



EXPORT ADVISORY NOTICE – 2012 – 11		27 July 2012
Title:	Further Guidance on ESCAS requirements for Initial and Performance Audit Reports – Cattle and Buffalo	
Species:	Cattle and Buffalo	
Country:	All countries where an ESCAS is required.	
Relevant to:	[1] Live Animal Exporters [2] LiveCorp, ALEC, MLA	

Purpose

Over the past few months DAFF has received and assessed a number of independent performance audit reports (IPARs). Based on our experience to date with the reports received, as well as emerging queries from exporters, this EAN seeks to provide further guidance and direction for exporters. Specifically, the purpose of the information below is to:

- Provide the livestock export industry with further guidance on independent performance auditing for cattle and buffalo consignments.
- Advise of a number of minor amendments to the Department of Agriculture, Fisheries and Forestry (DAFF) audit report samples and processes.
- Provide clarification regarding a number of reporting matters.

Background

On 1 March 2012, an amendment to the *Export Control (Animals) Order 2004* effected the implementation of the ESCAS framework to all export markets, for all feeder and slaughter livestock species. The implementation of the framework to individual export markets is being applied using a staged approach.

The timeframes for the implementation of the new regulatory framework are outlined in EAN 2012 - 05 and 2012 -10.

There are two key independent audit report documents that a licensed exporter must submit to demonstrate the supply chain meets the control, traceability and animal welfare requirements of the ESCAS framework from discharge up to and including the point of slaughter.

- The independent initial audit report (IIAR) is an evaluation provided by an independent auditor of whether the exporter's ESCAS complies with the regulatory requirements. The IIAR must be submitted as part of the exporter's application to export livestock and is part of the information that is considered by the department when determining whether or not to grant approval to export.

- The independent performance audit report (IPAR) is an evaluation provided by an independent auditor of the performance of the exporter's ESCAS after cattle and buffalo have entered the supply chain. The outcomes of the independent performance audits are considered by the department when making decisions on future applications to export livestock by the exporter.

The audit must be performed by an auditor who is independent, has no conflicts of interest, and possesses an appropriate level of competence and expertise (through qualifications and experience).

In addition to the performance audit reports, the exporter must provide an End of Processing report (EOP) for each consignment.

DAFF has developed several guidance documents to assist exporters to meet the ESCAS requirements. These are available at:

<http://www.daff.gov.au/aqis/export/live-animals/livestock/escas>

Key Issues

1. Guidance on IPAR frequency and requirements for cattle and buffalo.

The regulatory framework developed by the Industry Government Working Group (IGWG) for cattle/buffalo includes specific guidelines for the provision of IPARs. Following the provision of IPARs in accordance with the guidelines, the ongoing frequency for the provision of IPARs relating to the exporter's supply chain will be determined according to risk and the performance history. Further guidance to assist exporters with the provision of satisfactory IPARs for cattle/buffalo is provided below:

- a) IPARs (and EOPs) must be provided for each export consignment until notified otherwise by DAFF.
- b) Without evidence of audits and observations on five separate occasions of each process and facility (a physical audit) by the independent auditor, the department is unlikely to change the requirement to provide an audit report for each consignment. DAFF consideration to change to a performance /risk based audit regime will occur only where there is sufficient evidence of good performance (control, traceability and animal welfare) in an exporter's supply chain. This evidence is based on the auditor undertaking a physical audit of each process and facility in the supply chain on five occasions (with physical audit of each process and facility separated by at least 10 days).
- c) To contribute to evidence of five physical audits of the exporter's supply chain, the date of the physical audit must be after the date of arrival of the specific exporter's cattle/buffalo into the supply chain.
- d) The dates of the physical audits must be included in the IPARs.
- e) The control, traceability and animal welfare aspects must be confirmed for each IPAR submitted to DAFF.
 - a. Note: in addition to the five physical audits of all processes and facilities within the supply chain, the control and traceability aspects must also be confirmed in five IPARs before DAFF will consider moving to a risk based audit regime.

- f) Unless otherwise notified by DAFF, when applying to DAFF to export a consignment of livestock, exporters must provide an auditor assessment of the supply chain covering control, traceability and animal welfare conducted within 6 months of the date of submission. This could be either an IIAR or an IPAR and must include a physical audit of all processes and facilities in the supply chain. Note that parts of supply chains that are not used (e.g. feedlots or abattoirs) may not qualify for inclusion into an approved supply chain for subsequent consignments if the independent audit of that part was conducted more than 6 months prior. DAFF will take this into consideration for all NOIs and variations submitted to DAFF from 1 September 2012.
2. DAFF has identified a number of minor amendments necessary for inclusion in the audit report samples, and has provided clarification regarding a number of reporting issues:
- A. changes to independent audit report samples
 - B. animals leaving the approved supply chain for breeding purposes
 - C. supplementary EOPs and IPARs
 - D. reporting number of animals exported

Please note there are currently no changes to the OIE animal welfare checklists for cattle and buffalo. The current version of the cattle and buffalo checklist is version 2.2.

A. Changes to Independent Audit Report Samples

To assist exporters and their independent auditors, DAFF developed a sample IIAR and a sample IPAR for cattle and buffalo. These two documents outline the information required by DAFF and seek to assist exporters provide all required information to prevent multiple requests for further information or clarification. It is recommended that exporters encourage their independent auditors to use the sample reports.

The sample audit reports are attached to this Exporter Advisory Notice and include minor changes to previous versions. The changes include:

i. Dates of physical audit of each facility in the supply chain

One of the changes to the audit report samples is to include the dates of the physical audit of each facility. A sample performance audit report for cattle and buffalo is attached and includes a table for exporters to list the facilities in the supply chain and the dates of physical audits of each facility. This will allow DAFF to easily monitor the number of physical audits of each facility for cattle and buffalo supply chains which is necessary when considering suitability to change an exporter/supply chain to a performance/risk based auditing regime. For this reason, a date range will no longer be considered acceptable.

DAFF will request each exporter to provide the dates of physical audits of facilities (and discharge) for each of the supply chains to get a complete data set of physical audits. The data will be used in decision making for requirements regarding performance audit reporting.

ii. Details of discharge

The IPAR must include details of discharge including vessel name, port of discharge, and date of discharge audit.

iii. Slaughter box and slaughter method

As previously advised for cattle/buffalo supply chains, a description of the slaughter box and slaughter method (e.g. stunning or non-stunning) must be provided within the IAR and IPAR. This description should be sufficiently detailed to assure DAFF that the slaughter facilities audited are the same as those in the exporter's ESCAS submission. For IPARs only, the report must also confirm that the slaughter box audited during the performance audit is the same as the slaughter box audited during the initial audit. Auditors are welcome to provide photographs of slaughter equipment to supplement their description.

iv. Summary Report for Publication – numbers of facilities

Attachment 2 of the sample IPARs, "Attachment to audit report for publication", now requires both a summary of the number of feedlots and abattoirs within the approved supply chain at the time of issuing the report and a separate listing for the number of facilities for which performance has been audited since the approval of the supply chain. Please note that if the number is less than the total number in the supply chain, a brief explanation must be provided, e.g. did not receive any livestock during the audit period.

B. Animals leaving the approved supply chain for breeding purposes

Where animals are known to leave the approved supply chain for breeding purposes, DAFF must be notified of these movements **and** the independent auditor must confirm records of these movements when next performing an audit of the supply chain arrangements. Exporters must communicate this requirement to the independent auditor well in advance to allow them sufficient additional time to confirm these movements. The confirmation of movement of animals for breeding purposes may be provided by the independent auditor in either a supplementary statement or in the next performance audit for the supply chain. This is not applicable to pregnant heifers that remain within the approved supply chain and are slaughtered after calving, a supplementary EOP is required for these animals (see below).

C. Supplementary cattle or buffalo EOPs and IPARs

Where cattle or buffalo remain in the supply chain after provision of an EOP and IPAR, DAFF will require a supplementary EOP to be provided within 60 days, or when the last animal is slaughtered, whichever occurs first.

In addition to the submission of a supplementary EOP, exporters may also need to supply a supplementary IPAR. A supplementary IPAR is required when;

- a) at the time of provision of the EOP and IPAR, animals remain in the supply chains that were not completely audited as part of the IPAR submitted to DAFF*; and
- b) These animals are subsequently moved to an unaudited facility within the supply chain.

Should (a) **and** (b) occur the exporters must submit a supplementary IPAR for the unaudited facilities that received animals at the same time as the supplementary EOP is supplied.

Likewise, if an ESCAS variation to add facilities to a supply chain is approved after the EOP and

IPAR are provided for a consignment, a supplementary IPAR must be provided to cover the new facilities where these facilities subsequently receive animals from that consignment. This IPAR must be provided at the same time as the supplementary EOP.

*For example, this would occur in situations where exporters only arrange for facilities to be included in the supply chain performance audit where those facilities have received animals at the time of IPAR submission to DAFF.

D. Reporting the number of animals exported

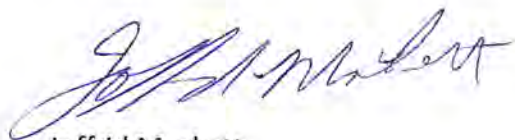
Exporters are responsible for ensuring that the number of animals exported is accurately recorded and reported to DAFF. This includes providing the number of animals to be exported to DAFF to enable generation of the health certificate and export permit, and reporting on the numbers of animals exported in the end of voyage report and EOP.

When assessing EOPs, DAFF has encountered occasions of inconsistency between the numbers on the health certificate and export permit, number in the end of voyage report and the number of head stated on the EOP (after allowing for mortalities on the vessel). Exporters must ensure that the numbers are accurately reconciled and consistent with the Master's Report provided to DAFF. Exporters must report inaccuracies in animal numbers or miscounts within 5 days of becoming aware of the anomaly. In addition, the exporter must provide detailed explanation if there is an inconsistency between the numbers on the health certificate and export permit, number in the end of voyage report and the number of head stated on the EOP.

I n s t r u c t i o n s

DAFF requires all cattle and buffalo IARS and IPARs to incorporate the changes summarised above and to be provided in the attached samples. This additional information will be required in all independent audit reports for audits conducted on or after 6 August 2012.

ESCAS applications and variations submitted to DAFF from 1 September 2012 must include an auditor assessment of the supply chain covering control, traceability and animal welfare conducted within 6 months of the date of submission.



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Attachment 1: Cattle and buffalo initial independent audit report sample_120712

Attachment 2: Cattle and buffalo independent performance audit report sample_120712