



<b>EXPORT ADVISORY NOTICE – 2012 – 12</b>		<b>27 July 2012</b>
<b>Title:</b>	<b>Further Guidance on ESCAS requirements for Initial and Performance Audit Reports – Sheep and Goats</b>	
<b>Species:</b>	<b>Sheep and Goats</b>	
<b>Country:</b>	<b>All countries where an ESCAS is required.</b>	
<b>Relevant to:</b>	<b>[1] Live Animal Exporters [2] LiveCorp, ALEC, MLA</b>	

## 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 sheep and goat consignments.
- Advise of a number of minor amendments to the Department of Agriculture, Fisheries and Forestry (DAFF) audit report sample 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 animals 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).

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 sheep and goats.

The regulatory framework developed by the Industry Government Working Group (IGWG) for sheep/goat 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 sheep/goats is provided below:

- a) An audit report is required every two months on three occasions (ie 3 in 6 months) from the date of export of the first consignment into a supply chain.
- b) The auditor must observe (physical audit) and assess all parts of the supply chain during each two month period (unloading, transport, feedlot/holding facility and abattoir/slaughter facility) – subsequent audits of the same processes and facilities must be separated by at least 10 days.
- c) The audit report must include audit outcomes (including control, traceability and animal welfare), the completed OIE animal welfare checklist and an audit summary for publication. The IPAR must confirm that the control, traceability and animal welfare aspects are in accordance with the regulatory requirements.
- d) The dates of the physical audits must be included in the independent audit reports.
- e) Without evidence of 3 individual physical audits of each process and facility by the independent auditor over 6 months (one report every 2 months, with each physical audit separated by at least 10 days), the department is unlikely to move the exporter to a risk/performance based auditing regime. DAFF consideration to change to a 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 based on the independent auditor's physical observation of each part of the supply chain on three occasions over the 6 month period.
- 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

Please note there are currently no changes to the OIE animal welfare checklists for sheep and goats. The current version of the checklist is version 3.3 for sheep and goats.

#### A. Changes to Independent Audit Report Samples

To assist exporters and their independent auditors, DAFF developed an audit report sample document for sheep and goats. This document outlines the information required by DAFF and seeks to assist exporters provide all required information to prevent multiple requests for further information or clarification. Note the same audit report sample can be used for both IIARs and IPARs for sheep and goats. It is recommended that exporters encourage their independent auditors to use the sample reports.

The sample audit report is attached to this Exporter Advisory Notice and includes 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 sample is to include the dates of the physical audit of each facility. A sample audit report for sheep and goats 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 sheep and goat 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. Method of presentation to slaughter, method of restraint during slaughter and method of slaughter*

The IAR and IPAR must include a description of the method of presentation to slaughter (e.g. ramp, v-restrainer), the method of restraint (e.g. manual on slaughter table) and method of slaughter (stunning/non-stunning) used at each slaughter facility. 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 method of presentation to slaughter, the method of restraint and method of slaughter used at each slaughter facility audited during the performance audit is the same as those 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 audit report, "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.

## Instructions

DAFF requires all sheep and goat IIARS 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:** Sheep and goat independent audit report sample (Initial and Performance)  
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