Program (NOP)
Audit Date(s):	February 2-3, 2006
Audit Identifier:	NP3126BA
Action Required:	No
Audit Type:	Corrective Action Audit
Audit Objective:	To verify that corrective actions adequately address the non-compliances identified during the on-site audit conducted May 6-7, 2003.
Audit Criteria:	<ul style="list-style-type: none">• 7 CFR Part 205, National Organic Program; Final Rule, dated December 21, 2000, Updated November 03, 2003, and• NCCIA's procedures, instructions and applicable documents pertaining to NOP Certification
Audit Scope:	Submitted corrective actions
Location(s) Audited:	Desk

NCCIA submitted corrective actions on January 10, 2006, to address the non-compliances from the on-site audit conducted on May 6-7, 2003. The auditor of record received the submitted corrective actions on January 13, 2006.

FINDINGS

The submitted corrective actions have adequately addressed the nine previous non-compliances from the on-site audit conducted May 6-7, 2003.



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NP3126BA.NC1 - Continuous Improvement Point (CIP) – Cleared - 205.204 (a)(2) - Seeds and planting stock practice standard - Nonorganically produced seeds and planted stock that have been treated with a substance included on the National List of synthetic substances allowed for use in organic crop production may be used to produce an organic crop when an equivalent organically produced or untreated variety is not commercially available. *The NCCIA Director allowed the use of some watermelon seeds treated with Thiram at Sanderson Farms. Sanderson Farms had documented (3/12/03) that the NCCIA Director allowed the use of the treated seeds after washing. Thiram was not listed in the National List as a synthetic substance allowed for use in organic crop production. (The nonconformance was not identified as a Hold Point since the final evaluation and decision on certification for 2003 was not completed by the NCCIA Organic Certification Review and Evaluation Committee).* **Corrective Action:** Corrective actions dated January 10, 2006, were submitted by the NCCIA Interim Director Daryl Bowman. The corrective actions stated that “The director at the time allowed the grower to triple wash the seed since the seed treatment was water soluble. The next year, 2004, the grower only certified sweet potatoes (different product). The grower was sent a letter of the non-compliance in 2005 for failure to apply for recertification. The grower no longer wishes to be certified.”

NP3126BA.NC2 – CIP – Cleared - 205.402(b)(2)/205.403(e)(2) - The certifying agent is to provide the applicant with a copy of the on-site inspection report. *NCCIA did not provide the applicants with a copy of the final on-site inspection report.* **Corrective Action:** Corrective actions dated January 10, 2006, were submitted by the NCCIA Interim Director Daryl Bowman. The corrective actions stated, “NCCIA routinely sends copies of the inspection reports to each applicant now.”

NP3126BA.NC3 – CIP – Cleared - On-site inspections - 205.403(c)(2) - The on-site inspection of an operation must verify that the information in the organic production or handling system plan.....accurately reflects the practices used or to be used by the applicant for certification or by the certified operation. *The inspector observed during the on-site inspection did not verify all the information on the farm plan (i.e. Equipment, clean out records).* **205.403(e) - Exit interview** - The inspector must conduct an exit interviewto confirm the accuracy and completeness of inspection observations and information gathered during the on-site inspection. The inspector must also address the need for any additional information as well as any issues of concern. *The inspector did not confirm the accuracy of the inspection observations or mention the issue of using treated seed.* **Corrective Action:** Corrective actions dated January 10, 2006, were submitted by the NCCIA Interim Director Daryl Bowman. The corrective actions stated, “Inspectors are informed to verify all information on applications. The inspectors also know to conduct exit interviews.”

NP3126BA.NC4 – CIP - Cleared - Granting certification- 205.404 (a)/NCCIA Quality Manual for Organic Certification - Section 2, 1.6 & Section 3, 3.0 - requires three members of the NCCIA Organic Certification Review and Evaluation Committee. *Certification was granted on some clients with reviews by only two committee members. In addition, the NCCIA procedures for granting certification contained conflicting information. One part of the Quality Manual (Section 2, 1.2.5) stated that the Chief Inspector determines the certification of the applicant while another part (Section 3, 3.2) states the Chief Inspector makes recommendations.* **Corrective Action:** Corrective actions dated January 10, 2006, were submitted



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by the NCCIA Interim Director Daryl Bowman. The Quality Manual for Organic Certification was revised January 2006 and Section 3.2 states that the director makes the final decision.

NP3126BA.NC5 – CIP - Cleared - General requirements for accreditation-205.501(a)(7) - Have an annual program review of its certification activities conducted *The annual program review had not been completed or scheduled by NCCIA. Corrective Action:* The last annual review was completed January 2005. The next annual review is scheduled in January 2006.

NP3126BA.NC6 – CIP - Cleared - General requirements for accreditation-205.501(a)(10)/NCCIA Quality Manual for Organic Certification - Section 1, 4.7 - Maintain strict confidentiality with respect to its clients under the applicable organic certification program and not disclose to third parties..... *Signed confidentiality agreements for the Program Assistant, Chief Inspector and all the Board of Directors were not on file. Corrective Action:* Corrective actions dated January 10, 2006, were submitted by the NCCIA Interim Director Daryl Bowman. The corrective actions stated, "Signed confidentiality statements are on file and current."

NP3126BA.NC7- CIP - Cleared - General requirements for accreditation- conflict of interest reports- 205.501 (a)(11)(v)- The certifying agent must have all persons who review applications, perform on-site inspections, review certification documents.....or make certification decisions.....to complete an annual conflict of interest disclosure report. *Annual conflict of interest disclosure reports were not completed by the Board of Directors, Program Assistant, Chief Inspector, one member of the Certification Review and Evaluation Committee, and the North Carolina Crop Science Department Head. Corrective Action:* Corrective actions dated January 10, 2006, were submitted by the NCCIA Interim Director Daryl Bowman. The corrective actions stated, "Annual conflict of interest disclosure statements are signed and on file."

NP3126BA.NC8 – CIP - Cleared - General requirements for accreditation-205.501(a)(19) - Accept all production or handling applications that fall within..... to do so without regard to size or membership in any association or group. *The NCCIA Schedule of Fees and the applications for organic certification require the client to become a member of NCCIA and pay annual membership fees. Corrective Action:* Corrective actions dated January 10, 2006, were submitted by the NCCIA Interim Director Daryl Bowman. The corrective actions stated, "Applicants for organic inspection are no longer required to be members of NCCIA nor pay annual dues."

NP3126BA.NC9 – CIP - Cleared - Noncompliance procedure for certified operations-205.662(a)(3) - A written notification of noncompliance shall be sent to the certified operation and provide the date by which the certified operation must rebut or correct each noncompliance and submit supporting documentation of each such correction when correction is possible. *The notification of issues and concerns sent to clients did not list a timeframe for submitting corrective action.*

205.662(b) –Resolution - When a certified operation demonstrates that each noncompliance has been resolved, the certifying agent shall send the certified operation a written notification of noncompliance resolution. *NCCIA did not send written notifications of noncompliance resolutions to clients. Corrective Action:* Corrective actions dated January 10, 2006, were submitted by the NCCIA



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

Interim Director Daryl Bowman. The corrective actions stated, “Timeframes are sent with each letter of correspondence for corrective action now. Written notifications of non-compliance resolutions are being sent to clients.”