Preparing for Mass Balance & Traceback Audits during an Organic Inspection

The intent of the audit is to satisfy the requirements of §205.103 and NOP 2601 Instruction. These regulations require audits as an important tool for preventing fraud and ensuring sufficient record-keeping to verify organic integrity. During the audit, the record keeping system as described in the Organic System Plan (OSP) will be verified with the client onsite. Also, clients are reminded to update their OSP throughout the year as changes are made and/or required.

For each operation’s annual inspection a minimum of one traceback audit will be conducted. If several different products or processes are present, two or three traceback audits may be conducted to demonstrate that the different types of products are fully traceable. If the results of the first audit are inconclusive or potentially noncompliant, an additional traceback audit will be conducted unless the reason for the audit failure is a system-wide record issue that would yield no different results upon another audit attempt.

In addition, one mass-balance audit will be conducted per operation at the annual update inspection. For processor/handler operations the mass balance audit will include a finished goods and raw ingredient mass balance, ideally with these two audits being tied together when possible.

If the client provides computer records for an audit, the inspector will verify some of the figures against actual records (field logs, weight tickets, etc.) during the audit to verify the client’s audit trail system. Records should be assessed for completeness and ability to be audited.

**NOTE:** Records must include a **BEGINNING** and **ENDING** inventory (including ingredients, raw materials, finished product and/or crops produced) for a **DEFINED** period of time (example: month, quarter, growing season). Also, clients should prepare in **ADVANCE** of the audit all records/documentation necessary to conduct the mass balance and traceback audits.

**Mass Balance Audit**

The intent of the mass balance audit is to demonstrate that enough organic ingredients or products were purchased, produced, harvested or managed (livestock) to equate to the final product during the audited time period. This audit encompasses a window of time (sales quarter, growing season, etc.). A mass balance audit does not require that all ingredients/crops/feed types are encompassed in the audit; the audit should demonstrate a sampling of the ingredients/crops/feed types for a period of time to verify that the system is auditable.

**Traceback Audit**

The intent of the traceback audit is to demonstrate that an organic product can be traced back to its origin in the operation. A product sold or finished good or livestock is selected; the inspector attempts to identify linking elements on the client’s documents (lot numbers, invoice numbers, etc.) to verify that the product (or ingredients or animal) can be traced back to the field of origin or supplier. These linking elements and numbers will be verified by the inspector and included in the inspection report.