

Need of auditing in Food Business Organization

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Abstract:

Audits are a fundamental tool in the process of certifying whether the food safety practices are properly followed or not. The increased concern on food safety and quality for the consumers, triggered mainly by recent food scandals, that has enabled the public and private food sectors to establish a variety of food safety and quality standards. The tremendous expectations on quality of the product by the consumers have led to the progress of managing and improving the product quality more effectively by the Food manufacturers. Consumers anticipate for safe food products, as well as accurate labelling on all the products they purchase. The Audit process can be carried out within the organization or by a customer as a second party or can be carried out by an audit agency. During the audit process, an inspection is carried out by the auditor at the premises while he/she monitors the food handling practices and review Food safety documents. The Audit frequency varies for different category of the product, but usually the audits are carried out once in every 12 months. The Food Safety Management System comprises the prerequisites such as Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP) and Hazard Analysis Critical Control Point (HACCP) should be monitored. This article describes about an overview on the audit process in Indian food Industries, also covers the need for executing an audit in FBO and its important measures and presenting the

general audit frequency for different products based on their category.

Introduction:

An Audit is defined as a systematic documentation process for acquiring audit verification and evaluation, in order to determine to which extent the standards and regulations are implemented and fulfilled. It is a Process in which the recognized auditor visits an industrial unit to evaluate the food safety compliance⁽⁴⁾. It is a Primary constituent for maintaining the standards and certification of Food safety. An Audit provides transparency in the system and to reassure that the standards are being maintained. Due to this transparency there occurs an increase in the mutual drift of stakeholders across the supply chain. It also reinforces safety, effectiveness and consistent progress of the organizations⁽¹⁾. Apart from being an essential certification process, an audit can also be a great prospect to confine implications within an organization⁽¹⁾. In spite of continuous investment in developing and improving these systems, the number of foodborne outbreaks per year appears to be increasing in number. This indicates that additional measures and techniques or a different approach would be adopted for the further development in the effectiveness of food safety and quality management systems (Kotsanopoulos, et al).

The general procedure of an audit usually comprises of documentation review and to conduct analysis and interviews to verify the compliance that

meet the standards. Traditional inspections evaluate the infra-structure and construction of the sites and visual determination of hygiene condition, although these may not always be the suitable prediction. Modern method of auditing implies, the inspection of the complete manufacturing unit right from raw material through preparation until dispatch/service.

Specifically, within the frame of a food safety audit, it gathers complete information about the particular Food Business Organization in order to identify areas of potential improvement in the food safety processes and systems of the food industry. Some of the other objectives of the audit is to identify the areas where the defects are present in order to implement the corrective measures or corrective actions. Audits are very important tool for retaining food safety upto their standards and any relevant certification, through facilitating transparency in the system and to reassure that the standards are being maintained (Kotsanopoulos, et al).

Need of audit:

One of the major aspects behind the increase in auditing by food manufacturers is the demand of retailers. The Retailers need to know that the product they sell are of a specified and consistent quality and are safe. Due to which the role of audit is therefore increasing importance. The Specific codes of practice and guidelines which details the management control system that has been expected in the supplier's product have been provided by the retailers. Auditing is simply an inspection against these criteria in order to ensure that the supplier is satisfying with these codes and guidelines and is maintaining

the systems and conditions adequately. The retailer has an authority and a commercial need to ensure that products containing their brand name are safe and legal so that information provided about the product is legal, trust-worthy and genuine. The opportunity can also be taken to identify the ways in which standards can be improved by possessing stringent controls wherever necessary, thereby upgrading both the supplier and retailer in improving both quality and service for the customer⁽³⁾.

With the onset of huge number of food business in India, inspection and auditing the food businesses would be a biggest challenge for Food Safety and Standard Authority of India (FSSAI), hence it enabled the compliance through private recognized auditing agencies. This will provide 1) strengthening the supervision of food safety in our country 2) enhancing the quality, sanitation and food safety. (3) to provide customer satisfaction/ necessity to verify vendors program. (4) Decreases the number of regulatory food safety inspections conducted by central/ state licensing authority. (5) Analyze the problems and give the solution by corrective actions. (6) Development for ensuring compliance of food industries.

There are abundant reasons to conduct food safety audits of organizations and a mandatory factor for becoming certified to a standard. There are also other incentives to conduct an audit, they are, Assessment of the management system or management priorities, Business objectives, Assessment of suppliers, Customer requirements, Incidents at other services, Regulatory or contractual requirements.⁽¹⁾

History of Audit:

The Food Safety and Standards Authority of India (FSSAI), under the Ministry of Health and Family Welfare in the Government of India, is responsible for regulating and monitoring food safety in the country, in terms of the Food Safety and Standards Act, 2006, the Food Safety and Standards Rules, 2011 and various regulations on food notified (and amended) since 2011⁽⁵⁾. Food Safety and Standards Authority of India has been established for constituting science-based standards for articles of foods and to standardize their manufacture, storage, distribution, sale and import to provide assurance for the availability of safe and wholesome food for human consumption. Under Section 44 of the Food Safety and Standards Act, 2006 it has been stated that the power given to the food authority, to recognize an organization or an agency for carrying out food safety audit and checking compliance with the food safety management systems. Under the Section 16(2)(c) of the food safety and standards act, 2006 stated that the food authority may specify the mechanism and guidelines for accreditation of certification bodies engaged in certification of food safety management system (FSMS) for food businesses.

Food Safety and Standards (FSS) Act, 2006 defines FSMS or Food Safety Management System as the adoption of Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP), Hazard Analysis Critical Control Point (HACCP) and such other practices may be specified by regulation, for the food business. As described in schedule IV “the establishment in which food is handled, processed and packed by the

Food Business Organization and the persons handling them should conform to sanitary and hygienic requirement. The Food Business Organization is responsible for ensuring integrity to necessary requirements. The Regulatory Audits conducted by Central/State Licensing Authorities will get reduced because the FSSAI recognized audit agencies will take charge for the Food Safety and Management System (FSMS) audit. Food Business classified by Food authority for mandatory Third-Party Audits are liable to get their businesses timely audited. It is the Responsibility of the Food Business Organization to get their audit being done at appropriate period of time.

Types of Audit:

Audit can be classified into 3 types: i) First party audit ii) Second party audit iii) Third party audit.

First party audit: It is an audit performed within an organization in order to determine its strength and weakness against its own agenda of operation or against the external standards that would be imposed on the organization. The first party audit is carried out by an Internal auditor who is responsible for performing the audit and duties that has been prescribed in Section 10 of Food Safety and Standards (FSS) Regulations, 2018. The Auditor need to maintain confidentiality and should conduct audit in an impartial and Professional manner by following the principles of auditing.

Second party audit: A second- party audit is an external audit which is performed by a customer or a contracted- organization on the supplier or any other Food Business Operator in order to analyse the quality of the

products. Since the result of the audit may influence the customer, the Second-Party Audit tends to be more formal than the First-Party Audit. An example of this audit would be where the Food Industry itself performs audit on one of its suppliers to analyse whether their products meet the standards. Another example would be an audit conducted by a retailer on the Food Business Operator because they should be aware that the products they sell are of specified and consistent quality and are safe.

Third- Party Audit: A Third-Party Audit is conducted by a recognized Audit agency or an organization that is free from conflict of interest and independent of customer-supplier relationship. The audit agency must follow the criteria described in Food Safety and Standards (FSS) Regulations, 2018 Requirements and Accreditation Authority Requirements. The Third-Party Organisation may conduct audit for accreditation such as, certification, registration, recognition, license approval, citation, fine, penalty and other issues on the interested Food Business Organisation (FBO). Some of the examples of these audits include certification audits under Global Food Safety Initiative (GFSI) such as Safe Quality Food Certification, HALAL certification, General Manufacturing Practice (GMP), General Hygiene Practice (GHP), Hazard Analysis Critical Control Point (HACCP), Food Safety Management System (FSMS).

Auditing Process:

Generally, an audit is conducted by a recognized Audit agency under Food Authority (Food Safety and Standard Authority of India- FSSAI). If an organization is prone for an audit, then the appropriate Food Business

Organization will select the audit agency under Food Safety and Standards authority of India (FSSAI). The shortlisted Audit agency gather complete information about the Food Business Organization which they are going to audit. The information such as Number of production lines/ production groups, Scope, Consultancy/ training detail, Number of food handlers, Area for storage (for storage and transportation). After providing all the acquired details, the Food Business Organization will finalize the audit date with the agency and decide upon the audit payment to be paid by them. The audit agency fills up the audit intake form in FSSAI Audit management system web page. Some of the details such as Audit date, Auditor details, Audit man-days are filled in the audit intake-form. Once the form is filled and submitted, the information cannot be changed and it will also be visible to the Food Authority, concerned agency and Food Business Organization. The Audit plan will be discussed by the concerned Agency to the Food Business Organization at least eight days priorly. The Food Business Organization will get audited as per the audit plan on the scheduled date. The auditor will execute the audit as per inspection checklist and communicate the audit score. The draft audit report shall be submitted before leaving the Organization premises. In case of any disagreement, the Food Business organization can claim to the Food Authority. In case of Major Non-Conformity, the Food Business will be informed through the web portal within 24 hours (also mail/phone). Information about the same should also reach the Director (RCD), Central Licensing Authority and Commissioner

of food Safety of concerned State/UT through web portal/ mail/ other means. In case of Minor conformities, the audit agency will close the findings within 15 days including its rectification and follow up. The food Business Organization has to close the findings and take corrective actions. In case of delay by the organization, concerned CLA/SLA shall be intimated by the agency through web portal/ mail/ other means for necessary action at their end. The Final Audit Report shall be uploaded on the FSSAI Audit Management web page within 15 days from the date of Audit.

Frequency of Audit:

The Audit frequency recommended by the Food Safety and Standard Authority of India (FSSAI) for food industries are based on different product category. The most perishable products such as meat and meat products including poultry; fish and fish products including molluscs, crustaceans, echinoderms; dairy products; egg and egg products;

Functional foods such as infant foods; prepared foods (catering services) have their audit frequency for every 12 months, if the audit score ranges from 81%-100%; for every 9 months, if the audit score ranges from 51%-80%; for every 6 months, if the audit score is below 50%.

The other commodities such as fats, oils and fat emulsion; edible ices including sherbet and sorbe; fruits and vegetables including mushroom, root tubers, pulses and legumes; Bakery and Confectionery products, Ready-to-eat savouries; cereal and cereal products; Sweeteners including honey; salt, spices, soups, sauces, salads, protein products; beverages excluding dairy products have their audit frequency for every 18 months, if the audit score ranges from 81%-100%; for every 12 months, if the audit score ranges from 51%-80%; for every 6 months, if the audit is below 50%. The audit frequency for different commodities based on their audit score are tabulated (Table 1.1).

Product ID	Product	Audit Score Range	Audit frequency
1	Dairy products and analogues excluding products of food category 2.0	81%-100%	Once in 12 months
		51%-80%	Once in 9 months
		<50%	Once in 6 months
2	Fats and oils, fat emulsion	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
3	Edible ices, including sherbet and sorbe	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
4	Fruits and vegetables including mushrooms, root tubers, pulses and legumes	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
5	Confectionery	81%-100%	Once in 18 months

		51%-80%	Once in 12 months
		<50%	Once in 6 months
6	Cereal and cereal products	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
7	Bakery products	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
8	Meat and meat products including poultry	81%-100%	Once in 12 months
		51%-80%	Once in 9 months
		<50%	Once in 6 months
9	Fish and fish products including molluscs, crustaceans and echinoderms	81%-100%	Once in 12 months
		51%-80%	Once in 9 months
		<50%	Once in 6 months
10	Egg and egg products	81%-100%	Once in 12 months
		51%-80%	Once in 9 months
		<50%	Once in 6 months
11	Sweeteners including honey	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
12	Salt, spices, soups, sauces, salads and protein products.	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
13	Functional foods such as infant foods	81%-100%	Once in 12 months
		51%-80%	Once in 9 months
		<50%	Once in 6 months
14	Beverages excluding dairy products	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
15	Ready-to-eat savouries	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months
16	Prepared foods (catering service)	81%-100%	Once in 12 months
		51%-80%	Once in 9 months
		<50%	Once in 6 months

99	Substances added to food	81%-100%	Once in 18 months
		51%-80%	Once in 12 months
		<50%	Once in 6 months

Table 1.1., The product categories and type of business as per the existing Food Licensing and Registration System is as follows
Source: FSSAI Manual Food Third Party Audit

Conclusion:

An organization looking to develop their business operations need to establish clear objectives as to how various elements need to perform in order to ensure continuous growth and viability. In order to achieve these objectives, it is imperative to monitor performance and also to provide a process by which a change can be implemented in the areas of activity which need to be strengthened. In all these areas, auditing both by businesses themselves and also by retailers

or others is the driving force for improvement. A key issue for auditors is that auditing should be a dynamic and iterative process, building the experience of previous audits and informed by relevant industry. These audits are an effective management tool for monitoring the success of the quality system and ensuring that everyone is working to the system. The audit schedule should cover all aspects of the quality system and include compliance with legislative requirements and voluntary Codes of Practice.

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