Global Standard Agents and Brokers, Issue 3
AB304: Auditing Techniques

Document Scope: This document highlights and explains the minimum activities (auditing techniques) which shall be incorporated into an audit for Global Standard Agents and Brokers Issue 3.

Change log:

Version no.	Date	Description
1	01/10/2021	First version. Clarifying the expectations for auditing the Standard (Issue 3)

CONTENTS

1 Introduction

A key feature of the Global Standard Agents and Brokers is the format and content of the audit to assess compliance with the requirements. The audit is designed to be a complete assessment of the site's compliance and is a challenging, fair, consistent, and comprehensive assessment.

BRCGS audits are process audits and not checklist or tick-box exercises. The emphasis of the audit should be on auditing systems rather than just reading through multiple documents or records. For example, the product inspection and verification process could be audited by reading a copy of the policy, but also by asking a member of staff about the process and how the activities are completed, followed by consideration of additional evidence such as records, vertical audit documents, etc. Therefore, throughout the audit, the role of the auditor is shown in Figure 1 below:

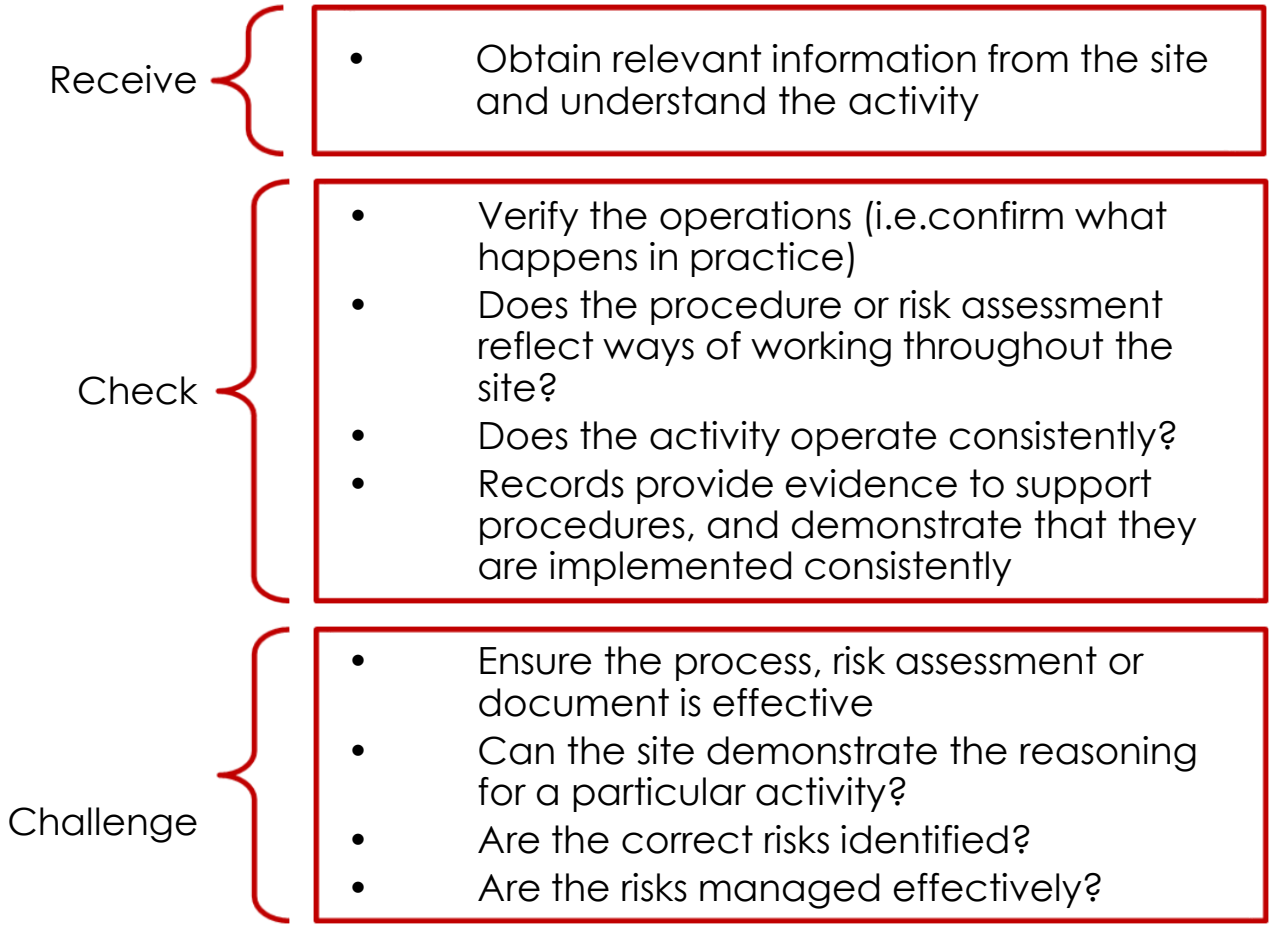

Figure 1: Role of auditor in an audit

This document highlights and explains the minimum auditing techniques which shall be incorporated in audits for Issue 3.

2 Audit protocol

2.1 Auditor preparation

The key to a successful audit is planning by the site, certification body and the auditor (N.B. site and certification body planning are outside the scope of this document).

The company to be audited is required to supply the certification body with sufficient background information before the audit day. There are several important uses for this information, to:

- ensure the certification body can schedule an auditor with the correct product category approval
- ensure an appropriate audit duration is allocated
- ensure the auditor is fully prepared and can develop the audit schedule
- provide the best opportunity for the audit to be completed efficiently.

The information will be requested by the certification body and may include, but is not limited to:

- an overview of the company's operation, including the office locations (clearly indicating which are in the audit scope)
- management organisational chart and key contacts
- a list of products or product groups
- a list of services offered by the company
- the company's countries of operation
- a summary of hazard and risk analysis
- any recent quality issues, recalls, withdrawals or customer complaints, and other relevant performance data
- the previous year's audit report and certificate (where the audit was completed by a different certification body).

The auditor is expected to spend sufficient time prior to the audit to adequately prepare and familiarise themselves with the submitted documents (and to note any that were missing and would therefore need specific focus during the audit). As a minimum the auditor must:

- understand the scope of the audit, for example to familiarise themselves with the site's key operations, products, processes, services, additional office locations and the likely hazards associated with them
- be aware of any non-conformities from the previous audit report, where the effectiveness of the corrective action, root cause analysis and preventive action need to be audited
- identify any specific examples which need to be referred to during the audit, such as previous recalls or incidents that have occurred during the year

- develop an audit schedule which includes all the requirements of the Standard (plus any additional modules that the site have requested), and incorporates all of the relevant auditing techniques, for example:
    - use of the process flow diagram
    - the need for staff interviews with specific site roles
    - discussion with senior manager on product safety culture
    - auditing of additional office locations
    - vertical audit, traceability and mass balance.

The time needed to assess all documentation by the auditor and certification body is supplementary to the duration of the audit.

2.2 Audit scope

Agents and brokers have diverse business models including different product types, and services, it is important that the scope of certification and business model are understood prior to the audit and clearly documented on the report and any resultant certificate.

Full details on the scope wording are available in AB309 How to complete the audit report but in summary it must be clear, succinct, unambiguous and include:

- a summary of product types traded (not provide a long list of all the individual products.
- services provided – clearly showing where these are subcontracted services (e.g. should not sound like a storage and distribution audit).
- an indication of whether the company is an agent or broker.

The auditor will verify the scope while conducting the audit. The scope must be a concise summary of products and services included within the audit (refer to AB309 How to complete the audit report for full details on scope wording).

2.3 Audit schedule

A structured audit schedule will optimise the use of time during the audit and focus attention on the auditing activities. This schedule needs to be specific and appropriate for the site and contain information to enable an efficient audit process. However, it will also need to be sufficiently flexible, for example to account for:

- any on-site activities that only takes place at prescribed times
- additional time if the auditor needs to further investigate a specific area (refer to section 2.4)
- time zone differences that result in additional office locations only being contactable at certain times.

Therefore, the audit schedule will list the items to be covered during the audit but would not be expected to include specific timings (other than for the opening meeting).

The auditor(s) should discuss the expected scheduling with the site during the opening meeting, so the site can confirm availability of key personnel, relevant activities and any necessary travel times, etc.

While the precise order of activities during the audit is likely to be site-dependent, most audits will follow a similar format consisting of:

- the opening meeting
- check and challenge HACCP or hazard and risk assessment documents (where a site has multiple assessments each will be reviewed) including, for example:
  - understanding the process flow (clause 2.5) including the services provided
  - hazard identification, control and monitoring (e.g. clauses 2.8, 2.8.1 and 2.9)
- vertical audit, traceability and mass balance
- requirements of the Standard using the full range of auditing techniques discussed in this document
- closing meeting.

The proposed schedule will be sent to the site in advance of the audit along with the expected start/finish times and details of the attendees and their roles (e.g. witness assessors). This pre-notification enables the site to check the programme and highlight if any changes are required (e.g. if activities only occur at certain times of day, or to accommodate time zone differences for additional office locations).

2.4 Audit Duration

Full details explaining the length of the audit and how the duration is calculated, are available in the AB305 Audit Duration Calculator, published on our website (www.brcgs.com/our-standards/agents-and-brokers/help-and-guidance) from BRCGS Participate.

The audit duration will reflect the minimum time spent auditing, which does not include preparation in advance of the actual audit or post-audit activity such as report writing or the review of corrective actions. Where additional office locations are included in the audit scope, the duration will include these additional locations (i.e. the duration is the total for auditing all of the locations within the audit scope).

The audit duration calculator recognises that a number of factors may influence the actual time taken to complete the audit. A 30% variation is therefore available, whenever there is suitable justification. For example, time required may increase if:

- it is an initial audit requiring greater explanation of requirements to the site
- shortfalls in the information provided prior to the audit
- communication difficulties (e.g. communication difficulties with the other offices within the audit scope or interrupted internet connection during remote auditing)
- the site has a particularly large number of products, complex supply base or service offer
- poor preparation by the site (e.g. failing to ensure key documents are easily available)

- challenges relating to auditing of additional office locations
- additional time required to audit a specific activity (e.g. where initial information suggests a potential non-conformity and the auditor requires additional time/information to establish whether a non-conformity genuinely exists or the magnitude/scope of the non-conformity)
- the number of non-conformities at the previous audit resulting in additional time needed to review relevant systems and confirm implementation of effective preventive action (clause 1.1.12 of the Standard).

Therefore, the actual time spent at the audit and auditing specific areas or activities, may differ from that initially planned by the certification body. However, sufficient time must always be spent to ensure a thorough and complete audit.

The audit start and finish times are recorded on the audit report and any variation from the calculator must be explained.

2.5 Clauses that are not applicable

Due to the variation in agent and broker business models, some sites will not offer all the services referenced in the requirements of the Standard. Therefore, whilst most requirements apply to all sites, the Standard has identified some sections that may not be applicable where the agent or broker does not offer the specific service. These sections are identified by the orange outline around the statement of intent, as shown below in Figure 2:

In Part II, each section of the Standard begins with a statement of intent with which all companies must comply in order to gain certification. The statement sets out the expected outcome of compliance with the particular section, and has a tinted background as shown here.

Statements of intent which appear like this (without a tinted background and surrounded by a coloured border as shown) may not apply to some organisations.

Figure 2: Statement of Intent sections.

If during the audit, the site indicates that a specific activity is not completed as part of its operations, and the Standard allows that section to be not applicable, the auditor will establish whether the site/company does or does not offer the service and that any absence does not adversely affect product safety before recording the clause as N/A, (i.e. the site cannot opt out of completing certain sections, it must genuinely not offer that service). The absence of the activity must not undermine product safety, authenticity, legality or quality. The audit scope must accurately reflect the activities undertaken, therefore any exclusions will be checked against the scope wording.

For example:

- Section 4.6 will be N/A if the agent/broker does not offer new product development (NPD) services, and this does not implicate product safety as existing products have been through a suitable process.

- All sites must complete section 2 as the section is mandatory and the absence of a hazard and risk assessment would undermine product safety.
- The auditor will cross reference back to the scope to ensure it accurately reflects the activities.

2.6 Auditors' notes

Throughout the audit process, the auditor(s) will take notes of the evidence of conformity and any non-conformity. These may be in a variety of formats. The level of objective evidence contained in these notes should be appropriate, legible, and comprehensive so they can be used to review the audit and to confirm the certification decision. Auditors may also request copies of documents viewed at the audit to aid their notes (e.g. organisation chart, process flow diagrams).

Certification bodies must have a process to ensure that auditors' notes are collated and filed, either as hard copy or electronically, so they can be kept confidentially and retrieved (e.g. in the event of a head office audit or customer complaint).

2.7 Non-conformities

During the audit, auditors may identify non-conformities. Any such non-conformities must be identified, at the time, to the site representative. This is important as it:

- ensures the potential non-conformity has not resulted from a misunderstanding, for example by allowing the information to be discussed with relevant people in the area, or for the site to produce additional evidence supporting compliance.
- helps to avoid disagreement at the closing meeting.

2.8 Remote auditing

The Standard allows the use of remote auditing techniques using information, communication technology (ICT) to complete part or all of the audit without the auditor physically visiting the site.

Effectiveness is key – there must be a complete, thorough, and robust audit of all relevant activities. Therefore, a pre-audit risk assessment is completed to ensure that the audit outcomes can be achieved using the remote audit techniques. Where the risk assessment indicates this is not possible, then an onsite audit will be needed. However, where risk assessment shows part of the audit can be completed remotely but not all, a blended audit, with two audit dates, for remote activities and one onsite is permitted.

BRCGS is not prescriptive in the ICT systems that are used, providing they enable an effective audit, and certification bodies and sites can agree the systems that will be used. Some basic considerations include:

- Auditor and site need to be prepared and be familiar with the systems to be used. A pre-audit trial is strongly recommended.

- As a minimum the ICT must enable:
    - document sharing – whilst short documents may be readable in 'share screen mode', longer documents will need to be shared using a secure platform, so that the auditor can read, and reference as required
    - video or audio conferencing to enable discussions between the auditor and site staff.

Unlike BRCGS Standards which include production or storage of products (e.g. Global Standard Food Safety or Global Standard Consumer Products) there is no requirement for live video stream of the site facilities, as there are no production or storage areas within the scope of the Standard.

3 Composition of the audit

The approach to audits continues to evolve with each issue of the Standard and Issue 3 includes a greater focus on the implementation of product safety and authenticity.

A complete and comprehensive on-site audit is composed of several activities, as illustrated below in Figure 3. Each of these topics is discussed, along with good practice and examples to assist auditors in the application of the techniques described:

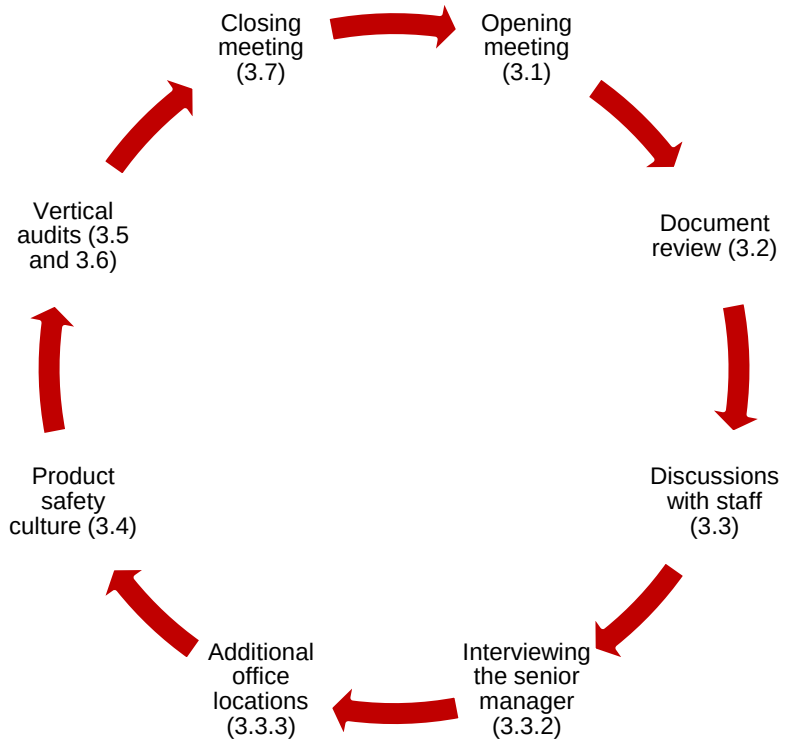

Figure 3: Audit activities

3.1 The opening meeting

The audit will commence with an opening meeting of sufficient duration to:

- explain the roles of personnel (both key site personnel and those attending the audit such as the auditor(s) and any witness assessors)
- confirm the scope of the audit – due to the variable nature of agent/broker business models it is particularly important that the auditor and site confirm this at the opening meeting.
- outline the audit process
- confirm the agenda for the audit including scheduling, arrangements for breaks and meals – both the auditor and the site need to understand if any activities are time dependent (e.g. availability of key staff or time zone differences)
- arrangements for contacting additional offices or remote staff (where appropriate)
- establish that the audit is a sampling process
- explain the potential audit outcomes
- confirm confidentiality
- answer any questions from the site personnel
- agree any necessary site permissions (e.g. copies of documents).

The opening meeting will be attended by at least one member of the site's senior management. This will be the most senior manager (i.e. those who are responsible for the hands-on, daily running of the site). There are several objectives for involving senior managers within the audit process, including:

- effective management of product safety starts with the commitment of senior management, including the support and the provision of suitable resources. Involvement of the senior managers in the audit process therefore provides a unique insight into this commitment.
- to ensure the audit process, scope and audit resource requirements (e.g. auditor access and staff time) are understood and agreed at the beginning of the audit
- product safety culture starts with the senior management, from Issue 3 onwards, the audit will include an interview with the senior manager to review the requirements of section 1 of the Standard (refer to 3.4 below).

If the most senior manager is absent from the site on the day of the audit due to other commitments (quite possible when the audit is unannounced); there must always be a nominated deputy available (clause 1.2.1 of the Standard). This site representative will need to be sufficiently senior to make decisions on any non-conformities and corrective action that must be taken.

3.2 Document review

Throughout the audit, the auditor(s) will seek to:

- understand the activity
- challenge the site to demonstrate the reasoning for the activity
- and verify the operations, procedures, and controls are appropriate and consistently implemented.

In this approach different types of document will be reviewed and discussed with site staff and, vice versa operations/activities discussed with staff can be confirmed by subsequent document review. For example:

- Any critical control points listed in the hazard and risk assessment (or HACCP documentation) will be compared with records and procedures which demonstrate the management and monitoring of the controls.
- Records from each office within the audit scope must be reviewed during the audit (all records must be centrally accessible for the additional offices to be included in the audit) and should subsequently be discussed during the additional office interview
- Operator roles/names – rather than reviewing a random selection of training records, it is logical for the auditor to view the records of staff that were witnessed completing specific activities or interviewed regarding these activities. The auditor(s) will then know which items of training should have been completed and that the records are relevant to active staff members. The detailed section of the report should not contain actual names of staff but can include positions (such as team leader, hygiene operative etc).
- Actions, records and procedures can be compared to documented risk assessments.
- Site security and food fraud risk assessments (threat and vulnerability assessments) can be compared to the controls used by site or their third party contractors.

It is important that any use of photographs or copies of documents are agreed in advance with the site. Blended auditing requires document sharing; however, any shared documents must not be retained after the audit without the express permission of the site.

Shared documents are also a common way for a site to demonstrate post-audit completion of corrective actions.

During the audit, the auditor will usually review a selection of records from throughout the year (i.e. previous 12 months). Where the audit is the initial audit at a new site (i.e. a newly formed company) then the records will be representative of the period it has been operating (i.e. at least the previous 3 months).

3.2.1 Process flow diagrams

The company being audited must have a product safety plan (HACCP or hazard and risk assessment) which covers the whole role of the company (i.e. where the company has a management responsibility).

It does not have to cover the manufacturing processes as these are covered by the supplier's product safety plans, however, it will cover any subcontracted services that the company organise (e.g. if the company organises transport of products, then the expectation is that the company has considered the hazards associated with that transport). These could for example, include correct product temperatures, mixed loads or loads for multiple customers, cross-docking, etc.

The process flow diagram (developed by the site for clause 2.5) is a vital stage in the site's development of its product safety and quality management systems, as it must clearly articulate all the steps in the process for which the agent/broker is responsible (including any subcontracted services provided).

Figure 4 shows an example of a brokers process flow where a broker arranges third party storage, transport and re-packing services and all the activities associated with the import of the products from a supplier in another country (N.B. Figure 4 does not show all of the detail required by the Standard, but has been simplified for the purposes of explaining the scope of product safety activities that the site and therefore the auditor needs to consider).

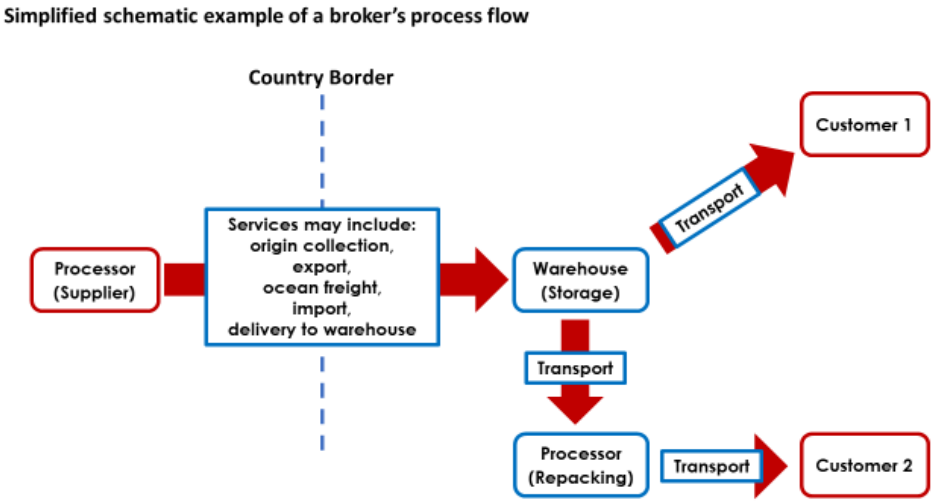

Figure 4: Example of a simplified broker's process flow

Figure 4 also shows the scope of services and activities which form a vital tool for auditors, highlighting which processes, procedures, records should be available for all these activities.

The accuracy of the process flow diagram must be confirmed and can then be used to facilitate a structured approach to the audit, for example:

- the hazard and risk management plan (or HACCP) must consider the hazards at each step of the process including all the activities completed by the third party service providers. The site will need to understand and assess the risks associated with the service/provider (e.g. if the service is to transport products, then the site will need to consider any risks associated with the process. These might include temperature controls, product quality, distance/time effects, international border requirements (e.g. opening containers or individual products), effect of delays, requirements for interim storage, potential for sub-contracting (i.e. a contractor to the agent/broker subcontracting the service), potential effects of mixed loads or cross-docking, return of goods etc)
- scope of vulnerability and threat assessments
- service providers to be covered in risk assessments and supplier approvals.

3.2.2 Auditing records held by a service provider or supplier

Management of many of the risks identified during hazard and risk assessment, threat analysis and vulnerability assessment are reliant on systems operated by suppliers and/or service providers. Whilst the Standard does not include an audit of these suppliers/service providers, there are several requirements where the site will need to demonstrate their management of the risk via the supplier/service provider. For example:

- Clause 2.8.1 – Service provider's hazard and risk management
- Clause 4.2.3 - Supplier contracts
- Clause 4.3.2 – Verification of security arrangements
- Clause 4.4.2 – Verification of conformance

It is important that the auditor is satisfied that the site has suitable processes and reviews in operation and evidence of this may, for example, include:

- contractual information (i.e. contract clearly states that certain actions or processes are in operation, for example product security systems)
- documented review of supplier/service provider systems (e.g. a review of plans/controls (refer to clause 2.8.1 for an example)
- review of certification status of the supplier/service provider or supplier audits
- review of the supplier's policy/procedure/records demonstrating that product safety, traceability, HACCP, product security (food defence), product authenticity controls and good manufacturing practices form part of the supplier's product safety management systems, and any resultant actions are implemented.
- any other relevant validation, verification or monitoring.

3.2.3 Corrective and preventive actions

3.2.3.1 Non-conformities from the last BRCGS Audit

Non-conformities identified in previous certification audit must have been fully and effectively rectified and these will be checked during the current audit (clause 1.1.12).

For each non-conformity from the last BRCGS audit, the auditor will therefore expect to see:

- Corrective actions – the site is required to implement corrective action within 28 days of the audit and provide evidence to the certification body. The auditor should therefore see evidence of the corrective action in operation, for example, that the updated procedure provided to the certification body as evidence of corrective action following the last audit, is in use.
- Root cause analysis completed by the site on the non-conformity is sent to the certification body after the audit (full details should be available if the auditor requires them).
- Preventive action – At the time of the previous certification decision the site will have submitted a preventive action plan but may not have completed the actual preventive action. The auditor will therefore expect to see evidence that the proposed preventive action was implemented in a timely manner and that it has been effective in preventing recurrence of the non-conformity.

3.2.3.2 Non-conformities in the product safety and quality management system

Failures can occur in many places in the product safety and quality management systems, for example, non-conforming products, audits results (e.g. internal, second party, third party, etc), complaints, product withdrawals and recalls, product testing results, etc. Section 3.9 of the Standard requires sites to make the necessary corrections to these non-conformities and prevent their recurrence. During the BRCGS audit, the auditor will therefore expect to see a systematic method for ensuring corrective and preventive actions are completed, and where failures have occurred that actions have been implemented and verified within appropriate timescales.

3.2.3.3 Non-conformities from the internal audit programme

Section 3.5 of the Standard includes several requirements relating to internal audits which will be included in the BRCGS audit.

These include:

- a defined schedule or plan of internal audits with frequency based on risk and a minimum of 2 internal audit dates per year
- the schedule covers all relevant activities within the product safety and quality management system, product safety plan (e.g. HACCP), product security, fraud mitigation and the Standard
- audits completed with defined scopes to schedule, with sufficient internal auditor resources available and performed by suitably trained and competent auditors

- audit reports containing all the relevant information on conformity and well as non-conformity
- corrective and preventive actions, with timescales for their implementation, and completion of the actions verified - the site must either have closed out the non-conformity (i.e. demonstrably completed corrective action which the auditor can review) or have temporary controls in place.

It should be noted that finding non-conformities during an internal audit programme is not a non-conformity against the requirements of the Standard, however, failing to implement corrective and preventive actions in a timely fashion (or temporary controls where needed, pending a permanent action) is likely to result in a non-conformity against clause 3.5.3.

3.2.4 Incident management and product recalls

At all audits, the auditor will confirm that the site has an incident plan with the appropriate content.

Where there has been a product recall (or other food safety incident) during the year, the immediate actions will have been reviewed by the certification body, at the time of the incident (in accordance with clause 3.11.4) and any necessary the root cause analysis or preventive action. At the next audit, the auditor will:

- review the incident to ensure the incident management procedures were followed appropriately
- where the recall resulted from the agent's or broker's systems, that the preventive action plan was implemented in a timely fashion, and the preventive action has been effective in preventing recurrence of the cause of the incident.

In the absence of a real incident during the previous 12 months the auditor will review the application of the incident management procedures during the last test of the system (clause 3.11.3).

The auditor will also expect to see the output or review from the test or incident along with any identified improvements.

3.2.5 Label review

Sections 4.5 and 4.6 (for sites involved in product development) require procedures relating to the design and verification of labelling and the communication of product safety information to the customer.

The aim of these requirements is to ensure that products are labelled in such a way as to ensure safe use, in compliance with the legislation in the intended country of sale.

During the BRCGS audit the auditor will therefore look for evidence of a systematic process for ensuring that legal requirements are complied with. This is usually completed, as part of the vertical audit, where the auditor(s) will select aspects of the on-pack information and ask

the site to provide the evidence that demonstrates the accuracy of any generated information, and the verification processes to confirm ongoing accuracy of the legal and safety information. It is important to note that the auditor is not validating or verifying the label and will not complete a full legal label review but will seek to confirm that site processes are operating effectively and accurately. For auditor, may, for example ask the site to:

- confirm processes that ensure the label correctly reflects the customer specification (i.e. does the product labelling match the specification)
- explain how the site verifies on-pack claims (i.e. compliance with clauses 4.4.3 and 4.6.5)
- demonstrate processes to ensure legality of labels
- explain procedures for the validation of any on-pack cooking instructions
- explain shelf-life validation/verification records (clause 4.6.3) where the product has a shelf-life
- the site processes, for any unlabelled products, where product safety information has to be communicated separately (due to the absence of a label).

Where such responsibilities are undertaken by the customer, this shall be clearly stated in the contracts.

3.3 Discussions with staff

During the audit, the auditor(s) will observe a number of activities and discuss these with the staff involved. There are obviously some soft skills involved when interviewing staff, especially those who may be unfamiliar with audits. For example, it is important to ensure the interviewee understands the aim of the audit and is put at ease, so the auditor(s) obtain information in a clear, concise format. For further guidance, refer to AB308: Requirements for Auditor Competence.

The key aim of the discussion is to ensure that the person understands the procedures they undertake and operates them correctly. It is therefore important to:

- ask the right person the right questions
- ask specific questions

The interviewing process also allows the auditor(s) to:

- Understand the effectiveness of staff training – do staff understand their role, the procedures and the importance of the activity?

Gain an insight into the company culture. The presence of knowledgeable, properly trained staff is often indicative of a management commitment to the Standard and to product safety.

3.3.1 Questioning style

The preferred style of audit questioning can be shown in a question funnel:

Figure 5: Question funnel

Where:

- **Open Questions** – a question that cannot be answered yes or no but requires additional information to be communicated (e.g. 'Please can you explain ….' or 'How do you ……..?' 'What is required ……?' or 'How is this achieved ……?' or 'What would you do if……?' 'Can you show me…?')
- **Challenging** - BRCGS auditors are experienced and knowledgeable in the food categories they audit and are able to ask specific questions relevant to the food type and the processes in operation or any apparent differences from typical procedures or controls (e.g. 'How did the company set that critical limit?' or 'How does the company check that …… is effective?' or 'What would you do if ……?')
- **Closed Questions** – a question that can be answered with a single word such as yes or no. The best use of closed questions is to establish or confirm facts (e.g. 'Does that mean ……?' or 'Do you ……?')

The role of the auditor(s) is to effectively establish how the site is:

- meeting the objectives outlined in the statement of intent at the top of each section of the Standard
- implementing the requirements of the Standard appropriately and consistently.

The audit is not just about asking if a set process has been followed, but about assessing if the process is appropriate, effective and consistently achieved, using a series of probing questions. For example, the audit is not just asking 'Has the site got an HACCP plan?', but 'How does the site know the plan is correct?', 'How have the company ensured all the hazards have been considered?' and 'How does the company know all the critical limits are set to the correct level?' or 'Are the outputs from the plan (e.g. CCPs or pre-requisites) operating as intended?'. This is followed by additional auditing (e.g. to check that the plan is implemented effectively, and records are available).

3.3.2 Interviewing the senior manager

In addition to the site senior manager attending the opening and closing meeting it is useful for the auditor to discuss and understand site policies relating to Section 1 of the Standard (Senior management and continual improvement). For example:

- Discussion of company policy and objectives and how these are rolled out and communicated to the company.
- Methods for remaining up to date (e.g. to meet clause 1.1.6).
- Product safety culture (i.e. to meet clause 1.1.2 - refer to section 3.5 below).
- Training policy (i.e. section 5 of the Standard).

Implementation of these activities should be followed up during other sections of the audit, for example, is there evidence that objectives or strategy are communicated as discussed? Is the discussion on training policy reflected in the training documents reviewed? Are necessary resources available in practice?

A similar situation exists with all documents, especially those associated with the safety and quality management system (Refer to section 3 of the Standard). Documents only have value if they are used, consistently in practice. Therefore, the auditor will compare documents (e.g. procedures and records) with actual practice in production and storage areas (Refer to 3.2 below for further information on this process).

3.3.3 Additional offices and remote workers

Where a company has multiple office locations and all product safety and quality management documentation can be reviewed at the head (or central) office, then it may be possible to audit the additional offices remotely without the auditor physically visiting each individual office.

In these circumstances it is vital that the audit includes the operations of each individual office and that the auditor/certification body have complete confidence that each individual office complies with the full requirements of the Standard.

Therefore, the interview with the additional office must not be the whole audit for that office, it is simply verification of information that should have already been seen at other steps in the audit.

Therefore, throughout the audit, the auditor must:

- access sufficient records and procedures to demonstrate the operation of the systems and the accuracy and completeness of relevant record-keeping at each specific office
- complete at least one vertical audit for a product handled or managed through each office location – it is often useful to ask one of the staff from the additional office to talk through the results of the vertical audit for that office
- interview relevant staff. The purpose of this interview is to question staff on specifics relating directly to documents, processes or activities already assessed and to obtain clarity on any points raised while auditing the systems (i.e. it is identical to the type of interview that would be completed during an on-site audit). It can also be usefully used to discuss interaction between offices and communication about product safety, mechanisms for ensuring compliance with company policies, etc.

Scheduling of discussions with additional office locations will in part depend on the role of the office and time zone differences.

A similar situation exists where there are remote workers who do not routinely attend the office location but whose activities are relevant to the scope of the audit. The audit will include some discussions with the relevant staff, but this is not to be considered the entire audit, but verification point within the audit process. It is not necessary for a separate vertical audit to be completed for every remote worker, only for each additional office location.

3.4 Product Safety Culture

A fundamental factor in the management of product safety is the culture which prevails at the site. The product safety culture is the shared attitudes, values and beliefs relating to the importance of the product safety processes used at the site, and the systems available to report any concerns relating to product safety. It is an important aspect of the operation, however, much of this culture can be subjective in nature and difficult to include within the scope of a BRCGS audit. Therefore, the Standard focuses on the requirement for a plan to develop and continually improve product safety culture. The auditor can then assess objective measures that the site is proceeding according to their plan. As a minimum the company plan must include:

- defined activities involving all sections of the company that have an impact on product safety
- activities related to:
    - communication within both the supply chain and the company
    - training
    - feedback from employees
    - performance measurement on product safety and quality-related activities
- an indication how the activities will be undertaken and measured
- intended timescales for completion of activities.

The size and complexity (or simplicity) of the company should not be a barrier to a successful culture, although it is likely to influence the activities incorporated into the product safety and quality culture plan. For example, in a small company with 2 – 3 staff, communications and staff feedback will probably be conducted differently from a company of 50+ staff. The Standard is not prescriptive on the methods of communication used, or the format of the evidence to demonstrate compliance.

It is acceptable for the plan to cross-reference other workstreams where these are operating, for example, a company may already be operating an effective personal development plan which can be incorporated into the culture plan.

It is possible that a single site plan will span several years. In this situation, in the first-year auditor would assess whether the business have a plan and are introducing the planned activities in accordance with this plan. In subsequent years, auditor would also assess progress on those plans, the site's review of the completed activities, etc.

Initially, culture and the culture plan are discussed with a senior manager (refer to 3.3.2). However, having a policy document, set of objectives or plan on the wall or in a file does not, on its own, add value to the site. The key consideration for the auditor, is whether the site plans to maintain and develop their culture are implemented around the site and whether the plan influences company activity. The auditor will therefore discuss these topics with the senior manager and look for evidence in other areas to understand if the implementation has occurred in practice. The auditor may also discuss elements of culture with staff. For example, have training, communication, feedback mechanisms, etc. been developed according to the plan? Are they operating effectively in practice? Are there records to support/demonstrate this?

It is therefore good practice for the auditor to consider this requirement throughout the various stages of the audit, and to review and draw conclusions towards the end of the audit (i.e. after other relevant sections have been completed).

3.5 Vertical audit and traceability

The principle of the vertical audit is that all the activities that contributed to the trade of a specific batch of the product can be audited for conformity with the site's procedures and the Standard. Vertical audits are therefore extremely useful auditing techniques, facilitating:

- a test of the site's traceability (i.e. to enable the auditor to trace and follow specific batches of product from the immediate supplier, through all stages of the process, to the customer).
- a review and confirmation of the accuracy of the process flow diagram
- a test of the site's ability to manage and demonstrate mass balance
- the sampling of a wide range of documents and records (i.e. to allow the auditor to examine all the records associated with a specific batch of product, including any critical control point records, product monitoring, storage arrangements, dispatch/delivery records, customer complaints, etc. It is also an opportunity to review specific site procedures for managing service providers rather than just a random selection.

- comparison of documents from different parts of the process to confirm they are correctly aligned. For example:
    - do the specifications cover relevant product safety, authenticity, legality and quality details?
    - does the customer's specification match the purchase specification?
    - have (where applicable) customer specific requirements been incorporated into purchasing specifications and communicated to the supplier?
    - How does the site verify that the product meets specification (e.g. clauses 4.4.1/4.4.2 of the Standard)?
- the opportunity to review product labelling (i.e. to audit the company's processes for design, communication and verification of labels and/or product information to ensure legality and safe use by the customer). It is important to note that the auditor is not validating or verifying the label and will not complete a full legal review but will seek to confirm that the site processes are operating effectively and accurately.

During the audit, the auditor will select a product(s), date(s) and/or batch code(s) for the traceability assessment and vertical audit. The product(s) selected should be currently traded and are generally products that were manufactured two – five months previously. Older products are generally not selected as systems may have changed during the intervening period. Very recently manufactured products should not be chosen to ensure the traceability archive system operates correctly.

It is important that the product selection process is controlled by the auditor. The selection may be based on a purchased product, use of sales documents, products advertised or other suitable means of selection to choose a specific batch of product for the test. The auditor may decide to complete the traceability in either direction - 'backwards' or 'forwards' (i.e. the traceability may commence with a batch of product delivered to a customer and work backwards to the supplier of the product or may start with a batch of product dispatched by a supplier and trace the batch through all the stages of the process until it reaches the customer(s)).

The auditor will assess the site's ability to trace the specific batch of product through its processes, including any subcontracted processes.

In addition, the vertical audit will examine the records and procedures that demonstrate that the product was handled correctly and in accordance with the site's policies and procedures.

As traceability is both a legislative requirement and an important risk management tool (i.e. facilitating the withdrawal or recall of products identified as unsafe) it is vital that the traceability system works at all stages of the process, that records are retained in a suitable format and that traceability can be completed in a timely manner. The site should inform the auditor when the traceability documents are ready to be reviewed.

Information relating to other steps in the supply chain (e.g. records from suppliers, haulage companies, subcontracted storage providers or customers) are not expected to be held onsite but, in the event of an incident, must be available to the site within a suitable period to allow timely action.

It should be noted that the Standard is not prescriptive on the tools used or types of traceability system, providing the company can demonstrate that an effective system is in operation.

Where a material is purchased from another agent or broker, the Standard requires (clause 4.1.4) the site to know the identity of the last manufacturer, packer or, for bulk materials, the place of consolidation. The ultimate aim of this requirement is to ensure that the site obtains sufficient information to enable the approval of the last processor of the product, the last point of packing or the consolidation place, unless the agent or broker is itself certificated to the Global Standard Agents and Brokers or the wholesale module of the Global Standard Storage and Distribution or the traded products section of the Global Standard Food Safety (as appropriate).

The requirements of these Standards ensure that effective systems for supplier approval and traceability are in place, removing the need for the site to seek further approval.

Where a company has more than one office location within the scope of a single audit, then at least one vertical audit will be completed for a product traded or managed by each of these office locations.

Appendix 1 shows an example checklist for the traceability and vertical audit, showing typical documents that may be required.

It is important that someone from the site who understands the traceability explains the documents and records to the auditor.

3.6 Mass balance (Quantity Check)

The vertical audit will also include a mass balance/quantity check. A quantity check or mass balance is defined as a reconciliation of the amount of incoming material against the amount sold to customers, taking into account any waste or surplus product. It is important that the company can complete an accurate quantity check as during a recall or withdrawal the company will need to complete stock reconciliation. The reconciliation would compare the amount of implicated product with the amounts known to have been destroyed, returned or retained in storage. An example of a mass balance calculation is shown in Figure 6 below:

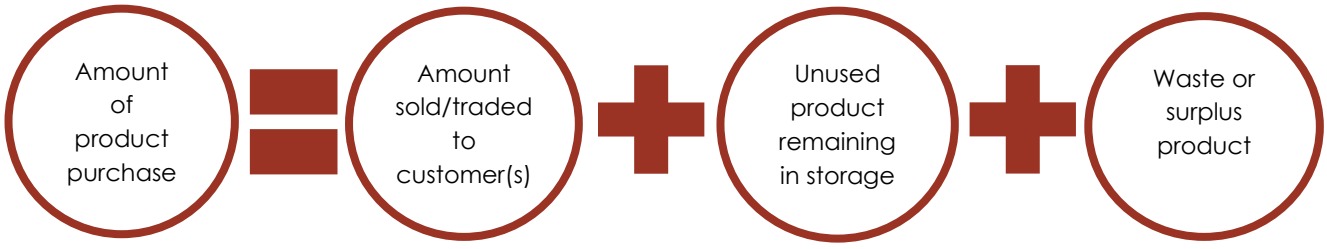

Figure 6: Example of a mass balance calculation.

Sites will complete a mass balance check as part of their traceability tests, as well as during the BRCGS audit. The mass balance calculation is usually undertaken following the process outlined below in Figure 7.

Figure 7: Mass balance calculation process

As with traceability and vertical audits it is possible to complete a mass balance in either direction i.e.:

- as shown in the diagram above (starting from purchased product and establishing where it went)
- from the amount delivered to a customer and tracing back to establish if sufficient material was purchased/ordered. This process is often useful as a claims verification activity or when investigating non-conforming product.

Product delivered to customers should never significantly exceed the quantities of purchased/ordered. The company shall justify any discrepancies and demonstrate understanding of the nature of any variance.

For some operations, especially agents with a very simple process, the mass balance may not include all of these points, if for example, volume of product purchased always equals quantity ordered by a single customer. In these cases it may be possible to demonstrate mass balance using records of quantity ordered by customer, quantity ordered from supplier and quantity delivered to customer.

3.7 The closing meeting

The audit will conclude with a closing meeting attended by a member of the senior management team. In addition to the reasons explained for an opening meeting, the closing meeting ensures there is an opportunity for the senior management team to discuss and understand any non-conformities.

The meeting must be long enough to:

- thank the relevant parties
- reconfirm the scope of the audit and briefly summarise the activities that have been completed during the audit
- review positive findings and improvements compared with the previous audit
- repeat the information on any non-conformities identified during the audit and discuss in sufficient detail to ensure the site understands the nature of the non-conformity and is aware of the expectation for corrective action, root cause analysis and preventive action
- highlight where additional resources are located for the site to use (i.e. BRCGS Participate for guidelines and certification body documentation).
- confirm the next steps of the audit process - the expected timings for the site to respond to non-conformities (28 days unless this is an initial audit at the site), the production of the audit report and certification decision
- explain that the audit report should be uploaded to the BRCGS Directory
- ensure information is available regarding the Compliance Programme and feedback options such as the certification body appeal process, Tell BRCGS and the site survey
- it is often useful to reconfirm confidentially.

It should be noted that auditors are unable to confirm the audit result or grading since the non-conformities are verified by a technical review process by the certification body management, and grading is dependent on the satisfactory completion of corrective action and root cause analysis by the site.

Appendix 1 – Example Checklist for a vertical audit

It is often useful for a company to create a summary or check list of the documents that should be referenced during a vertical audit; the aim being to minimise potential delays or failing to identify the complete set of relevant documents. The example below is not an exhaustive list as the exact document list will depend on the processes operated by the site, in this example the site receives orders arranges supplier/manufacturer, storage of products and transport:

Product:		
BATCH OR LOT CODE:		
All documents must relate to the specific product and batch identified by the auditor.		
Process Step	**Typical Documents**	**Y/N**
Orders and Supplier Management	Customer order, specification and requirements	
	Product risk assessment	
	Supplier approval records	
	Product specification	
	Traceability and quantity records including batch/lot codes	
	Specific product safety, legality and customer requirements	
	Certificates of conformance/analysis	
Storage	Contract or Terms and Conditions	
	Management of product safety controls at the storage facility	
	Product defence/security assessment controls	
	Vulnerability assessment and controls	
	Dispatch/product release procedure and records	
	Traceability records	
Product safety and legality control points	Label verification procedure and records	
	Claims validation	
	Shelf-life validation and management	
	Product test results	
Transport	Batch information and quantity	
	Contract or Terms and Conditions	
	Management of product safety controls at the storage facility	
	Product defence/security assessment controls	
	Vulnerability assessment and controls	
	Product release procedure and records	
	Traceability records	