IFS Broker

IFS Broker Guideline

Auditor questions and advice for IFS Broker version 3.2

ENGLISH

In case of any queries regarding the interpretation of IFS Standards and Programs, please contact standardmanagement@ifs-certification.com

IFS Broker Guideline

The individual requirements of the Standard can present interpretation challenges. The interpretation always depends on the situation of the independent company. But IFS is focused on improving the audit quality by supporting the auditors for calibrated performance during IFS audits.

This guideline shall be used as a tool for auditors to perform the audits correctly in terms of the IFS.

Focusing on products/services

IFS Broker is a product/service certification scheme and the respective audit is a product/service audit. Therefore any objective evidences are closely related to products and the assessment of broker service(s).

Not all-inclusive

The listed questions are simply examples and do not give the auditor a complete collection of questions. The auditor has to adapt the audit to the situation of the company case by case. The audit is not automatically complete if the auditor asks every question in the list. It establishes just a minimum standard the auditor shall fulfill.

Improvements

IFS is dedicated to continuously improve the guideline. Therefore we want to give the auditors, as well as the certification bodies, the opportunity to support IFS through providing comments or ideas related to their own experiences that could help improving the guideline and provide additional support for implementation and auditors. Please contact one of the IFS offices should you have any comments or further ideas to improve this guideline.

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Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
1	**Senior Management Responsibility**	
1.1	**Corporate policy / Corporate principles**	
1.1.1	The senior management shall draw up and implement a clear corporate policy. This shall consider as a minimum: • Customer focus, • sustainability (environmental and ethics and personnel responsibility), • product safety culture commitment, • product requirements (includes: product safety, quality, legality, process and specification). The corporate policy shall be communicated to all employees.	**Questions:** • How and where is corporate policy documented? • What are the contents of the corporate policy? • Which points from the broker policy are most important to senior management? • How are these communicated to the employees? **Documentation:** • Adopted corporate policy • Documented evidences of corporate policy communication, e.g. bulletin, training material (training plan, records, signing list, presentation, brochure, etc.) ***Advice for auditors:*** • *Different types possible, e.g. continuous text or separate guiding principles* • *Sustainability responsibility is included in the IFS Broker even if it´s a product safety and quality management standard – to initiate awareness of the company.* • *Ask employees about the company policy.* • *Check whether all required aspects are included in the policy.*
1.1.2	The content of the corporate policy shall have been broken down into measurable objectives (quality and product safety). These are known by the respective employees and shall be effectively implemented.	**Questions:** • Is the content of corporate policy adapted to measurable objectives? • What quality and product safety objectives are currently defined? • Are these objectives clearly formulated and measurable? • What tools are used to measure that the objectives have been attained? **Documentation:** • Defined quality and product safety objectives • Records of trainings or bulletins • Posters showing the different department objectives ***Advice for auditors:*** • *Employees can be asked during the audit*
1.1.3	All relevant information related to product safety, quality and authenticity shall be communicated effectively and in a timely manner to the relevant personnel.	**Questions:** • How does the broker communicate information on product safety internally, e.g. if warnings about traded products become known? • Were there situations like these recently? How did the broker proceed? **Documentation:** • Training evidences • Procedure descriptions

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1.2	**Corporate structure**	
1.2.1	An organisation chart shall be available showing clearly the structure of the company. Competences and responsibilities, including deputation of responsibility, shall be clearly laid down.	**Questions:** • Which functions in the broker are explained in the organisation chart? • The competencies including deputation are determined in what form (e.g. job descriptions)? • Job descriptions exist for which employees/functions? • Which tasks are regulated with regard to the person? • Do deputation regulations exist for all important functions? • How is the reachability of important functions ensured, e.g. senior management in crisis situation? ***Advice for auditors:*** *Brokers often only have few employees; especially the situation in case of vacations or illness needs to be assessed here.*
1.2.2 KO	**KO n°1: Senior management shall be responsible for the corporate policy and objectives.** **The necessary resources and investments to ensure the product safety, legality and quality according to customer agreements and specifications shall be provided.**	**Questions:** • How does the company get objectives traced and evaluated? • How were necessary resources determined? • Are there regularly controls of success? **Documentation** • Management review (incl. assessment of resource planning) • Planning documents or project planning • Meeting minutes, quality cycle ***KO would be given:*** *When senior management doesn´t provide enough resources which leads to a product safety and/or legality issue (e.g. providing enough resources to allow sufficient amount on product analyses or other monitoring measures).*
1.2.3	The senior management shall ensure that employees are aware of their responsibilities related to product safety and quality and that mechanisms are in place to monitor the effectiveness of their operation. Such mechanisms shall be clearly identified and documented.	**Questions:** • How does the broker ensure that all tasks related to product safety and quality are assigned to specific employees and that they are properly fulfilled by these employees? • How do employees know their responsibilities? ***Advice for auditors:*** *Specific questions to this requirement itself are not advisable. Compliance with this requirement results from the overall picture of questioning the employees. Situations where problems to be solved occurred need particular attention. This is the most likely situation to demonstrate the integrity of the system.*

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1.2.4	The company shall ensure that all processes (documented and undocumented) are known by the relevant personnel and are applied consistently.	**Questions:** • How does the broker ensure that all processes are known by the personnel and are applied consistently? • Does the broker conduct trainings following process and document changes? ***Advice for auditors:*** *Ask different employees about the processes and check whether a regulated consistent approach has been established.*
1.2.5	The company shall have a system in place, to ensure that it is kept informed of all relevant legislation on traded products safety and quality issues, scientific and technical developments and industry codes of practice.	**Questions:** • Which laws or normative guidelines are particularly relevant for the broker? • Is there a list of the guidelines / specifications? • How is this updated and who is responsible for this? • How does the broker ensure that the traded products meet the legal requirements? • Who checks the implementation of these changes? • How is information regarding changes transmitted to the relevant suppliers? **Documentation:** • Product laws subscription • Trainings • Seminars • Newsletters • Information from associations • Association memberships
1.2.6	The company shall inform its customers, as soon as possible, of any issue related to product specification, in particular of all non-conformity(ies) identified by competent authorities related to products which could have, has or has had a defined impact on safety and/or legality of respective products. This could include, but are not limited to cautionary issues.	**Questions:** • Is there a rule stating at what point the customer potentially affected by a non-conformity has to be informed? • Who informs the customer, if required, and how? • Are competencies regulated for this? ***Advice for auditors:*** *The auditor should check how the information was transmitted to the customers when a non- conformity occurred. There shall be evidence for this. In case the broker made phone calls, there needs to be at least a telephone memo.*
1.2.7	The senior management shall ensure that the certification body is informed of changes that may affect its ability to conform with the certification requirements, but as a minimum: • The legal entity name, • Office location change, • In case of product recall, the senior management shall ensure that the certification body is informed within three (3) working days.	**Questions:** • When was the last recall? • When was the certification body informed? **Documentation:** • Recall records • E-mail ***Advice for auditors:*** *Details on further occasions on which the company has to inform the certification body have to be laid down in the contract between the certification body and the company.*

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1.3	**Management review**	
1.3.1	Senior management shall ensure that the quality and product safety management systems are reviewed at least annually or more frequently if changes occur. Such reviews shall contain, at least: • results of audits, • customer feedback, • process compliance and product conformity, • status of preventive and corrective actions, • quality and product safety policy and objectives, • product safety culture commitment, • follow-up actions from previous management reviews, • changes that could affect the product safety and quality management systems and • recommendations for improvement.	**Questions:** • Which substantive points are addressed in the management review? • Are product safety culture topics reviewed? • Who compiles the required data for the management review? • What conclusions does senior management draw from the management review? • Which results from the management review were implemented? **Documentation:** • Improvement actions • Review report(s) • Audit reports ***Advice for auditors:*** *Is there sufficiently detailed information compiled for the required assessment points, resulting in a meaningful overall assessment of the system? It should be recognizable that the management review is established as control element.*
1.3.2	This review shall include the evaluation of measures for the control of the quality and product safety management system and for the continuous improvement process.	**Questions:** • Which measures did the broker define to measure and evaluate its own quality? • Who maintains these data and how often are they registered? • Who traces the measures from a management review and how? • Is it possible to derive a development (continuous improvement process) from the existing data? ***Advice for auditors:*** *Are measures adequate to the corporate structure defined? Measures like complaint quota, delivering reliability should be available, at least. Even a small enterprise can keep these.*

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2	**Quality and Product Safety Management System**	
2.1	**Documentation requirements**	
2.1.1	The system for product safety and quality management shall be documented and shall be retained in one location (product safety and quality manual or electronic documented system).	**Questions:** • Where is documentation concerning the quality system for quality assurance and product safety retained? • How is the management of these documents organized? • Are changes and modifications traceable? • Are there defined responsibilities? • How is the documentation structured? • Where and in what form is it kept? • How do the employees access it? **Documentation:** • Procedure for document control • Cloud-computing system ***Advice for auditors:*** *The documentation of a broker with only a few employees may be limited to the essential points that need to be regulated. It is vital that all required procedures are comprehensively regulated. Parts of the purchasing and sales processes are often determined by the purchase management system in use. All regulations are often summarized in a manual.*
2.1.2	A documented procedure shall exist for the control of documents and their amendments.	**Questions:** • What rules exist regarding document control? • Do the documents have an identification code? • How is the identification code structured? • Are there access or usage rules for IT based documentation? • How can a revision be identified? • Who is responsible for changes? • How do relevant employees have access to documents? • How are document changes communicated to relevant employees? • Are there any distribution lists for documents? • How is document validity identified? • How is it ensured that only valid documents are in circulation? **Documentation:** • Procedure for documents • Distribution list • QM handbook

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2.1.3	All documents shall be clearly legible, unambiguous and comprehensive. They shall be available to relevant personnel at all times.	**Questions:** • Are all documents legible? • Are the documents unambiguous? • Are the documents available at the right places? Also after office hours? • How is easy access of the employees to the documentation ensured? • Are the documents structured comprehensibly? • In what way are the documents provided to the employees?
2.1.4	All documents which are necessary for compliance with the product requirements shall be available in their latest version.	**Questions:** • How does the broker ensure that specifications are up-to-date? • How is it possible to recognize that they are up-to-date? • How are employees informed about changes?
2.2	**Record keeping**	
2.2.1	All relevant records, necessary for the product requirements shall be complete, detailed and maintained and shall be available on request.	**Questions:** • Which records are maintained for broker services? • How is quick access to the records ensured? • Are electronic records taken into account in addition to paper records? • What records exist? • Are the records complete? • Are the records available? **Documentation:** • Different records ***Advice for the auditor:*** *All brokers have their own filing system; since many broker services are often handled parallel, a system is indispensable. Many brokers use specific management systems tailored for the sector.*
2.2.2	Records shall be legible and genuine. They shall be maintained in a way that subsequent revision or amendment is prohibited. If records are documented electronically, a system shall be in place to ensure only authorized personnel have access to create or amend those records (e.g. password protection).	**Questions:** • How does the broker ensure that data is not tampered with later on? • How is data-backup carried out? • Is there an access regime? ***Advice for auditors:*** *Records are critical for a broker where the goods are not on-site since all processes, activities and operations are only evident in records. Therefore, it is important to recognize during the audit how records are established at every relevant step of the trading process. Records that are prepared in online documents may be problematic since it may be possible to change them later on. Goods management systems are considered as largely tamper-resistant.*

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2.2.3	All records shall be kept in accordance with legal and customer requirements. If no such requirements exist, records shall be kept for a minimum of one year after the specified shelf life. For products which have no shelf life, the duration of record keeping shall be justified. This justification shall be documented.	**Questions:** • Which retention times have been determined? What is the basis for this? • Are semi-finished products delivered to manufacturers of frozen goods or canners? For these, the minimum shelf life is very long; is this taken into account when determining the retention times? • How does the broker check whether the records are complete and kept for a sufficiently long period? • Where are records stored? • Who stores records? • How long are records kept? • On what basis were record storage times defined? • For products with a short shelf-life, was record storage time definition based on risk analysis? **Documentation:** • Procedure descriptions/documents
2.2.4	Records shall be securely stored and easily accessible.	**Questions:** • How and where are records filed? • How are electronic records secured? • How is easy access to the data of an electronic backup system ensured?
2.3	**Risk Management System**	
2.3.1 KO	**KO n° 2: The basis of the company's product safety control system shall be a fully implemented, systematic and comprehensive risk management system.**	**Questions:** • The risk management system is established according to which standards? • Are all risks of the trade process/broker services taken into account sufficiently? ***Advice for auditors:*** *There shall be a risk management system that clearly estimates and deals with the existing risks of the trade process and identifies control measures. Typical risks for a broker are, e.g., hazards at the producer, hazards during transport, hazards during (interim) storage.* *If the broker trades own or customer branded products, the broker is responsible for the products. Therefore, the risk assessment shall include the product suppliers as well as the raw material suppliers of the suppliers (through the risk management system implemented by the food /other product suppliers).* *If the broker trades supplier branded products (e.g. packed, labelled standardized), the risk assessment can be limited to product suppliers.* *The study shall be based on the principles of the Codex Alimentarius if food is traded.* ***KO would be given if no recognizable structure of a risk assessment is available or if the existing risk assessment does not show any connection to the traded products or if critical risks were not addressed.*** Missing aspects in the risk assessment are assessed, however, in the following requirements

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2.3.2	The company subject to the IFS Broker audit shall ensure that its suppliers' product safety control system is a fully implemented, systematic and comprehensive risk management system. It shall take into account any legal requirements of the production and destination countries. For food, a HACCP system is required, based upon Codex Alimentarius principles.	**Questions:** • Has the Broker ensured that the supplier has a HACCP/risk management system in place? • How did the Broker gather the suppliers´ information? • Are all applicable legal requirements of the country of origin/destination known and taken into account? **Documentation:** • Valid certificate (GFSI recognized Standard) of supplier • Supplier questionnaire ***Advice for auditors:*** *Special consideration shall be given to suppliers not holding a GFSI recognized certification located in a country were a HACCP/risk management system is not required by law*
2.3.3	There shall be a documented risk assessment process in place covering all processes the company is responsible for and which have an impact on product safety. It takes into consideration the different types of products as well as different service levels, if applicable.	**Questions:** • For which activities is the organization responsible? • Can this be retraced in the risk assessment process? **Documentation:** • Risk assessment • Process descriptions ***Advice for auditors:*** *The broker shows which services he carries out and which he is responsible for – start, end of service and which activities are in between. The risk assessment only implies these services/ processes.*
2.3.4	The company shall have a risk management team, which is multidisciplinary. It shall be built up of person(s) with adequate knowledge of the services, products and hazards involved. If this knowledge is inadequate, the company shall take appropriate steps to ensure the risk assessment is undertaken by competent person(s).	**Questions:** • Who is/are the risk management team member(s)? • Is the team well known across the company? How was it announced? • Which functions are present in the risk management team? • How was the qualification of the risk management team membership verified? • What hazards are connected to the product or process, which means: is the knowledge available in the team? • Who established the risk management system? • Where did these employees get their qualification? Is evidence available? • Was there external support? If not, how were the employees qualified in-house? **Documentation:** • Evidences for education • Advanced training • Job descriptions • Team matrix • Blackboard notice • HACCP/risk management system • Organization chart

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2.3.5	Complete descriptions of broker services and products shall be available and shall include relevant information concerning product safety. All steps the broker is responsible for, and their connection to each other, shall be laid down in a flow chart.	**Questions:** • Is a full description of services in place? • Does a risk assessment exist for all processes? • Which steps are included in the risk assessment? • Are all product safety aspects covered? • Which trading activities are carried out? Are there specific transport conditions for the goods that need to be met? • Are the goods imported from a third country? • Which process steps are listed in the flow chart? • Which hazards were identified? • How are the identified risks controlled? • How is the risk assessment recorded? **Documentation:** • Description of service(s), customer requirements • Process descriptions ***Advice for auditors:*** *Check whether the flow charts contains all relevant trade / transport steps. Was the risk described and evaluated for every step?* ***Note: consideration to specific legal requirements of the origin and destination countries shall be already given at this stage***
2.3.6	An analysis and assessment of all hazards shall be undertaken to evaluate all physical, chemical and biological hazards, including allergens, that may reasonably be expected to occur. It shall consider the likelihood of occurrence of hazards and severity of their adverse health effects. Where risk classification is used, a hazard analysis with risk assessment shall be documented for each risk class.	**Questions:** • Does a hazard analysis exist for each step? • Are all hazards included? • Which biological, physical and chemical hazards can be expected? • How was the hazard analysis performed? • Does an analysis and for all product groups including harm and likelihood exist? • Are risk classes defined? If so, which ones? • Are these risk classes reviewed by hazard analysis? **Documentation:** • Hazard analysis ***Advice for auditors:*** *This specific risk assessment is conducted to define monitoring points (control measures in the processes).*

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2.3.7	The determination of relevant control measures shall be demonstrated by a logical reasoned approach. Based on that, appropriate limits shall be defined and validated in order to clearly identify when a process is out of control.	**Questions:** • Which control measures are defined? • How many control measures exist? • On the defined control measures, can the process be influenced in order to prevent, eliminate or reduce a product safety hazard? • Which control measures are defined? • Which preventative measures were taken regarding control measures? • Which preventative measures are documented? • How are the measures documented? **Documentation:** • Risk assessment • Flow chart • Decision tree • Risk matrix • Preventative measures
2.3.8	Monitoring procedures shall be established based on the outcome of the risk assessment process. In case a control measure is not under control, adequate corrective actions shall be taken and documented. Such corrective actions shall also take into account any non-conforming products.	**Questions:** • What corrective actions are defined for each control measure? • When was a corrective action carried out? • Where are corrective actions documented? • Who documents the performance of corrective actions? • Are non-conforming products also taken into consideration? • Are there corrective actions performed and effectiveness assessed? **Documentation:** • Records of control measures • Corrective actions ***Advice for auditors:*** *The monitoring is defined in Codex Alimentarius: performance. The performance of planned series of monitoring or measurements of parameters, to assess if defined control measure are under control.*

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3	**Resource Management**	
3.1	All personnel performing work that affects product safety, legality and quality shall have the required competence by education, work experience and/or training, commensurate with their role, based on hazard analysis and assessment of associated risks.	**Questions:** • Which qualifications are especially important for trading operations? • Which product knowledge is required? • How does the broker ensure the required qualification when hiring new employees? • How were the employees qualified? ***Advice for auditors:*** *If there is any indication of training deficiencies or insufficient knowledge in important fields of activity during the audit, a non-conformity shall be scored here.*
3.2	The company shall implement documented training and/or instruction programs with respect to the product requirements and the training needs of the employees. There is an overview in place (e.g. matrix), from which the necessary trainings result, based on the job descriptions of the employees.	**Questions:** • How does the broker plan trainings? • How does it identify the training needs? • Is a training course overview available, listing all in-house and external trainings carried out? • Which trainings were conducted last year? • Is there any evidence for trainings carried out in-house and externally? ***Advice for auditors:*** *Are there also qualification measures regarding risk management?* *Are the trainings also related to special fields of the broker, e.g. product trainings? Specialist fairs are also qualification events that should be included in the training course overview/training plan.*
3.3	Records shall be available of all training events, stating: • list of participants (this shall include their signature) • date • duration • content(s) of training • name of trainer/tutor. There shall be a procedure or program in place to prove the effectiveness of the training programs.	**Questions:** • When did the last training take place? • Are all training evidences comprehensive? • Do all records contain all necessary information? • How is the effectiveness of the training(s) checked? **Documentation:** • Training records • Internal audit records

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3.4	The contents of training shall be reviewed and updated regularly and take into account company's specific issues, product safety, product related legal requirements and product/process modifications.	**Questions:** • When was the review of the training content reviewed the last time? • When was the training content updated the last time? • Have there been changes made in regard to assessments, procedures or customer requirements?
4	**Planning and Services Process**	
4.1	**Contract agreement**	
4.1.1	The requirements which are defined between the contract partners shall be established, reviewed and agreed upon concerning their acceptability before a supply agreement is concluded. All clauses related to quality and product safety shall be communicated to and understood by each relevant employees.	**Questions:** • Which contractual regulations exist for the broker service(s)? • 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 broker? ***Advice for auditors:*** *Contract review is the most important requirement for brokers. They have to review in detail whether the requirements of their customers can be met by themselves and their suppliers. Here, the auditor has to check which customer requirements exist and how they are transmitted to the respective suppliers. In many instances, the customer does not know the manufacturer and vice versa, since the broker keeps this information to himself for competitiveness reasons. Then, the broker has to convert all customer requirements (e.g. specifications, terms and conditions) into own documents and, if necessary, send them to the eligible suppliers. This is often a source of errors, especially if the customer changes the specifications during ongoing transactions and this information is not transmitted to the suppliers at all or in a timely manner (see also 4.1.3).*

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4.1.2	Changes of existing contractual agreements shall be documented and communicated between the contract partners.	**Questions:** • 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? ***Advice for auditors:*** *Are there any regulations regarding order modifications in the documentation?*
4.1.3	Specific quality and safety requirements of customers shall be communicated to and understood by the supplier and/or service provider of the company.	**Questions:** • Are there specific requirements of customers? • Did the broker 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? ***Advice for auditors:*** *It is important to check here whether all product requirements of a customer are really transmitted by the broker to the suppler/manufacturer. Often, the broker prepares own specifications that are passed on to the suppliers. Here, a comparison on the basis of the trading activities carried out is required for all important products or product groups. Examples of specific quality and safety customer requirements: necessity to implement metal detectors, organic, no GMO, identity preserved, etc.*
4.2	**Specifications**	
4.2.1	Specifications shall be available and in place for all products. They shall be up to date, unambiguous and in compliance with legal requirements of the destination country(ies) and also with customer requirements.	**Questions:** • Are there regulations for specification control (preparation, review, approval, distribution)? • What minimum content has been determined for specifications? • How are the supplier branded 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? ***Advice for auditors:*** *Specification for A-Brands (well established type of supplier branded products in end-consumer packaging) are usually not available. Information about specific product information (e.g. unit sizes, temperature requirements) is however required. The fruit and vegetable sector often trades on the basis of EU marketing standards (UNECE). Then specifications are unnecessary unless required by the customer. There are, however, almost always specific specifications available for customer branded products (e.g. private label).*

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4.2.2 KO	**KO n° 3: The customer specification shall be complied with.**	**Questions:** • How does the broker ensure that customer requirements, forming the basis of the commercial transaction, are transmitted completely to the supplier/manufacturer? • Which 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)? ***Advice for auditors:*** ***A KO should be scored, if essential quality aspects of the specification have been committed. This is always the case if specified parameters differ significantly.*** ***KO examples: Wrong country of origin, composition of specified portions does not match; absence of unwanted substances specified by the customer is missing in the supplier specification.*** *KO will not be given here, if the inspection of the delivered goods shows that although they deviate from the customer specification, the broker did agree upon the correct specification with the supplier. This case is evaluated under other requirements, e.g. supplier evaluation, inspections, non-conforming products, corrective actions.*
4.2.3	Where required by customers, product specifications shall be formally agreed.	**Questions:** • Do customers require a formal agreement on product specifications? If so, what products are concerned?
4.2.4	There shall be a procedure for the creation, the modification and approval of specifications for all products and parts of the services, which shall include the preliminary acceptance of the customer, if specifications have been agreed with customers.	**Questions:** • Which specifications are handled in the broker (e.g. overview)? • What kinds of determinations exist for preparing, reviewing and approving specifications? • Which regulations are defined for transmitting information from specifications to suppliers and customers? ***Advice for auditors:*** *Check here whether the rules for specifications are sufficiently detailed. Important points: who reviews the content of the specifications? Who releases them? How is it recognizable that the specifications are up-to-date?*

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4.3	**Product development/Product modification/ Modification of production processes**	***Note: These requirements can be assessed with N/A in case of supplier branded products. But as soon as the broker is considered as the first marketer (imported products), having own (Broker) branded products or is developing customer branded products, this chapter applies.***
4.3.1	A procedure for product development shall be in place for all own and customer branded products, which takes into account the risk assessment principles (and HACCP system, according to Codex Alimentarius, for food products), including food fraud. The procedure shall ensure that all existing and new products are designed to meet legal and customer requirements. This procedure shall also take into account patents, if applicable.	**Questions:** • Does the broker carry out development activities? If yes, what kind of developments? • Is there a procedure indicating the development process? If yes, how is compliance with legal and customer requirements is carried out for development? • Is there development planning? ***Advice for auditors:*** *If a broker conducts developments, this can only be carried out in very close cooperation with selected companies/ manufacturers. Here, the auditor has to check in what way the practical implementation is carried out and how the broker verifies or accompanies the compliance with all relevant development steps and product specifications at the selected manufacturer.*
4.3.2	The company shall take over responsibility for product formulation, manufacturing processes, process parameters and the fulfilment of product requirements. The above parameters shall be established and ensured by factory trials and/or product testing.	**Questions:** • Which records about the production test runs are kept by the contracted companies? • How does the supplier inform the broker about the results of the test runs? • Are required tests during a development determined on the basis of the specifications? How is it possible to verify the result? • Does the own laboratory and/or an external accredited laboratory conduct the required analysis? Who selects the laboratory? • Does the broker accompany production test runs conducted in the companies? If yes, which own recordings in addition to those of the supplier are kept here?
4.3.3	Where relevant, the company shall ensure that shelf life tests or adequate processes have been carried out and consideration given to product formulation, packaging, manufacturing and declared conditions, to establish minimum durability of the product.	**Questions:** • 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?
4.3.4	In relation to food product development, the company shall ensure organoleptic assessments are undertaken and results of these assessments are reviewed and acted upon.	**Questions:** • 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?

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4.3.5	A process shall be in place to ensure that labelling of all existing and new products complies with current legislation of destination country and customer requirements.	**Questions:** • Who checks the labeling / declaration of the new product? • How is legality ensured? • The products are delivered to which countries? How does the broker ensure the correct declaration for all countries of destination? • Are there any customer specifications related to labeling / declaration? • What is the form of the specifications for declaration checks determined in the documentation of the broker?
4.3.6	Recommendations for preparation and/or use of the products shall be established. Where appropriate, recommendations for use shall relate to consumer satisfaction and consumer safety. Where specified, customer requirements shall be included.	**Questions:** • Are there any recommendations for preparation and/or use of the products? If yes, how are they coordinated with the customer requirements? • How are the recommendations for preparation and/or use of the products checked for accuracy?
4.3.7	If the product development is predefined by the customer, the company shall ensure that all defined product requirements are met.	**Questions:** • Does a customer have specific requirements on procedures and / or development steps? • How does the Broker ensure that these requirements are met? **Documentation:** • Customer specification • Verification records
4.3.8	The progress and results of product development shall be properly recorded. Records relevant for product safety, legality and quality shall be available at the company.	**Questions:** • Which records and results has the broker identified as relevant for product safety, legality and quality? • Which records are kept and filed by the broker about the conducted development work? • Which development records does the executing business keep? ***Advice for auditors:*** *Usually, all development records are available at that company / supplier which developed the product on behalf of the broker. For the individual case, the auditor has to check which records the brokers need to have in the office so that all steps of the development, for which they are responsible, can be traced. The more actively integrated the broker is in the development processes, the more detailed records are to be expected. The broker shall present records providing information about the legality and important processes (e.g. checking food law, HACCP or equipment safety for non-food).*

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Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
4.4	**Purchasing**	***Note: this chapter is always applicable for a broker.***
4.4.1	The company shall control purchasing processes to ensure that all sourced products and services, which have an impact on product safety and quality, conform to requirements.	**Questions:** • The purchasing transactions are based on which criteria? • How are the customer requirements incorporated into the purchasing specifications? • Are there fundamental specifications by the customer for the production sites of the suppliers (e.g. certificates)? How are they taken into account? • Which specifications from the customer are there for contracted service providers? Is the purchasing department transmitting them to the supplier? ***Advice for auditors:*** *Sales and purchasing at a broker always have to work closely together; often the purchaser and the seller are the very same person. The customer may specify the character of the goods through their product requirement (e.g. specification).*
4.4.2	There shall be a procedure for approval and monitoring of suppliers and service providers.	**Questions:** • What are the prerequisites the suppliers/services providers need to fulfil before they are allowed to deliver? • How does the broker inform the suppliers about the approval requirements? • Which determinations for the supplier assessment have been made? • Which suppliers are assessed? • How does the broker handle blocked suppliers and ensure that no goods are procured from them? ***Advice for auditors:*** *The procedure for approving and monitoring suppliers should include the following criteria at a minimum: compliance with specifications, analysis of complaints that occurred, delivering reliability, compliance with legal requirements. Establishing additional criteria is sensible and has to be determined individually.*

Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
4.4.3	The approval and monitoring procedure shall be based on hazard analysis and assessment of associated risks and shall contain clear assessment criteria such as: • audits, • certificates of analysis, • supplier reliability and complaints (including fraud), as well as • required performance standards	**Questions:** • Which criteria are taken into consideration for the supplier approval process? • Is the supplier certified according to one of these? • Does the broker request the renewal of supplier certificates on a regular basis? • Does the broker conduct supplier (second party) 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 were the auditors qualified? • Are the supplier audits conducted by contracted third parties? Which criteria are inspected by the service provider? ***Advice for auditors:*** *Here, it is important to check which customer specifications are implemented for each supplier.* *Advice for fruit & vegetables brokers: in the fruit and vegetable sector, retail requests producer standards.* *These are complemented by specific requirements for approved levels of residues that are also agreed by contract.*
4.4.4	The supplier of the product shall be certified against IFS Standard or any other GFSI recognized Standard covering the respective scope of activity. Exceptions can only be made if the customer is expressively accepting other conditions.	**Questions:** • Is it possible to apply an IFS Standard (IFS Food, IFS HPC, IFS PACsecure, IFS Broker) or IFS Progress-intermediate level to the traded products? • Is it possible to apply a GFSI recognized Standard including the right scope to the traded products? • Which customer specifications are there relating to the certifications of the suppliers? • Is there a transparent overview of the existing certificates of the suppliers (e.g. IFS, BRC, GlobalGAP, SQF)? • In case of any queries regarding the interpretation of IFS Standards and Programs, please contact standardmanagement@ifs-certification.com ***Advice for auditors:*** *A list of current GFSI benchmarked Standards can be found here: https://mygfsi.com/how-to-implement/recognition/* *Please note that some regional certification schemes are not recognized or – depending on the product – schemes only have specific scopes of recognition.* *IFS Progress Assessments are not considered as "Standard" or "certified"*
4.4.5	The company shall have a (internal or external) risk based system in place, to monitor the sourcing areas of purchased products.	**Questions:** • Did the broker/customer specify the regions 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? Does the broker rely on already existing tools/sources?

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Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
4.4.6	An assessment of suppliers and service providers shall be made regularly to identify and control risks. There shall be a record of all reviews and actions taken as a consequence of the assessment.	**Questions:** • 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 to the assessment? Are suppliers blocked, if appropriate? How is blocking carried out? ***Advice for auditors:*** *Supplier assessment should be carried out at least once a year. In the fruit and vegetable sector, the suppliers are often assessed at the end of the season.*
4.4.7	The purchased products shall be checked in accordance with the existing specifications and, risk based, with their authenticity. The schedule of these checks shall, as a minimum, take into account the following criteria: product requirements and supplier status (according to its assessment).	**Questions:** • How does the broker check the quality of the products supplied? • Are there specifications for a sampling plan? Does the broker conduct own tests if there are not any customer specifications? • Is it possible to easily identify the authenticity of the traded products? How does the broker check the authenticity and is this verifiable? ***Advice for auditors:*** *In many industries, it is common that suppliers transmit the analyses results to the broker. This information is important but should not serve as the only source for the broker. (see also analyses in chapters 5.2.1 and 5.2.2).*
4.4.8	In case of customer branded products, a supplier approval system shall exist for product suppliers, which is in accordance with customer requirements.	**Questions:** • Are customer branded products manufactured? If yes, which regulations exist for this, e.g. specifications, product questionnaire with specification character? • Who completes the customer questionnaires of e.g. 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? ***Advice for auditors:*** *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 receive all specifications, such as the widely-used questionnaires including details of the manufacturing process (e.g. metal detection, question concerning allergen risks, certifications etc.). If the broker answers the questions of the customer (e.g. because sparing the expense of translation or relieving the manufacturer) the question arises as to how the broker can answer all questions correctly. This aspect is very important and for customer branded products it is of utmost importance to check this!*

Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
4.5	**Product packaging**	
4.5.1	The company shall ensure that for imported products, own or customer branded products, detailed specifications exist for all packaging material which could have an influence on the product. They shall comply with the applicable legislation of the destination country(ies) of the product.	**Questions:** • Are products manufactured on behalf of the broker, e.g. ready meals, frozen vegetables? • 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 (primary and – if applicable secondary packaging) of the cases mentioned above available? • Which legal provisions for the packaging are used? ***Advice for auditors:*** *Please check who is responsible for the product based on the type of product.* *If packed and labelled standardized products are traded, such as articles sold in retail stores (so called "A-Brands"), brokers only have a limited responsibility for the product relating, e.g., to the correct handling of the product and to the compliance with the remaining shelf life. They are not, however, responsible for the packaging, thus the requirement for existing specifications is not applicable.* *If the products are manufactured and/or specifically packed on behalf of the broker or customer or are imported from outside the EU by the broker, the broker shall present specifications and declarations of compliance.*
4.5.2	Where packaging material could compromise product safety of purchased product, declaration of conformity shall be provided by suppliers confirming compliance to legislative requirements. In the event that no specific legal requirements are applicable, evidence shall be available, to demonstrate that packaging material is suitable for use.	**Questions:** • 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 certificates of conformity for plastic packaging and declarations of harmlessness for other packaging materials for the cases mentioned above regarding packaging material available? ***Advice for auditors:*** *See advice 4.5.1. Moreover, it should be noted that the broker is responsible for the legality of the packaging when importing into the EU, e.g. for plastic sealing of imported wines or spirits or for plastic trays for fresh fruit or vegetables.*

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Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
4.5.3	Where a change of packaging is required by the customer or legislation, the company shall ensure the packaging is controlled by the supplier and that product meets legal and/or customer requirements. The use of correct packaging shall be regularly checked and checks shall be documented by the supplier. The company shall ensure these checks are undertaken.	**Questions:** • How does the broker ensure that the supplier/ manufacturer uses the correct packaging? Are specifications of the broker available? • How does the manufacturer check this? • Which information receives the broker from the manufacturer? ***Advice for auditors:*** *For every change to the packaging, the broker has to ensure that the traded products are in the right/compliant packaging. This can only be carried out in close cooperation with the manufacturer. If the supplier of the broker is certified according to IFS or any other equivalent GFSI recognized standard this should be a given. Here, the brokers have the duty of care and shall verify the compliance with the requirements at the manufacturer, e.g. having the appropriate records sent to them.*
4.5.4	Where a change of product labelling is required by the customer or legislation, the company shall ensure the labelling of the product is amended by the supplier to meet the requirements. Labelling information shall be legible, indelible and shall comply with agreed customer product specifications (including e.g. shelf life). Labelling shall be checked regularly and checks shall be documented.	**Questions:** • How does the broker ensure that the manufacturer uses the correct labeling? Are specifications of the broker available? • How does the manufacturer check the correct labeling? How does the supplier inform the broker about the test results and the correctness of the labeling? ***Advice for auditors:*** *For every change to the labeling, whether initiated by customers or legislation, the broker has to ensure that the traded products are correctly labelled. This can only be carried out in close cooperation with the manufacturer. If the supplier of the broker is certified according to IFS or any other equivalent GFSI recognized standard this should be a given. Here, the brokers have the duty of care and shall verify the compliance with the requirements at the manufacturer, e.g. having the appropriate records sent to them.*

Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
4.6	**Traceability (including GMOs and allergens)**	
4.6.1	**KO n°4: A traceability system shall be in place which enables the full identification of products. The labelling of the products shall be carried out in a way to allow full traceability. The traceability system and related records, shall ensure full traceability from the supplier (defined to batch quantity) until the delivery to the customer.**	**Questions:** • How are the traded batches labelled? • Which records for a complete traceability of the products are prepared and where are they filed? • How does the business inform the broker about the labeling of the batches or which specifications does the broker give for batch labeling? • Which quantities does a batch contain? • How is the batch number used composed? ***Advice for auditors:*** *At a broker, the batch for an article is naturally defined from a delivery to the customer. This is also valid if the traded batch originates from a uniform bigger batch of the manufacturer, since every partial delivery is subject to individual impacts and risks (e.g. transport conditions) during transport.* *Usually, the broker does not have any difficulties differentiating the batches since records are available for every individual delivery (e.g. order or on call at the manufacturer, shipping documents, customs documentation, if required, delivery note customer, invoice).* *Some manufacturers take photos of the product and labeling of the batch sent and mail this information to the broker who then is informed about the exact labeling because of the photos.*
4.6.2	The traceability system shall be tested on a regular basis – at least annually and each time the traceability system changes. The test shall verify upstream and downstream traceability (from the Broker's supplier through to their customer (including logistics service providers), and vice versa), including quantity checking. Test results shall be recorded.	**Questions:** • When was the last test for verifying the traceability carried out? • The sampling was selected according to which criteria? • Are complete records for the test available? • How high is the percentage of the quantity that could be traced? ***Advice for auditors:*** *Check whether the tested products are representative for testing the system and whether the test was comprehensively documented.*
4.6.3	For own and customer branded products, the traceability system shall ensure full traceability from the last processing step of the product until delivery to the customer.	**Questions:** • When was the last test for verifying the traceability carried out? • The sampling was selected according to which criteria? • Are complete records for the test available? • How high is the percentage of the quantity that could be traced? ***Advice for auditors:*** *Check whether the tested products are representative for testing the system and whether the test is comprehensively and evidently documented.*

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Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
4.6.4	If required by the customer, the company shall ensure that the supplier has identified samples representative for each manufacturing lot, has stored them appropriately and has kept these until their expiration date or, if required, for a longer period. The company shall obtain and retain a list of all manufactured lots covered by the broker services.	**Questions:** • Does the customer request retained samples? • Was the representative sampling of retained samples agreed with the manufacturer? If yes, where are the retained samples kept? Under which conditions? • How is the correct sampling of the retained samples monitored at the manufacturer? • Does the broker have an up-to-date list of the actual sampled retained samples? How often is the list of retained samples updated? ***Advice for auditors:*** *The list of retained samples should be compared to the deliveries to check the amount of agreed retained samples.*
4.7	**Food fraud mitigation**	***Note: this chapter is applicable for food products and their primary packaging as well as packaging material designated for food products.*** ***Household and personal care products are not considered by this chapter.*** ***Until 30th June 2021, no Major-non-conformity shall be scored on any of the requirements of this chapter.***
4.7.1	The responsibility for food fraud vulnerability assessment and mitigation plan shall be clearly defined. Those responsible shall have the appropriate specific knowledge and expertise, and have the full commitment from the senior management.	**Questions:** • How is ensured that the responsible person has the appropriate knowledge? • How is the support of senior management ensured? **Documentation:** • Evidence on education or working experience • Certificates on advanced trainings (external/internal)
4.7.2	A documented food fraud vulnerability assessment shall be undertaken on all purchased products (including packaging), to determine the risk of fraudulent activity in relation to substitution, mislabeling, adulteration or counterfeiting. The criteria considered within the vulnerability assessment shall be defined.	**Questions:** • What is the defined vulnerability assessment methodology? • Are all food products and packaging subject to vulnerability assessment? • Are vulnerability assessments undertaken on all (new) products (including packaging) and the suppliers of these product? • Did the Broker cluster specific products into groups? If so, is it reasonably justified? • Are vulnerability scores, ranking or grading available for review? • Which risk factors are defined for product (and packaging) and suppliers? **Documentation:** • Vulnerability assessment procedure • Vulnerability assessment records • List of products and packaging and their suppliers • Results of internal audit review

Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
4.7.3 KO	A documented food fraud mitigation plan shall be developed, with reference to the vulnerability assessment, and implemented to control any identified risk. The methods of control and monitoring shall be defined and implemented.	**Questions:** • What are the control measures applied to mitigate the risk of potential food fraud activity identified within the vulnerability assessment? • How is the food fraud mitigation plan defined? • Are control measures regularly reviewed for suitability and effectiveness? • Who monitors, and where necessary actions, issues identified by the control measures? • Are control measures appropriately and consistently applied in accordance with identified risks? **Documentation:** • Food fraud mitigation plan procedures • List of complaints • Results of internal audit • Food fraud mitigation plan control measure records and review (and actions)
4.7.4	The food fraud vulnerability assessment shall be regularly reviewed, at least annually, and/or when significant changes occur. If necessary the food fraud mitigation plan shall be revised/ updated.	**Questions:** • How often is a vulnerability assessment undertaken? • Are control and monitoring requirements changed, and if so, why? • What are the criteria defined, when the food fraud vulnerability assessment shall be reviewed in additional to the annual review, i.e. when changes to risk could occur? • Is the effectiveness of the food fraud mitigation plan reviewed? If so how is this undertaken? **Documentation:** • Food fraud mitigation plan (procedure) • Vulnerability assessment procedure and assessment records • Food fraud mitigation plan control measure records and review (and actions) • List of complaints • Results of internal audit
4.7.5	The company shall ensure that suppliers have performed and documented a food fraud vulnerability assessment on fraudulent activities and have implemented a food fraud mitigation plan to control the identified risks.	**Questions:** • Does the supplier vulnerability assessment cover the purchased products? • Have all supplier a mitigation plan in place? • Does the suppliers mitigation plan cover the purchased products? • Have all suppliers an assessment in place? **Documentation:** • Supplier questionnaire • Cross check with Brokers VA assessment documentation • Possible product complaints • Results of supplier audits (if applicable) ***Advice for auditors:*** *Special consideration has to be given to suppliers not holding a GFSI certification (see 4.4.4)*

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4.8	**Logistics activities**	
4.8.1	Where the company contracts a third-party transport and/or storage service provider, all the relevant requirements to ensure product safety and quality (including product defense) shall be clearly defined in the respective contract or the service provider shall be certified against IFS Logistics or any other GFSI recognized Standard covering the respective scope of activity.	**Questions:** • Are logistics service providers? Which certifications do they have? • If the logistics service providers are not certified according to IFS Logistics or any other equivalent GFSI recognized Standard, which requirements were fixed in a service contract? • 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 broker 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? ***Advice for auditors:*** *Please check whether customer specifications for transport are available. If yes, they should be verifiably regulated with the service provider (e.g. in a service contract).* *The transport sector is very prone to errors; here, it is important to check whether adequate assessment criteria have been determined.*
4.8.2	If the company has its own storage area and/or own transportation services and would like to include them into the scope of the IFS certification, then these processes shall be certified according to IFS Logistics (combined audit with IFS Logistics checklist), unless the customer has accepted other conditions.	**Questions:** • 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? ***Advice for auditors:*** *This combination frequently occurs in practice. If the legal entity certified against IFS Broker also has an own warehouse or trucks at the same physical location, this requirement applies. Please check here how the self-stored products are handled.*

Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
5	**Measurements, Analyses, Improvements**	
5.1	**Internal audits**	
5.1.1 KO	**KO n° 5: Effective internal audits shall be conducted according to a defined agreed audit program and shall cover at least all requirements of this IFS Standard. Scope and frequency of internal audits shall be determined by hazard analysis and assessment of associated risks.**	**Questions:** • How is the audit program organized? Is there an audit plan? • How does the broker ensure that all requirements of the IFS Standard are audited? **Documentation:** • Audit program • Hazard analysis and assessment of associated risks ***Advice for auditors:*** ***KO if internal audits are not carried out or if the last internal audit took place more than a year ago and a new one has not been scheduled.***
5.1.2	Internal audits of activities which are critical to product safety, specifications and own services shall be carried out at least once a year.	**Questions:** • Which areas are audited annually? • Are there areas according to risk assessment that are not audited annually? ***Advice for auditors:*** *It is difficult to exclude certain areas from the annual auditing in practice since it is almost always possible to draw a connection to product safety and product specifications. Therefore, the brokers decide most of the time to audit all requirements annually.*
5.1.3	The auditors shall be competent and independent from the audited department.	**Questions:** • Who conducts the internal audits? • How did the internal auditors obtain qualification? • How is the independence of the auditors ensured? • When using external auditors: What are the qualifications of the external auditors? **Documentation:** • Qualification evidence(s) ***Advice for auditors:*** *Often, brokers have only a few employees. Therefore, it is often difficult to ensure the independence of the internal auditors. That is why many brokers are audited externally.*
5.1.4	Audit results shall be communicated to the senior management and to responsible persons of concerned department. Necessary corrective actions and a schedule for implementation shall be determined and documented and communicated to every relevant person.	**Questions:** • How does the broker handle non-conformities from internal audits, e.g. deviation reports, to-do lists? • How are the results from internal audits communicated with the employees? • How is the senior management informed about the internal audit results? **Documentation:** • Internal audit report(s) • Corrective action plan(s)

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5.2	**Product analyses**	
5.2.1	There shall be product analyses/testing procedures ensuring that all specified product requirements are met, including legal requirements and specifications. Microbiological, physical and chemical analysis required for that purpose shall be performed internally and/or subcontracted.	**Questions:** • How does the broker verify the compliance with product requirements? • Which analyses are required (microbiological, physical, chemical analyses)? • Which parameters are examined? • Which customer requirements are there related to the required examinations? ***Advice for auditors:*** *Please check to what extent the broker is responsible for the product. In principle, there are two situations:* *1. The broker trades individual goods, specifically selected or developed for himself or for a customer (such as brokers own branded or customer branded products) or is importing products, e.g. frozen fruit, meat, fresh fruit and vegetables, manufactured ready-meal on behalf of the broker,* *2. The broker trades with standard items such as supplier branded products, already labeled by the manufacturer and which the customer could also purchase somewhere else, e.g. standardized products which can be sold in retail stores, standardized basic materials or additives of major corporations.* ***In case 1*** *the brokers are fully responsible for the product. They must be able to demonstrate through testing that the product has the agreed characteristics and are compliant with legal requirements (as there are also legal aspects, e.g. importer to EU or not).* ***In case 2*** *the brokers are rather mediators. They are responsible for the framework conditions of the products (e.g. correct article, correct remaining shelf life at delivery, uniform batch, compliance with transport conditions). They are not responsible, however, for the exact composition of the product (for example, if a caffeinated soft drink of a large American corporation is traded, you have to contact the manufacturer in case of product complaints and not the broker, unless aspects under the responsibility of the broker are concerned, such as improper storage, shelf-life too short etc.)*

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5.2.2 KO	**KO n° 6: Where special analyses are demanded by the customer, these shall be defined in a testing plan and performed according to the defined requirements. Test results shall be available at the company site.**	**Questions:** • The products are delivered to which customers? • Does the customer have any requirements for analysis programs? • Are there contractual agreements for analysis programs? • How is the quantity comparison conducted if analyses have to be carried out according to determined quantities supplied? • Does the inspection plan include all specific and otherwise required analyses? ***Advice for auditors:*** *In the fruit and vegetable sector, the majority of retail customers have requirements related to levels of residues of plant protection products. These allow, for example, only 80 % of the statutory limits or limit the number of identified active substances. You have to ask during the audit which specific details apply. The contractual obligation of the broker is mostly determined in framework agreements or specifications.* *For control, analyses depending on the quantity delivered are agreed (e.g. an analysis every 32 tons). The analyses are conducted by approved, accredited laboratories and entered into a residue database.* ***Scoring:*** *Here, a scoring is only possible if there are contractual agreements relating to analysis programs (common in the fruit and vegetable sector, occasionally in other industries). N/A scoring possible if there is no specific program.* ***KO, if analysis programs were agreed but there is no tool to determine the due date/frequency of analyses or if the tool doesn't include demanded analyses.*** *In some cases, the customers inform the suppliers about the due date of analyses. In this case, compliance can be identified through conducted analyses and deliveries. The internal control tool to determine testing plan is missing here but the analyses are conducted.*
5.2.3	Analyses, which are relevant for product safety, shall preferably be performed by laboratories having appropriate accredited programs/methods (ISO 17025). If the analyses are performed by a factory internal or a laboratory not having appropriate accredited programs/methods, the results shall be verified on a regular basis by laboratories accredited on these programs/methods (ISO 17025).	**Questions:** • Which laboratories are commissioned? Are they accredited? • Does the broker conduct own analyses? ***Note: own analyses are only seldom on a broker stage, it usually appears only when the broker has an own storage.***

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Nº V 3.2	IFS BROKER V3.2 REQUIREMENT	AUDIT QUESTIONS AND ADVICE FOR AUDITORS
5.2.4	Based on hazard analysis and assessment of associated risks, a product sampling program shall be implemented, which covers all purchased products and broker services. The test results shall be documented.	**Questions:** • Does the hazard analysis reflect the different product types? • Which product hazards are identified for the traded products? • 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? ***Advice for auditors:*** *If brokers are directly responsible for the quality of the products (see 5.2.1) they have to ensure this. A hazard analysis shows the existing hazards. The test plan takes the trading process into account and shows at what point tests are possible and reasonable.* ***Examples:*** • *Broker trades frozen poultry as own brand or customer branded product: the test plan may, e.g., consider microbiology, feed, identity, specific husbandry practices, if advertised; temperatures, transport.* • *Broker trades frozen finished goods labelled for the final consumer (supplier branded products): the test plan takes into account: temperatures storage and/or transport.*
5.2.5	Results of analysis shall be evaluated promptly. In case of any unsatisfactory results, the company shall assess the significance of these results, shall inform the customer accordingly and appropriate corrective measures shall always be implemented. The analytical results shall be reviewed regularly in order to identify trends. In the event that trend analysis indicates potential issues which may occur, the company shall take corrective actions.	**Questions:** • How are the results of analyses evaluated? • Is it possible to identify trends using the analyses? • What actions will be taken as a consequence? • Are corrective actions initiated, if appropriate? **Documentation:** • Analyses reports • Trend analysis • Correspondence with customer(s) in case of unsatisfactory results • Corrective action plan
5.2.6	Based on any internal or external information on product risks which may have an impact on product safety and/or quality (incl. adulteration and fraud), the company shall update its control plan and/or take any appropriate measure to control impact on finished products.	**Questions:** • Which sources of information about product risks are used regularly? • Which mechanisms are stored to adapt the test plans? • Are products traded where adulteration is easily possible (e.g. processed beef)? • If yes, how is adulteration/fraud prevented? **Documentation:** • Control plan

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5.3	**Product quarantine and product release**	
5.3.1	As part of the company's incident management procedure (crisis management system), there shall be an assurance that the supplier or service provider has systems in place which identify and control non-conforming products. Strong quarantine (blocking / hold) procedures are in place in the event that a non conforming product is identified.	**Questions:** • How does the broker ensure that the supplier has a functional quarantine and release procedure? • Which quarantine procedures are kept to promptly block goods? • Did the broker ever carry out quarantines, what was the reason? • How is communication along the supply chain ensured to carry out quarantines?
5.3.2	If products are subject to a hold and release procedure, a procedure shall be defined and effectively implemented, to ensure compliance with product requirements prior to release.	**Questions:** • Does the broker has such procedures? If so, for what kind of products? • What product requirements are defined for the specific procedure? • How does the broker ensure compliance? **Documentation:** • Risk assessment documentation • Procedure description/flow chart • Analysis reports/certificates
5.4	**Management of complaints from authorities and customers**	
5.4.1	A system shall be in place for the management of product complaints.	**Questions:** • How does the broker handle complaints? • Is a prompt reaction to every complaint ensured? • Which complaints occurred recently? • How is a uniform procedure for complaint handling ensured?
5.4.2	All complaints shall be assessed by competent staff. Where it is justified, appropriate actions shall be communicated to the supplier or service provider and shall be taken as soon as possible.	**Questions:** • Who handles complaints? • How does the broker 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 broker inform the customer?
5.4.3	Complaints shall be analysed with a view to implementing preventive actions which avoid the recurrence of the non-conformity.	**Questions:** • How are complaints evaluated? • Is there an adequate breakdown into different complaint reasons? • Does the broker investigate the causes for complaints? • Are the examples for corrective actions resulting from complaints? • Were these corrective actions effective, i.e. did these complaints not recur? • Who is responsible for the process?

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5.4.4	The results of complaint data analysis shall be made known to the relevant responsible persons and to the senior management.	**Questions:** • How are the senior management and the relevant persons informed about complaint evaluation and causes of complaints?
5.5	**Management of incidents, product withdrawal, product recall**	
5.5.1	A documented procedure shall be defined for management of incidents and of potential emergency situations that impact product safety, legality and quality. This procedure shall be implemented and maintained. This includes as a minimum: • the nomination and training of a crisis team, • an alert contact list, • sources of legal advice (if necessary), • contacts availability, • customer information, and • a communication plan, including information to consumers, if necessary.	**Questions:** • Which steps are included in the incident management procedure determined in writing? • Did crises/incidents already occur recently and how did the broker overcome them? • Did the broker nominate a crisis team? How and when was it trained? • How does the broker inform customers about crises? • Which institutions have been nominated to support in crisis situations or have to be informed? **Documentation:** • Procedure description/flow chart • Telephone list ***Advice for auditors:*** *In most cases for customer branded products, the customer wants to inform their consumers directly, so that the broker doesn´t need to inform consumers.*
5.5.2 KO	**KO n° 7: There shall be an effective procedure for the withdrawal and recall of all products, which ensures that involved customers are immediately informed. This procedure shall include a clear assignment of responsibilities.**	**Questions:** • How does the broker ensure the effectiveness of the procedure for withdrawal and recall of all products at all times? • How did the broker ensure the responsibility for decision-making in case of deputation during vacation or illness? • How and does the broker inform the customers? • Who is authorized to inform authorities/media? ***Advice for auditors:*** ***KO, if the integrity of the system is not ensured at all times.***
5.5.3	Updated emergency contact details (such as names and phone numbers of suppliers, customers and competent authorities) shall be available. A person of the company, who has the authority to initiate the incident management process, shall be permanently available.	**Questions:** • How does the broker ensure that specific emergency phone numbers of customers and suppliers are available? • How does the broker 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? ***Advice for auditors:*** *Often, only the phone numbers of the contact persons of the customers are available. Usually, they cannot be reached outside normal business hours. Retailers and larger industrial customers have specific emergency numbers that can be reached 24 hours.*

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5.5.4	The feasibility, effectiveness and timeliness of implementation of the withdrawal procedure shall be subject to regular internal testing, carried out at least once a year. This test shall be carried out in a manner to assess the effectiveness of implementation and operation of the procedure.	**Questions:** • How and when did the broker test the withdrawal procedure recently? • How did the broker proceed? • How does the broker ensure that the test is representative for the traded products and business activities?
5.6	**Management of non-conformities and non-conforming products**	
5.6.1	A procedure shall exist for the management of all non-conforming products.	**Questions:** • How does the broker ensure the effectiveness of the procedure for handling non- conforming products at all times? • How are the goods accessed? • How does the broker ensure that non-conforming goods are blocked correctly (e.g. by the storage service provider)? • How are they labeled? Are there requirements for this? • Which decision-making channels have been determined? • What evidence is there for blockings and non-conforming products? **Documentation:** • Procedure description or flow chart • Label
5.6.2	The procedure for the management of non-conforming products shall include, as a minimum: • hazard analysis and assessment of associated risks • isolation/quarantine procedures • product identification (e.g. labelling) • decision about the further use (e.g. release, rework/post treatment, blocking, quarantine, rejection/disposal) • information about process chain • clearly identified staff and supplier and/or service provider responsibilities.	**Questions:** • How does the broker ensure the effectiveness of the procedure for handling non- conforming products at all times? • How are the goods accessed? • How does the broker ensure that non-conforming goods are blocked correctly in due time (e.g. by the manufacturer or logistics service provider)? • How are they labeled and are there specifications for this? **Documentation:** • Hazard analysis and assessment of associated risks • Procedure description(s)/flow chart(s) • Communication records ***Advice for auditors:*** *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.*
5.6.3	The rules of the procedure for the management of non-conforming products shall be understood by all relevant employees.	**Questions:** • How does the broker ensure that every employee applies the procedure correctly?

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5.6.4	Where non-conformities are identified, the company shall ensure that immediate corrections shall be carried out by the responsible supplier, manufacturing site and/or service provider, so that product requirements are complied with.	**Questions:** • How does the broker initiate necessary corrections for occurring non-conformities at the level of the supplier/ manufacturer/service provider? • How does the broker ensure the chain of information in difficult circumstances, e.g. holidays, weekends?
5.6.5	Finished products (including packaging) out of specification shall not be placed into the market under the label concerned unless a written approval of the brand owner is available.	**Questions:** • How does the broker proceed when it is established subsequently that the already packed customer branded products do not comply with the specifications anymore? • How does the broker ensure that the supplier/ manufacturer of the goods does not use older packaging materials anymore, provided that they are still in their possession? ***Advice for auditors:*** *Occasionally parameters laid down in customer specifications are more strict than the legal requirements (e.g. pesticide residues). This means, products are "out-of-specification" but still legally compliant. The broker need to ask the customer for permission.*
5.7	**Corrective actions**	
5.7.1	A procedure shall be in place for the recording and analysis of the non-conformities with the objective to avoid recurrences by preventive actions and/or corrective actions. This may include a root cause analysis.	**Questions:** • How does the procedure for corrective actions work? • When and how are corrective actions determined? • Is the procedure practical? • When and where are non-conformities documented? • How is the documented data evaluated? • Are non-conformities going to get used for determining corrective or preventative actions? • For what cases was a root-cause analysis conducted? **Documentation:** • Procedure descriptions • Overview about non-conformities • Evaluations about status of corrective and preventative actions • Document about corrective and preventative actions • Audit reports • Audit action plans • Root cause analysis ***Advice for auditors:*** *A root cause analysis would be required in such cases where the cause of the non-conformity is not obvious or complex and so that further investigations are needed to identify the cause.*

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5.7.2 KO	**KO n° 8: Corrective actions shall be clearly formulated, documented and undertaken, as soon as possible to avoid further occurrence of non-conformity. The responsibilities and the timescales for corrective action shall be clearly defined. The documentation shall be securely stored, and easily accessible.**	**Questions:** • Which corrective actions have been carried out since the previous audit? Were they recorded? • Does the broker investigate causes for the non-conformities that occurred? • Are corrective actions taken to determine the non-conformities in a timely manner? **Documentation:** • Procedure descriptions • Documentation of corrective actions • Overview about non-conformities • Evaluations • Minutes • Corrective action samples • Minutes/records about assessment ***KO would be given:*** • *If corrective actions are not documented* • *If no timescale is defined for defined corrective actions* • *If corrective actions are not implemented according to definition*
5.7.3	The performance of the implemented corrective actions shall be documented and the effectiveness shall be checked.	**Questions:** • When and how is the effectiveness of a corrective action verified? • Are the implemented corrective actions effective? • How are non-effective corrective actions handled? **Documentation:** • Procedure descriptions • Documented corrective actions • Evaluation of status of corrective actions • Corrective action samples • Reviews of verification (internal audits, etc.) ***Advice for auditors:*** *The effectiveness of corrective actions should only be carried out after a reasonable period of time to confirm then safely that the non-conformity does not recur. Often, brokers confirm the effectiveness of a corrective action on the day it was carried out. In most cases this is an indication that there are difficulties in understanding the process of corrective actions management.*

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6	**Product defense assessment**	
6.1	The company shall ensure that suppliers' responsibilities for product defense are clearly defined.	**Questions:** • Is there a person at the broker's who is responsible for the subject product defense, who is trained to handle product defense requirements for brokers professionally? • Which information about product defense from their suppliers is available at the brokers? • Does every supplier know the persons responsible for product defense?
6.2	The company shall ensure that suppliers and logistics service providers have performed and documented a product defense hazard analysis and assessment of associated risks. Based on this assessment and legal requirements the supplier/service provider shall implement a product defense plan to mitigate identified risks.	**Questions:** • How does the broker ensure that the suppliers prepared a hazard analysis for product defense? • Which 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'? ***Advice for auditors:*** *The broker has to closely examine the security situation of their suppliers in order to fulfill the requirements of this chapter. If, so far, the suppliers had no reasons to deal with the subject product defense, the brokers themselves shall take action here and state requirements on their part. When the broker is fully responsible for the product and not only a mediator, the broker should be able to show, e.g., as evidence, letters of the broker to the supplier (e.g. questionnaire), in which the broker asks the suppliers for information regarding the issue product defense, with answering letter of the supplier to the broker regarding the security situation of the supplier. It is always possible to transmit the responsibilities regarding the issue product defense and these should be available. Own visits at the supplier, where brokers have seen the security situation of the supplier themselves may also be used as evidence. There, they could also inspect the hazard analysis of the supplier and report on this.*

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