



AUDIT POLICY (Including Urgent Audit procedures) (May 2011, August 2013)

INTRODUCTION

BFM farmers and producers must agree to an inspection of their property to verify the “Authenticity” of their produce.

The farmers market is to be kept genuine “direct from the grower” (1.7.2010) – “You grow it you sell it” (8.2.2007).

Farmers must only sell produce, for which they have been approved, and from approved farms. Value-added or gourmet foods must meet Gourmet Food Policy directives.

INDEPENDENT AUDITORS

Independent auditors are required to conduct inspections on-farm, on-site and at the market stall and provide Audit Reports to the BFM Committee. This resolves any conflict of interest arising from inspections being conducted by volunteer Committee members.

(If the audit is a “first inspection” following an application for BFM Membership, at least one member of the Committee must accompany the auditor to deal with any queries regarding Membership or the BFM Constitution.)

The Auditors shall be familiar with the BFM Constitution and shall remain impartial and conduct inspections in a business-like manner.

One member of the BFM Committee will be delegated as BFM Audit Coordinator to liaise with auditors, coordinate their activities and deliver their reports to the Committee.

INSPECTION PROCESS

Auditing Personnel

- **Random/Routine Audits** – Auditor on own. Note: If Auditor deems it necessary, may select a peer producer/grower, to accompany the audit.
- **Urgent Audits** (as result of written complaint, on ‘Complaint Form’) Auditor plus peer grower/producer or other expert as determined by the Urgent Audit Sub- committee, (comprising President and Vice President), and the Auditor.

Random Selection

Each month, the auditor will randomly select Members from the BFM Database to be audited and advise the BFM Audit Coordinator. The Coordinator will liaise with the Committee and staff, and advise auditors of any particular issues requiring closer inspection relating to those Members.

Steps of Urgent Audit Policy (Minutes 14/02/13 and 14/03/13)

1. A written complaint is received
2. President and Vice-President have been delegated by committee to deal with Urgent Audits on behalf of the Committee.
3. A BFM Inc. Representative can be appointed to attend the Audit with Auditor
4. Arrangements made for audit to be done.
5. Farm Audit to be conducted within 3 days of Stall Audit.
6. Member to be informed, in writing, of result of Audit, and if any action is required.
7. At next Committee Meeting, BFMC decides on penalty, if required. (Can be taken to GM by Committee if contentious).

Market Stall

An auditor conducts an unannounced inspection of the Member's Market Stall during a typical market day, itemising and confirming all farm crops (fresh) and gourmet foods (processed) offered for sale on the Member's stall (with approximate quantities). The auditor may take photographs of the Member's display to record items.

Then the auditor confirms phone and email contacts with the Member and negotiates a time and date for the follow-up, on-farm audit – which must occur within five days after the Stall audit, for Random/Routine Audits, and within 3 days for Urgent Audit. *(Failure of a Member to undertake an audit within the required time – without good reason – will result in a suspension of their market trading for a minimum of two weeks and until an audit has been conducted.)*

Farm/On-Site

Once on-site, the Auditor shall inspect the property as per the Audit Report – including growing areas, processing facilities, packing sheds, cool rooms etc., and locations where other farm activities are carried out.

Comparisons in the paddock will be made against products recorded during the Market Stall Audit and those listed on the BFM Database. The auditor will then make approximations of weekly production for each product. The Auditor shall take digital photos (if available) to include with their Audit Report.

Re: Cool Storage - On Audit Report will be member's declaration of what products, if any, will be kept in cool storage. Depending on the crop, the produce must meet BFM's policy of 'fresh'. Member will estimate harvesting time for each crop to establish when each will be 'in' and 'out' of market. Auditor must inspect 'cool storage' facility, which must be located within Byron or Surrounding Shires.

Gourmet Foods

Members who add value to their farm crops by processing into gourmet foods, are to identify home-grown produce used in their gourmet products; identify which ingredients are not home-grown; and identify what percentage of ingredients are bought from other BFM Members.

To encourage Gourmet Food processors to purchase within the market, they are to keep records for goods bought from other BFM Members. A copy or collated record is to be provided to the Auditor, and forwarded to the BFM Audit Coordinator for inclusion in annual Audit Reports.

Statutory Declaration

At the completion of the inspection, the Auditor shall ask the Member to complete their Statutory Declaration on the Audit Report.

Report Lodgement

Later, the Auditor will complete the Audit Report (with any photos attached) and forward it to the BFM Audit Coordinator – highlighting any irregularities or concerns.

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Adjudication

The Audit Coordinator will assess the Report and forward to the Committee to be discussed, and tabled, at the next BFM Committee Meeting – with a recommendation for Committee's action. Committee makes a decision on the appropriate action.

Fees

Auditors are to submit an itemised invoice for their stall/farm audit when they lodge their Audit Report.

Members are required to pay any costs over and above the 'standard' Audit Fee

Exchange of Audits with other markets

The Audit Report will always remain the property of BFM. Forwarding of the report can only be authorised by the BFM Management Committee

Database Manager to email other markets that may require BFM audits, the list of members audited in previous month.

BFM Committee can give access to Audit Reports for 50% of costs – privacy must be assured.

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