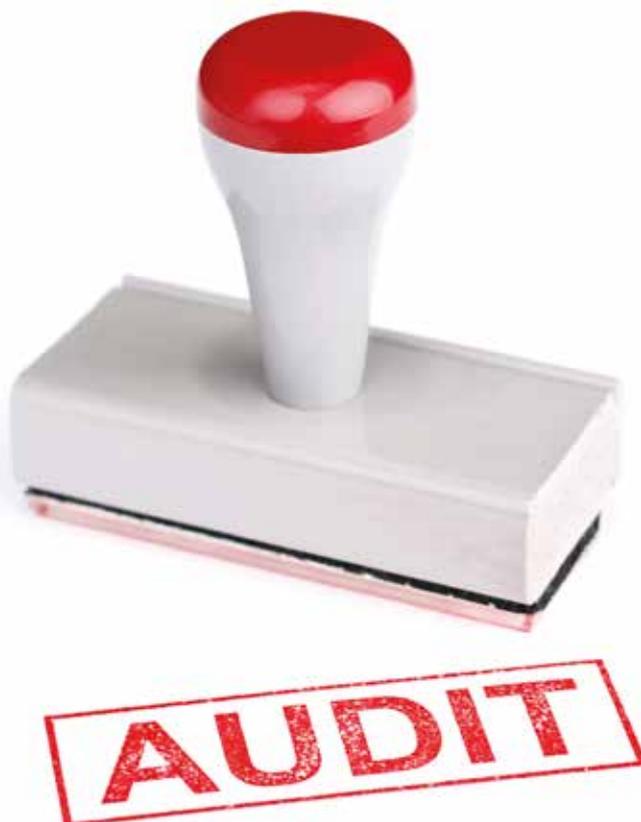


GLOBAL STANDARD FOOD SAFETY

STUDY OF BRC UNANNOUNCED AUDITS

JUNE 2015



CONTENTS

THE SURVEY

Introduction
The survey: challenges and impacts of unannounced audits
Survey results
Non-conformities and grades
Impact of unannounced audits
Comments received by the survey
Conclusions
Recommendations for sites

APPENDICES

Appendix 1 The survey questionnaire

Appendix 2 Unannounced audit protocol: Option 1 – full unannounced audit

2.1 Audit planning
2.2 The on-site audit
2.3 Non-conformities and corrective action
2.4 Grading of the audit
2.5 Audit reporting
2.6 Certification
2.7 Ongoing audit frequency and recertification

Appendix 3 Unannounced audit protocol: Option 2 – two-part unannounced audit

3.1 Audit planning
3.2 The on-site audits
3.3 Non-conformities and corrective action
3.4 Grading of the audit
3.5 Audit reporting
3.6 Certification
3.7 Ongoing audit frequency and recertification

Appendix 4 Contact information

THE SURVEY

INTRODUCTION

In 2008, the BRC Global Standard for Food Safety Issue 5 introduced a voluntary unannounced audit. In 2011, Issue 6 of the BRC Global Food Standard continued with the option, although the voluntary nature of the option became restricted. In 2013, the UK retailer ASDA mandated that all suppliers of store-brand products should undertake unannounced audits, details of which can be found in Appendices 2 and 3, and on the BRC website www.brcglobalstandards.com

Additionally, the BRC Global Standards are introducing the same type of unannounced audit protocol for the Global Standard for Packaging and the Global Standard for Storage and Distribution, both of which are recognized by the Global Food Safety Initiative (GFSI).

During the calendar year 2014, just under 1,000 individual sites undertook BRC unannounced certification audits, primarily in Europe, although with a significant number in other regions. The BRC performed a survey of the sites involved in the unannounced audit programme, requesting information from all the sites involved, and obtaining results from 283 (approximately 25% of the participating sites). The survey was anonymous in nature; 84% of the respondents undertook unannounced audits at the customer's request, while 42% have had more than one unannounced audit.

The BRC Global Standard for Food Safety is the leading GFSI-recognized certification programme for manufacturers of food and food ingredients. It is globally utilized and recognized, with more than 18,000 individually certified sites at the end of 2014. The BRC Packaging, and Storage and Distribution Standards are industry-leading certification programmes for those respective industries that support the food industry. The BRC Global Standard for Agents and Brokers is the newest addition to the suite of Standards, currently being implemented and audited around the world.

Based on responses to the survey, Table 1 illustrates how many individual sites undertook a specific number of unannounced audits, up to the end of the calendar year 2014.

Table 1: Percentage of respondents to the BRC unannounced audit survey

| THE NUMBER OF YEARS A SITE HAS UNDERTAKEN UNANNOUNCED AUDITS | RESPONSES | PERCENTAGE OF SURVEY RESPONDENTS |
|--|------------|----------------------------------|
| 1 | 163 | 57.6 |
| 2 | 92 | 32.5 |
| 3 | 13 | 4.6 |
| 4 | 5 | 1.7 |
| 5 | 3 | 1.1 |
| 6 | 4 | 1.4 |
| 7 | 3 | 1.1 |
| Total | 283 | 100 |

THE SURVEY: CHALLENGES AND IMPACTS OF UNANNOUNCED AUDITS

UNANNOUNCED DEFINED

Going into an evaluation of unannounced audit programmes requires a clear definition of the term 'unannounced', as within the industry, even within GFSI-benchmarked Standards, the definition varies significantly.

The BRC Global Standards unannounced programme has the following requirements:

- Sites must opt into the unannounced programme (informing their certification body) within 3 months of their last audit (leaving a 9-month potential window).
- The audit may be performed within months 4 to 12 in the annual cycle, although typically it is performed in months 9 to 12 (the last 4 months of the cycle).
- At the time of application into the programme, the site may nominate a maximum of 15 days (10 days for the BRC unannounced audit Option 2) where it is unavailable for audit.
- There is no warning or prior notice allowed for the audit dates.
- The auditor must begin the production floor portion of the audit within 30 minutes of arrival at the site.

OTHER UNANNOUNCED AUDIT NOTES

In addition to meeting the above requirements, the following notes apply:

- Audit duration and identification of non-conformities all remain as specified in the announced programme.
- Grades are differentiated by the addition of a plus (+) after the grade (e.g. A+).
- Prior to entering the unannounced programme, the target audit and expiry dates are 'fixed' and not varied around the actual unannounced audit dates.
- As with announced audits, all non-conformities must be fully closed within 28 days of the actual audit in order to gain certification status.

CHALLENGES PRESENTED BY THE AUDITS

Unannounced audits presented their own particular challenges to both sites and certification bodies:

- Seasonality of production, non-consistent production and variable schedules required sites to periodically update their status with the certification body, so that effective audit timing could be planned.
- Remote locations, or those with limited services, required certification bodies to ensure enough information was obtained from the sites to plan the logistics of the audit.
- The accuracy and quantity of information provided by the site to the certification body were critically important in ensuring a successful audit.

IMPACT ON CERTIFICATION BODIES

Certification bodies typically found that unannounced audits provided a more effective utilization of auditor resources, allowing location-based scheduling and in some cases reducing travel costs.

Auditor resources could be more effectively utilized through the unannounced programmes, somewhat smoothing out issues with auditor capacity limitations.

BRC GLOBAL STANDARDS DIRECTORY

The BRC Directory is a database of all BRC certification audits, with enhanced interrogation and reporting capabilities. By interrogating the data held by the Directory, the BRC can assess the value added by unannounced audits, along with numerous other assessments

SURVEY RESULTS

Table 2 summarises the condensed data from the survey. The full survey questions can be found in Appendix 1.

Table 2: Summary of data from the survey questionnaire

| Question | Sites | % |
|---|------------|------|
| PRIMARY REASON FOR UNANNOUNCED | | |
| External – customer requirement | 238 | 84.1 |
| Internal – food safety best-practice policy | 41 | 14.5 |
| Internal – commercial policy | 4 | 1.4 |
| Total number of responses | 283 | |
| FOOD SAFETY IMPACT | | |
| Minor | 102 | 36.0 |
| Negative impact | 7 | 2.5 |
| None | 109 | 38.5 |
| Significant | 65 | 23.0 |
| Responses | 283 | |
| COMMERCIAL IMPACT | | |
| Minor | 119 | 42.0 |
| Negative impact | 2 | 0.7 |
| None | 80 | 28.3 |
| Significant | 78 | 27.6 |
| Responses | 279 | |
| FINANCIAL IMPACT | | |
| Cost beneficial | 11 | 3.9 |
| Minor additional costs | 94 | 33.2 |
| No additional costs | 138 | 48.8 |
| Significant cost | 40 | 14.1 |
| Responses | 283 | |
| DURATION IMPACT | | |
| Beneficial | 41 | 14.5 |
| Negative | 47 | 16.6 |
| Neutral | 195 | 68.9 |
| Responses | 283 | |
| THOROUGHNESS IMPACT | | |
| Beneficial | 63 | 22.3 |
| Negative | 18 | 6.4 |
| Neutral | 202 | 71.4 |
| Responses | 283 | % |
| OVERALL IMPACT | | |
| Beneficial | 143 | 50.5 |
| Negative | 37 | 13.1 |
| Neutral | 103 | 36.4 |
| Responses | 283 | |

SURVEY RESULTS

Table 2: Summary of data from the survey questionnaire continued

| Question | Sites | % |
|--|------------|------|
| WAS THE UNANNOUNCED AUDIT A MORE ACCURATE REFLECTION THAN THE ANNOUNCED? | | |
| Less accurate | 12 | 4.2 |
| More accurate | 143 | 50.5 |
| Neutral | 128 | 45.2 |
| Responses | 283 | |
| DID THE UNANNOUNCED AUDIT CHANGE YOUR APPROACH TO FOOD SAFETY? | | |
| No | 243 | 85.9 |
| Yes | 31 | 11.0 |
| Responses | 274 | |
| WERE YOU CONCERNED THAT YOU WOULD ACHIEVE A LOWER GRADE? | | |
| No | 151 | 53.4 |
| Yes | 132 | 46.6 |
| Responses | 283 | |
| WOULD YOU OPT FOR AN UNANNOUNCED AUDIT IN THE FUTURE? | | |
| No | 164 | 58.0 |
| Yes | 119 | 42.0 |
| Responses | 283 | |
| WOULD YOU PREFER YOUR OWN EXTERNAL SUPPLIERS TO OPT FOR AN UNANNOUNCED AUDIT? | | |
| No preference | 126 | 44.5 |
| No, announced preferred | 29 | 10.2 |
| Not applicable, no BRC-certificated external suppliers | 14 | 4.9 |
| Not applicable, no external suppliers | 13 | 4.6 |
| Yes | 101 | 35.7 |
| Responses | 283 | |

FIGURE 1 NUMBER OF MINOR NON-CONFORMITIES IDENTIFIED PER AUDIT

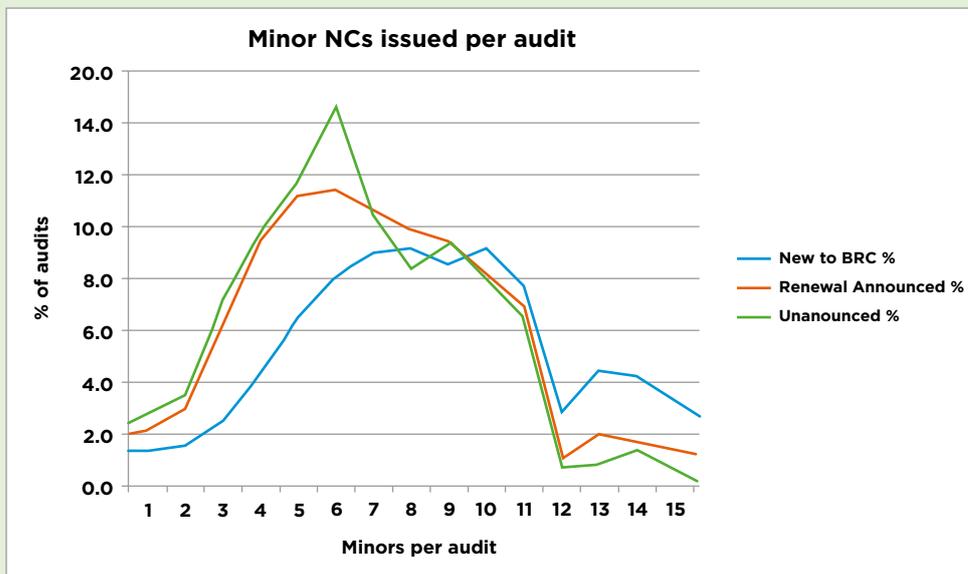


Figure 1 illustrates the number of minor non-conformities identified. Table 3 shows the same data in tabular form.

Table 3: Number of minor non-conformities identified per audit

| MPA | NEW TO BRC % | RENEWAL ANNOUNCED % | UNANNOUNCED % |
|-----|--------------|---------------------|---------------|
| 0 | 1.4 | 2.2 | 2.8 |
| 1 | 1.6 | 3.0 | 3.5 |
| 2 | 2.5 | 6.2 | 7.2 |
| 3 | 4.4 | 9.5 | 9.9 |
| 4 | 6.5 | 11.2 | 11.8 |
| 5 | 8.1 | 11.4 | 14.6 |
| 6 | 9.0 | 10.7 | 10.4 |
| 7 | 9.2 | 9.9 | 8.4 |
| 8 | 8.5 | 9.5 | 9.3 |
| 9 | 9.2 | 8.3 | 8.3 |
| 10 | 7.7 | 6.9 | 6.4 |
| 11 | 2.8 | 1.1 | 0.8 |
| 12 | 4.5 | 2.0 | 0.9 |
| 13 | 4.3 | 1.8 | 1.4 |
| 14 | 3.3 | 1.4 | 0.6 |
| 15+ | 17.1 | 4.8 | 3.8 |

NON-CONFORMITIES AND GRADES

The study shows that, when renewing certification, those sites utilizing the unannounced audit programme were 9% more likely to achieve a grade A than those opting for announced audits. This is most likely due to the enhanced preparation and more thoroughly developed food safety culture adopted by the site in readiness for the unannounced audit.

Non-conformities identified are typically similar in both announced and unannounced audits; there is no significant trend in the area of finding.

IMPACT OF UNANNOUNCED AUDITS

Based on the results of the survey, sites (suppliers) generally felt a benefit to food safety in undertaking the audit unannounced, with limited additional potential or realised costs and minor negative commercial impact. There was no perceived impact as a result of the duration of the audit, or the thoroughness with which the inspection was carried out.

About 50% of the sites felt the unannounced programme was beneficial to their site, while 36% felt it had no benefit, and only 13% thought there was a negative impact. Overwhelmingly, 85% of the sites considered that the approach did not alter their approach to food safety, and 50% of sites thought that the unannounced audit provided a better reflection of their operation (in addition, another 45% felt it provided the same perspective of their operation).

When asked about continuing with an unannounced audit programme, 42% of sites would choose to continue, while 58% said they would revert to an announced and planned audit date programme. In assessing the value of unannounced audits for their own suppliers, 36% would prefer their own suppliers to undertake unannounced audits, and an additional 45% had no preference.

COMMENTS RECEIVED BY THE SURVEY

The following represent a range of comments made by the participants in the survey:

- The auditors see that our site is the same either it is announced or unannounced. We constantly keep the high focus on food safety.
- More accurate reflection of the site than an announced audit
- Factory is audit-ready. Focus on standards and systems 100% of the time from all departments.
- The standard is owned by all – not just technical
- Allows the factory to drive through an audit-ready system and it is more realistic to how the factory works on a daily basis
- Always being 'audit-ready'
- For us it is a barometer of how well we are doing for making improvements to the site
- Genuine challenge on food safety/GMP standards and ensures all the team own the audit (as TM may not be on site)
- Helps drive home 'audit ready every day' culture through the business
- Ensures succession planning/greater sharing of responsibility for the audit across the operations team
- We are now ready for any kind of audit, any day of the year. Our documentation is always up to date
- More engagement with our staff
- There are no benefits for us as a site, the 4-month audit window is a very stressful thing. We do it simply to comply to a customer requirement
- It is a more realistic snapshot of the factory
- Keeps the business on its toes, ensures everyone is correctly doing their jobs
- The factory staff are more conscious and are audit-ready everyday
- Raising standards and helping maintain an 'audit ready' state at all times rather than just dedicating time to prepare for an announced audit
- A more robust audit

CONCLUSIONS

Prior to entering an unannounced audit programme, sites were concerned about the impact on their business (grades, non-conformities and concerns over key staff not being present) and costs (the need to have more staff versed in food safety systems, the risk of missed audits, and scheduling issues). After at least one round of unannounced audits, the issues ceased to exist for the most part. The additional effort put into staff and systems to make them more robust (either through direct intent or experience with the audit protocol) appeared to promote the food safety culture and a sense of ownership of the programmes throughout the organization.

Certification bodies have taken on the organization and management of the unannounced audit programme, mitigating most potential scheduling concerns.

Media, public opinion and many customers have long questioned the announced nature of most audit protocols, expressing their concerns that they may not be an accurate representation of the true operational state of a manufacturing site. This study of unannounced audits meet customer expectations and where sites make the cultural changes required have no deleterious effect on grading.

RECOMMENDATIONS FOR SITES

In order to gain the most benefit from an unannounced audit, the following recommendations may be considered:

- Ensure that food safety is part of the roles and responsibilities for each department, with ownership made clear through senior management.
- Internal audits are a key success factor; they should be utilized as a tool for improvement and the development of a food safety culture throughout the organization. Training and development in the skills of internal auditing are a valuable resource throughout the organization, and beyond food safety.
- Ensure that as much back-up as is feasible is developed within the organization. The knowledge and expertise can be managed regardless of the size of the organization. (Smaller operations are typically less complicated, the pre-unannounced position that duplication of skills was not possible has been shown not to be a factor; approximately 40% of BRC-certified sites are small operations.)
- Sites that take the outlook of certification to the BRC as a tool for driving food safety and the associated culture is far more beneficial to sites than the view that certification is the end in itself.

FOOD SAFETY

BRC STUDY OF UNANNOUNCED AUDITS **APPENDICES**

APPENDIX 1: SURVEY QUESTIONNAIRE

APPENDIX 2: UNANNOUNCED AUDIT PROTOCOL: OPTION 1 - FULL UNANNOUNCED AUDIT

APPENDIX 3: UNANNOUNCED AUDIT PROTOCOL: OPTION 2 - TWO-PART UNANNOUNCED AUDIT

APPENDIX 4: CONTACT INFORMATION

APPENDIX 1

SURVEY QUESTIONNAIRE

| UNANNOUNCED SURVEY QUESTIONS | RESPONSE OPTION | RESPONSE OPTION | RESPONSE OPTION | RESPONSE OPTION |
|---|---------------------------------|---|------------------------------|------------------|
| Which country is your unannounced audit site in? | Free text | | | |
| How many times have you been audited against a BRC Global Standard? | Free text | | | |
| How many of those audits have been unannounced? | Free text | | | |
| What was the primary reason for opting for an unannounced audit? | External - Customer requirement | Internal - Food safety best practice policy | Internal - Commercial policy | |
| Describe the Food Safety impact of introducing unannounced BRC audits at your facility. | Significant | None | Minor | Negative impact |
| Describe the commercial impact of introducing unannounced BRC audits at your facility. | Significant | None | Minor | Negative impact |
| Describe the financial impact of implementing unannounced BRC audits at your facility. | Cost beneficial | No additional costs | Minor additional costs | Significant cost |
| Overall impact of unannounced BRC audits at your facility | Beneficial | Neutral | Negative | |
| Impact of the unannounced audit on the duration of the audit at your facility. | Beneficial | Neutral | Negative | |
| Impact of the unannounced audit on the thoroughness of the audit at your facility. | Beneficial | Neutral | Negative | |
| Do you feel that the unannounced audit gives a more accurate reflection of your site than an announced audit? | More accurate | Neutral | Less accurate | |
| What do you see as the main benefits of an unannounced audit? | Free text | | | |
| What do you see as the main disadvantages of an unannounced audit? | Free text | | | |
| Did opting for an unannounced audit change your approach to food safety in your site? | Yes | No | | |
| If answered Yes, list which areas you changed. | Free text | | | |
| Prior to your first unannounced audit, were you concerned that you would achieve a lower grade as a result of entering the unannounced program? | Yes | No | | |
| If customer requirements were not a factor, would you opt for an unannounced audit in the future? | Yes | | | |
| Where possible, would you prefer that your own external suppliers opt for an unannounced audit. | Yes | No | No | |
| Approximately how many external suppliers do you use? | Free text | | | |
| What were the lessons learned regarding being the focus of an unannounced audit? | Free text | | | |
| Where there any unforeseen, or unexpected benefits or outcomes of the unannounced audit? | Free text | | | |
| Please share any other thoughts or questions about the unannounced audit program | Free text | | | |
| This survey is anonymous. However if you would like your responses to be contextually associated to your site, please provide your site code | Free text | | | |

APPENDIX 2

UNANNOUNCED AUDIT PROTOCOL: OPTION 1 – FULL UNANNOUNCED AUDIT

This option involves a single unannounced audit against all of the requirements of the Standard. The date of the audit shall not be notified to the site in advance of the audit. The audit will be unannounced and replace the normal scheduled audit. Although the audit may occur at any stage between months 3 and 12 of the audit due date, this shall typically be within the last 4 months of the certification cycle.

2.1 AUDIT PLANNING

2.1.1 Selection of the unannounced audit option 1 programme

The site shall notify its certification body within 3 months of the last audit date of its intention to join or remain within the unannounced audit programme. This allows the opportunity for the site to select an alternative certification body if required while allowing the audit to be undertaken at a time of the certification body's choosing.

2.1.2 Preparation by the company

The actual audit date will not be provided by the certification body and it is therefore important that the site has arrangements in place to receive an audit and facilitate the audit process.

Success at an unannounced audit relies upon the ability of the site to share information and knowledge within the site, to have effective deputies to cover in the absence of a particular manager, and a shared responsibility within the management team for food safety and compliance with the Standard.

2.1.3 Information to be provided to the certification body for audit preparation

The site shall supply the certification body with background information prior to the audit day to ensure the auditor(s) is fully prepared and to 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:

- a summary of critical control points (CCPs)
- the process flow diagram
- a simple site plan
- the management organisational chart
- the list of products or product groups included within the audit scope
- typical shift patterns
- production schedules, to allow audits to cover relevant processes (e.g. night-time manufacture or where production processes are not carried out each day)
- recent quality issues, withdrawals or customer complaints and other relevant performance data.

The company shall make the previous year's audit report and certificate available to the certification body, where this is a contract with a new certification body.

As the audit will be unannounced it is likely that the certification body will also require additional information to plan for the logistics of the audit process. This may include:

- recommended local hotels
- specific site directions, site entrance requirements, car parking
- a list of contacts when first arriving on site
- specific protective clothing arrangements
- any specific security arrangements to follow to gain access to the site.

2.1.4 Nominating non-audit days

The unannounced option 1 programme allows sites the opportunity to nominate 15 days when the site is not available for an audit. The dates must be provided at least 4 weeks in advance and the reason must be provided (e.g. a planned customer visit). The certification body may challenge the reason where this does not appear appropriate.

Days when the factory is not operating (e.g. weekends, public holidays, planned shutdowns for site holidays or maintenance) are not included within the 15 days. Any such non-production days shall be notified to the certification body when opting into the unannounced scheme.

Certification bodies are expected to operate discretion in the case of emergencies.

It is a condition of electing to join the unannounced scheme that the auditor shall be granted access to the site for the audit on arrival. If access is denied the site will be liable for the auditor's costs and will revert to the announced audit scheme. At the discretion of the certification body, the existing certificate may also be suspended or withdrawn.

2.1.5 Audit duration

Sufficient information shall have been provided to the certification body when selecting this option to allow for the selection of an auditor with the correct category qualifications and to allow sufficient time for the audit. The audit duration shall be calculated using the BRC audit calculator and the same time shall be allowed for the unannounced audit as would be expected for the usual announced audit.

The typical duration of an audit is 2 to 3 days (8 hours/day) at the site. A calculator has been developed to assess the expected time required to undertake the audit of any particular site to ensure consistency and this shall be used as the basis for calculating the total audit duration. Full details can be found on the BRC Global Standards website (www.brcglobalstandards.com).

The calculation for the audit duration is based on:

- the number of employees – as full-time equivalent employees per main shift, including seasonal workers
- the size of the manufacturing facility – including storage facilities on site
- the number of HACCP studies included within scope – a HACCP study corresponds to a family of products with similar hazards and similar production technology for the purpose of the calculator.

It is recognised that other factors may also influence the calculation but are considered to be less significant and therefore shall not influence the audit duration by more than 30% from the total calculated audit time. These factors include:

- the complexity of the manufacturing process
- the number of product lines
- the age of the site and impact on material flow
- the labour-intensity of processes
- communication difficulties (e.g. language)
- the number of non-conformities recorded in the previous audit
- difficulties experienced during the audit requiring further investigation
- the quality of site preparation (e.g. documentation, HACCP, quality management systems).

If additional storage facilities, locations or head office assessments are included within the audit process, then additional time shall be allocated for this over and above that indicated in the audit calculator.

In the event that the audit against this Standard includes voluntary BRC modules or is intended to be combined with other audit Standards, the total audit time will need to be appropriately extended. Details of combined audits shall be specified on the audit report.

The calculation for audit duration shall determine the amount of time to be expected to undertake the audit at the site. Additional time will be required for the review of any documentary evidence provided and completion of the final audit report.

Deviation from the calculated audit timeframe must be justified and specified on the audit report.

The expected audit duration shall be notified to the site by the certification body in advance of the audit.

2.2 THE ON-SITE AUDIT

Sites opting for the unannounced scheme shall be obliged to accommodate the auditor and allow the audit to start immediately on arrival at the site. The audit process will follow the same procedures as outlined for an announced audit. There will be a short opening meeting after which the site production facility inspection will be expected to commence within 30 minutes of the auditor arriving on site.

The on-site audit consists of the following seven stages:

- Opening meeting – to confirm the scope and process of the audit.
- Production facility inspection – to review practical implementation of the systems, including observing product changeover procedures, and interview of personnel.
- Document review – a review of the documented HACCP and quality management systems.
- Traceability challenge – including a review of all relevant records of production (e.g. raw material intake, production

records, finished product checks and specifications). This is a vertical audit – as specified within the BRC guidance document on audit techniques.

- Review of production facility inspection – to verify and conduct further documentation checks.
- Final review of findings by the auditor(s) – preparation for the closing meeting.
- Closing meeting – to review audit findings with the site. (Note that non-conformities are subject to subsequent independent verification by the certification body management.)

The site shall fully assist the auditor(s) at all times. It is expected that at the opening and closing meetings those attending on behalf of the site will be senior managers who have the appropriate authority to ensure that corrective action can be progressed if non-conformities are found. The most senior operations manager on site or their nominated deputy shall be available at the audit and attend the opening and closing meetings.

The audit process gives emphasis to the practical implementation of food safety procedures and general good manufacturing practices. It is expected that approximately 50% of the audit will be spent auditing production and site facilities, interviewing staff, observing processes and reviewing documentation in production areas with the relevant staff.

During the audit, detailed notes shall be made regarding the site's conformities and non-conformities against the Standard and these will be used as the basis for the audit report. The auditor(s) shall assess the nature and severity of any non-conformity and shall discuss this with the accompanying manager at the time.

At the closing meeting, the auditor(s) shall present their findings and reconfirm all non-conformities that have been identified during the audit, but shall not make comment on the likely outcome of the certification process. Information on the process and timescales for the site to provide evidence to the auditor(s) of the corrective action to close non-conformities must be given. A written summary of the non-conformities discussed at the closing meeting will be documented by the auditor(s) either at the closing meeting or within one working day after completion of the audit.

At the closing meeting the auditor(s) shall provide the site with an explanation of the BRC Global Standards Directory, which allows secure access to audit data to both the client and their nominated customers, together with the feedback systems available to communicate with the certification body and with BRC.

The decision to award certification and the grade of the certificate will be determined independently by the certification body management, following a technical review of the audit report and the closing of non-conformities in the appropriate timeframe. The company will be informed of the certification decision following this review.

2.3 NON-CONFORMITIES AND CORRECTIVE ACTION

Non-conformities and corrective actions are the same as for the announced audit scheme.

2.4 GRADING OF THE AUDIT

The process for grading is the same as for the announced audit scheme. The grade awarded following certification shall be based on the number and level of non-conformities, as outlined in Table 1. Note that the grade will have the addition of a plus symbol after the grade (i.e. AA+, A+, B+, C+ or D+).

2.5 AUDIT REPORTING

The audit reporting requirements are the same as for the announced audit scheme. However, the report shall state 'Unannounced option 1'.

2.6 CERTIFICATION

The certification requirements are the same as for the announced audit scheme. However, the certificate shall state 'Unannounced option 1'.

This certificate will supersede the existing certificate. The certificate shall be issued within 42 days of the audit and will have an expiry date based on the expiry date of the previous certificate plus 12 months, providing the site remains within the unannounced audit scheme. If the site decides to return to the announced audit programme, the certificate expiry date will be based 6 or 12 months from the date of the unannounced audit.

This ensures that where the audit occurs before the expiry of the current certificate and the site remains within the unannounced scheme it is not disadvantaged by a shorter certificate life and increased frequency of audits.

2.7 ONGOING AUDIT FREQUENCY AND RECERTIFICATION

2.7.1 Scheduling re-audit dates

The site can choose whether to:

- remain within the unannounced option 1 programme
- transfer to the unannounced option 2 programme
- revert to the announced audit programme.

If the site wishes to remain in the option 1 programme the next audit will be unannounced. The audit may occur at any

stage from 3 months after the last audit date through to 42 days prior to the certificate expiry date; however, this shall typically be within the last 4 months of the certification cycle. This allows sufficient time for corrective action to take place in the event of any non-conformities being raised without jeopardising continued certification.

It is the responsibility of the certification body to ensure that the audit is undertaken within the certification window and the late audit non-conformity clause shall not apply.

If the site opts to move to the unannounced option 2 programme the rules for that programme will apply and the announced systems audit will occur within the 28-day window based on the initial audit date.

If the site wishes to withdraw from the unannounced audit programme, the next audit will be scheduled to occur within the 28 days up to and including the anniversary of the last audit date; this ensures that the maximum time between audits is not more than a year.

2.7.2 Seasonal production sites

The option 1 unannounced programme may be applied to seasonal production sites. The following rules will, however, apply:

- The expected seasonal production dates shall be notified to the certification body at the time of choosing the unannounced scheme.
- No dates may be excluded within the production season.

The audit due dates for some sites producing seasonal products may occur towards the beginning of the product's season and this could limit the dates available to carry out unannounced audits before the end of the re-audit window. Therefore, in the first year that the site is within the unannounced option 1 scheme the audit window is extended to allow the unannounced audit to be carried out up to 6 weeks after the audit due date. There will be no penalty for late audits.

The subsequent next audit due date and the certificate expiry date (42 days later) shall be based on the typical season end date agreed between the site and the certification body. In practice this will mean the issue of a certificate with duration of more than 1 year on occasions.

Unannounced audits in year 2 may then occur at any date during the season and meet normal certification rules.

APPENDIX 3

UNANNOUNCED AUDIT PROTOCOL: OPTION 2 – TWO-PART UNANNOUNCED AUDIT

The option 2 unannounced audit scheme divides the audit requirements into two separate audits. The first audit looks predominantly at the issues considered to be factory-based good manufacturing practices and is carried out as an unannounced audit. The second audit is predominantly based on reviewing documentation and records and can be planned to ensure the appropriate management staff are available to retrieve and discuss the records.

The requirements of the Standard are colour coded to identify the requirements which would be audited during different audit visits.

The planned part 2 audit allows this part of the audit to be combined with other planned certification audits where these are used to reduce audit costs.

3.1 AUDIT PLANNING

3.1.1 Selection of the unannounced audit option 2 programme

The site shall notify its certification body within 3 months of the last audit date of its intention to join or remain within the unannounced audit programme. This allows the opportunity for the site to select an alternative certification body if required while allowing the audit to be undertaken at a time of the certification body's choosing.

The unannounced part 1 audit shall occur at any stage between months 6 and 10 of the audit cycle (i.e. 2 to 6 months before the audit due date). This allows sites to correct any non-conformities identified at the audit to enable these to be reviewed at the part 2 audit.

The part 2 audit of documentation and records shall be planned to occur in the 28 days up to and including the anniversary of the last audit date (i.e. in the same time window as an announced audit). The date for this audit is agreed with the site in advance of the audit.

3.1.2 Preparation by the company

The audit process for the option 2 scheme involves two separate audit visits and preparation for each may be slightly different.

Part 1 Unannounced audit

The actual audit date for the unannounced good manufacturing practices audit will not be provided by the certification body and it is therefore important that the site has arrangements in place to receive an audit and facilitate the audit process.

Success at an unannounced audit relies upon the ability of the site to share information and knowledge within the site, to have effective deputies to cover in the absence of a particular manager, and a shared responsibility within the management team for food safety and compliance with the Standard.

Part 2 Announced audit

The second half of the audit is a planned audit primarily auditing the documented systems and records. It is important that the relevant managers or deputies are available to assist in providing information required for the success of the audit. The part 2 audit will also include a visit to the factory and review of actions taken following the previous part 1 unannounced audit.

The site shall ensure that the production programme at the time of the audit covers products for the intended scope of the certification. Where possible, the widest range of these products shall be in production for the auditor(s) to assess. Where a product type or processing method was not in production at the time of the part 1 unannounced audit then every effort should be made to ensure this is in production for the part 2 audit.

Where a significant production process is undertaken only during a different period of the year from either audit, a further separate audit will be required to assess that production method.

3.1.3 Information to be provided to the certification body for audit preparation

This is as per unannounced audit option 1 (see section 1.1.3).

3.1.4 Nominating non-audit days

The unannounced option 2 programme allows sites the opportunity to nominate 10 days when the site is not available for an audit. The dates must be provided at least 4 weeks in advance and the reason must be provided (e.g. a planned customer visit). The certification body may challenge the reason where this does not appear appropriate.

Days when the factory is not operating (e.g. weekends, public holidays, planned shutdowns for site holidays or maintenance) are not included within the 10 days. Any such non-production days shall be notified to the certification body when opting into the unannounced scheme.

Certification bodies are expected to operate discretion in the case of emergencies.

It is a condition of electing to join the unannounced scheme that the auditor shall be granted access to the site for the audit on arrival. If access is denied the site will be liable for the auditor's costs and will revert to the announced audit scheme. At the discretion of the certification body, the existing certificate may also be suspended or withdrawn.

3.1.5 Audit duration

Sufficient information shall have been provided to the certification body when selecting this option to allow for the selection of an auditor(s) with the correct category qualifications and to allow sufficient time for the audit. The total audit duration (i.e. parts 1 and 2) shall be calculated using the BRC audit calculator and the same total time shall be allowed for the unannounced audit option 2 as would be expected for the usual announced audit. The time for the part 2 audit may be adjusted based on the findings from the unannounced part 1 audit; for instance, more time may be required if there are a large number of non-conformities with corrective actions to review following the part 1 audit.

The typical total audit duration is 2 to 3 days (8 hours/day) at the site with the time divided evenly between the part 1 and part 2 audits. A calculator has been developed to assess the expected total time required to undertake the audit of any particular site to ensure consistency and this shall be used as the basis for calculating the total audit duration. Full details can be found on the BRC Global Standards website (www.brcglobalstandards.com).

The calculation for the audit duration is based on:

- the number of employees – as full-time equivalent employees per main shift, including seasonal workers
- the size of the manufacturing facility – including storage facilities on site
- the number of HACCP studies included within scope – a HACCP study corresponds to a family of products with similar hazards and similar production technology for the purpose of the calculator.

It is recognised that other factors may also influence the calculation but are considered to be less significant and therefore shall not influence the audit duration by more than 30% from the total calculated audit time. These factors include:

- the complexity of the manufacturing process
- the number of product lines
- the age of the site and impact on material flow
- the labour-intensity of processes
- communication difficulties (e.g. language)
- the number of non-conformities recorded in the previous audit or part 1 audit
- difficulties experienced during the part 1 audit requiring further investigation
- the quality of site preparation (e.g. documentation, HACCP, quality management systems).

If additional storage facilities, locations or head office assessments are included within the audit process then additional time shall be allocated for this over and above that indicated in the audit calculator.

In the event that the audit includes voluntary BRC modules or is intended to be combined with other audit Standards, the total audit time will need to be appropriately extended. Voluntary modules shall be audited as part of the part 2 audit and additional time shall be added to this part of the audit. Details of combined audits shall be specified on the audit report.

The calculation for audit duration shall determine the amount of time to be expected to undertake the audit at the site. Additional time will be required for the review of any documentary evidence provided and completion of the final audit report.

Deviation from the calculated audit timeframe must be justified and specified on the audit report.

The expected audit duration shall be notified to the site by the certification body in advance of the audit.

3.2 THE ON-SITE AUDITS

3.2.1 Part 1 Unannounced audit

Sites opting for the unannounced scheme shall be obliged to accommodate the auditor and allow the audit to start immediately on arrival at the site. The audit process will be focused on the production facility and some supporting documentation required to complete a particular audit trail. It is expected that after a brief opening meeting the auditor will start the production facility audit within 30 minutes of the auditor arriving on site.

The part 1 unannounced audit will focus largely on the clauses identified with the following colour code within the Standard:

| | | |
|--|--|--|
| Requirements assessed on part 1 – audit of good manufacturing practice | | |
| Requirements assessed on both parts 1 and 2 | | |

The part 1 unannounced audit consists of the following stages:

- Opening meeting – to confirm the scope and process of the audit.
- Production facility inspection – to review practical implementation of the systems, including observing product changeover procedures, and interview of personnel.
- A review of documentation needed to complete the audit trail (e.g. pest control records).
- Final review of findings by the auditor(s) – preparation for the closing meeting.
- Closing meeting – to review audit findings with the site. (Note that non-conformities are subject to subsequent independent verification by the certification body management.)

3.2.2 Part 2 Announced audit

The part 2 announced audit will focus largely on the clauses identified with the following colour code within the Standard:

| | | |
|---|--|--|
| Requirements assessed on part 2 – audit of records, systems and documentation | | |
| Requirements assessed on both parts 1 and 2 | | |

The part 2 documentation audit consists of the following stages:

- Opening meeting – to confirm the scope and process of the audit.
- Production facility inspection – to review the factory standards and in particular the corrective actions taken in response to non-conformities identified during the part 1 audit.
- Document review – a review of the documented HACCP and quality management systems.
- Traceability challenge – including a review of all relevant records of production (e.g. raw material intake, production records, finished product checks and specifications). This is a vertical audit – as specified within the BRC guidance document on audit techniques.
- Final review of findings by the auditor(s) – preparation for the closing meeting.

- Closing meeting – to review audit findings with the site. (Note that non-conformities are subject to subsequent independent verification by the certification body management.)

The site shall fully assist the auditor(s) at all times. It is expected that at the opening and closing meetings those attending on behalf of the site will be senior managers who have the appropriate authority to ensure that corrective action can be progressed if non-conformities are found. The most senior operations manager on site or their nominated deputy shall be available at the audit and attend the opening and closing meetings.

During both parts of the audit, detailed notes shall be made regarding the site's conformities and non-conformities against the Standard and these will be used as the basis for the audit report. The auditor(s) shall assess the nature and severity of any non-conformity.

At the closing meetings the auditor(s) shall present their findings and reconfirm all non-conformities that have been identified during the audit, but shall not make comment on the likely outcome of the certification process. Information on the process and timescales for the company to provide evidence to the auditor(s) of the corrective action to close non-conformities must be given. A written summary of the non-conformities discussed at the closing meeting will be documented by the auditor(s) either at the closing meeting or within one working day after completion of each part of the audit.

At the final closing meeting the auditor(s) shall provide the site with an explanation of the BRC Global Standards Directory, which allows secure access to audit data to both the client and their nominated customers, together with the feedback systems available to communicate with the certification body and with the BRC.

The decision to award certification and the grade of the certificate will be determined independently by the certification body management, following a technical review of the audit report and the closing of non-conformities in the appropriate timeframe. The company will be informed of the certification decision following this review.

3.3 NON-CONFORMITIES AND CORRECTIVE ACTION

Non-conformities and corrective actions are the same as for the announced audit scheme.

Evidence of the action taken to correct non-conformities identified at the part 1 audit shall be submitted to the certification body within 28 days of the part 1 audit and will be subject to further review at the part 2 audit.

If a critical non-conformity and/or the number and level of non-conformities identified at the part 1 audit would result in the failure to achieve a certificate, the existing certificate for the site shall be immediately withdrawn.

3.4 GRADING OF THE AUDIT

The process for grading is the same as for the announced audit scheme.

The grade awarded following certification shall be based on the number and level of non-conformities, as outlined in Table 1. Note that the grade will have the addition of a plus symbol after the grade (i.e. AA+, A+, B+, C+ or D+).

The grade awarded is based on the combination of non-conformities identified at the part 1 and the part 2 audits. Although the non-conformities identified on the part 1 audit should have been corrected before the part 2 audit, these shall be included in calculating the grade.

3.5 AUDIT REPORTING

The audit reporting requirements are the same as for the announced audit scheme. However, the report shall state 'Unannounced option 2'.

The full audit report will include information and non-conformities identified at both the part 1 and part 2 audits. The final report will not be produced until after completion of the part 2 audit.

3.6 CERTIFICATION

The certification requirements are the same as for the announced audit scheme. However, the certificate shall state 'Unannounced option 2'.

This certificate will supersede the existing certificate. The certificate shall be issued within 42 days of the part 2 audit and will have an expiry date based on the expiry date of the previous certificate plus 12 months, providing the site remains within the unannounced audit scheme. If the site decides to return to the announced audit programme, the certificate expiry date will be 6 or 12 months depending upon the grade achieved.

3.7 ONGOING AUDIT FREQUENCY AND RECERTIFICATION

3.7.1 Scheduling re-audit dates

The site can choose whether to:

- remain within the unannounced option 2 programme
- transfer to the unannounced option 1 programme
- revert to the announced audit programme.

If the site wishes to remain in the option 2 programme, the audits will be undertaken as indicated by the audit planning rules above.

If the site opts to move to unannounced option 1, the rules for that programme will apply and the full unannounced audit will occur between 3 and 12 months after the initial audit date.

If the site wishes to withdraw from the unannounced audit programme, the next audit will be scheduled to occur within the 28 days up to and including the audit due date indicated on the certificate.

It is the responsibility of the certification body to ensure that the unannounced part 1 audit is undertaken within the audit window. It is the responsibility of the company to ensure that the announced part 2 audit takes place within the certification window to avoid the late audit non-conformity clause.

3.7.2 Seasonal production sites

The option 2 unannounced programme may be applied to seasonal production sites. The following rules will, however, apply:

- The expected seasonal production dates shall be notified to the certification body at the time of choosing the unannounced scheme.
- No dates may be excluded within the production season.
- Where the option 2 scheme is chosen, the documentation and systems audit will take place first at a pre-arranged date at least 28 days before the expected start to the season to allow for completion of any corrective actions. The part 1 good manufacturing practice audit will be carried out as an unannounced audit during the season.

The audit due dates for some sites producing seasonal products may occur towards the beginning of the product's season and this could limit the dates available to carry out the unannounced audit before the end of the re-audit window. Therefore, in the first year that the site is within the unannounced scheme the audit window is extended to allow the unannounced audit to be carried out up to 6 weeks after the audit due date. There will be no penalty for late audits.

The subsequent next audit due date and the certificate expiry date (42 days later) shall be based on the typical season end date agreed between the site and the certification body. In practice this will mean the issue of a certificate with duration of more than 1 year on occasions.

Unannounced audits in year 2 may then occur at any date during the season and meet normal certification rules.

APPENDIX 4**CONTACT INFORMATION**

For more information about BRC, contact:

British Retail Consortium
Second Floor
21 Dartmouth Street
London
SW1H 9BP

Tel: +44 (0) 20 7854 8900

Fax: +44 (0) 20 7854 8901

Email: enquiries@brcglobalstandards.com

Website: www.brcglobalstandards.com