Compliance: Meeting or Beating the Standard?

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Mr. Chairman, Ladies and Gentlemen. Thank you for inviting me to talk to you this afternoon. When in November I received a telephone call out of the blue from my old friend, Paul Morrow, asking me if 1 would present a paper to the BSB on the subject of Compliance, I did not need much persuasion. As an ex-Chairman of the Society, I had not attended a meeting for many years and so I was influenced somewhat by a guilty conscience. It was onlv after putting the phone down that 1 gave any thought to what 1 was going to say.

Compliance is a relatively new buzzword which seems to cover a multitude of areas. Health and Safety, Legislation, Environment, Product Safety and in my company I have also been saddled with Risk Management, Crisis Management and even aspects of Business Continuity. So what to talk about.

Well in fact 1 believe that there are common themes and principals which can be applied to all these areas. For example if you compare the ISO Standards for Quality, IS09002, Environmental Management, ISO 14001 and Health and Safety ISO 18001 you find their structure and Principals are almost identical. All are based on the basic principle of Plan, Do, Check, Act. This will be a common theme through all I have to say this afternoon.

Another common feature in all these areas is risk assessment. It goes under various guises e.g aspects and impacts or HACCP but the principle technique is the same. Indeed 1 was at a meeting on Bio terrorism here at CCFRA in February when one of the speakers recommended using HACCP to identify the terrorist threats to a business.

This afternoon 1 am going to confine most of my comments to Product Safety. However 1 hope you will bear in mind what 1 say could apply equally well to other areas of Compliance.

The other introductory observation 1 would want to make is about the title. 1 believe there is often a preoccupation with passing the Accreditation Standard as if it were some sort of hurdle to ensure continuing authorisation to supply goods to retail customers. Get through the audit and we can continue focussing on the usual priorities of operational efficiency and cost cutting for the next twelve months.

1 prefer to think of it more like a Driving Test. Many people pass their driving test but are not necessarily safe on the roads either because they don't routinely obey the basic rules they were taught as a learner or they have the wrong attitude and behaviour behind the steering wheel once the driving test examiner has got out of the car.

The consequences of such attitudes can be just as lethal to your company as they are to a poor driver. The list of companies who have gone to the wall as a result of failure to maintain basic systems is long. And in this day and age, when food scares make good headlines, the risks are ever greater, particularly if you have a well known business or brand

just a few reminders. Salmonella in baby food, business closed down, botulinum in yoghurt - business closed down, benzene in drinking water - virtually eliminated from the market. I am sure you can all think of other examples.

So my basic point is that Compliance is not about getting accreditation so that a retailers own-label brand is protected - it is about the very continuity of your own business and/or brand. You should be considering it in the same way that you consider Health and Safety. It needs to be first on any agenda; an everyday way of life. You owe it to your own business if you are to enjoy ongoing success.

In that context the BRC Standard represents best practice. It is an excellent benchmark against which to test your product safety systems.

Let's just take a minute to look at how the Standard originated.

When I look back I am surprised by the changes that have occurred in the management of Food Safety over the past 12 to 15 years. Back in the late '80s audits were mainly confined to the occasional visit from an EHO or from a technologist if you happened to supply Marks & Spencer. They were idiosyncratic, largely lacking structure and largely influenced by the personality and prejudices of the auditor. In a traditional and well established industry such as baking, hygiene and product protection measures were rudimentary. Hand-washing was the exception rather than the rule, hair cover was a symbol of rank in the form of a white trilby, metal detection if it existed was excooler not on the finished prociuct and specifications were little more than basic recipes.

There were, around that time, a number of food safety scares which prompted the total revision of Food Law and led to the 1990 Food Safety Act. This new Act brought in new rules which were to have a profound effect on Food compliance over the next decade.

Firstly it placed responsibility squarely on the Retailer. Section 8 stated "Any person, who sells for human consumption, or offers, exposes or advertises for sale for such consumption or has in his possession for the purpose of such sale or of preparation for such sale .... any food which fails to comply with the food safety requirements shall be guilty of an offence."

In other words the food retailer now had a clear obligation.

However arguably the most significant feature of that Act was the introduction to Food Law of the Due Diligence defence. The concept that a manufacturer or retailer was guilty of an offence unless they had exercised all due diligence and taken all reasonable precautions to prevent the commission of the offence.

As a result the Retailers were suddenly in the' firing line. Up until that time they could invoke contractual obligation and pass any culpability on to the manufacturer. Now they had to demonstrate that they had taken all reasonable precautions to prevent the commission of the offence. What little case law existed at that time pointed to the fact that they could no longer just rely on the word of the manufacturer that the products they supplied conformed to the legislation. They had to have taken positive steps to verify the supplier's systems and procedures.

The Food Safety Act was supplemented in late 1991 by "Guidelines on the Statutory Defence of Due Diligence In respect of Retailers' own brands."

This document contained the following statement ownlabellers" should also:

(a) ensure the product... is described in a detailed specification.....

(b) satisfy themselves that the... supplier is competent to produce the product as specified

(c) make visits.... to verify point (b)

Suddenly in the early 90s anybody and everybody was engaged in audits. As well as the obvious high street retailers we had prison authorities, armed forces, social services, even corner shops all wanting to audit food manufacturers. At one stage we in British Bakeries were having so man V audits that we thought of putting a sign outside one of our bakeries which read "Queue here for the next audit tour."

And of course the audits were conducted by an army of ambitious newly graduated food technologists, ignorant of the day to-day complexity of the baking industry, revelling in ingratiating attention of the potential supplier and eager to demonstrate their competence to their employer by spotting all sorts of new, real or imag--@ined threats to product safety.

The result was impossible, conflicting demands being placed upon the poor supplier. An obvious example: one auditor might insist on hot-air hand dryers only, (paper towels represented a foreign body hazard) whilst another was convinced that hot air blew bacteria around the bakery and encouraged operatives to dry their hands on their overalls.

Gradually in the mid 90s the wasteful duplication of effort was recognised and the idea of third party audits emerged and was slowly accepted by the bulk of the retailers. A number of commercial accreditation bodies were formed to provide this service but there was still no consistency of approach and it was felt that a standard audit should be agreed. Enter the BRC who in 1998 produced their first BRC Technical Standard for Companies supplying Retailer Branded Food Products. 1 believe that all the Accreditation bodies now accept this as the minimum standard. It has been revised a couple of times and the latest version, issue three, has now been given the title of Global Standard - Food. This was in recognition of its use beyond the United Kingdom. Interestingly it now also contains recommendations on best practice some of which have little to do with the obligations of the Food Safety Act. They are perhaps an indicator of future developments.

We will look at the Standard in slightly more detail in a minute or two but first let's just remind ourselves what we are trying to achieve. My basic premise is that you should be seeking to reach the standard of product protection represented by the Standard to protect your own business. To safeguard your business you need to have a management system in place which will ensure that your products are made safely, hygienically and to specification. You need to ensure that you satisfy all your legal obligations and also any Codes of Practice to which you subscribe. And if the system should fail then you need to have a procedure in place to prevent future failures. In the worst situation you also need a contingency plan for recovering the situation in order to minimise its impact on the business

Which brings us back to the need to be able to demonstrate that we have "taken all reasonable precautions and shown all due diligence."

When the Food Safety Act was first published this was often interpreted as meaning that you had to

a) Have a system

b) Operate the system

c) Have records to prove you were operating the system

Nowadays that has been refined to Plan, Do, Check, and Act

Let's explore what that means

Firstly how do we go about planning a Food Safety System?

A HACCP system is a fundamental and primary requirement of any food protection system and 1 believe it can be of enormous value in most areas of Compliance. It is one area in which the BRC standard fills a gap with something that is not in any of the ISO Standards. It is so fundamental that the whole of the first section of the BRC Standard is given over to it and emphasises that it should be the basis of the company's food safety control system.

1 do not intend to go into detail about how to conduct a HACCP system for your factory. There are many b6oks, courses and consultants who can do the job much better than 1 can. However 1 do want to stress one or two features which 1 have found are either critical or have a profound effect on the successful development of a workable system.

Firstly ensure that you set up a multi-disciplinary team who all clearly understand their obligation to the project. This is essential if you are to understand your factory, its products and processes from all perspectives, beginning to end, farm to plate, night and day etc. You need to know what actually happens at 3am as opposed to what should happen, what are the everyday problems which are resolved without recourse to a full set of work instructions etc. It is a bit like Health & Safety; it has to be everybody's responsibility.

Secondly the team needs to be armed with or must prepare both a site plan and a schematic flow chart. This will aid with both the understanding of the production process but also provide a route map for a logical analysis of the inherent hazards. Once again you can draw comparison with other areas of Compliance. We have found that these two documents are also invaluable in conducting thorough H&S risk assessments and in preparing an Environmental Management system.

Sections 3, 4 and 5 of the BRC can be usefully used as checklists in preparing your HACCP plan to ensure you have considered every aspect of your factory and processes and their impact upon the product.

Section Three concerns Factory Environment and contains 20 subsections. They cover all aspects of construction and design along with maintenance, hygiene, pest control, staff facilities waste disposal and transport. All important and basic but nothing that a self respecting modern business wouldn't take for granted.

Section Four concerns product. Much of it is concerned with measures to avoid.

Product contamination and in particular metal detection. This is an area which often lets companies down. It is your last line of defence against potentially harmful foreign bodies and therefore well documented and implemented systems are essential to ensure that they operate at the correct sensitivity, that the reject or alarm mechanism are regularly tested and that robust procedures are in place so that product cannot by-pass the detectors and reject material cannot find its way back onto the line. Most importantly the procedures must be enforced and maintained. This is a point I will come back to.

Product development is also covered in Section 4 and the need for appropriate testing and trials to ensure a product is safe and legal is sometimes overlooked in the rush to launch.

It is also important these days that consideration is given to the segregation of incompatible raw materials. There is a whole separate set of standards concerning Organic products but particular thought should be given to those raw materials which are considered to b allergenic.

Section Five is about Process Control and obviously cover aspects such as time, temperature pH, preservatives, disinfection etc. which can affect product safety but it also covers the requirement to ensure that you comply with the relevant weigh legislation. Again I could present a whole paper on bread weigh control particularly for those bakers who apply the Federation of Bakers Code of Practice on th Average Weight Legislation. The baking industry is unique, believe, in having to estimate th finished weight of their product before it is baked and cooled. This can present particular problem As a result underweight bread i probably the main topic o discussion between bakers an trading standards officers and may well be the main source of prosecutions and adverse publicity. It follows that you need to ensure that your systems can cope with both the routine and abnormal production situations.

Calibration of your weighing equipment is obvious but if temperature control is important, as it may be for some confectionery, then thermometers need a system for regular calibration.

So using the Standard as a checklist you have identified all the hazards that need some form of control. You now need to document the system.

The second section of the BRC Standard deals with this in some detail

But at this stage 1 have to get somed-iing off my chest. If I have not made it clear already I think that in principle the BRC standard and its various clones are valuable documents which comprehensively address the requirements for a modem food safety system.

But anybody who has ever looked at the Standard and particularly Section Two is likely to be filled with apprehension about its apparent complexity and in places its nebulous and verbose language. There are sections which could win an award from the Plain English society.

For example Section 2.1.4 states

The Company shall ensure that the effectiveness of the Quality Management System is monitored, that there is continuous monitoring and analysis of the processes and where necessary shall implement action to achieve defined results and continuous improvement.

I think that means - The Quality Management System should be regularly reviewed and improved

The cynic in me notes that the BRC also run about half a dozen different courses at £450 per head per day to help you understand the Standard. 1 would suggest that for the next revision they might give consideration to the wording of some sections in order that humble bakers don't have to read it ten times to extract a meaning.

When it comes to documenting the Quality Management System you will probably find that much of this already exists in your business - organisation structures, job descriptions, operational procedures, work instructions, 'standards, etc. Some may need amending and others will need to be created. However they all need to be brought together into a homogenous whole.

Most likely however you will find that some of the relevant documents are held in a number of different locations so they are not easily available to those who need access to them. There is probably no system of document control to ensure that only the latest version **is** in circulation, the revision history is unknown and there is no process for regular review

And don't forget to get rid of systems and work instructions which are redundant.

At this stage 1 would strongly advocate get as much as possible of your system documentation on to computer especially if you have a network. They have the great advantage of using little storage space, they have quick search facilities and many of the routine tasks of maintenance and communication can be automated.

We have computerised all our Quality Management System, Our Quality Policy, Manufacturing Standards Manual, Codes ot Practice; relevant legislation, specifications are all stored in an online database. This means that we can ensure that we have robust document control with a full revision history for each document. We don't need to have a complicated bureaucracy to ensure that hundreds of copies of each manual, standard or specification are kept up to date. There is just one central controlled copy. The system prompts for routine reviews and can notify by e-mail all those who need to be aware of updates.

It enables us to keep all relevant reports, audits etc in one central location rather than getting lost in some filing cabinet or ring binder. Action points arising out of audits can also be allocated to responsible individuals with appropriate timescales, reminders and progress records.

Our system also allows us to share best practice between bakeries.

But to my mind one of the most useful features is that it enables us to manage non-conformances.

In the real world of the bakery it is inevitable that situations will occur when for one reason or another it is impossible to comply with some aspect of a Standard, Code of Practice, Specification, etc. For example it may be a practical impossibility for the factory to comply with some aspect of a standard. As an example the metal detector on a particular line may not be capable of detecting stainless steel down to the sensitivity of your metal detection standard. Under those circumstances it would negate the credibility of the whole system if operatives were constantly to be recording a nonconformance which was not actioned. I believe that such nonconformances need to be identified, recorded and appropriate derogations made by individuals with the right level of competence and authority. That way you are demonstrating that not only are , ou in control of your systems but you are reviewing its operation.

A computer based system is not essential but it does have the potential to simplify the maintenance and operation of the QMS.

So we have now created a fully documented Quality Management System - we have completed the Plan part.

We still need to Do, Check and Act.

To my mind the most important criteria for ensuring your system is properly operated is Staff Training! It is self evident that all the effort you have put into the planning stage of your system is a total waste of time if your workforce has not been adequately trained. Time and again when we are audited we are found wanting because some perative or other has been unclear about the correct procedure. It is essential that your entire workforce understand the system, how it is to operate and what are their roles and responsibilities. That means a properly documented training programme. It is essential to the DO part of the system.

I find it surprising therefore that it is the very last criteria in the BRC standard. Documented training procedures and full training records are only required for higher level accreditation and a training matrix and regular review of the effectiveness of training procedures is only a recommendation on good practice.

Having planned and implemented your Quality Management System you now need to check its operation. On a day to day basis this means that your line management should be reviewing the information produced at the various control points firstly to ensure that the system is being routinely operated but secondly and more importantly that corrective measures are being taken to rectify non-conformances. This is where the KISS principle can be so important. Try to reduce all the record sheets to a minimum so that you don't disappear under a forest of paperwork. Where possible arrange a system of recording that avoids tables of figures. Trend graphs are so much simpler to read at a glance to establish if a particular parameter is in specification.

Again utilise digital technology wherever possible. It can be set up to easily overcome the perennial problem of retrospective insertion of data and identification of the operative.

Over and above this day-to-day monitoring you should be instigating regular internal audits of your systems. This is essential if you are to be confident that the system is being operated and maintained. On the basis of t@e audit you will be able to fulfil the final requirement of your due diligence defence i.e. ACT.

Before concluding I just want to touch on two other aspects which 1 referred to at the beginning of my talk. That is what you do if despite your well planned, implemented, and checked system, something serious and unforeseen does go wrong. Something which may well be beyond your control but nonetheless can seriously compromise your product safety and reputation. For example contamination of a dairy based ingredient with dioxins.

1 cannot stress strongly enough the importance of having a full and rapid traceability system. From the moment the warning is received time is of the essence. It is more than likely that your customers will have also been informed of the problem and they will be demanding immediate information as to whether your products are affected and if so which lines and where have they been distributed. A slow response will not only compromise your credibility but could seriously increase the cost of the crisis to you.

So you need to be able to rapidly identify batches of raw materials, where and when they were used, in what product batches an where were they despatched to Furthermore your system needs t operate equally as well upstream as downstream. For example, problem

may be identified wi one batch of finished product. If the problem is associated with raw material you have to be able to work back to the batch involved and then forward again to all the finished product batches which might be implicated.

The second consideration is that you should have a tested system place for efficient product recall Obviously traceability is a major element but equally you need system which enables rapid communication of unambivalent information advice an instructions through the distribution chain. Bear in mind that the telephone can b exceedingly and frustratingly slow especially when your key contact is engaged in a half hour conversation with his girlfriend Faxes are also unreliable and often not consulted for hours. Again stress that time is of the essence dealing with a crisis.

I suppose 1 cannot conclude without some reflection on what the future holds for compliance, Well firstly I am sure that we wi see increasing development commercially available computerbased systems to manage a aspects of an Integrate Management System We already have commercial programme which can effectively manage an maintain your specifications an these are being integrated with other systems to manage supplier customer complaints etc.

Environmental issues a becoming more and mo important. Very large food manufacturers will have to apply for Integrated Pollution Prevention and Control Licence from 1995 and therefore will ha to implement a full Environ mental Management System However, 1 suspect retailers will increasingly demand that all their suppliers implement some form of EMS.

We are already seeing some retailers implementing ethical trading audits

And then there are increasing suggestions that the Food Safety Act is not sufficiently robust along with calls for increased auditing by enforcement authorities. Given the limited resources available . le to most local authority Environmental Health Departments it would not surprise me if third party audits became mandatory. And if that were the case then they could well be placed in the public domain. This Government and the FSA have no problem with name and shame tactics.

In conclusion 1 have tried to give you one or two pointers to activities which I think are particularly important in meeting the BRC Standard. I have tried to emphasise that the principles and techniques in establishing a Quality Management system apply equally well to other areas of Compliance such as Health & Safety and the Environment. However most of all I hope I have convinced you that you should consider the BRC standard as the benchmark by which you measure your company.

Question: Richard Ball

Have you experience of auditing an In-store Bakery?

Answer - I've got no real first hand experience, I've never audited an In-store bakery. 1 do say though that occasionally 1 pass In-store bakeries and take a professional interest in

what is going on there where you can see the operation going on and some of the procedures wouldn't be permitted, -accepted, by our retail auditors in our factories. As for the cost I think, in our business the pressure doesn't come from our accountants, the pressure is on the manufacturing team who can't release key individuals to do the I-IACCP iob properly and then corners tend to be cut and it's one of those tasks that you can't cut corners. We have fallen into the same trap ourselves in British Bakeries, we tried to produce a generic HACCP for all our bakeries, but you can't do that. no two bakeries are the same, either structurally, organisationally. physically, geographically and all those factors are going to present their own particular hazards which ,you need to be aware of and take account of.

Question: Are you aware of issues to sideline HACCP programs to get a product to market? What are the repercussions?

Answer - Well, ultimately there is a provision against the worst offences that the management of the company could go to prison. 1 think the top fine in the Magistrates Court is something like £20,000 but really those figures pale into significance against the cost in terms of bad publicity and consequential loss of volume. That's where the damage is done.

Question: How much value do we place on HACCP on protecting customers in the food chain?

Answer - Absolutely, I often say to people that 1 think the enforcement authorities: the Enviromnental Health Officers, the Trading Standards Officers these days are almost a secondary line of enforcement. The first line of enforcement is your customers, particularly if you are supplying retailers. That the first line of enforcement, because if you get it wrong there you potentially lose a lot of volume, they delist your bakeries or something like that, so that's where it really hurts but that is as nought to the effects of potentially killing somebody. If you get glass into a product and that piece of glass gets into a child's throat and they choke to death on it you are not going to have a very healthy business thereafter. Hence the need for robust systems.