Risk Assessment Policy and Procedures

The Risk Assessment Program was developed to assist small organic operators lower their costs whilst allowing them to remain in the certified organic program.

Introduction

This document describes the policy and procedures for PACS to use risk assessment criteria within its organic certification program. Risk assessment criteria are included in the BC Certified Organic Accreditation Program. These criteria allow a certification body to assess the risk (of non-conformance) of a certified operator, and consequently vary the inspection frequency based on that risk. If applied correctly risk assessment will lower cost and regulatory burden to organic operators, while allowing certification bodies to concentrate surveillance upon more high risk operators - thus providing more veracity in the certification process.

The Purpose of Risk Assessment

Many organic enterprises have a low-risk of non-compliance under the BC Certified Organic Program because:

1. They do not have outstanding conditions or issues of non-compliance;
2. They practice low-risk forms of split operations (e.g. non-organic livestock and organic crops);
3. Their neighbouring land-use poses no threat of contamination;
4. They keep accurate and current records;
5. They do not export organic products or
6. Their enterprise is inactive but they wish to maintain their certification.

Many CBs have found that there is little benefit from requiring yearly inspections under such conditions. Low risk operators submit their forms, pay their fees and receive their certification year after year in a routine that is often expensive and redundant. Accurate risk assessment will identify low risk operators and provide an incentive to keep their enterprise low risk and a reward (reduced inspections and consequent costs) for their efforts. At the same time, accurate risk assessment will identify high risk operations, encourage those operators to improve their risk factors and allow for extra surveillance where needed.

PACS Policy for Risk Assessment in Organic Certification

Implementation and Control

Overall Responsibility

The President shall be responsible to ensure that the policy and procedures described in this document are implemented throughout the PACS organic certification program. The President will ensure that the risk assessment program is evaluated for efficiency, veracity and service to members, at regular intervals. The question must be continually asked, “Do these criteria provide improved service to our members and equal (or better) assurance to consumers?”
Management of the Risk Assessment Program

The Administrator will be responsible for implementation and day-to-day management of the risk assessment program according to these policies and procedures.

PACS Risk Assessment Program

Risk Assessment Criteria

1. For active Low Risk enterprises, the PACS organic certification program shall reduce inspection frequency to a minimum of one inspection in three years according to the following criteria:
   a. The enterprise must not be exporting organic product out of their home province or territory.
   b. The enterprise must not have outstanding conditions or issues of non-compliance. Any infraction by active participants in the Low Risk Program which results in a finding of non-conformity (Notice of Non-Compliance) will remove the participant from the Low Risk Program until a subsequent inspection and re-assessment confirms the reduction of risk factors.
   c. The enterprise must have received an organic certificate in all of the previous three years. (This requirement may be waived or adjusted for inactive members, depending on the other risks identified during the assessment.)
   d. Farms which have both organic and non-organic crop production, or organic and non-organic livestock production aspects may not be eligible. (Organic vegetables production with non-organic livestock would be eligible).
   e. The enterprise must be assessed for risk, and receive a low-risk ranking from the Certification Committee.
   f. For inactive Low Risk enterprises, no inspection is required for the duration of the period of inactivity. The operation must however, continue under active CB supervision through annual submission of renewal application forms and fees.

2. PACS Verification Officers will be provided with a risk assessment checklist and will determine the risk of non-compliance with the BC Certified Organic Program by the enterprise, whether by intent, by neighbouring activity, or by neglect. All enterprises will be assessed for risk during every inspection.

3. Risk assessment checklists will be comprehensive and will include all areas of possible risk including:
   a. contamination or commingling of organic product;
   b. contamination of site;
   c. maintaining organic integrity of the land and facilities through periods of inactivity (no production);
   d. mislabelling;
   e. fraud;
   f. any other non-compliance with the BC Certified Organic Program.

4. PACS will provide the Certification Committee with guidelines to enable them to rank enterprises according to risk and to determine which low risk enterprises qualify for reduced frequency of inspections. PACS will ensure that enterprises that do not qualify receive feedback indicating why they do not qualify.

5. PACS will keep records of all enterprises that qualify for reduced inspection frequency and will arrange for yearly random and unannounced inspections of at least 5% of all such enterprises. Such inspections will include a risk analysis.

6. For inactive enterprises, there is no requirement for a yearly inspection until the enterprise returns to active status. COABC Book 2, v9, section 3.1.4(4).

7. The PACS Certification Committee may decide to require extra inspections of enterprises that are deemed to be high-risk.
PACS Procedures for Implementation of Risk Assessment Criteria

*Information for Operators*

**Initial Notice**

The Administrator will provide the following information to all PACS operators, either by print or electronic means:

1. That PACS has instituted a Risk Assessment program. All organic enterprises will be assessed for risk, and low risk enterprises will qualify for a reduced frequency of inspections. Inactive enterprises have no requirement for inspections until they return to active status. They must however, still submit annual application forms and certification fees.
2. Verification officers will complete a risk assessment checklist concurrent with the usual annual inspection - there are no extra forms for the operator to complete.
3. Certain operations do not qualify for reduced inspection frequency because:
   a. They export organic product.
   b. The enterprise has outstanding conditions from previous inspections or issues of non-compliance that have been identified since the previous inspection.
   c. The enterprise has less than two year’s history with PACS.
   d. The enterprise did not receive an organic certificate in the previous three certification years.
   e. The enterprise produces similar organic and non-organic crops, or similar organic and non-organic livestock. (Organic vegetables production with non-organic livestock would be eligible).
4. The Certification Committee will evaluate the level of risk of the enterprise. Operations that are assessed as low-risk may only require an inspection every three years. However, these operations will still have to renew their certification annually, and are subject to random, unannounced inspections (5% of low-risk operations). Costs for unannounced inspections shall be averaged over all Low Risk enterprises each year.

**Changes to Documents**

1. The President will ensure that these policies and procedures are inserted in the PACS Quality Manual, the PACS Organic Operator Handbook, the Certification Procedures Manual, and the PACS Inspection Manual.

**Administrative Procedures for Risk Assessment**

**Inspection Procedures**

1. The Administrator will ensure that PACS Verification Officers are provided with the risk assessment program policy and inspection checklists for risk assessment. VOs (and operators) should be reminded that their job is to identify the potential risks of non-compliance by the enterprise, not to decide if the operator is a candidate for reduced inspections.
2. The inspections occur as scheduled and the VO completes and submits the risk assessment checklist.
Certification Committee Decision

1. The Certification Committee reviews the inspection report (including the risk assessment checklist) and determines whether the enterprise qualifies for reduced inspections. The CC will include the entire enterprise file in their deliberation, not just the risk assessment checklist. Historical compliance (or otherwise) with the BC Certified Organic Program will play an important role in determining whether an enterprise qualifies for reduced inspections.

2. The CC will provide the enterprise with a decision (along with the usual certification decision) on the admissibility of the enterprise to the risk assessment program. The CC will provide this decision regardless of the outcome of the risk assessment of the enterprise – all primary producer operations will receive a risk assessment decision with every certification decision. In cases of medium or high-risk, where the enterprise does not qualify for reduced inspection, the CC will provide the enterprises with specific reasons for the high-risk assessment so that the enterprise will understand how they may improve their ranking next year. The CC may not provide advice on how to overcome a high-risk rating - only reasons for the high-risk rating.

3. The checklist is only one tool the CC will use to make their decision. A suggestion for ranking is:
   - 0-10 points = low-risk
   - 11-20 points = medium-risk
   - More than 20 points = high-risk

   It must be understood that one point does not determine an enterprises status. For example, an enterprise that attains 15 points on the checklist may be assessed as a low-risk enterprise by the CC. The decision is dependent on many factors - some risks identified on the checklist are more crucial than other risks. Inevitably, there are risks that aren't identified that will be encountered by VOs and assessed by CCs. The checklist is expected to evolve over time.

4. The CC may decide to require extra inspections for operations that are determined to be high-risk.

Renewal Process

1. The renewal application process for qualified enterprises will proceed as usual. In order to keep their status, such enterprises must be current in the certification program - that is, all fees must be paid on time and all forms must be returned by the appropriate deadline. PACS must receive renewal documents (from qualified enterprises) by the specified deadline. Failure to meet this obligation will result in mandatory inspection in the affected year.

2. The PACS CC will assess the renewal applications to determine if any changes in the operation have resulted in increased risk of non-compliance. If it is determined that there may be increased risk to the BC Certified Organic Program, the enterprise will be informed (and provided with the rationale) that an inspection is required that year. Significant changes in the management team or the product line or facilities would be reasons to require inspection in the year of change. If it is determined that the enterprise remains low-risk and qualifies for reduced inspections, PACS will issue a certificate for that year. In the case of an inactive enterprise, the certificate will indicate the status of the land only; there can be no products listed.

Random Inspections

1. The PACS Administrator will randomly draw 5% of all qualified enterprises for random, unannounced inspections during every calendar year. Costs for unannounced inspections shall be assessed (averaged) over all applicable enterprises in every year. If unannounced inspections result in a high-risk assessment of any enterprise, that operation will revert to yearly inspections until a low-risk evaluation is returned.

Repeat Inspections

1. PACS will ensure that active enterprises which are assessed as low-risk, are inspected at least once in three calendar years.
Records

1. The Administrator will keep records of enterprises that have qualified for reduced inspection criteria and will provide this information to the COABC in the routine reporting process.
PACS VO Checklist for Risk Assessment

Certain active operations may be eligible for reduced inspections (one inspection in three years) in the PACS Organic Certification Program. The final decision for reduced inspection is the responsibility of the PACS Certification Committee. The CC will make their decision based on the criteria described below.

Enterprise Name: ___________________________ Operator/Manager: ___________________________

VO Name: ___________________________ Date evaluated: ___________________________

General Criteria
1. Does the producer export product from their home province or territory?  Yes□ No□ If yes, the enterprise is not eligible.
2. Does the enterprise have outstanding conditions?  No□ Yes□ If yes, the enterprise is not eligible.
3. Does the enterprise have at least two years history with PACS?  Yes□ No□ If no, the enterprise is not eligible.
4. Did the enterprise receive an organic certificate in the three previous certification years?  Yes□ No□ If no, the enterprise is not eligible.
5. Does the farm produce both organic and non-organic crops, or organic and non-organic livestock?  No□ Yes□
6. Is the enterprise actively producing organic goods or is it inactive?  □Active  □Inactive

Risk Assessment Criteria
VO will complete the following table. Rate the risk on a scale of zero to five - one is low risk - five is high. Some fields have automatic risk assessment. Rate the risk of contamination of organic product and of fraudulent or accidental misuse of the BC Certified Organic designation. Risk is not only to actual product (contamination) but also to the integrity of the BC Certified Organic Program in general.

<table>
<thead>
<tr>
<th>Risks</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Assessment</strong></td>
<td></td>
</tr>
<tr>
<td>1. Understanding of the program - years in the program</td>
<td></td>
</tr>
<tr>
<td>2. Previous compliance issues prior years</td>
<td></td>
</tr>
<tr>
<td>3. Water use/quality</td>
<td></td>
</tr>
<tr>
<td>4. Previous use of farm/property</td>
<td></td>
</tr>
<tr>
<td>5. GMO contamination</td>
<td></td>
</tr>
<tr>
<td>6. Shipping</td>
<td></td>
</tr>
<tr>
<td>7. Audit trail</td>
<td></td>
</tr>
<tr>
<td>8. Split operation risk non-similar crops and/or livestock</td>
<td></td>
</tr>
<tr>
<td>9. Sanitation measures and materials</td>
<td></td>
</tr>
<tr>
<td>10. Use of non-organic seed and planting stock (low risk permitted with adequate search(es) documented)</td>
<td></td>
</tr>
<tr>
<td>11. Neighbouring land use(s)</td>
<td></td>
</tr>
<tr>
<td>12. Labelling and use of the program symbol</td>
<td></td>
</tr>
<tr>
<td>13. Enterprise purchases certified organic product and sells it along with their own</td>
<td>5</td>
</tr>
<tr>
<td>14. Organic records</td>
<td></td>
</tr>
<tr>
<td><strong>Farm Operation Assessment</strong></td>
<td></td>
</tr>
<tr>
<td>15. Risk of neighbouring overspray</td>
<td></td>
</tr>
<tr>
<td>16. Crops in buffer zones</td>
<td></td>
</tr>
<tr>
<td>17. Manure from non-organic sources (low risk permitted with compliant composting methods)</td>
<td></td>
</tr>
<tr>
<td>18. Use of raw manure (low risk permitted with compliant application dates and adequate records)</td>
<td></td>
</tr>
<tr>
<td>19. Input use</td>
<td></td>
</tr>
</tbody>
</table>
20. Non-listed (OMRI or PACS Brand name list) input use
21. Regulated input use
22. Composting techniques
23. Handling of organic product
24. Treated wood or posts
25. Non-organic straw, shavings, sawdust, other mulches (low risk permitted with adequate documentation)
26. Non-organic mushroom spawn
27. Crown grazing land
28. Non-certified organic feed (regulated)
29. Livestock records and traceability
30. Source of livestock or poultry
31. Manure handling
32. Veterinary treatments (antibiotics, parasiticides)
33. General animal care and treatment
34. Indoor raising of laying hens (regulated)

### Processing/handling/packaging/labelling Assessment

<table>
<thead>
<tr>
<th></th>
<th>35. Enterprise processes both organic and non-organic products</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36. Enterprise handles both organic and non-organic products</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>37. Certified organic products / ingredients acquired from multiple sources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>38. Certified organic products / ingredients acquired from overseas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>39. Non-Organic Ingredients used in organic production</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40. Audit-trail documentation (complete documentation = 0, incomplete or poor = 5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>41. In-Out and traceback audit success (Success = 0, failure = 5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>42. Label Audit (Current labels all assessed and approved = 0, variances from PACS records = 5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>43.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>44.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>45.</td>
<td></td>
</tr>
</tbody>
</table>