

# AUDITS IN THE FOOD INDUSTRY

The NSW Food Authority is responsible for regulating food production and food safety throughout NSW and has an obligation under the *Food Act 2003* and *Food Regulation 2015* to conduct audits in certain licensed food businesses.

## Licensed industries

The Food Regulation 2015 requires that certain industry sectors are licensed with the NSW Food Authority. These include:

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

The Food Authority undertakes regular audits and inspections of all licensed businesses.

## The licensing and audit process

To ensure the regulations are being implemented by licensed businesses, the Food Authority:

- licenses a business to operate
- ensures that all new licensees can demonstrate effective long term compliance by undergoing additional licensing audits when first licensed
- provides guidelines to businesses on how to implement and maintain a food safety program
- provides information on food legislation and food safety programs, and

- conducts routine audits of licensed food businesses to check that there is a food safety program in place and that food safety is being maintained to a specified level.

## Why are the audits necessary?

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

- ensure public health and safety, and
- ensure compliance with Food Regulation 2015 and the Food Standards Code.

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

## The audit

### What is in the audit?

During an audit, the audit officer will check that:

- there is a food safety program
- all food handling operations have been analysed to identify any critical food safety hazards and procedures put in place to control those hazards
- there are descriptions of all products handled by the business
- there are work instructions and procedures
- there are monitoring forms and they are up-to-date
- the business has designated supervisors and workers responsible for specific jobs



Department of  
Primary Industries  
Food Authority



- there is a good manufacturing process which includes hygiene, chemical storage, pest control, training, product recall, internal review and customer complaint handling procedures, and
- the food business is complying with their food safety program and any relevant legislative requirements.
- food handlers have satisfactorily completed the required training to ensure safe food production and to promote a safe food culture within the business.

### How is the audit outcome determined?

The authorised officer has a list of elements (e.g. process control and hygiene and sanitation) that have to be checked. If an element is not of an acceptable standard, the officer will allocate a certain number of points. The number of points allocated will depend on whether the officer rates the element to be ‘critical’, ‘major’ or ‘minor’. The points allocated for each of the categories are:

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

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

**Table 1: Rating a business**

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

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

## New Licensees

To ensure that all new licensees can demonstrate long term compliance with legislative requirements, they will be subject to an increased audit frequency (as outlined in Table 2) prior to moving to routine audits as part of the compliance audit model.

The increased audit frequency also applies to existing licensed low risk businesses that apply for a high risk licence permission to produce ready-to-eat foods.

**Table 2: Licensing audit model for new licensees**

First licensing audit rating	Second licensing audit		
	Priority 1*	Priority 2*	
A	6 months	6 months	Progress to compliance audit model
B	3 months	6 months	
C	3 months	3 months	
D or E	1 month	1 month	Food Authority to determine further action

*\*Priority classifications are applied to each NSW food business with Priority 1 being “high risk”, and Priority 4 being “low risk”. More information on the Priority Classification System can be found on the Food Authority’s website.*

Once a food business can demonstrate long term compliance under the licensing audit model, they then move to the compliance audit model where routine audits will be undertaken.

## Compliance Audit Model

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

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

**Table 3: Compliance audit frequency of businesses with acceptable or marginal audits**

Rating	Priority 1	Priority 2
A	12 months	24 months
B	6 months	12 months
C	3 months	6 months

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

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

**Table 4: Compliance audit frequency of businesses with unacceptable audits**

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

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

The business has to rectify the problem(s) identified in the audit process.

If the rating is unacceptable in the follow up or additional audits, the officer may issue a penalty notice (PN)

About the NSW Food Authority: The NSW Food Authority is the government organisation that helps ensure NSW food is safe and correctly labelled. It works with consumers, industry and other government organisations to minimise food poisoning by providing information about and regulating the safe production, storage, transport, promotion and preparation of food.

Note: This information is a general summary and cannot cover all situations. Food businesses are required to comply with all of the provisions of the Food Standards Code and the *Food Act 2003* (NSW).

and/or an improvement notice.

If the business does not rectify the issues in the improvement notice, the Food Authority may issue a prohibition order or the owner may be asked to show cause why their licence should not be cancelled.

The Food Authority will determine what further action is required for new businesses operating under the licensing audit model who fail to achieve a D or E rating for their second licensing audit.

### More information

- visit the NSW Food Authority's website at [www.foodauthority.nsw.gov.au/industry](http://www.foodauthority.nsw.gov.au/industry)
- phone the helpline on 1300 552 406