

Audit of the Operational Delivery Division

Internal Monitoring

2023/2024 – Audit 3

Final Report issued: July 2024



Foreword

Audits of Food Standards Scotland's Operational Delivery Division are part of the arrangements to improve consumer protection and confidence in relation to food and feed.

The audit scope was detailed in the audit brief and plan issued to the Operational Delivery Division on 9th January 2024. This audit will focus on the control verification procedures in place for monitoring the delivery of official controls and enforcement within Operational Delivery as they relate specifically to meat hygiene only.

The overarching aim of this audit will be the verification and validation of the internal monitoring system that Operational Delivery has in place. This will be with a view to verifying its compliance with the legislated requirement to have an official control verification procedure in place.

Food Standards Scotland's audits assess conformance against retained Regulation (EU) 2017/625 of the European Parliament and of the Council of 15 March 2017 on official controls and other official activities performed to ensure the application of food and feed law and the associated planned arrangements. The provisions for conducting audits are provided for in Article 6 of retained Regulation (EU) 2017/625.

The audit scheme also provides the opportunity to identify and disseminate good practice and provide information to inform Food Standards Scotland's policy on food safety, standards and feeding stuffs.

Specifically, this audit aimed to:

- Review the current control verification procedures and associated documentation
- Seek to verify and validate its effectiveness and appropriateness
- Provide a view as to how it ensures impartiality, quality, and consistency of official controls
- Review the response made where shortcomings are identified

Following the audit, it is expected that for any recommended point for action, the Operational Delivery Division will prepare and implement an action plan which will incorporate a root cause analysis of any non-compliance.

Table of Contents

1.0	Introduction.....	4
2.0	Executive Summary	5
3.0	Audit Findings.....	8
	Regulation (EU) 2017/625 of the European Parliament and of the Council on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules as amended.....	8
3.2	Article 5. General obligations concerning the competent authorities and the organic control authorities.	8
3.3	Article 12. Documented control procedures.	10
4.0	Annex A – Action Plan.....	12
5.0	Acknowledgements	15

1.0 Introduction

- 1.1 This report records the outcomes of the audit of Food Standards Scotland's (FSS) Operational Delivery Division, with regard to the determination whether monitoring activities and the related results of such activities comply with planned arrangements and whether these arrangements are applied effectively and are suitable to achieve the objectives of the delivery of official controls in those approved establishments under their remit.
- 1.2 The overarching criteria which detail the standards that the assessment has been made against are contained within the relevant sections of [Regulation \(EU\) 2017/625](#).
- 1.3 The guidance relating to the current planned arrangements and referred to throughout this report will be the primary policy implementation and procedural references within:
 - Scottish Manual for Official Controls and
 - the internal procedures provided by the Operational Delivery Division.
- 1.4 This audit subject was selected because Article 12 requires FSS to have "control verification procedures" to demonstrate that official controls delivered are consistent and effective.
- 1.5 No previous specific audits covering internal monitoring in FSS approved establishments have taken place to date. It quickly became clear that there were many monitoring activities taking place throughout most of the structure of Operational Delivery and these were being recorded and actioned.
- 1.6 This audit consisted of both remote and an on-site component. The remote part comprised a desk top audit of submitted evidence and discussions with the Audit Liaison Officer, coupled with on-line interviews of FSS staff responsible for the management and delivery of the service. The on-site verification element took place in a slaughterhouse with a cutting plant on the same site.
- 1.7 The audit focused on the control verification procedures in place for monitoring the delivery of official controls and enforcement within Operational Delivery as they relate specifically to meat hygiene only.

Reason for the Audit

- 1.8 As detailed in the Foreword, Article 6 of retained Regulation (EU) 2017/625 requires Competent Authorities to carry out internal audits or have audits carried out on themselves.
- 1.9 The audit programme covering the official controls delivered by FSS is carried out as an internal audit by FSS's Audit Assurance Division. This audit forms part of that audit programme.

Scope of the Audit

- 1.10 It was agreed that the audit scope would:
- Review the current control verification procedures and associated documentation
 - Seek to verify and validate its effectiveness and appropriateness
 - Provide a view as to how it ensures impartiality, quality, and consistency of official controls
 - Review the response made where shortcomings are identified

2.0 Executive Summary

- 2.1 Internal Monitoring is controlled by a procedure within the Scottish Manual for Official Controls (SMOC) which is well written and suitable for the objectives of monitoring activities.
- 2.2 This audit produced findings directly related to the audit subject but also raised important strategic and policy related findings arising directly from the review of the effectiveness of the sheer volume, variety and areas of internal monitoring activities. These are also therefore reported as part of this audit and indicate the need for consideration at a higher level of governance.
- 2.3 Substantial resources and structures provided to deliver the monitoring activities undertaken by the Operational Delivery Division were demonstrated. Auditors were surprised by the sheer volume of data being recorded and would question much of the value and benefit of this, in comparison to collecting fewer but potentially more impactful/useful information.
- 2.4 The audit team were provided with suitable evidence of internal monitoring activities by those members of the Operational Delivery Division staff interviewed during the audit.
- 2.5 There were many “vertical” monitoring systems in place and being well delivered across the Division, however, there was less evidence of a similar “horizontal” flow of information across all the activities covered by the official control regime. The references in the SMOC were focused on the vertical aspects of internal monitoring and these were suitably evidenced, leaving the comparative “horizontal” aspects as an informal and poorer evidenced system in comparison.
- 2.6 Internal monitoring of official control delivery is complex by nature, and to ensure effective outcomes by the Operational Delivery Division, there is a need for data to be collected sensibly, timeously and managed well. It was clear to the Auditors that considerable resources are being provided to the collection and presentation of monitoring data at all levels of the delivery of official controls. What is less clear is how the co-ordination and consistency across the range of activities from locums, wild game establishments and low throughput plants is being overseen and delivered equitably over the entire operational system.

- 2.7 The audit found that there were adequate procedures, training, documentation and recording of data with vast quantities of details being recorded and entered onto Operational Workflow System (OWS) which then had the capability to produce reports for managers. These activities took considerable time for all staff to collect, compile, input, analyse, select for reporting and then rectify before presentation. Auditors question the value in all the activities being carried out, as the complexity and volume of the input was such that in some cases it was difficult to present as key indicators that indicated an improving position.
- 2.8 Auditors noted before and during the on-site audit process that the verification activities currently in place had gaps and areas where there was evidentially fewer monitoring activities being carried out. Further enhancement of these, across all areas, could complement other mitigation actions currently in place and provide further assurance to management.
- 2.9 The audit recognises the work being done by Meat Hygiene Inspectors (MHIs) and Official Veterinarians (OVs) in plants, Veterinary Advisors and Operational Managers in the field and all others based either at home or in offices to manage the delivery of the monitoring activities.

Level of Assurance

- 2.10 **The Audit Assurance Team recognise that the level of Assurance for those specific findings associated to the subject audited – Internal Monitoring – would indicate that what is being covered is being done competently.**
- 2.11 As detailed in FSS’s Official Feed and Food Controls Delivery Audit Charter the audit has been assigned as below.
- 2.12 The Considerations within this report detail the areas of controls that the Operational Delivery Division could improve on.

<p>Substantial Assurance</p> <p>Controls are robust and well managed</p>	<p>Risk, governance and control procedures are effective in supporting the delivery of any related objectives. Any exposure to potential weakness is low and the materiality of any consequent risk is negligible</p>
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2.13 The above assurance category is based upon four categories of audit assurance levels that is applied in relation to individual reports.

<p>Substantial Assurance</p> <p>Controls are robust and well managed</p>	<p>Risk, governance and control procedures are effective in supporting the delivery of any related objectives. Any exposure to potential weakness is low and the materiality of any consequent risk is negligible</p>
<p>Reasonable Assurance</p> <p>Controls are adequate but require improvement</p>	<p>Some improvements are required to enhance the adequacy and effectiveness of procedures. There are weaknesses in the risk, governance and/or control procedures in place but not of a significant nature.</p>
<p>Limited Assurance</p> <p>Controls are developing but weak</p>	<p>There are weaknesses in the current risk, governance and/or control procedures that either do, or could, affect the delivery of any related objectives.</p> <p>Exposure to the weaknesses identified is moderate and being mitigated.</p>
<p>Insufficient Assurance</p> <p>Controls are not acceptable and have notable weaknesses</p>	<p>There are significant weaknesses in the current risk, governance and/or control procedures, to the extent that the delivery of objectives is at risk.</p> <p>Exposure to the weaknesses identified is sizeable and requires urgent mitigating action</p>

3.0 Audit Findings

- 3.1 The findings reported below detail both corrective and preventive actions which are not confined to addressing specific technical requirements, but also include system-wide measures. Conclusions address the compliance with the planned arrangements, the effectiveness of their implementation and the suitability of the planned arrangements to achieve the stated objectives as appropriate.

Regulation (EU) 2017/625 of the European Parliament and of the Council on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules as amended.

- 3.2 Article 5. General obligations concerning the competent authorities and the organic control authorities.

Article 5. General obligations concerning the competent authorities and the organic control authorities

1. The competent authorities and the organic control authorities shall:
- (a) have procedures and/or arrangements in place to ensure the effectiveness and appropriateness of official controls and other official activities;
 - (b) have procedures and/or arrangements in place to ensure the impartiality, quality and consistency of official controls and other official activities at all levels;

Article 5	Audit Findings
1 (a,b)	<p>General arrangements and procedures.</p> <p>A documented policy and a procedure as required are in use. The SMOC is the reference for compliance with Article 5 (1) (a). This is suitable for the range of internal monitoring being carried out. The SMOC is part of a suite of documentation that is known to staff and is used appropriately.</p> <p>These verification procedures combine a reality verification element through on-site checks with desktop exercises of the records and outcomes generated following the delivery of official controls. The data and information gathered is used to inform management on performance and trigger actions when needed. Auditors found these arrangements being capable of delivering this internal monitoring function.</p> <p>Data of records and outcomes of official controls collected is entered onto a computer database known as the OWS, reports can be and are produced from this database at multiple levels. However, Operational Delivery (OD) have identified the following issues regarding OWS:</p>

	<p>Cause: OWS was not fully fit for purpose on initial launch and has received basic maintenance inputs through the years to retain functionality. The limited budget and high complexity of the new Operational Delivery IT System (ODITS) build has limited the interest of tendering companies.</p> <p>Effect: The Current OWS system lacks the sophistication to track business information and is not programmable for development purposes under the contract arrangement with Civica. Extension to the current limiting system or re-tendering on a revised specification is now required.</p> <p>The software support has now been extended through to 2026, however this is a high maintenance intervention and Auditors do not consider it as sustainable.</p>
	<p>Capacity</p> <p>The structure of OD is such that there are three “Area” teams covering Scotland:</p> <ul style="list-style-type: none"> • Technical advice, support and audit is delivered by the veterinary management team • Operational, including line management is delivered by operational management • All are supported by an Administrative support team <p>All are responsible for aspects of Internal Monitoring. Resource wise there is a huge commitment to data collection and recording, with substantial portions of time from individuals across all areas and teams spent collating, reviewing, analysing and presenting all the data.</p> <p>It was also evident that OWS relies on manual inputting of the data by OVs/MHIs. This is usually done during office time and in most cases in a retrospective timely manner. This, no doubt, is time consuming and generates room for mistakes which requires, at the least, a considerable number of email correspondence and effort to be resolved.</p> <p>Veterinary Advisors, Field Operations co-ordinators and Operational Managers play a significant role in the delivery of the monitoring programme, this adds a considerable volume of work to their already demanding agenda. These demands are likely to increase in the future due to OV shortages and the incorporation of less experienced OVs and contractor staff to cover vacancies. As acknowledged by OD, and currently in the process of being actioned, capacity constraints have already had an impact on the number and frequency of reality checks conducted in less accessible establishments and cutting plants.</p>

	Auditors have concerns that by measuring almost everything and then presenting it at different layers in different formats and eventually as Key Performance Indicators (KPIs) the perceived benefits of monitoring become diluted and potentially counter-productive as an effective tool.
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Considerations

1. To enhance the performance of electronic monitoring a replacement database should be actively considered. This should be designed to be agile, simple to use and expandable whilst at all times retaining the least data required.
2. To enhance the professional skills of OVs and MHIs they should be spending the minimum amount of time that is absolutely necessary doing data recording and administration. Consideration should be given to simple automated or electronic data capture, analysis and presentation rather than manual recording, duplication, entry and extraction.
3. Auditors would recommend that OD do less of the ongoing detailed monitoring, and instead conduct more insightful monitoring based on a risk assessment or risk matrix.

3.3 Article 12. Documented control procedures.

Article 12. Documented control procedures

1. Competent authorities shall perform official controls in accordance with documented procedures.

Those procedures shall cover the subject areas for control procedures set out in Chapter II of Annex II and shall contain instructions for staff performing official controls.

2. Competent authorities shall have control verification procedures in place.

3. Competent authorities shall:

(a) take corrective actions in all cases where the procedures provided for in paragraph 2 identify shortcomings; and

(b) update the documented procedures provided for in paragraph 1 as appropriate.

<u>Article 12</u>	Audit Findings
(1)	The organisation, objectives, tasks, responsibilities and duties of staff are clear and are being followed. Action to be taken following official controls from a monitoring perspective are also being suitably followed as there are detailed logs, records and entries being created, maintained and reviewed. OD's procedures suitably cover the subject areas for control procedures set out in Chapter II of Annex II of the regulations.

(2)	The SMOC is a suitable method of implementing the suitable control verification procedures required.
(3)(a)	OD are taking corrective actions in all cases where the procedures provided for in the SMOC identify shortcomings as within the Operational Management Team (OMT) report under “Business Area Headlines” there is an internal monitoring page where each Veterinary Advisor and Operational Manager state the highlights of the month in each area. This is to inform OMT appropriately and timeously, to enable consistency across areas and inform any Scotland-wide actions required.
3(b)	<p>The SMOC is subject to regular updating with traceability from Version 1 to the current Version 8.</p> <p>The Auditors considered that there were many monitoring activities taking place “vertically” within types of establishments, areas or staff reporting lines to ensure data was captured and suitably acted upon. However, even though there are regular Veterinary Auditors and Veterinary Advisors catch up meetings, there was little evidence of how monitoring was delivered “horizontally” to ensure comparable and consistent, effective and appropriate, official controls across all three areas.</p> <p>The Auditors were provided with copious amounts of records and access to the OWS database to demonstrate the monitoring activities being carried out, but the translation of the data into KPIs and any demonstration of precious “golden threads” was either subject to interpretation at the levels handling the data or was simply not presented to the Auditors.</p>

Considerations

4. OD should consider improving at OMT level the regular horizontal monitoring to enhance consistency and compliance and is delivered across the whole estate.
5. The amount of KPIs and their relevance should be examined with a view to streamlining them and making them more valuable to management and FSS generally.

4.0 Annex A – Action Plan

Action Plan for the Operational Delivery Division: Internal Monitoring Audit, 2023/24 – Audit 3

Considerations	Planned actions	Target date for completion	Responsible Officer(s)
<p>1. To review the current system to ensure the internal monitoring controls remain effective, appropriate, impartial and consistent. Our audit findings would indicate a focus on the following areas would be of benefit and should be considered.</p> <p>Priority - Medium</p>	<p>The Internal Monitoring policy will undergo a review and all below areas will be considered at the time.</p>	<p>Dec 2024</p>	<p>Head Veterinarian</p>
<p>a) To enhance the performance of electronic monitoring a replacement database should be actively considered. This should be designed to be agile, simple to use and expandable whilst at all times retaining the least data required.</p>	<p>(work ongoing to develop ODITS in house, to replace OWS)</p>		

<p>b) To enhance the professional skills of OV's and MHIs they should be spending the minimum amount of time that is absolutely necessary doing data recording and administration. Consideration should be given to simple automated or electronic data capture, analysis and presentation rather than manual recording, duplication, entry and extraction.</p>	<p>(work ongoing to develop ODITS in house, to replace OWS; handheld devices for timely data capture and to avoid duplication are also in scope)</p>		
<p>c) Auditors would recommend that OD do less of the ongoing detailed monitoring, and instead conduct more insightful monitoring based on a risk assessment or risk matrix.</p>	<p>This recommendation will be considered as part of each Branch of OD Division.</p>		
<p>d) OD should consider implementing at OMT level the regular horizontal monitoring to enhance consistency and compliance</p>	<p>This recommendation will be considered as part of the regular OMT meetings.</p>		

<p>and is delivered across the whole estate.</p>			
<p>e) The amount of KPIs and their relevance should be examined with a view to streamlining them and making them more valuable to management and FSS generally.</p>	<p>The KPIs are constantly reviewed, with a view to deliver best management information. This recommendation will be considered at the weekly Divisional meetings and day 1 of OMT (i.e. extended Divisional meeting).</p>		

5.0 Acknowledgements

The Audit Assurance Team would like to acknowledge the help and co-operation of the Operational Delivery Division staff for their assistance with the conducting of this audit.

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Food Standards Scotland
Audit Assurance Division

Abbreviations

EU	European Union
FSS	Food Standards Scotland
KPI	Key Performance Indicator
MHI	Meat Hygiene Inspector
OD	Operational Delivery
ODITS	Operational Delivery IT System
OMT	Operations Management Team Meeting
OV	Official Veterinarian
OWS	Operational Workflow System
SMOC	Scottish Manual for Official Controls