

Audits in the food industry

The NSW Food Authority is the NSW government agency responsible for regulating food production and food safety throughout the state. The Authority has an obligation under the *Food Act 2003* and *Food Regulation 2004* to conduct audits in certain licenced food businesses.

Regulated industries

The Food Regulation 2004 requires that certain industry sectors are licensed with the NSW Food Authority. These include:

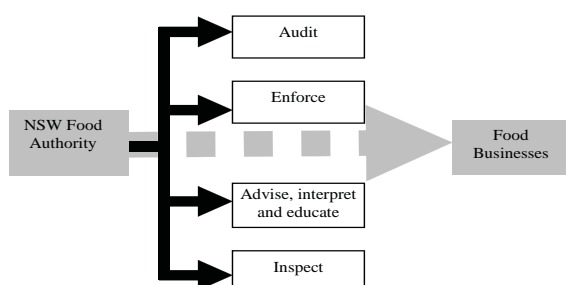
- businesses that handle, process or store meat,
- dairy farms, factories, vendors and milk collection contractors,
- businesses that handle seafood and shellfish,
- food service to vulnerable persons in hospitals and aged care facilities¹,
- high priority plant product businesses, and
- in the future:
 - the egg industry,
 - catering, and
 - food service to vulnerable persons in childcare centres.

The Authority undertakes regular audits and inspections of all licenced businesses.

The licensing and audit process

The Authority is responsible for ensuring the regulations are being implemented by licenced businesses. To do this, the Authority:

1. licences a business to operate
2. provides guidelines to businesses on how to implement and maintain a food safety program.
3. provides information on food legislation and food safety programs
4. conducts routine audits of licenced food businesses to check that there is a food safety program in place and that food safety is being maintained to a specified level



NSW Food Authority working with business

Why are the audits necessary?

The Authority has a legislative responsibility to conduct audits of licenced businesses. Audits are necessary to:

- ensure public health and safety, and
- ensure compliance with the Food Regulation 2004 and the Food Standard Code.

The importance of high standards of food safety

Without rigorous standards there is a danger of food being unsafe to consume which can cause serious illness, loss of work or even fatalities.

Food poisoning example

In September 2005, an outbreak of *E. coli* in Wales (UK) affected 156 people, most of them children. Thirty-eight children needed to be hospitalised, including a five-year-old boy who later died. The boy was admitted to hospital eleven days after the first case had been detected on 18 Sept 2005.

The outbreak affected 42 schools in Wales. The source of the outbreak was confirmed to have been linked to contaminated cooked meat products supplied by the Brigend firm, John Tudor, to schools and local authorities in South Wales. The firm was issued with an emergency prohibition notice on 19 Sept, and a second prohibition notice on 20 Sept, preventing it from trading. On 22 Sept these were confirmed by an emergency prohibition order from the Magistrates' Court.

The audit

The Authority undertakes regular compliance audits of all food businesses it licences.

What is in the audit?

During an audit, the audit officer will check that:

1. there is a food safety program,
2. all food handling operations have been analysed to identify any critical food safety hazards and procedures put in place to control those hazards,
3. there are descriptions of all products handled by the business,
4. there are work instructions and procedures,
5. there are monitoring forms,

6. the business has designated supervisors and workers responsible for specific jobs,
7. there is a good manufacturing process – including hygiene, chemical storage, pest control, training, product recall, internal review and customer complaint handling procedures, and
8. the food business is complying with their food safety program and any relevant legislative requirements.

The NSW Food Authority has assistance material to help you in the development of your food safety program. See www.foodauthority.nsw.gov.au/industry/news-publications-and-help/food-safety-programs-haccp/

How is the audit outcome determined?

The authorised officer has a list of elements that have to be checked. If an element is not of an acceptable standard, the officer will allocate a certain number of points. The number of points allocated will depend on whether the officer rates the element to be 'critical', 'major' or 'minor'. The points allocated for each of the categories are:

- critical – 64 points
- major – 8 points
- minor – 2 points

Critical and major defects

A **critical** defect is defined as a major breach that could affect public health.

A **major** defect is defined as a breach of a requirement in a Standard, Code of Practice or legislation that is not critical.

At the conclusion of the audit, the allocated points are added to give a total rating for the business, from an 'A' to an 'E' rating (shown in Table 1).

Table 1: Rating a business

Rating	Total number of allocated points	Audit result
A	0 – 15	ACCEPTABLE
B	16 – 31	ACCEPTABLE
C	32 – 47	MARGINAL
D	48 – 63	UNACCEPTABLE
E	64 and above	UNACCEPTABLE

A rating of 'A' or 'B' means the business has achieved an acceptable result for the audit. A rating of 'C' is marginal and may result in more frequent audits. 'D' or 'E' is unacceptable.

How often are routine audits if the business achieves an acceptable audit?

Every licensed business has regular audits. The frequency of audits will depend upon the type of business (a Priority 1 or 2 business) and the rating received at last audit.

Table 2: Audit frequency of business with acceptable or marginal audits²

Rating	Priority 1	Priority 2
A or B	6 months	12 months
C	3 months	6 months

What happens when a business is rated D or E for the audit?

The business will need additional audits, which must be acceptable before it returns to its original schedule of audits.

Table 3: Audit frequency of business with unacceptable audits

Rating	Follow up audit(s)	Unacceptable follow up audit	Acceptable follow up audit
D or E	1 month	Remain on 1 monthly audits and additional enforcement action (see below)	Return to original audit schedule (prior to initial D or E rated audit)

Additional enforcement action for businesses that rate D or E at a follow up audit

1. The business has to rectify the problem(s) identified in the audit process.
2. If the rating is unacceptable in the follow up or additional audits, the officer may issue a penalty notice (PN) and/or an improvement notice.
3. If the business does not rectify the issues in the improvement notice, the Authority may issue a **prohibition order** or the owner may be asked to **show cause** why their licence should not be cancelled.

About the NSW Food Authority

The NSW Food Authority is the government organisation that helps ensure NSW food is safe and correctly labelled.

It works with consumers, industry and other government organisations to minimise food poisoning by providing information about regulating the safe production, storage, transport, promotion and preparation of food.

More information

For more information about the audit process:

- visit the NSW Food Authority's website at www.foodauthority.nsw.gov.au/industry/inspections-and-audits/audits-of-licensed-businesses%2B/
- phone the helpline on 1300 552 406

¹ These industries have different audit frequencies. Refer to website.

² Businesses serving food to vulnerable persons have different audit frequencies. Refer to website.