What has changed?
Audit Standard

Ministry for Primary Industries
Manatū Ahu Matua

Background

The requirements in the audit standard are designed to provide MPI the confidence that the various components of the phytosanitary certification system have been effectively audited. Auditing is consistent with the principles behind the Regulatory Model for the delivery of phytosanitary certification services through IVAs and MAOs. These audits are primarily conducted by IVAs (on behalf of MPI) of the MAO's that deliver phytosanitary services (e.g. inspection, treatment and phytosanitary certificate services).

The audit standard also clarifies and where possible aligns the requirements for an MAO auditing their sub-contractors (e.g. supplying packhouses, treatment providers). To ensure the MAOs audit service is robust, IVAs implement an audit regime to verify the delivery of MAO audits.

What have we changed?

The audit standard is a new standalone standard that includes requirements extracted from both the existing IVA and Organisation standards.

Placement of these audit requirements into the one standard has enabled an alignment of expectations for conducting audits and the competency of auditors.

The principles behind the audit standard remain consistent but the standard has been enhanced by:

- Providing clarity that audit is an option for both IVA's and MAO's and they both need to meet the same technical and auditor competency requirements.
- Specifying the conditions that an MAO must meet to be eligible to audit its sub-contractors.

- Clearly specifying what MAO's and IVA's need to document and implement to become recognised by MPI to deliver audit services.
- Including the need to demonstrate they have the capability and resources to deliver an audit service.
- Clearly specifying where procedures need to be documented and instances where reporting only is required.
- Realigned and simplified the auditor competency requirements by reducing the focus on the number of hours of auditing needed to be considered competent.
- Placing a greater focus on the auditor attributes that need to be demonstrated when they conduct audits.
- Clarified that the IVA needs to include a site visit to verify the applicant is operating correctly for a new applicant organisation.
- Specified that IVA's must undertake a verification audit of each MAO auditor (i.e. for MAO's that audit their subcontractors) at least once per year.

How will this impact you?

This new approach should result in:

- A reduction in the interpretations on what is expected of IVA's and MAO's when delivering an audit service.
- A reduced timeframe for IVA and MAO auditors to be recognised as competent, providing greater flexibility for IVAs & MAOs auditor resources.
- More specific & aligned experience and competency requirements for MAO and IVA auditors.
- Alignment of auditor competence between a system and surveillance auditor.

Note: This communication only reflects the significant changes please refer to the applicable MPI Standard for <u>all</u> changes

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Detailed description of changes to the Audit Standard

Change		Why?	Impact on existing systems
	Development of a new standalone Audit standard.	Bring all audit requirements into one standard and introduce consistency.	No impact. The impacts will be reflected by individual clauses.
All	Reformatted into a 'MPI standards' template.	Consistency of format will provide greater clarity for industry longer term.	IVA's/ MAO's may want to adjust their documentation sequencing and numbering to suit.
Part (P) Intro.	A concise overview of who this Standard applies to and why it is important to understand the requirements.	Provides a simplified introduction to the requirements contained in the standard.	No significant impact. The introduction indicates the standards general effect.
P1	New section summarising the key MPI principles for audit.	Outlines the principles and expectations of MPI when IVA's and MAO's provide an auditing service.	Should be minimal as it provides a benchmark for the rest of the standard and delivery of the audit services option.
P2.1	Additional requirements and conditions IVA's and MAO's need to consider when providing an audit service.	The eligibility criteria were unclear. Improved clarity on what audit procedures and resources are required to become authorised (IVA's) or approved (Organisations) by MPI.	MAO's will need to review the eligibility conditions to determine if they still meet them and if not consider what options they have to retain eligibility. IVA requirements remain the same.
P2.2	Reviewed and redefined competency requirements for both IVA & MAO auditors.	Auditor competency should be consistent for MAO's & IVA's. Competency should be more about personal attributes than time in the role.	Qualification/experience criteria may be different and impact some individuals. The competency assessment process will likely need to reflect the amended list of competencies.
P3.1.1	A system audit for new applicant MAO's is to include a desk top evaluation & an onsite assessment.	So the IVA can gain a greater appreciation of the organisations system in practice before making a recommendation for approval to MPI.	No impact. Only applies to new applicants.
P3.1.2	Clarification of what a system audit must deliver and achieve. Enables the system audit to be undertaken as a series of partial system audits.	To ensure MAO system amendments are evaluated (excluding MPI pre-approved procedures) & clarity that these need to be conducted on-site.	Minimal impact. The standard now reflects what is happening in practice.
P3.1.3	Re-confirming that the system audit must check sub-contractors are following the MAO approved procedures and is verified on site annually	To ensure that sub-contractors are making amendments to their operating procedures appropriately and that it is demonstrated on-site.	Minimal impact. This has been addressed directly with the MAO's and standard just now reflects this practice.
P3.2	Improved clarity and detail of what the surveillance audit needs to meet for both IVA's and MAO's	The change reduces the room for interpretation of what needs to be included when undertaking a surveillance audit.	For IVA audits of MAO's, the standard now reflects what is happening in practice.
	Audit frequency put in a table format for the different product categories and MAO audits of sub-contractors changed.	Clarity and need for differentiation in frequency between IVA and MAO auditors.	For MAO's auditing their sub-contractors the MAO will need to adjust their surveillance audit frequency.
P3.3	New section and term. Outlines how verification audits (IVA audit of MAO auditors) are to be conducted.	Verification audits are different from surveillance audits. The standard now places the focus on the MAO auditor rather than the sub-contractor.	This changes the way the MAO is audited. Now means every MAO auditor is audited annually rather than every sub-contractors site.
P3.4	Audit non-compliance findings are consistent for IVAs and MAOs. Details are in the Organisation standard.	To ensure the MAO's that audit sub-contractors communicate with their IVA.	MAO's need to adjust procedures to reflect this change in the way non-compliances are handled.

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P3.4	Minor amendments to audit records	Used the term 'capture' to reflect that records may be electronically derived.	Provides greater flexibility on how records are captured.

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