

Competent authority's comments on draft report DG (SANTE)/2017-6082–Control Bodies– evaluate the implementation of the organic production standards and control measures applied by a recognised Control Body operating in Sri Lanka, received 22 February 2018

Reference in Draft Report			Text in draft report	Proposed wording (replace text in draft report by)	Justification
Page	Section	Paragraph number			
3	Findings	3	However, it was noted that the CB has not fully incorporated the requirements laid down in Regulation (EU) No 392/2013 as the minimum requirements with regards to additional and unannounced controls are not defined and there is no sanctions catalogue in place.	The CB has incorporated the requirements laid down in the regulation (EU) no 392/2013, the minimum number with regard to the additional and unannounced controls are defined, the sanction catalogue is available in the form of list of nonconformities integrated to the inspectors checklist also a overview available in the CB database	<p>Regarding unannounced visit, for the 184 operators 55 unannounced audits are planned/ and 15 already performed for 2017 till October.</p> <p>The EU COM Report refers to "Sanction Catalogue", while the CB refers internally it as "Non-conformity (NC) summary/list". The difference in terminology created this confusion, the requirement is met with respect to the "Sanction Catalogue".</p> <p>Classifications of NC s are available and clear and integrated into the inspectors' checklists per requirement. It is detailed what is a minor and what is a major non compliance, in case of minor and majors, the deadlines and conditions for major and minor NC are available in the CB Inspection Regulation additional chapter for EU organic and also in the working</p>

					instruction for certification of EU organic.
3	Findings	6	However, the CB has not adapted its organic standard to fully reflect control Requirements of the evolved EU legislation.	This text may kindly be removed in view of the justification provided above	Refer above
6	Findings	21	This approach reduces the actual number of additional controls the CB is required to carry out as 10% of the number of Projects is considerably less than 10% of all the actors involved in any Project. This risk assessment fails to factor in all the participants of a Project.	The risk assessment questions covers all the actors within the project, there by the outcome of this risk assessment is used as the basis for the additional inspections, where in the individual actors (called as production or processing units in our system) with high risk factors are selected for annual sampling.	Point 20 justifies this - "All high risk Projects are subject to annual sampling and this was confirmed during the farm inspection", further the <u>findings 26</u> indicate that 10 % of the processors were inspected additionally
6	Findings	24	The audit team noted that the risk assessment policy document did not include any reference to parallel production although Article 65.4 of the Organic Standard (OS) did include this. In addition, the application form filled in by the operator does not request any information on parallel production and does not require any description of the farm holding. Previous non-compliances, such as pesticide detections or number of rejection		parallel production is clarified in the CB's risk assessment review.

			of request for Certificate of Inspection (CoI), are not reliably taken into account for subsequent risk analysis (see paragraph 45 and 73). The application form requires information on genetically modified organisms (GMOs).		
6	Findings	26	In relation to the numbers of annual inspections and additional inspections undertaken, the audit team noted, that the figures submitted in the annual report to the Commission, indicates that not all processors were subject to an annual inspection. In relation, to the Additional inspections undertaken at processors the minimum requirements of ten percent were achieved.	In relation to the numbers of annual inspections and additional inspections undertaken, the audit team noted, that the figures submitted in the annual report to the Commission, indicates that all processors were subject to an annual inspection. In relation, to the Additional inspections undertaken at processors the minimum requirements of ten percent were achieved.	In the report to the commission, the number processors inspected was mentioned as <u>114</u> whereas <u>this figure should be corrected as 223.</u> <u>Annex 5:- List of inspections conducted on operators handling category D in 2016</u> This identified as a typo. Factual figures are attached consisting all units in all certified scopes with respective dates of CB inspections for the year 2016 and 2017 up to now. Annex 1:- list of annual inspections for all projects certified in Sri Lanka
6	Findings	27	In the Sri Lankan office the definition of unannounced inspection was providing 48 hours notice. The CB explained that the term 'follow-up' inspections had been incorrectly used in its IT system in place of annual surveillance inspections. This matter had been rectified shortly before the commencement of this audit.	This findings may kindly be removed	Neither the regulations or any normative references provides an explanation if the operator needs to be notified before unannounced audit, <i>*Please note it has been necessary to delete this text in order to respect the provisions of Article 339 of the Lisbon treaty as</i>

					<i>regards confidentiality*</i> Sri Lanka office notified 48 hours before just to make sure the farmers are available and logistics can be planned
7	Conclusions on Structure and Organisation of the Control System	31	The CB's risk assessment is inadequate to ensure appropriate planning of additional controls and sampling as it is not based on a comparative calculation of risk of each participant in the Project. Moreover, the risk assessment does not consider all relevant participants of a Project which results in fewer operators" being selected for additional controls. In addition, the risk associated with parallel production is not addressed.		See also in item 6. Additional control and sampling is part of the high risk measures.
7	Conclusions on Structure and Organisation of the Control System	32	The validity of the control system is further undermined as it does not ensure that all operators receive the required frequency of annual inspections and that no prior notice is given in case of unannounced inspections.	This text may kindly be removed	Refer comments against findings 26 and 27

7	Findings	34	<p>Article 12 of the OS state that fertilizers and plant protection products are to be used in accordance with the relevant EU regulations. In addition, the work instruction in place INSP.ORG.WO1, requires the CB inspectors to verify the use of off-farm inputs during on-site inspections. The audit team noted that for the off farm fertilizer used, there is no clear verification by the CB inspector of the supplying farm. In addition, the calculation of nitrate applied did not always include the contribution from the farmer's own livestock. When a farm received a given amount of plant protection products for spraying, there were no records to establish which products were used and when and where they were applied. No evidence-based or documentary checks were carried out by CB inspectors on the origin of inputs distributed to farmers by the association or the trading company (Project and certificate holder). The CB had not previously noted any of these non-compliances which is contrary to the instructions provided in INSP.ORG.WO1.</p>	Findings may kindly be removed	<p>Sources and purchasing details (with relevant receipts) were verified. Nutrient contribution from each product verified (through analysis reports), application records were verified against the total land area to decide the compliance. Recorded below as per the assessment checklists.</p> <p>Annex 3:- Assessment form for organic Plant production unit</p> <p>ICS distributes cow dung (obtained from cattle reared at another organically certified unit within the project) for farmers to make their own liquid manure. Dispatch no 19001 (dated 09.05.2017) & relevant GRN verified for reception of 140 Kg of Cowdung from 'XXXX Estate'.</p> <p>Organically certified compost is obtained from 'EEE supplier ' and distributed among farmers. Dispatch no 0440 (dated 09.03.2017) & relevant GRN verified for reception of 150 bags (40 Kg each) of compost from 'EEE supplier' Farmers only apply compost and liquid organic</p>
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					<p>fertilizers as external Nitrogen inputs.</p> <p>percentage Nitrogen is 1.16% as per the operator submitted Compost analytical report no 470 (for the sample 1203022014)</p> <p>Percentage Nitrogen is 0.08% as per the client submitted liquid fertilizer analytical report no CIC/0002/12-13 F01/15/158 (1 Ac) has applied 240 Kg of compost for the year 2016 on 07.01.2016 and 15 tanks of liquid fertilizer (by 5 applications) for the year 2016</p> <p>Total Nitrogen content of applied manures complies with the standard requirements.</p> <p>Annex 04:- Analytical reports of external inputs applied</p> <p>This fact was explained and demonstrated during the closing meeting as well by the CB auditor to EU COM auditor therefore the findings of the draft report does not show a real picture.</p>
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8	Conclusions on Off-Farm Input Verification System	35	The verification of the off-farm inputs is not undertaken in a systematic way by the CB inspectors.	Findings may kindly be removed	Refer explanation against 34
8	Findings	38	<p>Certifiers and auditors had relatively little hands on experience on granting derogations.</p> <p>No systematic check is carried out in relation to retrospective conversion of land as the CB relies on the declarations received by the ICS from third parties such as local authorities. The in conversion fields, and the destination of the products in conversion were not assessed by the CB inspectors. The 'Farm book' which is provided by the association to all farmers in the PG and records all inspections and training does not include any information on the conversion period. In addition, inspectors did not check the ICS IT system as to whether it includes these details. No retroactive conversion was recorded by the CB, although it is mentioned in the checklist and registered in the farmer association's</p>	Findings may kindly be removed	<p>Operator of the CB does not purchase in-conversion products from the certified farmers. Only when certified purchasing starts. In-conversion farmers got the choice of selling (to another processing unit, out of scope) at their own discretion. Such transactions were verified in the farmer record books, but not extracted those details to be entered in to the assessment checklist .</p> <p>Operator of the CB printed farm books are been provided only to the farmers who completed the in-conversion period. Therefore, it does not contain any reference to the conversion periods. In-conversion period farm records are kept in a hand written diary</p>

			records. Neither was it communicated to the Commission.		<p>(verified one such diary of an inspected farmer)</p> <p>Operator of the CB ICS IT system is capable of filtering in-conversion farmers separately (And access related records). This was not checked for the inspected farmer (as they were already organic farmers). But the capability of the system was observed during the audit</p> <p>Small scale farmers who are dealing with home garden cultivations, do not maintain the records during general farm practices while conventional. This type of farming system is not meant for commercial scale cultivations which involve risk. The inspector collects and assess the practices found on the ground during the inspection through visual findings in the field, farmer interviews , crosschecking information with reality and information from workers, neighbors, sample analysis results and third party declarations on the field history of the fields in concern.</p>
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					The overall information is assessed by the certifier who can approve after evaluation or request further information clarification
8	Findings	39	<p>The audit team checked one operator for derogations. The use of the specific search facilities in the software system showed that no derogations applied to this operator.</p> <p>However, when the application form for this operator was reviewed, the applicant had clearly stated that no propagating material was available in Sri Lanka and conventional propagating material had to be used. This declaration had not been handled as derogation.</p>	-	In Sri Lanka, most cases are on perennials (Eg: Tea, Coconut, Spices) and they are already established plantations or home gardens. The new plantings are also from the parent plants which are already certified organic. Since the annuals are not commonly presence in the inspection in Sri Lanka, granting derogations on planting materials are less common in practice.
9	Findings	40	<p>Although this CB has its own database available to its clients to allow them to search if some seed producers had the required seeds available, the list is rather limited. There was a relatively small number of possibilities in the number of producers and range of Products. There was no evidence that this CB requests the operator to demonstrate that they have searched a</p>	<p>Although this CB has its own database available to its clients to allow them to search if some seed producers had the required seeds available, the list is rather limited. There was a relatively small number of possibilities in the number of producers and range of Products. The CB requests the operator to demonstrate in the derogation application form that they have searched a number of suppliers and failed to obtain what they required</p>	<p>Annex: ORGAPPDER_F01_05.doc (page 1 and 2) has provision for these, which must be completed by the operator always.</p> <p>Attached follows,</p> <ol style="list-style-type: none"> 1. List of derogation applications 2017 2. Derogation forms

			number of suppliers and failed to obtain what they required.		
9	Findings	41	In relation to GMOs, a declaration by the applicant is initially required in the application form, however, verification of such declarations was not undertaken during subsequent inspections.	-	We are not clear on what basis this conclusion was drawn, in general GMO free declaration is sought as part of derogation request, also for ingredients used by processors, whenever there is a change in the ingredient list a new declaration is sought and this is verified during the inspections as a standard assessment item in the inspection checklist
9	Conclusions on handling of derogations and exemptions	42	Although the CB has addressed the issue of derogations in its OS and has procedures in place, the CB does not implement these in a reliable manner. The credibility and reliability of the OS is undermined by this failure of implementation.		Explained at item 40

9	Findings	45	<p>The CB did not have an annual sampling plan in place which is based on an appropriate risk assessment, (see paragraph 20). There was no strategic approach to planning this 5% sampling criteria. The audit team was informed by the CB that previous results from non-compliant samples were not factored into any sampling practices for the following year. The audit team observed the CB inspectors undertaking sampling on suspicion.</p>	-	<p>Paragraph 20 says "All high risk Projects are subject to annual sampling and this was confirmed during the farm inspection ", hence there is a contradiction in the statement under para 45, in reality there is a annual sampling plan and all high risk projects are considered under the annual sampling plan</p>
10	Findings	49	<p>Although the scope of analysis for plant protection products undertaken by the laboratory was relatively wide, the audit team noted that at least three plant protection products which had been associated with notifications in the EU rapid alert system for food and feed (RASFF) concerning the presence of certain un authorised substances from Sri Lanka, were not included. The personnel at the CB headquarters confirmed that the CB does not engage with the laboratory to define the most appropriate scope of plant protection products to be tested as they rely on the laboratories expertise. Nevertheless, such information should be factored into subsequent risk assessments.</p>		<p>This finding cannot be generalized as a common practice by CB. Always CB has the liberty to request specific parameters to be tested and mostly the parameters are selected based on the possibility of presence of those parameters/substances in the samples to be tested.</p> <p>Eg: During the EU COMMISSON witness audit, a samples from field (two samples) were requested by the inspector to analyze for "Carbendazim" and "Metribuzine in addition to the general scope of the laboratory. Carbendazim and Metribuzine was found in one of early OFIS notifications in 2016,</p>

					<p>and this was taken into consideration during subsequent sample analysis.</p> <p>Annex 07 : Sample submission forms during the witness inspection</p>
10	Findings	50	<p>The audit team noted that the analytical request form of the laboratory only required the CB inspector to tick the category of product (for example fruit and vegetables) and the CB relied on the laboratory to choose the scope of analysis. This carries the risk that the laboratory excludes the testing for pesticides that may not normally be used for fruit and vegetable production or illegal pesticides.</p>		<p>The accredited laboratories CB working with performs a wide range of pesticide screening (over 400 substances) on a products. CB requests additional substances to be tested in case of specific product. Eg: During the COM witness audit, a samples from field (two samples) were requested by the inspector to analyze for Carbendazim and Metribuzine in addition to the general wide scope of the laboratory pesticide screening . Carbendazim and Metribuzine was found in one of early OFIS notification and this was taken into consideration during subsequent sample analysis.</p> <p><u>Annex 07 : Sample submission forms during the witness inspection</u></p> <p><u>Annex 15 - example laboratory substance list</u></p>

10	Findings	51	<p>The audit team witnessed a sampling exercise undertaken by the CB inspectors. It was noted that the instructions were generally followed. However, the sampling form filled in by the CB inspector during the aggregation exercise to generate the laboratory sample did not include the identification of the field.</p>	<p>During the EU COM audit, several fields were sampled. Out of them 2 were separately aggregated for analysis based on the risk identified on site visit. Therefore, the 2 were analyzed separately using one sample submission from, rest of the samples belonging to other fields were aggregated into one sample and analyzed. In the sample submission form only one field was mentioned was a human mistake. This can be however corrected via crosscheck the information in the inspection checklist.</p> <p>To verify whether it is an isolated case or not all sample submission forms for 2016 and 2017 were reviewed. This found to be a rare and isolated case .</p> <p>To prevent re-occurrence of this mistake in future, a harmonization session for inspectors was planned in December 2017. Procedures and documentation on sampling is included to the harmonization session.</p>
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10	Findings	52	<p>In relation to the sampling, there were a number of issues. The sample size was not always appropriate and the audit team noted that laboratory reports stated that sample size was too small and results may be affected. In addition, the preservation and transportation of the samples was not satisfactory.</p>	<p>Two cool boxes were used (one for each). Once a field sample was obtained (to a plastic sample bag), it was kept in a cool box. Same cool box was used sometimes to store different field samples (packed in plastic bags). At the end of the inspection (at the processing unit audit on last day) two composite samples were made using the obtained field samples (by opening relevant plastic bags and mixing the content in a large plastic bags). Each composite sample was divided in to three sub samples (Lab, CB, Client) and packed again in small plastic sample bags, and labeled accordingly. Client samples were given to the ICS. Lab samples and the CB samples were re-stored in the cool box until it was transported back to the CB office. Lab samples were couriered to the laboratory (without any cold preservation). CB would like to know from the COM/SANTE what was the basis of the finding 52: "in addition, the preservation and transportation of the samples was not satisfactory..."</p>
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10-11	Findings	56	The CB has a search tool on its website, which requires each individual to register to obtain a password. Once registered, information on specified operators and products and the corresponding certification status is available. There is no direct user friendly approach to obtaining a list of organic operators for any specific country. This is not in line Article (11)(3)I of Commission Regulation (EC) No 1235/2008.		the link is working and verified also by the accreditation body as well Annex 16 - link of list of operators
11	Conclusions on List of Organic Operators	57	The CB's website has a search facility which provides access to information on operators and products and their certification status, however, there is no access to a single list of organic operators subject to the CB's control system which is not in line with Article (11)(3)I of Commission Regulation (EC) No 1235/2008.		the link is working and verified also by the accreditation body as well Annex 16 - link of list of operators
11	Findings	60	The audit team noted that the information in the OSP was vague and the CB inspector did not use the information provided to effectively check relevant issues. The OSP gave no indication that there was a multi ingredient product produced by the operator visited. The inspectors selected a one crop product (tea) for the assessment of the		During the EU COM witness audit, two processing units under operator BBBBB were inspected 1. Administration unit of BBBBB 2. Tea processing factory Two OSPs were given for separate units under inspection. Since the first unit is handling the administration only, no indication of multi ingredient products was in

			95% organic ingredient requirement. However, this is not relevant as these requirements can only be Checked in multi ingredient products, i.e. that contains more than one ingredient. Article 23(4) of Regulation (EC) No 834/2007		the OSP. Nevertheless, unit nr 2 is also only handles single ingredient product (Black Tea), whereas, there was no reference to any multi-ingredient products on the OSP unit 2 also. Each processing unit keep their own documents (OSPs, Product Specifications, etc.) relevant to their scope of production and processed products.
11	Findings	61	The existence of an intermediary warehouse was not questioned.	The findings may kindly be removed.	There was no other storage of that operator/supply chain. Direct shipment was done from the factory. This was verified during the factory audit and documentation.
12	Findings	62	The verification of the origin of the incoming products and their organic status was only checked by the internal traceability of the operator but the CB inspector did not request to see the relevant records.		Verified and recorded below as per the assessment checklists <u>Annex 08 : Assessment for organic processing/ repacking unit</u> Relevant raw material supply details - Dispatch note 6819 (dated 28.11.2016) from SSSS for reception of 99 Kg of Green Leaves and relevant GRN 9896 verified together with supplier transaction certificate (SSSS Scope certificate)

12	Findings	65	<p>All details relating to the preparation, distribution and use of liquid fertilizers, compost, farm manure is registered in this document. It also records every visit of the ICS inspectors and CB inspectors. Training that the farmer had undertaken were also recorded. At the back of the document there was a copy of Regulation (EC) 889/2008 in the local language. Both at the Association (ICS) and farm level there is no documentary evidence available, such as delivery notes for these farm inputs (see paragraph 34)</p>		<p>This was verified by the CB inspector. In most cases information was present for verification and inspector recorded below (see the assessment checklists)</p> <p><u>Annex 03 - Assessment form for organic plant production units</u></p> <p>Dispatch note 27241 (dated 03.02.2017) indicates sending of 5000 Kg of compost to FF sub unit (HHHH), whereas no documentary evidences are available on how the total bulk is distributed among the farmers in the society. Annex 09 : Dispatch note number 27241</p> <p>In some cases when compliance was not verifiable through document check a non-conformity (NC) was issued and recorded, see the relevant assessment checklists (NC register of annex 03).</p> <p>No documentary evidence (dispatch note and a GRN) for receiving 5000 Kg of organic compost from 'EEEE' which has been sent off to HHHH by ICS.</p>
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12	Findings	66	<p>The CB inspections observed involved inspectors walking through all the land in the smaller farms. In the medium sized farm visited the two inspectors split up to undertake the visual inspection. Although the physical inspections of the farms were in general, satisfactory, the interaction by the CB inspectors with the ICS inspectors was not always sufficiently thorough. As an example the CB inspectors did not verify the responses by the ICS inspectors or the farmers as no requests were made for documentary evidence.</p>		<p>According to the records of CB the finding 67 of the EU draft report is incorrect. Farmer were interviewed in order to verify the evidences for the compliance and to crosscheck the information. Also the ICS officers were interviewed and questioned throughout the audit. Relevant records and receipts were verified and recorded in the assessment checklists as well.</p> <p><u>Annex 03 - Assessment form for organic plant production units</u></p> <p><u>Annex 08 : Assessment for organic processing/ repacking unit</u></p>
13	Findings	69	<p>During the visit to the tea processor, the audit team was informed that all input was certified organic. However, the audit team noted that a number of bulk bags in the processing unit were labelled as 'organic/in-conversion product'. This issue was not detected by the CB inspector.</p>		<p>Semi processed bulk bags had a template label which contained various different standards and Certification status marks, where it had to be selected and marked a particular bag according to the grading check and content inside. All the semi-processed bags were selected as 'Organic' (at the bottom of the label). Also in the verified lots, 'in-conversion' section (at the top) had been crossed out to make the 'organic' status visible. please see verified label in <u>Annex 10: label subjected for the inspection</u></p>

13	Findings	70	<p>A traceability exercise was performed by the auditors which checked all relevant documents for the internal traceability and delivery documents for export. The weakness observed related to the inspector not paying attention to the delivery document to verify the origin and status of the products delivered by the supplier. In addition a mass balance exercise was observed, however, it only focussed on one batch of product and not the total production for a specified time</p>		<p>Verified and recorded below as per the assessment checklists (attached) <u>Annex 08 - Assessment for organic processing and repacking units</u></p> <p>Relevant raw material supply details - Dispatch note 6819 (dated 28.11.2016) from SSS for reception of 99 Kg of Green Leaves and relevant GRN 9896 verified together with supplier Transaction certificate SSS Scope certificate - also presented.</p> <p>On the mass balance exercise, the relevant batch No. was verified and this batch number concerns the total output from the unit on the day which the CB audit was conducted. In this situation the concerned batch represents the entire day's production.</p>
13	Conclusions on Controls of Organic Production	71	<p>The assurance that organic products exported from Sri Lanka to the EU have been produced in accordance with CB production rules is weakened by the lack of understanding of basic organic rules in addition to superficial verification and Incomplete records.</p>		<p>A harmonization session for inspectors was planned on December 2017.</p>

13	Findings	73	In the event that an application is not accepted for any reason, the client receives a return email stating the application has been rejected. The CB software system does not retain any record of the operator's rejected applications (information useful to be factored into the subsequent risk assessment for that year).		Clients can apply for import certificates only for the certified projects, the reason rejection in application form is mostly due to mistakes in the invoice or the shipping documents with regard to quantities, in case the client is suspended or not certified they are unable to make a application, in this context we feel that the errors in document may not be a factor worth considering for risk assessment.
14	Findings	77	Although the procedures/checklists refer to major and minor non-compliances, there is no clear definition provided to describe what constitutes the severity of a non compliance. No sanction catalogue has been established by the CB (see section 5.2).		The EU COM Report refers to "Sanction Catalogue", while the CB refers internally it as "Non-conformity (NC) summary/list". The difference in terminology created this confusion, the requirement is met with respect to the "Sanction Catalogue". Classifications of NC s are available and clear and integrated into the inspectors' checklists per requirement. It is detailed what is a minor and what is a major non compliance, in case of minor and majors, the deadlines and conditions for major and minor NC are available in the CB Inspection

					Regulation additional chapter for EU organic and also in the working instruction for certification of EU organic.
14	Findings	78	Although the annual report from the CB records several major non compliances of the OS, the audit team noted that there were no enforcement actions taken. This situation was confirmed by the CB at the HQ office audit.		<p>Annex Attached list of suspensions as follows,</p> <ol style="list-style-type: none"> 1. List of suspended projects 2016 2. List of suspended projects 2017 <p><i>*Please note that it has been necessary to delete this text in order to respect the provisions of Article 339 of the Lisbon Treaty as regards confidentiality</i></p>
14	Findings	79	In relation to the management of complaints in the ICS, the CB inspector reviewed some examples during his visit. The detection of unauthorised product was handled by the company as a means to address the complaints by the clients. The audit team noted that there was no systematic approach to handling such complaints to enable the		Complaint handling steps were verified. One of the verified complaints was, one received on 08.06.2016 (Pesticide detection in black tea) by CCCC : Actions taken - Sample analysis, informing CB informing the supplier (SSSS). All the complaint records/corrective action forms and evidences were

			<p>root cause to be investigated and this was not taken into consideration by the CB inspector. In addition there was no corrective action implemented to alleviate the origin of the problem.</p>		<p>verified. This has been recorded in the assessment checklists.</p> <p>Annex 08 : Assessment for organic processing/ repacking unit</p> <p>Another complaint which was verified did not had a clear recorded conclusion (by BBBB). But they confirmed that the affected lot of tea was sold as conventional and relevant communications evidence was also available. But these conclusions/corrective actions were not recorded and kept in the proper organised manner (as in the first verified complaint). This could be example the EU COM is referring to in the draft report. However, during the closing meeting with CB operator this was commented by CB auditor and raised as an observation to the CB operator.</p>
14	Findings	80	<p>The withdrawal of certification at PG level is not possible as certification is issued at the higher Project level (see paragraph 18). This results in a situation where certificates are rarely withdrawn or suspended.</p>		<p>Sanctions/ suspensions are addressed and measurers taken at the producer/farmer level ensuring no risk/threat to the integrity at whole farm group level. In PG s, any irregularity raised during audits results non-conformities by CB which communicated to ICS / PG in</p>

					<p>writing and the corrective measures are evaluated. Measures including sanction/s of farmer/s, withdrawal of product/s, result change of certification status of the farmers or products which, ultimately results suspension of issuance of COI .</p> <p>Annex Attached list of suspensions as follows,</p> <p>1. List of suspended projects 2016</p> <p>2. List of suspended projects 2017</p> <p>*</p>
15	Findings	81	<p>The audit team noted that the CB had accepted in the past that the ICS applied sanctions to individual group members concerned by a NC. No group sanctions have been applied by the CB. However, there is no procedure/qualitative assessment, nor a documented sanctions policy vis-à-vis groups, to establish in which circumstances a non-conformity can be considered serious enough to undermine the effectiveness and reliability of the ICS, which in turn would result in a group sanction.</p>		<p>CB kindly requires more clarification on this finding. Functionality of ICS is evaluated during the CB audit for all evaluation parameters stated in the Internal Control System (ICS) chapter of assessment form that is following the EU Commission guideline. This chapter consists of item with 'major NC ' type in case of non compliant. Major NC effect the whole ICS.</p> <p>Once the ICS is comply with all evaluation criteria only the ICS is approved and ultimately its sanction procedure is also accepted</p>

					<p>as a result. It is a part of procedure clearly stated in production standard.</p> <p>Annex 11 production_standard</p>
15	Findings	82	<p>There were 12 OFIS notifications received in 2016. One case reviewed by the audit team illustrated the key elements of how the CB approached EU notifications of irregularities. The laboratory reports from the reporting MS had detected unauthorised substances in November 2016 in the fruit which was preserved in glass jars. The CB quarantined the product in question and initiated an investigation, which included testing of leaves of the remaining plants as well as retesting additional fruit product from the same consignment. The laboratory analysis reports which the CB received from their cooperating laboratories did not detect any unauthorised substances. However, an agreement to return the consignment to Sri Lanka was taken and no sanction was implemented and no further follow up was undertaken</p>		<p>A thorough follow-up was undertaken to examine the root cause of this incident relevant to OFIS notification (INTS-27/2017) Special investigation carried out to check the irregularity and found that no suspicion in the producer level and processing level and no breach of the regulation at the certified operator level. The control measures and the results of the investigation was accepted by Member state /OFIS.</p> <p>However, the lot in concerned, was returned to the exporter due to an agreement between the operator and his buyer ant it is scheduled to discard in the presence CB representative on Nov 2017 Annex 12: OFIS notification summary 2017</p>

					<p>In addition to above, frequent notifications received from OFIS were taken into consideration and CB decided to evaluate all projects engage with growing Pineapple. Refer to attached investigations completed. Also during the annual surveillance audits, the irregularities notified in OFIS notifications were taken into consideration as follow up of OFIS notifications. Additional samplings were undertaken. Annex 13: Pineapple inspection schedule 2017</p>
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