

Nova Scotia Cattle Producers Standard Operating Procedures: Inspections

1.0 PURPOSE

In Nova Scotia, the Nova Scotia Cattle Producers (NSCP) has the authority to conduct compliance and enforcement activities under the Nova Scotia *Natural Products Act*, Cattle Producers Regulations and Cattle Producers Marketing Plan and may conduct compliance inspections to assess producer, processors, slaughter houses, compliance with the regulatory requirements and guidelines. The NSCP may conduct inspections of Producers and Purchasers. The Regulations require a Producer and Purchaser to provide certain information regarding the purchase of beef cattle, and requires Purchasers and Producers to ensure that the levy is paid. The *Natural Products Act* requires compliance with the request of the Inspector. An Inspector is appointed to carry out inspections to ensure that required information is filed and that such information is accurate and up to date.

2.0 SCOPE

Pursuant to the Regulations, as of February 14th, 2006, Purchasers and Producers have been required to provide an annual report to the Commodity Board and are responsible for deducting and remitting the levy on beef cattle to the Commodity Board.

The Inspector will be conducting inspections to ensure compliance with the obligations under the Regulations and Marketing Plan and the *Natural Products Act* and ensure compliance with respect to the obligations for remittance levies. The penalties for failing to comply with the provisions of the *Natural Products Act*, Regulations and Marketing Plan are set out under the *Summary Proceedings Act*, a fine up to Two Thousand Dollars (\$2,000.00) and/or imprisonment for up to six (6) months.

The Standard Operating Procedure (SOP) describes the steps to be followed for preparing for an inspection by an Inspector, and during the inspection, the responsibilities and duties of Producers, Processors, auction houses, slaughter houses, and drovers and follow-up activities to an inspection.

This SOP applies to the Inspector, Producers, Processors, Livestock Dealers and Public Sale Yard Operators.

3.0 APPLICABLE LEGISLATION

The relevant sections of the Regulations are as follows:

Annual reporting

5 When their certificate of registration expires or is renewed, each producer and purchaser must give the Commodity Board the following information in a form prescribed by the Commodity Board:

(a) the details of all purchases of beef cattle made by the producer or purchaser during the term of their certificate, including all the following:

- (i) the producer's name and address,
- (ii) the number of beef cattle purchased,
- (iii) the place of purchase,
- (iv) the date of the purchase;

(b) the details of all sales of beef cattle made by the producer or purchaser during the term of the certificate, including all of the following:

- (i) date of the sale,
- (ii) name and address of the purchaser,
- (iii) number of beef cattle sold,
- (iv) place of sale.

Levy amount

6 (1) A person who sells beef cattle in intraprovincial trade in the regulated area must pay a levy of \$3.00 to the Commodity Board, in accordance with Section 7, for each head of beef cattle sold.

(2) A person who slaughters beef cattle in the regulated area must pay a levy of \$3.00 to the Commodity Board for each head of beef cattle slaughtered, unless a levy is payable under subsection (1) for the same head of cattle.

Deducting and remitting levy

7 (1) A purchaser must deduct the levy imposed under Section 6 from the amount paid to a producer.

(2) A purchaser must remit the deducted levy to the Commodity Board no later than the 15th day of the month following the month in which the purchase occurred, together with all of the following information in the form prescribed by the Commodity Board:

- (a)** the producer's name, address and registration number;
- (b)** the purchaser's name, address and registration number;
- (c)** the date and place of the purchase;
- (d)** the number of beef cattle purchased.

(3) If a purchaser fails to deduct and remit a levy as required, the producer who is selling the beef cattle must remit the levy to the Commodity Board no later than the 15th day of the month following the month in which the sale occurred, together with the all of following information in the form prescribed by the Commodity Board:

- (a)** the producer's name, address and registration number;
- (b)** the purchaser's name, address and registration number;
- (c)** the date and place of the sale;
- (d)** the number of beef cattle sold.

(4) If a purchaser or producer fails to remit a levy to the Commodity Board in accordance with this Section, the producer and purchaser are jointly and severally liable to the Commodity Board for the amount of the levy.

Inspecting books, records, premises and transport vehicles

9 An inspector may inspect the books, records, premises and transport vehicles of a producer or purchaser at the times determined by the Commodity Board.

The relevant sections of the **Natural Products Act** are as follows:

Inspection

7 (1) Every person, when requested so to do by an officer of the Council or by a person appointed by the Council to inspect the books, records and premises of persons engaged in the producing or marketing of a natural product, shall, in respect of the natural product, produce such books and records and permit inspection thereof and supply extracts therefrom and permit inspection of such premises.

(2) No person shall hinder or obstruct an officer of the Council or a person appointed by the Council to inspect the books, records and premises of persons engaged in the producing or marketing of a natural product in the performance of his duties, refuse to

permit him to carry out his duties, refuse to furnish him with information or furnish him with false information.

(3) The production by any person of a certificate, of his appointment by the Council to inspect the books, records and premises of persons engaged in the producing or marketing of a natural product purporting to be signed by the chairman and secretary of the Council, shall be accepted by any person engaged in the producing or marketing of the natural product as prima facie proof of such appointment.

Seizure

8 (1) Whenever an officer of the Council or a person appointed by the Council to inspect the books, records and premises of persons engaged in producing or marketing a natural product believes on reasonable grounds that this Act or the regulations, or any plan or any order or direction of the Council or a commodity board has been violated, he may seize the natural products and other things by means of or in relation to which he reasonably believes a violation was committed.

(2) Natural products and other things seized pursuant to subsection (1) shall not be detained after

(a) this Act, the regulations or the plan, order or direction, as the case may be, has, in the opinion of the inspector, been complied with; or

(b) the expiration of ninety days from the day of seizure,

unless before that time proceedings have been instituted in respect of the violation, in which event the natural products and other things may be detained until the proceedings are finally concluded.

(3) Where a person has been convicted of a violation of this Act or the regulations, or any plan or any order or direction of the Council or a commodity board, every natural product or other thing by means of or in relation to which the offence was committed is, upon the conviction, in addition to any penalty imposed, forfeited to Her Majesty in right of the Province if such forfeiture is directed by the court.

13 Any person who violates any of the provisions of this Act or the regulations, or of any plan or any order or direction of the Council or of a commodity board, is guilty of an offence and liable on summary conviction to the penalty provided for in the *Summary Proceedings Act*.

Summary Proceedings Act

15 The penalties imposed under this Act are recoverable under the *Summary Proceedings Act*.

The relevant section for penalty under the Summary Proceedings Act is as follows:

4 Every one who, without lawful excuse, contravenes an enactment by willfully doing anything that it forbids or by willfully omitting to do anything that it requires to be done is, unless some penalty or punishment is expressly provided by law, guilty of an offence punishable on summary conviction and liable to a fine of not more than two thousand dollars or to imprisonment for six months or to both.

3.0 Definitions:

“Inspector” means an inspector appointed as an inspector by the Council under subsection 5(3) of the Act;

“Producer” means a person engaged in the marketing of beef cattle in the regulated area for the purpose of sale or distribution, and includes livestock dealers, public sale yard operators, slaughterhouse operators and drovers;

“Processor” means a person engaged in processing;

“Livestock Dealer” or “Drover” means a person who acts as an agent in buying or selling beef cattle and includes an auctioneer, an auction market and a public sale yard operator;

“Public Sale Yard Operator” means a person who operates a public auction as a business;

“Purchaser” means a person who buys beef cattle from a producer and includes

(i) a producer who buys beef cattle from another producer, and

(ii) a person who buys beef cattle in the regulated area but who does not reside in the regulated area;

“Inspection Site” shall mean the premises of a producer, processor, auction house, slaughter facility and transportation vehicle;

“Marketing” includes advertising, buying, selling, storing, packing, transportation, shipping, pricing, processing, shipping for sale or storage, offering for sale and any other act necessary to prepare beef, beef products and beef cattle in a form or make them available at a place and time for purchase, for consumption or use and also includes sale by peddlers, hawkers and traders;

“Levy” means a levy on the sale of beef cattle imposed under Section 7 of the Nova Scotia Cattle Producers Regulations;

“Documentation and Records” shall include livestock manifests, permits, documentation of any sale transaction (including, bill of sale, invoice or settlement statement), CCIA Tag information, financial records, gross sales information and any other information or documentation that may be required by the Inspector.

4.0 REGULATED DOCUMENTATION AND FORMS

The inspection process may include a review of all forms of Documentation and Record Keeping at the Inspection Site being inspected. Documents and records shall include both hard copy (paper) and electronic forms.

5.0 RESPONSIBILITY

This SOP applies to all Producers and Purchasers in Nova Scotia that are engaged in the business of the marketing of cattle. This, by definition in the Regulations, includes the following:

- 5.1 Producers;
- 5.2 Purchasers;
- 5.3 Processors;
- 5.4 Livestock Dealers/Drovers;
- 5.5 Public Sale Yard Operators; and
- 5.6 Slaughter House Operators.

Upon receiving notification of an inspection, the person responsible for the designated Inspection Site should compile the requested information, facilitate the inspection process and ensure proper follow-up.

6.0 PROCEDURES

6.1 Inspection Planning

6.1.1 Identify potential site for inspection and notification.

The Inspector shall identify a site for inspection. The Inspector shall provide notification of an inspection to the Inspection Site in advance of the inspection, where possible. The notification may be in writing or verbal. The Inspector may attend to an inspection site and conduct an inspection of the records and documentation without providing notice of the inspection.

In providing notice of an inspection, the Inspector shall indicate the following, as appropriate:

- Date and Time of Inspection
- Purpose of the audit/inspection
- Audit/inspection plan and procedures
- Types of Records and Documentation to be reviewed and the applicable period of time (i.e. January 1, 2011 to December 31, 2011)

The Inspector shall confirm the date(s) and time of the inspection with the Inspection Site.

6.2 Inspection Site Responsibility

The owner of the livestock, the person in charge of livestock, the owner and operator of an Inspection Site must upon receiving notice of the inspection upon the request of the Inspector provide to or make available to the Inspector all documentation and records.

6.3 Preparing for an Inspection or Audit

1. The owner/operator of the Inspection Site shall notify all relevant staff members of the inspection.
2. Arrange a suitable work area for the Inspector.
3. Assemble the requested documentation as applicable, such as:
 - Livestock manifests;
 - Invoices;
 - Bill of sale;
 - CCIA Tag Information;
 - Financial Records;
 - Gross Sales Information;
 - Permits, and
 - Any other information or documentation requested by Inspector.
4. Ensure that all required personnel are available on the day of the inspection.
5. Appoint a site delegate to act as contact for the Inspector.

6.4 During the Inspection

1. Meet with the Inspector as scheduled.
2. Accompany the Inspector on a tour of the site, if required.
3. Provide all documents requested by the Inspector.
4. Ensure that questions are answered by the most appropriate personnel. If asked questions by the Inspector, instruct staff to describe their area of responsibility, to seek clarification if they do not fully understand any questions.
5. Provide photocopies of documents requested by the Inspector. Record the list of documents requested by the inspector.

7. INSPECTION FOLLOW-UP

1. The Inspector may communicate inspection observations and findings to the site delegate. The Inspector shall provide a copy of the inspection report, if possible. The inspection report shall indicate whether the site inspected is in compliance or non-compliance with its reporting obligations under the Act and Regulations.
2. The responsible person for the site should review the inspection report for accuracy.
3. The responsible person for the site should prepare written a response if required, and reply to each item/observation in the report. Include clarification or corrective action that will be taken if required. Forward the response to the Inspector by the requested date.
4. Perform corrective actions as described in the inspection response.
5. The Inspector shall keep a copy of the inspection documents and report.

8. PENALTY

The failure to comply with the requirements under the *Natural Products Act*, Regulations and Marketing Plan, (such as providing information as requested by the Inspector, failing to submit the levy), is an offence punishable by a fine and/or imprisonment. The fine can be up to Two Thousand Dollars (\$2,000.00) and an imprisonment for up to six (6) months.

NOVA SCOTIA CATTLE PRODUCERS
INSPECTION FORM

Inspection Site:
Name of Inspector:
Date of Inspection:
Responsible Person at Site:
Summary of Records/Documents Reviewed:
Summary of Findings:
Signature of Inspector: