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**MINISTRY FOR PRIMARY INDUSTRIES**  
**RECOGNISED AGENCY ASSESSMENT REPORT**

Far North District Council

Remote Surveillance Assessment

26 January 2021

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# ASSESSMENT REPORT

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## Organisation Details

Organisation	Far North District Council
Address	Private Bag 752 Memorial Avenue Kaikohe
Agency Contact	Katie Waiti-Dennis

## Assessment Team

Lead Assessor	Jennifer Foley
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## Report Preparation

Prepared by	Jennifer Foley
Checked by	Julie Richards
Date finalised	12 February 2021

## Introduction

This report relates to the Recognised Agency Remote Surveillance Assessment of Far North District Council which took place on 26 January 2021. This assessment was undertaken on behalf of the Ministry for Primary Industries (MPI) in order to make a recommendation to MPI whether or not Far North District Council continues to meet the requirements for recognition as an agency to conduct registration, verification compliance and monitoring activities.

Recognition is a conclusion that the agency complies with the relevant sections of the Food Act 2014, regulations of the Food Regulations 2015 and other applicable MPI criteria. The assessment was a sampling exercise and therefore this report is based on the observations made during the assessment.

Compliance with all legal requirements relating to health and safety is the responsibility of the agency. Where some items relating to health and safety may have been identified, this does not represent an exhaustive report on the agency's compliance with such legal requirements. Auditing for compliance with legal requirements relating to health and safety is outside the scope of this assessment.

## Executive Summary

Far North District Council (FNDC) had the following functions under the Food Act 2014:

- Registration of food businesses;
- Verification of Template Food Control Plans (FCPs) within Territorial Authority exclusivity;
- Verification of Template FCPs outside Territorial Authority exclusivity;
- Verification of National Programmes;
- Applicable enforcement, compliance and monitoring activities

In order to conduct the verification of Template FCPs outside council exclusivity and the verification of National Programmes, Far North District Council was required to maintain its recognition by MPI according to the Food Act 2014. The purpose of this assessment was to conduct an organisational competence assessment of Far North District Council to determine whether it continued to meet the requirements for recognition as an agency conducting verification services.

This assessment consisted of:

- A desk-top review of FNDC's Quality Management System (QMS) against the Food Act 2014, the Food Regulations 2015 and MPI criteria;
- A remote assessment of the implementation of the submitted QMS. The assessment was undertaken remotely using Microsoft TEAMS. IANZ has been instructed to undertake QMS assessments remotely since the beginning of the COVID-19 pandemic as per the work authorisation between MPI and IANZ.

The documented QMS was very detailed and well thought out. The agency was well supported by a management team who were seen to be invested and committed to the successful operation of the agency. The agency had implemented a number of useful and proactive measures in the last year and this was seen to be a good example of an agency being committed to improving and growing its activities and people.

IANZ maintains records on the data collected, findings and completed checklists addressing specific requirements.

## Observations

### Conflicts of interest

A number of processes were in place to manage conflicts of interest. This included a register and associated policy. The agency was able to clearly demonstrate its process. A recorded conflict of interest was followed through to verify this. In the case reviewed, the agency had made appropriate file notes in the food business record which was located on the Pathways database. These notes were made to ensure that a verifier would not be assigned to a particular food business where there was a conflict of interest identified.

### Confidential information

There were no indications that the agency was not managing confidential information appropriately. The agency indicated to food businesses that it would be reporting verification outcomes to the regulator and that, other than required by law, information would remain confidential.

### Staffing

The agency had the following three recognised persons:

- Natalia Thompson
- Emmanuel Platero
- Patrick Barber

There were no other verifiers currently working for the agency. The council did not have any shared service arrangements with other councils nor did it use any contractors for verification work. Patrick Barber supported the team as Technical Leader. The following persons also held management responsibility for the agency:

- Katie Waiti-Dennis - Manager of Quality
- Rochelle Deane - Manager Environmental Services
- Christina Rosenthal - Team Leader
- Dr Dean Myburgh - General Manager

Most of these persons had been newly appointed since the last assessment. A verifier, Harish Kumar, had recently finished his employment with the agency. FNDC was able to demonstrate that it had followed its processes for notifying the regulator of this fact. The agency was in the process of recruiting an additional verifier. The QMS stated that the agency would recognise any approvals from MPI that a new prospective verifier held. There were also comments noted in competency reports that stated verifiers were deemed competent as they had a successful MPI Recognised Person witness assessment. While the agency may use MPI recognition as part of its competency assessment process, there is still a requirement for the agency to assess each verifier's competence. See **R5** related to this. Evidence of qualifications was provided for a selection of verifiers. This demonstrated that the agency was maintaining appropriate records.

Gavin Jacobson had been engaged as a contractor to undertake competency assessments of verifiers. A large body of work was involved here. A selection of verification reports was sent to the contractor for review. Subsequently, interviews were conducted. An assessment of verifier's knowledge on requirements was also included, such as knowledge of legislation. The agency is commended for proactively managing training and competency in this regard and is encouraged to continue its commitments to competency management.

There were sections in the QMS that related to Competencies and Training. The processes described in the QMS were very detailed but it was established during the assessment that the documented processes did not fully reflect what was happening in practice. See **R4**.

Examples of completed competency assessment forms were provided for review. These forms appeared to be designed for on-site peer reviews of verifiers (which is a required activity). However, completed forms were instead summaries of the work that the contractor had completed – this work was a review of reports and interviews with verifiers. While these are very useful and necessary activities, the competency assessment form used may not have been the correct form to use here. Alternatively, the detail recorded could have more clearly indicated that the forms were being used for another purpose. There is still a requirement for the agency to undertake on-site peer reviews of its verifiers. See **NC 2**.

The agency was using a competency matrix that had been supplied by MPI. While this was useful, the way it was being used did not fully support the agency in demonstrating and supporting how it made its decisions on sector specific competencies. See **NC 3**.

## Resourcing

The agency had a useful Resourcing Model document that was used to support resourcing. This document gave an analysis of workload and the number of verifiers the agency may need in order to meet its demands.

Details on the number of overdue verifications were also provided. The agency's management had made an active decision to not undertake verifications during the Christmas holiday period due to pressure that food businesses might be facing. Besides this, there were also other overdue verifications. The number of overdue verifications was not disturbingly high but would require active management. There were some cases where the agency could not demonstrate how it was handling specific overdue verifications. It was not clear how this process was being managed or how overdue verifications were being prioritised. See **NC 1**.

Similarly, data on registrations was reviewed during the assessment. The agency had an Expired Business Process that described how the agency would manage expired registrations. There were a few examples where it was clear that this process was either not being followed or where the process required review and update. See **NC 1**.

## Reporting requirements

A selection of verification reports was provided for review. Checklists were used by verifiers and these would form the basis of the report that was sent to the food business. The templates used by the agency appeared to include all the mandatory reporting requirements. Topics were listed in the verification reports. Essential and Top 5 Topics were highlighted on the reports. It was discussed that this did not really flag to the verifier that there are different Top 5 Topics depending on the type of food business being verified. See **R2**.

## Records

The agency had a largely electronic based record keeping system. Verifications were recorded using a checklist. This listed all the possible verification topics and the verifier would select if a topic was performing, conforming, non-conforming or non-complying. Notes were recorded by the verifier. The notes were appropriate but FNDC and its verifiers are encouraged to always keep detailed notes to support its decisions. It was noted that the competency assessments carried out by the contractor had looked at verification records in good detail and made appropriate comments and recommendations to FNDC and its verifiers. Completed verifications were accessible via the agency's Pathways database.

## Non-compliance and corrective action

The agency was actively reviewing reports on the verification data stored on the MPI reporting system Titiro. The Quality Manager was running a report on any verifications that had a non-compliance. The purpose of this was to identify cases where specific actions may be required. The agency is encouraged to continue this proactive approach to data review.

Verification reports were assessed and this demonstrated the process for managing non-compliance and corrective action. There was a section of the report template that indicated if a verification had identified areas of non-conformance or non-compliance. Verifiers would agree on appropriate corrective action with the food business at the time of the verification. This included agreeing on a date for completion. In some cases, the food business would send in evidence for review in order to close any non-conformance or non-compliance. Alternatively, the verifier may decide to undertake a follow up visit to confirm if corrective action had been completed. The reports contained a section for recording if corrective action had been completed or if a follow up verification had been carried out.

## Complaints and Disputes

A complaints and disputes register was provided for review. This gave a brief summary of complaints received and the outcome of any investigations. A complaint was further reviewed during this assessment - this related to a case where a verification had been booked for a food business when the food business had indicated it had already engaged a third party verifier. FNDC were able to demonstrate that they were following their procedure for investigating and responding to complaints. Records related to the complaints were readily available and saved in Objective. This included acknowledgement of complaint and file notes in Objective to prevent the issue reoccurring.

## Internal Management

An internal audit schedule was in place and records of completed audits were provided. Records included an internal audit plan and an internal audit report. The records were extremely detailed. An audit of Regulation 110(2)(m) was reviewed. Regulation 110(2)(m) states that agencies must have a process to review performance. An internal audit checklist was included in the audit report but this checklist was limited and it could have been argued that it may not be an appropriate audit checklist. It was discussed with the agency that it may be useful to add more detail into the checklist. This could be done by using the MPI [Assessing your QMS](#) document. The FNDC checklist included the regulatory requirement, but without more definition, there is potential that internal audits would not verify the QMS against the correct criteria.

The audit report was very high level. It was discussed during the assessment that FNDC should be using the internal audits to verify if systems and processes:

1. Meet requirements
2. Are being implemented.

Using the above example to illustrate this, the MPI [Assessing your QMS](#) document states that one of the ways the agency can comply with regulation 110(2)(m), is to have systems and processes in place that allow for active monitoring of consistency and reliability of verification outcomes including professional judgement. The internal audit should be looking for objective evidence that FNDC has systems and processes for monitoring the consistency and reliability of verification outcomes (point 1, above). The internal audit should then confirm that these processes are appropriate and implemented correctly (point 2, above). Internal auditors should seek evidence and keep records as part of this process.

A CI (Continuous Improvement) register was in place and this listed a number of improvements that had been made. It was noted that the findings from the last QMS assessment which was undertaken in 2019 had not been included in the register. Findings from the QMS assessment prior to the 2019 one had been included. See **R3**.

## Review of performance

As mentioned, the agency had recently engaged the services of a contractor to perform competency review services. This contractor undertook a review of a selection of reports from each verifier. Verifiers were then interviewed and discussed reasons for their decisions and judgements with the contractor. A detailed report was provided. This was a good way of reviewing consistency and professional judgement.

Spot audits on data in Titiro were being completed. It was discussed that MPI had been providing information to the agency on any errors in data that had been uploaded to Titiro. The Manager of Quality had been working on extracting reports which indicated if there were any errors in verification topics. In one case at least, an error with the reporting template was identified as the cause of some errors and this had been addressed by the agency. The agency is encouraged to continue this practice. Data like this can be used to identify any transcription or upload errors. Similarly, this data can be very useful in reviewing consistency between verifiers.

## Contractual arrangements

The agency used an Application for Registration of Food Business form. This was used by food businesses that were applying for registration. Food businesses could also request verification services using this form. The form was available from the FNDC website. Listed at the end of this form was the agency's terms and conditions. This included areas such as confidentiality, impartiality and fees. Prior to verifications,

confirmation letters were also sent to food businesses. This reiterated areas such as fees and times for verifications. Letters also described the scope of verifications. It was noted that there was no page control on the Application for Registration of Food Business form.

## Assessment Findings

The following non-conformities must be implemented in accordance with the plan agreed to by the agency and detailed below for each non-conformity. MPI will manage the non-conformities to resolution, and all corrective actions and related correspondence must be addressed to: [foodact.verification@mpi.govt.nz](mailto:foodact.verification@mpi.govt.nz)

Recommendations are intended to assist the agency in its efforts to maintain an effective quality management system and are not conditions of recognition. All corrective actions and recommendations will be followed up at the next assessment.

Non-conformity number	NC 1	Reference	The Food Act 2014 Schedule 4
<b>Details of non-conformity</b>			
<ol style="list-style-type: none"> <li>1. There were a number of businesses with expired registrations – a further review indicated that the agency had not followed its own process for managing these. The process requires the agency to send out repeated reminders to food businesses both before and after expiry. There are also requirements for FNDC to escalate expired registrations. In some cases, enforcement action may be required. The records, notes and memos stored in Pathways system were in some cases not fully complete (see Soda Creek, Rougue Vine Vineyard and Super Natural Foods). FNDC should review the extent of this issue and implement corrective action as appropriate.</li> <li>2. The Food Business Renewal Process Improvement procedure noted that businesses could renew their registrations. This may not be fully correct as businesses with expired registrations may need to apply for a new registration. Failure to do so could result in service of an infringement notice. FNDC should review this documented process. This may involve update of the procedure and subsequent re-training of personnel.</li> <li>3. FNDC should especially look to see if there are any food businesses operating without registration and in breach of the Food Act 2014.</li> <li>4. Similarly, there were a number of overdue verifications and the file notes or memos on Pathways did not demonstrate that these were being actively managed (See Tee Tree Cafe and Golf Range/King Wah Restaurant/Landing Thai Café*). In some cases, food businesses may be in breach of the Food Act 2014. FNDC should review the extent of this issue and implement corrective action as appropriate.</li> <li>5. In addressing this, it may be prudent to document a process for managing registration applications, renewal applications and scheduling. Allocation of work was described in the QMS, but as there were some overdue verifications that have not been assigned or carried out, then this process may need to be amended.</li> </ol> <p>*(This one appeared to be up to date but the report sent to IANZ indicated it was overdue.)</p>			
<b>Information provided by the agency to rectify non-conformance</b>			
Reference	Corrective Action	Owner	Due
2021NC01_01	<b>Expired Registrations:</b> Review the 'Expired Food Business' process. This includes reviewing the existing process, amending where required, identifying records required, updating the Quality Manual if applicable, and distributing to affected staff.	Katie Waiti-Dennis, Rochelle Dean, Christina Rosenthal & Louie Elliott	28 February 2021
2021NC01_02	<b>Expired Registrations:</b> Produce a report of the expired registrations and	Katie Waiti-Dennis & Christina Rosenthal	28 February 2021

	identify the action required for each business.		
2021NC01_03	<b>Expired Registrations:</b> Conduct a process audit of the 'expired business process' within 3 months of the new process being finalised.	Katie Waiti-Dennis	31 May 2021
2021NC01_04	<b>Overdue Verifications:</b> Review the 'overdue verifications' process. This includes reviewing the existing process, reviewing practice notes and guidance on suspension, amending the process where required, identifying records required, updating the Quality Manual if applicable, and distributing to affected staff.	Katie Waiti-Dennis, Rochelle Dean, Christina Rosenthal & Louie Elliott	28 February 2021
2021NC01_05	<b>Overdue Verifications:</b> Produce a report of the overdue verifications and identify the action required for each business.	Katie Waiti-Dennis & Christina Rosenthal	28 February 2021
2021NC01_06	<b>Overdue Verifications:</b> Conduct a process audit of the 'overdue verifications process' within 3 months of the new process being finalised.	Katie Waiti-Dennis	31 May 2021

**Comment / closure and date**

FNDC has provided good detail on its plan to address this non-conformance. MPI may wish to see detail on the completed corrective action in order to close this. NC 1 remains open; resolution will be managed by MPI.

<b>Non-conformity number</b>	NC 2	<b>Reference</b>	The Food Regulations 110 (2) (e) & 110 (2) (d)
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**Details of non-conformity**

There was some confusion over the use of the competence assessment form.

The form as a template appears to be intended for use for on-site peer reviews of verifiers.

However, a completed form for one verifier from the 24/12/2020 was a record of an assessment using a variety of techniques e.g. interview, report review, discussion. The report did not clearly indicate the type of assessment nor did it indicate that it was not an actual on-site peer review.

Please review the use of these forms and ensure that the forms are being used as intended. If the forms are being used for other reasons, it should be clearly documented and described.

**Information provided by the agency to rectify non-conformance**

Reference	Corrective Action	Owner	Due
2021NC02_01	<b>Competency Assessment Template:</b> Review the competency assessment template. This includes reviewing the current template, liaise	Katie Waiti-Dennis	28 February 2021

	with form users to identify areas of improvement, amending the template as required, providing guidance advice on how the form should be used, publishing and distributing the new template.		
2021NC02_02	<b>Peer Review Template:</b> Review the peer review template. This includes reviewing the current template, liaise with form users to identify areas of improvement, amending the template as required, providing guidance advice on how the form should be used, publishing and distributing the new template.	Katie Waiti-Dennis	28 February 2021
<b>Comment / closure and date</b>			
FNDC has provided good detail on its plan to address this non-conformance. MPI may wish to see detail on the completed corrective action in order to close this. NC 2 remains open; resolution will be managed by MPI. FNDC is reminded that on-site peer reviews should form part of its competency management systems. This includes periodic on-site peer-review of already recognised verifiers.			

<b>Non-conformity number</b>	NC 3	<b>Reference</b>	The Food Regulations 110 (2) (e) & 110 (2) (d)
<b>Details of non-conformity</b>			
<p>There was ongoing work on developing the competency management system that the agency should be commended for. This includes a large volume of work undertaken by an external contractor on behalf of the agency.</p> <p>However, the recording of reasons for decisions on competency was not always completed.</p> <p>For example, there was a competency matrix in use that identified what competencies verifiers held. This matrix was important as it would inform the agency as to which verifiers can verify which sectors or Risk Based Measures (RBMs). This matrix used a tick box system to identify if a verifier had the required competency. However, this did not demonstrate the reason for that decision or what evidence that decision was based on.</p> <p>It was discussed that recently, a robust assessment of verifiers had been undertaken. The agency may be able to support some of its decisions using evidence from these assessments. Similarly, previous training, peer review reports, qualifications or interviews may also support decisions.</p> <p>Please review and describe how the agency will record reasons for decisions on competency.</p>			
<b>Information provided by the agency to rectify non-conformance</b>			
<b>Reference</b>	<b>Corrective Action</b>	<b>Owner</b>	<b>Due</b>
2021NC03_01	Review and revise the 'competency matrix' to include sector competencies and capture evidence considered when assigning competencies.	Katie Waiti-Dennis, Rochelle Deane & Christina Rosenthal	28 February 2021
2021NC03_02	Update the Quality Manual to include details about evidence requirements	Katie Waiti-Dennis	28 February 2021

	to support the reasons for decisions on competencies.		
2021NC03_03	Conduct a process audit of the 'competency assessment process' following recruitment to the current vacancy to ensure the new competency matrix is being used and is effective.	Katie Waiti-Dennis	28 May 2021
<b>Comment / closure and date</b>			
FNDC has provided good detail on its plan to address this non-conformance. MPI may wish to see detail on the completed corrective action in order to close this. NC 3 remains open; resolution will be managed by MPI.			

Recommendations to Far North District Council	
R1	It is recommended that FNDC review the food safety-related material on its website. There was a brochure on the food licensing section that still referred to the old Food Hygiene Regulations.
R2	There are Top 5 Food Safety Factors published by NZ Food Safety. These factors are different depending on the type of food business being verified. These should be addressed by the verifier as applicable. The report templates sighted generally had 10 topics highlighted as 'Top 5'. FNDC may wish to review this to ensure that verifiers (particularly new hires) are clear on the Top 5 Food Safety factors and how these differ for different sectors.
R3	The findings from the 2019 agency QMS assessment were not included in the CI register but the 2018 findings were. FNDC may wish to review this for consistency.
R4	<p>There was a process flow documented in the Training section of the QMS. Upon discussion, it was determined that this flow may not correctly describe the actual process. Similarly, there were also statements in the Competencies and Training sections of the QMS such as:</p> <ul style="list-style-type: none"> <li>• The matrix is updated with the assigned level</li> <li>• Measureable results are identified</li> <li>• A timetable is identified</li> <li>• Evidence is gathered</li> </ul> <p>These statements may not reflect the actual process or there may not be systems in place to achieve these. It is recommend that this section is reviewed.</p>
R5	The QMS states that any MPI recognition held by a verifier will be recognised by the agency. It is recommended that this is clarified. While MPI recognition can be used as <i>part</i> of your competency assessment, FNDC must still assess each person's competence.

### Recommendation to MPI

IANZ recommends that Far North District Council continues to meet the requirements to be a Recognised Agency to conduct verification services under the Food Act 2014, on condition that the non-conformities detailed above are managed and closed-out by MPI according to the plan provided by and agreed with Far North District Council.