

IFS Broker Good auditing practices guidelines

FOR PERFORMING IFS BROKER AUDITS,
THROUGH PRODUCT SAMPLING

Version 2

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IFS Broker Good auditing practices guidelines for performing IFS Broker audits, through product sampling

Introduction: as part of the IFS good auditing practices, auditors shall assess the fulfilment of IFS Broker requirements and compliance with the broker's services, during an IFS Broker audit. This shall be done by using the relevant product samples in order to investigate on-site the auditee's broker activities and documentation.

This guidance is aimed to provide support to auditors when performing the IFS Broker audits through the use of samples.

Please note that this guideline is focussed on the product sampling approach and only directly affected requirements of the IFS Broker Version 3 checklist are considered here. Other requirements, such as senior management commitment or resource management are not covered by this guideline, even though a comprehensive assessment of these requirements is expected for all initial and renewal audits.

Company: _____

COID: _____ **Identification product:** _____ **Quantity:** _____

Product: _____

Supplier: _____ **Shipping date supplier:** _____

Customer: _____ **Delivery date customer:** _____

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Assessment steps	Remarks	Requirements	What needs to be inspected	Audit questions
0. Gathering a preliminary overview	It is important to check the broker's risk management plan first to gain an overview of the products, services and processes the broker is responsible for.	2.3.1 2.3.5 2.3.8	– Product Safety Management System – Risk Assessment study and related flow chart(s) – Monitoring measures	– What types of products/brands is the broker responsible for? – What kind of broker services is the company offering? – What kind of customers is the broker working with (e.g. retail, wholesale, industry)? – Are products traded which require specific conditions (e.g. temperature requirements)? – Are logistical services carried out? If so, which kind?
1. Selecting a suitable product/ commercial transaction for a representative product	If not already selected through sampling from open market: The product for the traceability test (vertical audit) may be selected from marketing or purchase management or other suitable sources, such as orders, invoices. Brokers have not always retained samples.	4.1.1 4.1.2	– Order processing (paper or goods management system (ERP)) – Customer contracts – Contracts – Supplier contracts – Internal procedure for contract review	– Which contractual regulations exist for the trade process? – Who conducts the contract review? During which state of the trading transaction is the contract reviewed? Which points are reviewed in detail? How is the conducted review recorded? – Where quality criteria determined here? If yes, how are these requirements communicated within the company? – How often do order modifications occur in practice? How are they recorded? – How are suppliers and own employees informed about order modifications of the customers? – How are customers informed?
2. Identifying the customer supplied with the traded product.	The basis for the sale transaction needs to be identified. Typical order types are: individual orders based on a specification, contracts for a bigger amount and longer period. Exact knowledge of the basis of the sale transaction is indispensable for assessing the following steps.			

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3. If applicable: Checking the customer specification	A formal check of the customer specification is required; it is complete if the broker checked it.	4.2.1 4.2.2 4.2.3 4.2.4	– Customer specifications – Customer contracts – Supplier specifications – Internal procedure for specification control – Evidence about comparing specifications – Placing the order supplier – Order confirmation supplier	– What minimum content has been determined for specifications? – How are the traded products specified? – If specifications are available: who reviews them and ensures that they are up-to-date? – Are legal regulations of all countries of destination taken into account? – How does the company ensure that customer requirements, forming the basis of the commercial transaction, are transmitted completely to the supplier/manufacturer? – What are the key parameters in the customer specifications? – How does the broker check whether the customer specifications are complied with completely (e.g. laboratory analytics, goods inspections carried out by service providers at the harbour/airport)? – What is the form of the determined product specifications? – What kind of specifications are handled within the company (e.g. overview)? – What kinds of determinations exist for preparing, reviewing and approving specifications? – What kind of regulations are defined for transferring information from specifications to suppliers and customers?
4. Identifying the supplier and checking the related supplier specifications	Identifying the supplier of the traded product.			
5. Comparing the customer specification with the supplier specification	It is important to check whether all details of the customer specification were transmitted to the specific supplier. There shall be evidence for this. If the broker sent a specification to the supplier, the supplier shall confirm this. Both specifications shall be compared for identical content.			

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6. Evaluating the risk assessment of the sampled product	There shall be a risk management system that clearly estimates and deals with the existing risks of the trade process/broker services and identifies effective control measures. Typical risks for a broker are related to hazards e.g. at the producer/supplier, hazards during transport, and hazards during interim storage.	2.3.1 2.3.2 2.3.3 2.3.4 2.3.5 2.3.6 2.3.7 2.3.8 2.3.9	– Risk management system, based on Codex Alimentarius principles. – Flow diagram(s) – Hazard analysis – Risk assessment – Control measures, including limits – Review records	– How is the risk assessment recorded? – Are all steps of the risk assessment process covered in the records? – How does the company proceed in particular? – Was there external support from Consultants? If not, how were the employees trained in-house? – Where did the responsible employees receive their qualifications? Is evidence available? – Have all risks been sufficiently taken into account that relate to the trade process/broker services carried out for the sampled product? – Are all relevant legal requirements of the country of origin/destination known and taken into account? – Which product hazards are identified for the sampled product? – If applicable: Is a cross-contamination with allergens or GMO possible at the manufacturer? At which process point was this risk evaluated? – Which process steps are listed in the flow chart? – Have any specific transport and/or storage conditions been identified? Are specific control measures implemented? – How are the identified risks controlled? – How often is the risk assessment updated? – Did changes occur in the process? Was the risk assessment updated? – Are current incidents or bigger complaints taken into account in the review? – For food trading: has the broker checked whether all suppliers have implemented a HACCP system?

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7. Assessing the food fraud vulnerability assessment	There shall be a vulnerability assessment available for the sampled product which is up to date and reflects the current market situation.	4.7.1 4.7.2 4.7.3 4.7.4 4.7.5	– Vulnerability assessment – Mitigation Plan, including measures for control and monitoring – Supplier questionnaire	– Is the sampled product covered comprehensively by the vulnerability assessment? – What kind of mitigation measures has the broker implemented and how are they monitored? – Is there a person at the broker who is responsible for the subject food fraud, who is trained in the topic and is able to handle food fraud requirements for brokers? – Which information about food fraud from their suppliers is available at the brokers? – Does every supplier know the person(s) responsible for food fraud? – How does the company ensure that the suppliers conducted a vulnerability assessment for the sampled product? – Did the suppliers identify mitigation measures for the respective product?
8. Check whether there are specific requirements of the customer for the supplier (e.g. certification, special analyses)	There might be other contractual regulations between customer and the broker in addition to the specifications. These additional agreements most often relate to the requirements for the supplier receiving the order from the broker. These additional agreements often deal with quality assurance requirements or social standards.	4.1.3	– Framework agreements with customers for quality assurance or social standards – Special requirements for transportation and storage	– Are there specific requirements of customers? – Did the company clearly determine the responsibilities and procedures for reviewing customer requirements? – If yes, how are they transmitted to the suppliers? – How is it possible to verify the transmission to the suppliers at a later time?

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9. Checking the supplier and service provider assessment	The broker needs to transmit and process all customer complaints related to product quality to the supplier concerned. This shall also be considered in the supplier assessment. Particularities for suppliers of fresh fruit and vegetables For deliveries of fresh fruit and vegetables, the direct supplier is usually a packing operation collecting, packing products from the individual producers and storing them temporarily. At this point, there are usually very detailed specifications of retail (e.g. QS certificate, GlobalGAP) since the producers decisively influence the quality of the product. The broker shall demonstrate how the existing requirements are also met by the producers as they are not direct suppliers.	4.4.1 4.4.2 4.4.3 4.4.4 4.4.5 4.4.6 4.4.7	– Delivery notes – Invoices supplier – Suppliers file/data file – Supplier assessment – Service provider assessment – Complaint list supplier – Certificates supplier – Certificates producer – Audit reports of the supplier – Corrective actions for supplier complaints	– On what kind of criteria are the purchasing transactions based on? – How are customer requirements incorporated into the purchasing specifications? – Are there basic specifications by the customer for the production sites of the suppliers (e.g. certificates)? How are they taken into account? – Which customer specifications are there for contracted service providers? Does the purchasing department transfer them to the supplier? – Which prerequisites do the suppliers/services providers need to fulfill before they are allowed to deliver? – How does the broker inform the suppliers/service providers about the approval requirements? – Have any determining factors for the supplier/service provider assessment been provided? Which factors have been determined to the supplier/service provider assessment? – Which suppliers are assessed and how frequently? – How does the company handle blocked suppliers/service providers and ensure that no goods are procured from them? – Which criteria are used for the supplier assessment? – Is there a transparent overview of the existing certificates of the suppliers (e.g. IFS, GlobalGAP, organic)? – Which customer specifications relating to the certifications of the suppliers are in place? – Does the company request and verify the supplier certificates on a regular basis?

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	Particularities for customer branded products If customer branded products are manufactured, the broker usually has to disclose the name of the manufacturer to the customer. Since brokers are contract partners, they probably receive all specifications, such as the widely-used questionnaires, including details about the manufacturing process (e.g. CCPs (e.g. metal detection), question concerning allergen risks, certifications etc.). If the broker answers the questions of retail (e.g. to save the expense of translation or to relieve the manufacturer), the question arises as to how the broker will be able to answer all questions correctly. This aspect is very important and for customer branded products it is of utmost importance to check this!			– Does the company conduct supplier audits? If yes, how are they recorded? Is there an action plan from the supplier audits? Who conducts supplier audits (internal staff members/service providers)? How are the auditors qualified? – Are the supplier audits conducted by contracted third parties? What kind of criteria is used by the service provider during the inspections? – Is it possible to apply an IFS Standard (IFS Food, IFS HPC, IFS PACsecure) or any other GFSI recognized Standard to the traded products? Is the supplier certified according to one of these standards? – Did the customer specify the region of origin of the products? – Does the broker know the origin of all traded products and is there evidence for every single delivery? – How is the origin of the procured products monitored? Has a system been set up for this? – How often is the individual information from the supplier assessment, summarized and reviewed? – Which consequences result from the supplier assessment (e.g. status)? Which actions result from a negative assessment? – How does the broker inform the suppliers about the results of the assessment? Are suppliers blocked if necessary? Is there a process for this? – How does the broker check the quality of the supplied products? – Are there specifications for a sampling plan? Does the broker conduct own tests if there are no customer specifications? – Is it possible to easily identify the authenticity of the traded products? How does the company check the authenticity and how is it verified? – Are customer branded products manufactured by a co-producer? If yes, which regulations exist for this, e.g. specifications, product questionnaire with specification character? – Who completes the customer questionnaires for retail (broker or manufacturer)? If the broker completes the customer questionnaire: how is the correct completion of all sub-questions of the customer questionnaire ensured?

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10. Product defense supplier and service provider	Brokers have to closely examine the security situation of their suppliers/ service providers and gather information. If, so far, the suppliers/ service providers have not had reason to deal with the subject of defense, the brokers themselves shall take action here and state requirements on their part.	6.1 6.2	– Suppliers/service provider list(s) – Letter of the broker to the supplier/ service provider (e.g. questionnaire product defense), – Answering letter of the supplier/service provider to the broker regarding the security situation – Audit reports/results about the supplier/service provider – General threat assessment about the supplier/service provider	– Is there a person at the broker who is responsible for the subject product defense, who is trained adequately to handle product defense requirements for brokers? – What kind of information is available at the broker relating to product defense from their suppliers/service providers? – Does every supplier/service provider know the person(s) responsible for product defense? – How does the company ensure that the suppliers/service providers have prepared a hazard analysis for product defense? – Which hazards and related risks were taken into account here? – Did the suppliers identify areas critical to security? Are these adequately protected? – Are there legal requirements relating to product defense at the suppliers'?
11. Labelling and traceability		4.6.1 4.6.2 4.6.3 4.6.4 4.6.5	– Labelling specification for the traded goods – Photos/faxes of the traded goods labels or email information from the supplier about the current labelling – Confirmation of dispatch – Copies delivery notes – Order to forwarder – Invoice from the supplier – Invoice to customer – List of retained samples	– How are the traded batches labelled? – What kind of records are prepared for a complete traceability of the products and where are they filed? – How does the supplier inform the broker about the labelling of the batches or which specifications does the broker give for batch labelling? – How is a batch defined? – How is the batch number composed, e.g. does it follow a numerical or date structure? – When was the last test verifying traceability carried out? – What kind of criteria was used to select the samples? – Are the records for the test available and complete? – Does the customer request to retain samples? – Was the representative sampling of retained samples agreed with the manufacturer? If yes, where are the retained samples kept? Under which conditions are they kept/stored? – How is the correct sampling of the retained samples monitored at the manufacturer? – Does the broker have an up-to-date list of the actually sampled retained samples? How often is the list of retained samples updated?

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12. Analyses for the product	Please check to what extent the broker is responsible for the products. If individual goods are traded that were specifically selected for a customer, e.g. frozen fruit and vegetables, manufactured ready meals on behalf of the broker, the broker is responsible for the product quality and shall ensure compliance with the required qualities through analyses. If, however, standardised products, such as supplier branded (finished) products, standardized basic materials or additives of major corporations, are traded, the broker is responsible for the correct delivery and compliance with the remaining shelf life, etc.	5.2.1 5.2.2 5.2.3 5.2.4 5.2.5 5.2.6	– Inspection plan – Results of analyses external laboratory – Results of analyses from supplier – Accreditation certificate external laboratory (including annexed documents) – Own inspection results, if appropriate – Product specification – List of delivered product quantities for comparing analysis frequency – Evaluation analyses	– How does the company verify the compliance with product requirements? – Which tests are required (organoleptic, microbiological, physical, chemical analyses)? – Which parameters are examined? – Which customer requirements are there related to the required tests? – Does the customer have any requirements for analysis programs? – Are there contractual agreements for the analysis programs? – How is quantity comparison conducted if analyses have to be carried out according to determined quantities? – Does the control plan include all specific and otherwise required tests? – Which laboratories are commissioned? Are they accredited? – Does the company conduct their own analyses? – Note: seldom for brokers, usually only appears when the broker has own storage. – Which tests are determined in the test plan? – Are the determined parameters suitable to check and verify the conformity of the traded products? – Does the test plan include all required parameters and products? – Are records of the test results available? – How are the results of analyses evaluated? – What actions will be taken as a consequence? – Are corrective actions initiated, if appropriate? – What kind of sources of information for product risk are used regularly? – Which mechanisms are stored to adapt the test plans? – Are products traded where the risk of adulteration is assessed as high (e.g. processed beef)? If yes, how is adulteration/fraud prevented?

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13. Blockings in connection with the product	Was there any blocking in connection with this product or supplier? Please check whether the described regulations (procedures) were formulated from the broker's point of view. Since every broker established quite individual trade models, the methods of accessing the goods are also quite different. At these points, it is easy to check whether the documentation of the broker deals individually with the actual proceedings.	5.3.1 5.6.1 5.6.2 5.6.3 5.6.4 5.6.5	– Documents leading to the blocking (e.g. laboratory analysis, email supplier etc.) – Quarantine instruction to supplier (email, fax, telephone memo) – Quarantine message of logistics activities, if appropriate – Quarantine message of supplier, if appropriate – Photo of quarantined goods, if required	– How does the company ensure that the supplier has a functional quarantine and release procedure? – Are quarantine procedures kept to promptly block goods? – Did the company ever carry out a quarantine, and if yes, what were the reasons? – How is communication along the supply chain ensured to carry out a quarantine? – Are there records available for blockings carried out? – How does the company ensure the effectiveness of the procedure for handling non-conforming products at all times? – How are the goods accessed? – How does the company ensure that non-conforming goods are blocked correctly (e.g. by the storage service provider)? – How are they labelled and are there process instructions for this? – Which decision-making channels have been determined? – What evidence is there for blockings and non-conforming products? – How does the company ensure the effectiveness of the procedure for handling non-conforming products at all times? – How does the company ensure that every employee applies the procedure correctly? – How does the company initiate necessary corrections for occurring non-conformities at the supplier/manufacturer? – How does the company ensure the chain of information in difficult circumstances, e.g. holidays, weekends? – How does the company proceed when it is subsequently established that the already packed customer branded products do not comply with the specifications anymore? – How does the company ensure that the supplier/manufacturer of the goods does not use older packaging materials anymore, provided that they are still in their possession?

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14. Product packaging	Here, it is also very important to check to what extent the broker is responsible for the product. If the broker acts as the importer or brand owner, he shall be able to verify the legality of the packaging. If "standardised" products are traded within Europe and if the broker is only a mediator, the one placing the products on the market is responsible for this.	4.5.1 4.5.2 4.5.3 4.5.4	– Confirmation of non-objection – Declaration of compliance (plastic packaging) – Packaging specification – Labelling requirements customer – Inspection records supplier	– Are products manufactured on behalf of the broker, e.g. ready meals, frozen poultry? – Are goods packed on behalf of the broker, e.g. fruit or vegetables? – Are pre-packed products imported, e.g. wine, spirits, food packed for the end consumer? – Are specifications for the packaging materials for the cases mentioned above available? – Which legal provisions are applicable for the packaging? – Are certificates of conformity for plastic packaging and declarations of harmlessness for other packaging materials available for the cases mentioned above regarding packaging material? – How does the broker ensure that the supplier/manufacture uses the correct packaging? Are specifications of the broker available? How does the manufacturer check this? – Which information receives the broker from the manufacturer? – How does the broker ensure that the manufacturer uses the correct labelling? Are specifications of the broker available? – How does the manufacturer check that the label is correct? How does the supplier inform the broker about the test results and the correctness of the labelling?

Assessment steps	Remarks	Requirements	What needs to be inspected	Audit questions
15. Assessing the delivery route of the traded product	Supplier assessment transport, interim storage if applicable	4.4.5 4.7.1 4.7.2	– Order forwarder – Delivery note forwarder – Third party certificates logistics – Service contracts – Storage lists – Transport requirements customer – Audit reports from logistics service providers – Supplier assessment of service provider	– Which transport specifications from the customer are there? – Is there occasional subcontracting of sub-forwarders? If yes, how are the quality criteria for transport of their customers taken into account? – How does the company monitor compliance with transport specifications (e.g. temperature logger)? Is it possible for the broker to inspect, receive and review the records concerning storage or transport service providers? – Which specifications are there for contracted storage service providers? – Which specifications from the customer are there for storage? – Are logistics service providers commissioned? Which certifications do they have? – If the logistics service providers are not certified according to IFS which requirements were fixed in a service contract? – Are the traded products running through an own storage or are they transported by own transport vehicles? – Which other certifications are there if a combined certification with IFS Logistics is not carried out?
16. Complaints in connection with the product supplied or with the customer	Where there any complaints in connection with the product supplied or did the customer make any complaints?	5.4.1 5.4.2 5.4.3 5.4.4	– Complaints customer – Forwarded correspondence (email, fax, letter) to supplier – Complaint handling form – Reply to customer – Corrective actions from complaints	– How does the company handle complaints? – Is a prompt reaction to every complaint ensured? – Which complaints occurred recently? – How is a uniform procedure for complaint handling ensured? – Who handles complaints? – How does the company ensure that significant complaints or complaints relevant to safety are promptly transmitted to senior management? – How long does it take to give feedback to the customer? How does the company inform the customer? – How are complaints evaluated? – Is there an adequate breakdown into different complaint reasons? – Does the company investigate the root cause of complaints? – Are there examples for corrective actions resulting from complaints? – Were these corrective actions effective, i.e. did these complaints not reoccur? – Who is responsible for the process? – How is senior management informed about complaint evaluation and causes of complaints?

Assessment steps	Remarks	Requirements	What needs to be inspected	Audit questions
17. Withdrawals, recalls or incidents in connection with the product or the customer		5.5.1 5.5.2 5.5.3 5.5.4	– Documents triggering the crisis (e.g. email, telephone memo, fax from customer or supplier, notifications from EU rapid alert system) – Correspondence to customer – Correspondence supplier – Correspondence authorities – Lists of emergency phone numbers	– Which steps are included in the documented crisis management procedure? – Have crisis situations occurred in the past and how did the company overcome them? – Did the company nominate a crisis team? How and when was it trained? – How does the company inform customers about a crisis? – Which institutions have been nominated to support in crisis situations or have to be informed? – How does the company ensure the effectiveness of the procedure for withdrawal and recall of all products at all times? – Has the company succession planning in place relating to decision-making responsibilities in case of deputation during vacation or illness? – How does the company inform the customers as quickly as possible? – Who is authorized to inform authorities/media? – How does the company ensure that specific emergency phone numbers of customers and suppliers are available? – How does the company ensure that the emergency phone numbers for crisis situations (e.g. names and phone numbers of suppliers, customers, laboratories and competent authorities) are up-to-date? – How and when did the company test the crisis management procedure? – How did the company proceed? – How does the company ensure that the test is representative for the trade products and supplier activities?
18. If applicable: Product development in connection with the product or the customer	Usually, all development records are available at the company that developed the product on behalf of the broker. Check for broker's records of individual cases that need to be in the office so that all development steps which they are responsible for can be verified. The more actively involved the broker is in the development processes, the more detailed they should be.	4.3.1 4.3.2 4.3.3 4.3.4 4.3.5 4.3.6 4.3.7 4.3.8	– Development contract Development planning – Customer specifications – Visit reports from supplier conducting the development – Test run minutes – Tastings for the product – Product analyses – Shelf life tests	– Does the company carry out product development activities? If yes, what kind of product developments? – Is there a procedure indicating the product development process? If yes, how is compliance with legal and customer requirements included? – Is there product development planning? – Which records about the production test runs are kept by the contracted suppliers? – How does the supplier inform the broker about the results of the test runs? – Does the broker accompany production test runs conducted at the suppliers? If yes, what kind of documentation, in addition to those of the supplier, are kept at the brokers' office?

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	The broker shall present records providing information about the legality and important processes (e.g. checking product and/or food contact material law(s), HACCP, risk management or equipment safety for non-food, ordinance on the safety of toys).			– Are required tests during a development phase determined on the basis of specifications? How is it possible to verify the result? – Does the own laboratory and/or an external accredited laboratory conduct the required tests? Who selects the laboratory? – How is the shelf life of the products determined? Are there any customer specifications for this? – How are shelf life tests carried out? Which parameters are examined? – How is the shelf life determined if shelf life tests are not carried out? – Which organoleptic characteristics are relevant for the product to be developed? – Which organoleptic tests are carried out? Who belongs to the tasting team? – Are organoleptic tests also carried out by an external laboratory? – Is the customer involved in the organoleptic tests? – Who checks the labelling/declaration of the new product? – How is legality ensured? – The products are delivered to which countries? How does the company ensure the correct declaration for all countries of destination? – Are there any customer specifications related to labelling/declaration? – What is the form of the specifications for declaration checks determined in the documentation of the broker? – Are there any recommendations for preparation and/or use of the products? If yes, are they in line with customer requirements? – How are the recommendations for preparation and/or use of the products checked for accuracy? – Which records are kept and filed by the broker related to conducted development work? – Which development records does the executing supplier keep?