

Summary - Revision of rules pertaining to the ICAR Certificate of Quality

The ICAR Certificate of Quality (CoQ) processes are currently undergoing a major revision in as far as the content of the questionnaire, the fields being considered and the execution and management of the processes are concerned. These aspects are receiving the attention of appointed specialist Focus Groups with the aim to make the CoQ processes more streamlined, transparent and fair but, also, to bring to whole process in line with the broader service- and business strategies of Service ICAR.

From discussions at and after the annual ICAR Auditors' Forum in Krakow it became evident that some of the pertinent rules relating to the CoQ Audits and the underlying administrative processes also need to be revised. It is therefore requested that the following changes in the ICAR CoQ business processes be considered:

1. Frequency and format of CoQ audits

- a. That the inter-audit period be extended to five (5) years.
- b. That all future audits be executed through *in loco* (visited) audits and non-visited audits be replaced by a mid- term **Consultative Review** which is a process to do a two way update - check of the members data / situation.

The current inter-audit period is three (3) years and every second audit is a non-visited audit where the CoQ questionnaire is scrutinised by the appointed auditor from his home base. Any matters that may need clarification and any additional documentation or information that may be needed are resolved *via* correspondence between the auditor and the member being audited.

The general feeling is that the practices and procedures followed by the members in respect of the fields of activity that are being audited do not change rapidly and that no significant loss of accuracy would be experienced in the evaluations if the inter-audit period is extended from three to five years.

It is felt that the current practice of alternating non-visited with visited audits is not necessary and that many of the activities that need to be inspected can only be evaluated accurately during a visited audit. It is however felt that a mid-term enquiry should be directed at the audited members to get an update on their current status in respect of numbers of animals, situation with regards to changes to their practices in respect of the relevant fields of practice.

2. Audit fees

- a. That the audit fees be increased to remain in step with the general increase in costs, notably salaries.
- b. That the rate payable to auditors be increased.

The current fee structure is based on the estimated time required for the evaluation of the relevant items in the questionnaire and the practices of the member being audited.

In some case the existing (old) fees are not directly comparable to the new proposed fees – e.g. in the past the cost for auditing Milk Analysis Laboratories was included with the fee of Production Recording for Dairy Cattle (but not other species). Not all new fees are higher – in some cases the new revised fees are based on practical experience during actual audits.

Generally, the fee structure has been simplified and made easier to understand and apply.

It is proposed that the rate payable to auditors be increased to €225 per day.

Table 1. CONFIDENTIAL FOR ICAR BOARD (Draft)

ICAR Certificate of Quality: Fees calculator examples		
Reviewing or auditing completed questionnaire. Applicants will complete questionnaire prior to a visit. Auditor fee for visits will be based @€225/day. (From €180)		
All fees shown in €	Old fee	Proposed Fee
	€	€
Secretariat fixed fee	640	750
Identification		
Dairy cattle (regardless of region)	184	280
Beef cattle (regardless of region)	184	280
Dairy sheep and/or goats (regardless of region)	184	280
Meat sheep and/or goats (regardless of region)	184	280
Other species (dairy and/or meat)	184	280
Production Recording		
Dairy cattle (regardless of region)	720	500
Beef cattle (regardless of region)	560	500
Dairy sheep and/or goats (regardless of region)		500
Meat sheep and/or goats (regardless of region)		500
Other species (dairy and/or meat)		500
Genetic Evaluations		
Dairy cattle (regardless of region)	400	450
Beef cattle (regardless of region)	400	450
Other species (dairy and/or meat)	400	450
Herdbook Activities	880	750
Analysis laboratories (milk and DNA)	720	350
Linear classification / scoring	-	300
Data Processing	720	500

A nominal, yet to be determined, fee shall be payable for the scrutiny of the proposed simplified CoQ Enquiry form, as described in Item 1 above.

3. Expenses Fees for members

That a fixed fee of €500 be payable by all members being audited to Service ICAR for the travelling expenses of the auditor(s) and that Service ICAR reimburse the auditor(s) for the travelling expenses.

Under the current dispensation the member being audited pays the actual transport costs of the auditor(s) involved, regardless of the distances travelled or the mode of transport. This leads to a situation where the costs of similar audits vary greatly between members, depending on the travelling expenses of the auditor(s).

Paying a fixed fee (€500) towards the travelling expenses of the auditor(s) will lead to a more equitable situation.

4. Commentary

The proposed changes are being analysed from a cost viewpoint for both S-ICAR and more importantly from our Members' cost aspect. We are performing various scenarios and cost analyses from both perspectives.

- A. From S-ICAR we must ensure if activity happens we are in a very marginal "plus costs position", if no activity then we have no cost. We see this as a service to our members and not a cash generating scheme – the cost plus is solely to cover administering the scheme in a sustainable way. We plan to move Charl Hunlun's cost into S-ICAR / ICAR as consultant costs.
- B. For our members moving from 3 yrs to 5 yrs with interim review will shows a moderate increase but with that interim consultation providing better value. Some of these costs can be further shared and discussed at ICAR Board meeting in September.

Changes are supported by the ICAR Secretariat and the Executive Team.

ICAR team will have to reschedule audit activity for next and subsequent years based on these changes which are subject to ICAR Board Approval.

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