



2 April 2020

Export advisory notice 2020-06

ESCAS Auditing Requirements – COVID-19 Restrictions

Species: Cattle, Sheep, Goats, Buffalo

Countries: All

Attention

- Animals Australia
- Australian Livestock Exporters Council
- LiveCorp
- Livestock Exporters
- Meat and Livestock Australia
- RSPCA

Purpose

To provide clarification of the department's requirements for Exporter Supply Chain Assurance System (ESCAS) independent auditing affected by COVID-19 related restrictions.

Key points

- There are no changes to the ESCAS requirement for regular independent auditing of supply chains, other than a one month extension to the high risk reporting period 1 (1 January to 31 March). Period 1 will now end on 30 April 2020 with independent performance audit reports (IPAR) due by 14 May 2020. Independent auditing is integral in assessing whether or not exporters' control, traceability and animal welfare, processes comply with ESCAS requirements.
- If an on-site audit for the purpose of completing an IPAR cannot be undertaken due to COVID-19 restrictions, exporters may engage an independent auditor to complete a remote audit of the facility/facilities.

- In this instance exporters will need to provide relevant information to demonstrate that an independent auditor is unable to conduct an on-site audit of the facility due to COVID-19 related restrictions.
- Where the exporter normally engages an independent audit company based in another country, exporters will be expected to determine whether any locally based audit companies (that meet ESCAS requirements) could conduct the on-site audit before arranging a remote audit.
- Unless otherwise notified by the department, where an exporter is unable to provide a compliant IPAR (based on an on-site or remote audit) for a facility within required timeframes, it will need to be removed from its approved supply chain.
- Exporters should contact the department when COVID-19 related restrictions affect special conditions on their ESCAS approval that require an additional independent audit (outside the risk-based auditing schedule provided in EAN 2015-06) or require an exporter representative to be present at a facility for certain activities.
 - Requirements for meeting the special conditions will be managed on a case-by-case basis.
- Where exporters are unable to engage an auditor to make an on-site visit for a new facility they are seeking to include in their supply chain, it may not be possible to provide a compliant independent initial audit report (IAR) due to COVID-19 related restrictions.
 - Unless otherwise notified, the department will not accept IARs based on remote audits.
 - If it is not possible to provide a compliant IAR, exporters will be unable to vary their ESCAS approval to include new facilities until restrictions are lifted.

Instructions

- 1) If seeking to submit an IPAR based on a remote audit, exporters must demonstrate to the department, with appropriate supporting evidence, that they have investigated all reasonable options for an on-site audit.
- 2) Under a remote audit arrangement, at a minimum, the independent auditor must:
 - a) Undertake a desktop audit of control and traceability systems and records, Standard Operating Procedures (SOPs), maintenance records, training records, floorplans, etc.
 - b) Conduct interviews with key facility staff by phone.
 - c) View infrastructure via live streaming (e.g. WhatsApp, Skype, Facetime, etc.), or review photographs and video footage taken during the required audit period, to assess compliance with infrastructure requirements
 - d) View animal handling and slaughter of a sufficient number of livestock in accordance with the sample size guidance in EAN 2018-01 (via live streaming (e.g. WhatsApp, Skype, Facetime, etc.) or video footage taken during the required audit period).
 - e) Request corrective actions where non-compliance is identified and review additional photographs or video footage to confirm implementation where necessary.

- f) Provide a report to the exporter detailing the outcomes of their activities associated with the points above, and whether, based on these activities, the control, traceability and animal welfare ESCAS requirements have been met during the reporting period.
- 3) Remote audits will be accepted by the department as a basis for IPAR submissions until such time that COVID-19 related restrictions are sufficiently relaxed to allow on-site audits. Once this has happened, exporters must engage an independent auditor to conduct an on-site audit within 3 months and provide an IPAR to the department.
- 4) The department understands the impact of the COVID-19 related restrictions on meeting the auditing schedule requirements. As such, the due date for the March 2020 (high risk period 1) IPARs has been extended by one month. Unless otherwise advised by the department, the IPARs for this reporting period are now due by COB 14 May 2020.
- 5) Exporters must advise the department if COVID-19 related restrictions will impact on their ability to comply with any special conditions on their ESCAS approval that require an additional independent audit (outside the risk-based auditing schedule provided in EAN 2015-06) or require an exporter representative to be present at a facility for certain activities.

Background

Given the widespread COVID-19 related restrictions (both international and domestic), it may be difficult for auditors to physically attend facilities to undertake ESCAS audits.

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