Ministry for Primary Industries
Manatū Ahu Matua

Guidance Document

Export Performance Based Verification Reporting

Animal Products Act 1999

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A guidance document issued by the Ministry for Primary Industries

New Zealand Government

Title

Guidance Document: Export Performance Based Verification Reporting

About this document

(1) Currently there are a range of legal instruments that describe what information is required in Animal Products Export PBV Audit Reports.

(2) This Guidance document is designed to explain what these are with reference to relevant legislation, and how these should be reported.

(3) The following are not covered by this Guidance document:

a) Verification of live animals and germplasm
b) Operations subject to a regulated control scheme which does not expressly provide that the verification regime set out in the Animal Products (Export Verification Requirements) Notice 2011 applies to that scheme.

Related requirements

(1) Export PBV Report Requirements for all sectors are covered in the following instruments:

a) Animal Products (Export Verification Requirements) Notice 2011

(2) Specific Dairy PBV Report Requirements are covered in the following instruments:

a) Animal Products (Dairy Recognised Agency and Recognised Persons Specifications) Notice 2011 Number 2
b) Animal Products (Dairy Processing Specifications) Notice 2011
c) DPC 1: Animal Products (Dairy): Approved Criteria for General Dairy Processing
d) DPC 2: Animal Products (Dairy) Approved Criteria for Farm Dairies
e) DPC 3: Animal Products (Dairy): Approved Criteria for the Manufacturing of Dairy Material and Product
f) DPC 4: Animal Products (Dairy): Approved Criteria for Storage and Transportation of Dairy Material and Products
g) Animal Products (Recognised Agencies and Persons Specifications) Notice 2011
h) Animal Products (Dairy) Approved Criteria for Recognition of Agencies and Persons

(3) Existing Guidance: Animal Products Export Verification Programme

Document history

Previous Version Date	Current Version Date	Section Changed	Change(s) Description
N/A	12.11.2014		

Contact details

MPI Food Assurance team at: Food.Assurance@mpi.govt.nz

Disclaimer

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1 Purpose

There are several reasons to improve the standard and consistency of export-related PBV Reports compiled by Animal Product business verifiers. The most obvious ones are to enable:

a) The operator to clearly and easily understand the report, its outcome, and any required corrective actions.
b) Easy, quick and accurate analysis of the report by MPI to ensure:
    i) Effective and efficient performance monitoring of RAs & operators
    ii) Accurate and timely performance reporting to government.
c) The potentially very large secondary audience to understand and effectively use PBV reports. This audience includes:
    i) Interested parties within the same company as the audited premises,
    ii) Other directly affected NZ stakeholders,
    iii) Overseas authorities, and
    iv) Overseas parties with commercial interest.
d) Effective and efficient monitoring of a sample of PBV reports for compliance with MPI requirements (see list of relevant legislation).
e) Auditors of MPI's Animal Products regulatory system, who may not be totally familiar with each RA's verification and reporting system, to:
    i) Easily understand the content and intent of the report, and
    ii) Determine if it follows MPI and/or overseas market requirements.

2 Background

(1) MPI reviews have found the content of PBV reports, in particular executive summaries, is inconsistent between agencies, sometimes inaccurate, and may omit essential information.

(2) Most likely as a consequence of this, usefulness of information in PBV Report executive summaries also varies.

(3) The Purpose section of this Guidance outlines several important reasons to improve the standard and consistency of PBV Reports. In particular, improved content and layout of reports enables MPI to better meet its legal obligation to ensure PBV reporting complies with requirements.

3 Definitions

In this Guidance document, unless the context otherwise requires—

acceptable outcome means the verifier is satisfied—

a) that the operator is substantially complying with all applicable regulatory requirements, and
b) where there have been any departures from those requirements, that the operator's corrective actions have been, or are, appropriate and effective;

Act means Animal Products Act 1999 unless otherwise stated;

compliance refers to all aspects of confirming that products, facilities, people, programmes, and systems meet regulatory requirements and, where applicable, export requirements issued under section 60 of the Act;

corrective action means action taken to rectify, eliminate the causes of, and prevent recurrence of any problem/failure/non-compliance identified in a plan, procedure, process, product, programme, or system;

evaluate means the process of independent external assessment of the validity of a risk management programme for the purposes of providing an independent report under section 20 [Applications for registration of programmes] (2)(b) of the Act;

external verification means the process of verification of activities conducted under a risk management programme by a recognised verifier;

operator in relation to an animal product business, means the owner or other person in control of the business;

PBV means Performance Based Verification;

premises means a building, together with its land and outbuildings, occupied by a business; considered in an official context;

RA: recognised agency (or verification agency) means an agency recognised under section 101 of the Act for the purposes of supplying verifiers to verify animal product businesses;

RP: Recognised person or recognised verifier means a person recognised under section 103 of the Act to verify operations that are subject to a risk management programme, regulated control scheme, standards and specifications, or export requirements;

recognised evaluator means a person recognised under section 103 of the Act to perform risk management programme evaluation functions and activities;

reports and **reporting** refer to PBV audit reports unless otherwise stated;

Section 25 of the Act refers to: Significant amendments to the risk management programme;

Section 26 of the Act refers to: Updates of minor amendments to risk management programmes;

unacceptable outcome means the verifier has determined that the operator is not in substantial compliance with all applicable regulatory requirements; and

verification includes the ongoing checks carried out by recognised persons to determine whether-

a) operations that are subject to a risk management programme or a regulated control scheme are in compliance with the requirements of the programme or the scheme or of this Act; and
b) animal material or products for whose export an official assurance is required have been produced or processed in a way that meets the requirements for the official assurance.

4 Export PBV Reporting Requirements

4.1 Summary of Requirements for all Export PBV Reports

4.1.1 All Export PBV reporting is to meet the following requirements:

a) Provide a written report as soon as practicable following verification:
    i) Premises with full-time verifier presence, a monthly written report must be provided to the operator (Clause 12(1), Animal Products (Export Verification Requirements) Notice 2011,
    ii) Premises with less than full-time (also known as circuit) verifier presence reporting is 'as soon as practicable following verification' (Clause 13(2) Export Verification Requirements Notice).
    iii) Refer to the Export Verification Programme for some suggested timeframes
b) Report the outcome of the verification visit (as "acceptable" or "unacceptable").
c) Include recommendations, requirements, or follow-up actions to ensure or improve compliance.
d) Centrally record verification reports and outcomes for performance monitoring and audit purposes.

4.1.2 All Export PBV reports are to include Risk Management Programme verification reporting

Export PBV Reports are expected to include RMP Verification reporting in accordance with the following requirements:

a) Dairy Premises: Refer to: Animal Products (Dairy Processing Specifications) Notice 2011, Clause 12 Performance Measurement of Dairy Processors.
b) All Premises: Refer to Animal Products (Export Verification Requirements) Notice 2011, Clause 13 (3); and Animal Products (RMP Specifications) Notice 2008, clause 17.

4.1.3 Providing Export PBV Reports to MPI

Clause 13 (3) of the Animal Products (Export Verification Requirements) Notice 2011 requires Recognised Agencies that operate an animal product verification service to:

a) Operate a system whereby verification reports and outcomes are centrally recorded for performance monitoring and audit purposes, and
b) Make all verification information relating to animal product businesses, which is reasonably necessary to enable official assurances to be issued, available to authorised persons issuing official assurances and verifiers approving official assurance supporting documentation.

4.2 Additional Requirements and Guidance for Specific Examples of Export PBV Reports

4.2.1 Requirements from Dairy Processing Specifications

The Animal Products (Dairy Processing Specifications) Notice 2011 requires:

a) History of complete, accurate and timely reporting to the accreditation body and MPI.
b) Registration of the risk management programme.
c) Evaluation status of risk management programme and its components.
d) Amendments notified in accordance with sections 25 and 26 of the Act.
e) Status of the risk management programme HACCP plan.
f) Verification of compliance with the risk management programme.
g) The agency obtains written authority from its clients to report relevant information about them to MPI.
h) All reports are sent to MPI (fax & e-mail acceptable if sent by an authorised signatory).

4.2.2 Export Verification Programme: Guidance for all Premises

The Export Verification Requirements Notice does not specify further reporting requirements for non-dairy premises. MPI suggests that MPI VS verifiers follow the guidance in the Export Verification Programme 2009; this guidance does not have to be followed by non-MPI verifiers unless incorporated into conditions of recognition or similar.

The Export Verification Programme says:

(1) For non-dairy Premises with fulltime verifier presence a written report must be provided to the Verification Agency and operator by the first working day of the following month. The report should cover:

a) Any deficiencies and the follow up actions to be undertaken by the verifier to confirm that the operator has addressed each deficiency, and
b) A summary of the monthly verification activity including:

i) verification of the risk management programme,

ii) follow-up actions from the previous month,
iii) any regulatory market access reviews that occurred within the month,
iv) mandated frequencies,
v) any other matters requested by the Recognised Agency Technical Manager, and:

- the outcome of the monthly verification activity, and
- the performance level assigned and any consequences.

(2) For non-dairy premises without fulltime supervision on completion of a verification visit, the verifier must inform the operator in writing of:

a) Any deficiencies found during the verification visit, and
b) The likely outcome of the verification visit, and
c) The consequential change to the verification interval, if any in accordance with Schedule 3, and
d) The intended date of next routine verification (this does not prevent unscheduled verifications).

4.3 Best Practice PBV Reporting Recommendations

The Ministry for Primary Industries recommends that Export PBV Reports follow these best practice guidelines. These are not legal requirements but make Reports easier to understand for MPI and others:

a) Define acronyms and important terms.
b) Explain the different compliance ratings.
c) Compose report so the following is present:

i) a Disclaimer,
ii) a Confidentiality statement,
iii) plain English principles are applied for grammar, spelling, sentence construction, paragraphing, report layout,
iv) active language used (rather than passive language),
v) reports cannot be altered, but can still be read and copied,
vi) total page numbers (important for hard copies).

5 Further Detail: Requirements for Dairy Export PBV Reporting

All PBV reports for dairy premises that export are also required by legislation to comply with requirements in the following sub-sections (5.1 to 5.4).

5.1 Animal Products (Dairy Recognised Agency and Recognised Persons Specifications) Notice 2011 Number 2

Part 3 Performance Based Verification, paragraph (2) (e) requires a history of complete, accurate and timely reporting to the accreditation body and MPI.

5.2 Animal Products (Dairy Processing Specifications) Notice 2011

Paragraph 12 Performance Measurement of Dairy Processors requires the following performance standards to be assessed:

a) Registration of the risk management programme.
b) Evaluation status of risk management programme and its components.
c) Amendments notified in accordance with sections 25 and 26 of the Act.
d) Status of the risk management programme HACCP plan.

e) Verification of compliance with the risk management programme.
f) Complete, accurate and timely reporting (within 10 days of verifier follow up for other than full-time verifiers).
g) Management of critical non-compliances.

5.3 Animal Products (Dairy) Approved Criteria for Recognition of Agencies and Persons 2011

Paragraph 6.5.4 Reporting, General requirements requires that:

a) The agency reports information accurately and in a timely manner.
b) The agency obtains written authority from its clients to report relevant information about them to MPI.
c) All reports are sent to MPI (fax & e-mail acceptable if sent by an authorised signatory).

5.4 Additional Criteria for Dairy Products and Processes

Additional criteria for the dairy sector are set out in four Approved Dairy Processing Criteria: DPC 1, 2, 3, & 4. These criteria are issued under the Animal Products (Dairy Processing Specifications) Notice 2011.

These criteria must be applied as appropriate in the dairy sector.

6 Further Detail: Requirements for Non-dairy Export PBV Reporting

6.1 PBV Reporting Requirements for Non-dairy Premises with full time verifier presence

Clause 12 of the Animal Products (Export Verification Requirements) Notice 2011 requires that the verifier must:

a) Give the operator a written verification report and outcome on a monthly basis, and
b) Determine the monthly verification outcome according to the level of operator compliance with New Zealand standards (eg RMP/RCS systems), general export requirements and overseas market requirements, relating to the animal product business being verified.

7 Existing Guidance

7.1 The Export Verification Programme

The Animal Products Export Verification Programme is guidance for implementing the legal requirements set out in the Export Verification Requirements Notice. The following sub-sections summarise applicable parts of the Export Verification Programme:

7.1.1 Reporting responsibilities of verifiers: Premises that do not have Fulltime Recognised Agency Supervision

Clause 19 of the Animal Products Export Verification Programme suggests that on completion of a verification visit, the verifier should:

a) Inform the operator in writing of:

   i) any deficiencies found during the verification visit, and
   ii) the likely outcome of the verification visit, and
   iii) the consequential change to the verification interval, if any in accordance with Schedule 3, and
   iv) the intended date of next routine verification (this does not prevent unscheduled verifications, see clause 17 of this programme).

b) Advise the Recognised Agency Technical Manager as soon as practical if there is an unacceptable outcome. The Recognised Agency Technical Manager, unless otherwise specified, must advise the Director (Compliance and Investigation), as soon as practical, if adverse effects on human health or export certification are likely; and

c) After completing any follow-up activities, provide a written report to the recognised verifying agency and the operator no later than 10 working days.

7.1.2 Reporting responsibilities: Accountable persons for monthly verification activities – fulltime verifier presence

Clause 32 of the Export Verification Programme states: A written report must be provided to the Verification Agency and operator by the first working day of the following month. The report should cover:

a) any deficiencies and the follow up actions to be undertaken by the verifier to confirm that the operator has addressed each deficiency, and

b) a summary of the monthly verification activity including:

   - verification of the risk management programme,
   - follow-up actions from the previous month,
   - any regulatory market access reviews that occurred within the month
   - mandated frequencies
   - any other matters requested by the Recognised Agency Technical Manager, and

c) the outcome of the monthly verification activity, and

d) the performance level assigned and any consequences.

8 Appendices: Explanation

8.1 Guidance for Recognised Agency PBV Report Structure

Appendix 1 outlines how the information to be reported should be structured. This is not to be regarded as a template but Guidance so that RA templates can be adapted where necessary.

8.2 Objective data provided to MPI with PBV Audit Reports

Appendix 2 lists the objective data MPI needs to receive, as well as MPI having access to all PBV Reports to facilitate their review. Ministry for Primary Industries representatives will review with each RA how this information is currently provided. The immediate preference is for it to be provided in spreadsheet format.

For analysis of the non-compliance summary MPI will need to calibrate one-to-one with representatives from each Recognised Agency

An ideal future scenario would be for RAs to input this directly into an MPI online database to avoid double-handling of the data, reducing errors and increasing efficiency.

Appendix 1: Guidance for Recognised Agency PBV Report Structure

(1) Report the required information so it can be readily retrieved by those permitted to access it. For example, include a brief description of the RMP scope as well as the required information.

(2) This means including:

a) An Executive Summary at the start of the report (which may include tabular and/or textual styles). For example:

i) All Reports:

– background information about the RMP, ie physical and operational features, size & scale, complexity & so on
– staff & processing changes
– impressions from the audit about overall operator performance
– the outcome of the verification visit (as "acceptable" or "unacceptable")
– recommendations, requirements, or follow-up actions to ensure or improve compliance
– Overview of the risk management programme status, which includes consideration of:

- registration of the risk management programme
- evaluation status of risk management programme and its components
- amendments notified in accordance with sections 25 and 26 of the Act
- status of the risk management programme HACCP plan
- verification of compliance with the risk management programme.

ii) Premises with fulltime verifier presence

– any deficiencies and the follow up actions to be undertaken by the verifier to confirm that the operator has addressed each deficiency
– a summary of the monthly verification activity including:

- verification of the risk management programme
- follow-up actions from the previous month
- any regulatory market access reviews that occurred within the month
- mandated frequencies
- any other matters requested by the Recognised Agency Technical Manager,
- the outcome of the verification visit (as "acceptable" or "unacceptable").

– recommendations, requirements, or follow-up actions to ensure or improve compliance.

iii) Premises without full-time verifier presence

– any deficiencies found during the verification visit,
– the consequential change to the verification interval, if any, and
– the intended date of next routine verification (this does not prevent unscheduled verifications).

b) The body of the report which includes all detail about verification scope and findings, deficiencies and required corrective actions, and so on.

Appendix 2: Objective data provided to MPI with PBV Audit Reports

Data type	Detail (in dropdown box?)	Further Breakdown
Report sent to MPI	Yes No	
Audit Date	Actual	
Report Date	Actual	
PBV Step – at audit	Step No.	
PBV step – following audit	Step No.	
Audit Type	PBV OMAR Announced Unannounced Unscheduled Other	Could select more than one?
Audit outcome	Acceptable Unacceptable	Reason (see function affected)
Unacceptable audit – follow up	Closed Unclosed	If unclosed, reasons
Non-compliance summary	Serious non-compliance Non-compliance Observation [Relate to individual RA ratings]	Reasons (see function affected)
Verification of compliance with RMP **Suggested components include:** RMP registered RMP & components Evaluation status RMP amendments notified in accordance with sections 25 and 26 of the Act RMP HACCP plan status	Yes No	If No: Free text