



EXPORT ADVISORY NOTICE – 2007- 16			21 September 2007
Title:	Licenced Exporter Audit Findings		
Species:	Livestock		
Country:	All	File No.	2007/00655
Relevant to:	Livestock Exporters Livecorp /Australian Livestock Exporters Council AQIS Live Animal Export Officers		

Purpose

To inform exporters of non conformities (corrective action requests or observations) being identified by AQIS auditors and to provide a standard response format to be used to allow close out of corrective action requests (CAR's).

To outline guidelines for future AQIS audit outcome ratings.

Background

AQIS audits of exporters use a standard set of checklist questions and review a selection of recent consignment records. The aim of the audit is to establish that the procedures in the approved Operations and Governance (O&G) manual are known, available, understood and used.

AQIS recently reviewed the audit of exporters including an assessment of the non conformities identified in audits performed over 18 months. AQIS issues a CAR or Observation when a non conformity is identified at an audit. The exporter is required to formally respond to a CAR. The usual time for a response to a CAR is one month. Observations do not require a formal response but at the next audit, AQIS reviews all non conformities identified at the previous audit.

Audit findings - Corrective Action Request

The majority of findings related to issues with availability of documentation at audit. All exporters are requested to review their systems to maintain consignment records. The following CARs were issued in descending frequency:

1. National Vendor Declarations, Property of origin certification or laboratory test results of consignment not available for audit
2. Correctly completed AAV treatment and final inspection declaration not available at audit
3. No records in file of travel plans for long or interstate transport
4. No record of providing details of Consignment Risk Management Plan (CRMP) to the Registered Premises operator or Approved Export Program to the AQIS Accredited Veterinarian.
5. No evidence of instruction to vendor or transporter to comply with Australian Standard for the Export of Livestock (ASEL).
6. Inadequate supporting evidence (eg final weights) or errors in final stock density calculations
7. Required vehicle disinfection declarations not available

8. Pregnancy testing declaration not complying with ASEL.

Corrective Action Responses

Corrective Action Requests issued for non conformities usually have a one month deadline for rectification. Exporters should use the opportunity to review and improve systems to prevent reoccurrence. A number of exporters did not adequately respond to CAR's within the time frame or were requested to provide further information to allow close out of the CAR. To standardise the process the attached CAR response format is attached to assist exporters to provide a response to AQIS prior to the rectification date, even if some actions or verification have not yet been completed. Follow up audits will also include a review of evidence of the CAR response effectiveness.

AQIS may not approve NOIs and CRMPs, issue expired export licences or may apply additional NOI and CRMP conditions if CARs are overdue.

Audit findings - Observations

A review of audit reports has found the majority of observations made relate to adequate records not being maintained as required by the quality system. All exporters are requested to review their systems against the following common findings.

1. Training records not adequate
2. Internal audit or management review process not adequately followed or recorded
3. Manual amendment register not current, or no clear system to submit amendments to AQIS for approval
4. Better detail required in manual of actual contingency procedures rather than listing the identified risks
5. Company organisation chart not up to date.

Audit outcome rating

A small number of audits to date have not been acceptable. To allow exporters to understand their performance, future audit reports will be rated either "acceptable", "marginal" or "unacceptable". The auditors will use their judgement in providing this rating, but as a guideline "marginal" will be for 2 or more CAR's issued and "unacceptable" 4 or more CAR's issued. Note however a single critical non conformity would also give an unacceptable rating.

Potential critical non conformities will be evaluated in consultation between the auditor and the LAE Program Manager. A Critical non-conformity is defined as a significant break down in the procedures documented in the Operations and Governance manual, requirements of the Australian Standards for the Export of Livestock, Export Control (Animals) Order 2004 or Consignment Risk Management plan, or a deliberate active action to export livestock not in accordance with the relevant legislation or ASEL. An example of a critical non conformity is deliberately loading animals not meeting the importing country requirements or not fit to travel.

The audit frequency and supervision of consignments under preparation may increase with marginal or unacceptable audit outcomes.

Document control

The O&G Manual should have a written procedure to identify all pages and forms with a date or version number. Amendments to the manual can therefore be easily tracked. An amendment register should list manual amendments and dates. All records produced under the quality system should be maintained for a minimum of 2 years. This includes consignment records; O&G manual versions and amended pages; and system management such as management review minutes, internal audits and staff training. If electronic

records are maintained they must comply with the Electronic Transaction Act Guide to the use and control of electronic records for statutory compliance. Electronic record security and back up must be a senior management responsibility.

Management review / internal audit

The Australian Meat and Livestock (Export Licencing) Regulations 14 requires O&G Manuals to include the businesses compliance strategy and review. Most manuals have procedures for management review and internal audit described, however these appear to be poorly understood and utilised in some instances.

Management review should follow a set agenda and involve senior staff. Performance of the quality system overall should be discussed with any proposed actions and deadlines agreed. Management review is separate to day to day operational management and should consider wider issues such as system performance/improvements, review of consignment incidents/mortalities, internal & external audit reports, changes in legislation / EAN's etc requiring updating and amendment of the manual, staff recruitment / training etc. At audit records of management review minutes should be available which show issues discussed, resolutions, date of meeting and who attended.

Internal audit should be conducted more frequently than management review with the aim to ensure specific elements of the quality system are being followed. The approach may vary between using a checklist to review a number of consignment files; reviewing specific ASEL procedures each audit over a number of consignments; or working against a planned schedule which covers all the manual elements. Internal audit reports and completed checklist records will be examined at audit.

For value in the process the internal audit should generally be conducted by some one not directly involved in the records or procedure being audited. It has been noted by auditors that the size of some export companies makes this impossible without using outside assistance. It is suggested that companies with 3 or less people involved could use a simplified combined management review / internal audit process. This process however needs to be described in the manual outlining how it will achieve the objectives of ensure procedures are being followed and the overall operation of the manual being reviewed, maintained and updated. Records of reviews and checklists must be kept.

Training

People management and training is a required manual element. Inadequate training records has been the most common observation at audits. In the absence of any formal training courses or Export industry/AQIS/Dept of Agriculture workshops, auditors will accept recording attendance of exporter association meetings, record of reading EAN's/legislation and ASEL updates and in house training / meetings to agree or implement changes to the O&G manual. For new staff a record of induction training in their responsibilities in the manual should be available. Records must show dates and attendees.

The guidelines for 'Operations and Governance Manuals' listed on the AQIS web site for livestock exports will be update to reflect the above information. The audit policy will also be placed on the AQIS website shortly.


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CORRECTIVE ACTION RESPONSE

Circle origin

Internal /External Audit	Internal Request /Monitoring	Customer Complaint	Other
Identification		CAR No.	
Description of non-conformance;			
Originated by:		Due date for close out:	
Investigation into cause(s)			
Corrective actions implemented			
Evidence attached Yes / No			
Person responsible:	Signature	Date:	
Preventive actions to ensure not repeated			
Manual amendment(s) required Yes / No			
Outline of changes required			
Person responsible:	Signature	Date:	
Verification process			
CAR is ready for close out Yes / No			
Person responsible	Signature	Date submitted for close out:	