IFS

PIA
Product Integrity

IFS PIA Guideline

Version 1 | April 2019

ENGLISH

CONTENT

1 Management Commitment & Company Culture

NUMBER	REQUIREMENT	INTERPRETATION
1	**MANAGEMENT COMMITMENT & COMPANY CULTURE**	The goal of this chapter is to create awareness and to involve every person within the company to the appropriate level in the assurance of product integrity. It is expected that the company creates and maintains a positive integrity and quality culture as a base for effective product integrity management.
1.1	**MANAGEMENT COMMITMENT**	
1.1.1	Top management shall confirm its commitment to product integrity by laying down a corporate product integrity policy.	These requirements enable the management to inform all persons within the organization that product integrity is an important issue for everyone and that complying with this standard has a top priority.
1.1.2	Top management shall communicate the corporate product integrity policy to all employees. The communication emphasizes the importance of product integrity and the need to satisfy the requirements of this standard.	
1.1.3	Top management shall ensure that the company continuously complies with this standard.	Top management can only comply with this requirement when it is well informed about the requirements of this standard and about the status and the results of its product integrity management system and initiates actions when needed.
1.1.4	Top management shall provide the necessary resources to comply with this standard.	
1.2	**MANAGEMENT RESPONSIBILITY**	
1.2.1	Top management shall ensure that the tasks, responsibilities and authorities for relevant roles to comply with this standard are assigned, communicated and understood within the organization. Concentration of power at one person and/or conflict of interest shall be avoided.	Relevant roles are e.g.: selling (contract management), marketing, website/ communication management, operations, buying, product development (raw materials/process/recipe/label/packaging), specification management, supplier approval, acceptance of incoming goods, paying invoices, database management, product integrity management.
1.2.2	Top management shall assign a product integrity manager who has the responsibility and authority to determine, implement, maintain and update the product integrity management system.	

NUMBER	REQUIREMENT	INTERPRETATION
1.2.2.1	The product integrity manager shall have an independent position with respect to operations and reports directly to top management about the effectiveness of the product integrity management system.	Operations = the primary process: from purchasing until selling & delivery. This role can be combined with other roles (e.g. quality manager) as long as the person is independent with respect to operations and reports directly to top management.
1.2.3	Top management shall take accountability for the effectiveness of the product integrity management system to achieve the goal of this standard and therefore shall ensure that SMART product integrity objectives are established for the management system.	These requirements demand a pro-active role of top management. These tasks cannot be delegated to another manager like the Integrity Manager. It is expected that objectives are related to continuous improvement.
1.2.4	Top management shall review at least yearly the product integrity management system to determine whether the system is effective. Top management shall draw a conclusion about the effectiveness of the product integrity management system, the achievement of integrity objectives, and the effectiveness of the product integrity policy. Where necessary, top management shall name and initiate actions for improvement.	
1.2.4.1	The input for the management review includes as a minimum: • product integrity objectives; • status of actions established during the last management review; • evaluation of risk profiles of raw materials, packaging materials, suppliers and subcontractors; • evaluation of IFS PIA Assessment status of suppliers and customers (3.1.6); • evaluation of the product- and data integrity risk assessment; • evaluation of the management of control points and control measures; • evaluation of the validity of claims; • evaluation of the management of non-conforming products; • evaluation of complaints, recalls, internal and external audits; • evaluation of the whistle-blower procedure; • evaluation of product packaging design assessments (3.1.4); • evaluation of the effectiveness of trainings; • the availability of resources.	The input for the management review can be prepared by the Integrity Manager. The input needs to be correct and complete to inform top management accurately and to ensure conclusions and actions are effective.

NUMBER	REQUIREMENT	INTERPRETATION
1.3	**COMPANY CULTURE**	
1.3.1	The company shall establish, implement and document a code of conduct applicable for all members of the management and all employees. This code of conduct contains guidelines for desired behaviour in relation to integrity and is communicated to all employees. Implementation of this code is the basis for creating a strong integrity and quality culture.	The code of conduct needs to be detailed in such a way that it is clear to all persons what kind of behaviour is expected and what kind of behaviour is not allowed. It is expected that the integrity and quality culture is maintained by exemplary behaviour, transparent goals and actions, and pro-active communications.
1.3.2	The company shall ensure that managers and employees are obliged to report non-conformities with regard to product integrity to a designated person. This obligation is laid down in an instruction and is communicated to all employees.	All persons need to know: when, how and who to report to in case of non-conformities and/or issues.
1.3.3	The company shall determine, communicate and implement an easy approachable whistle-blower procedure which enables all employees to report issues with regard to product integrity.	
1.3.3.1	The company shall ensure that whistle-blower-reports are documented and communicated to the relevant levels within the organization and all necessary measures are taken without unnecessary delay to correct non-conformities as well as their causes.	
1.3.3.2	The company shall ensure that the whistle-blower is not disadvantaged for reporting. This requirement needs to be included in the whistle blower procedure.	All persons have to be confident they are not disadvantaged and do not have to be afraid to report issues. The performance and the results of the test need to be documented.
1.3.3.3	The company shall test the whistle-blower procedure at least once a year to verify the implementation and effectiveness of this procedure.	

2 Supply Chain and Subcontractors

NUMBER	REQUIREMENT	INTERPRETATION
2	**SUPPLY CHAIN AND SUBCONTRACTORS**	The goal of this chapter is to create a transparent supply chain which enables the company to perform an effective product integrity risk assessment and to implement appropriate control measures.
2.1.1	The company shall have and maintain a current overview of the supply chain which indicates the position of the company in this chain.	As a minimum the overview includes types of first tier suppliers, subcontractors, service suppliers and customers to point out the role of the company in the supply chain and what type of companies the company is doing business with.
2.1.2	The company shall have and maintain a current overview of all company sites and their locations.	These criteria need to provide a complete overview of the scope of the product integrity management system, with the focus on the physical product flow, including outsourced processes.
2.1.3	The company shall have and maintain a current overview of subcontractors and their locations.	
2.1.4	The company shall determine and implement a supplier approval procedure including the establishment of risk profiles (high, medium, low; based on a risk analysis, see 4.1.4) of raw materials, packaging materials, suppliers and subcontractors. The risk profiles and the underlying motivations shall be documented.	The company needs to define parameters and criteria for ‚high risk', ‚medium risk' and ‚low risk' regarding raw materials, packaging materials, suppliers and subcontractors. Raw materials are considered high risk in case of (as a minimum): reported as high vulnerable for fraud in professional/ governmental publications and/or processed in countries with high corruption index and/or in case of specific claims. Supplier approval is risk based and needs to consider the risk profile of raw materials and packaging materials.
2.1.5	The company shall have and maintain a current overview of its suppliers (raw materials, packaging materials, (semi)final products) and their supply chain.	These requirements need to result in transparency in the supply chain of the company: who is doing what and who is responsible? The approach is risk based. The required transparency is based on the risk profile of the raw material, packaging materials, (semi)final products: low risk = first tear supplier is known; medium risk = last stage of production is known; high risk = supplier at the source of the risk(s) is known. In case the farmer is considered as ‚the source of the risk', it is expected that (as a minimum) the 'first stage of production = last consolidation place' is known. In case the supplier has a valid IFS PIA Assessment status, it is considered that this supplier is managing its supply chain properly and that its risk profile is „low risk".

NUMBER	REQUIREMENT	INTERPRETATION
2.1.5.1	This overview shall specify: • supplier activity (manufacturing, trading, subcontracting, outsourcing, etc.); • supplier site location (postal code + place + country).	These requirements need to result in transparency in the supply chain of the company: who is doing what and who is responsible? The approach is risk based. The required transparency is based on the risk profile of the raw material, packaging materials, (semi)final products: low risk = first tear supplier is known; medium risk = last stage of production is known; high risk = supplier at the source of the risk(s) is known. In case the farmer is considered as ‚the source of the risk', it is expected that (as a minimum) the 'first stage of production = last consolidation place' is known. In case the supplier has a valid IFS PIA Assessment status, it is considered that this supplier is managing its supply chain properly and that its risk profile is „low risk".
2.1.5.2	In case raw materials are identified as medium risk, the company shall identify all suppliers in the supply chain to the level of "last stage of production". In case raw materials are identified as high risk, the company shall identify all suppliers in the supply chain to the source of the risk(s).	
2.1.6	The company shall ensure that in case of outsourced processes where products are being processed and/or packed (co-manufacturing, co-packing), the subcontractor has a valid IFS PIA Assessment status (or equivalent).	
2.1.7	The company shall ensure that in case of outsourced processes where products and packaging are not changed (storage, transport), the service supplier has a valid certificate of a GFSI approved standard.	
2.1.8	The company shall verify the IFS PIA Assessment status or GFSI certification status of its subcontractors and service suppliers. The frequency of verification shall be based on a risk assessment, with a minimum of once a year.	Because the IFS PIA Assessment status/GFSI certification status can change as a result of incidents or extra assessments, the status shall be verified periodically.
2.1.9	The company shall determine and implement measures to manage the integrity of raw materials, packaging materials, suppliers and subcontractors (see 4.1.6). The control measures shall be proportional to established risk profiles.	It is expected that high risk products (company's own risk assessment, 4.1.4) are checked by means of laboratory test and high risk suppliers are audited at an appropriate frequency.
2.1.10	The company shall evaluate the risk profiles of raw materials, packaging materials, suppliers and subcontractors and review related control measures at least once a year.	

3 Claims and Certificates

NUMBER	REQUIREMENT	INTERPRETATION
3	**CLAIMS AND CERTIFICATES**	The goal of this chapter is to identify all product integrity parameters to be managed by the product integrity system to establish appropriate control measures.
3.1.1	The company shall have and maintain a current overview of all customer contracts containing product integrity parameters and product claims.	These requirements enable the company to have a complete overview of all product integrity parameters to be managed by the product integrity management system. All explicitly specified product characteristics need to be considered as ‚claims', including nutritional values, indication of quantity, origin of ingredients and certified an non-certified product claims. The company is required to identify whether the characteristic needs to be managed by the supplier, by the company or by both, so appropriate product, process and procedure control measures can be implemented. The company also is required to identify how and where the characteristics are communicated to clients and customers so appropriate data handling and communication control measures can be implemented.
3.1.2	The company shall identify and maintain a current overview of all types of product claims used as input for the product integrity risk assessment (4.1.4).	
3.1.2.1	This overview specifies whether the claim is related to: • the supply chain, • the company's own manufacturing processes, • or both.	
3.1.2.2	This overview specifies: • how the claim is communicated (website, database, contract, product specification, packaging, pictures, product label, social media, etc.); • to whom the claim is communicated: customer (B2B), consumer (B2C) or both.	
3.1.3	The company shall have signed contracts with relevant suppliers, subcontractors and service suppliers detailing supplier requirements to ensure the validity of product claims.	In case the supplier needs to guarantee product claims of raw materials and packaging materials to support claims by the company regarding finished products, this shall be agreed in a contract.
3.1.4	The company shall assess each (new and changed) product packaging and label design in order to identify misleading communication (pictures, statements). Results of the assessments are documented. Misleading packaging designs shall be corrected to ensure product integrity.	Communication to customers and consumers include pictures and marketing statements and need to be approved by an independent (from marketing) person. Approval is not only based on legal requirement, but also on consumers expectations.

NUMBER	REQUIREMENT	INTERPRETATION
3.1.5	The company shall verify the validity of all claims. The verification shall include all control measures and all communications of claims. The frequency and method used (e.g. sampling, testing, traceability checks, mass balance calculation) shall be appropriate for the type of claim and the integrity risks involved.	This requirement is to evaluate whether the actual situation of the day-to-day business is still in line with specifications and contracts to identify possible deviations and to initiate corrections when necessary.
3.1.6	In case a Scheme Owner requires Chain of Custody assurance by means of the IFS PIA Standard, the company shall only communicate claims when the supplier* (one tier down) and the customer** (one tier up) has a valid IFS PIA status. * *farmers shall be certified as required by the Scheme Owner* ** *customers selling products directly to consumers are excluded*	The Dutch scheme ‚Varken voor Morgen' requires CoC assurance by means of the IFS PIA Standard. To be able to communicate the claim ‚Varken voor Morgen', suppliers as well as customers need to have a valid IFS PIA Assessment status.
3.1.6.1	The company shall verify the audit status of its suppliers (one tier down) and customers (one tier up) in case of Chain of Custody assurance. The frequency of verification shall be based on a risk assessment, with a minimum of once a year.	Because the IFS PIA Assessment status can change as a result of incidents or extra assessments, the status shall be verified periodically.
3.1.7	The company shall ensure that if it is aware of (e.g. horizon scanning, publications, RASFF) the fact that a claim can be at risk, the company shall take actions to ensure the claim remains valid for its products.	The company shall initiate additional actions and control measures (and not fully depend on third parties) in case of issues reported in public media.

4 Product & Process Integrity Risk Management

NUMBER	REQUIREMENT	INTERPRETATION
4	**PRODUCT & PROCESS INTEGRITY RISK MANAGEMENT**	The goal of this chapter is to identify relevant and significant food fraud and product integrity risks, appoint appropriate control points and implement effective control measures for product handling and information handling to assure product integrity.
4.1.1	The company shall have a system which ensures it is up-to-date informed with regard to current, emerging and potential product integrity hazards. This system provides input for the hazard and risk assessment and initiates updates of the product integrity risk management system when necessary.	The company needs to demonstrate how and where it pro-actively collects relevant information. As a result it is expected that the company has an actual overview of relevant food fraud hazards. It is expected that sources of information include professional publications, JRC Food Fraud Monthly Report and relevant databases like RASFF, trello.com, etc.
4.1.2	The company shall have a schematic description of relevant primary manufacturing processes and related procedures including sales, purchasing, traceability, stock management and finance. This description is the basis for the product integrity analysis and is verified each year for completeness and accurateness by competent employees.	The detail of this description allows an appropriate risk analysis for relevant process steps and information handling procedures. A product flow is expected to include the following steps: sales, planning, buying, incoming goods, storage, preparation, processing, packaging, distribution, transport, invoicing and payment.
4.1.3	The company shall have a schematic description of relevant data processing procedures, including management of communications (through contracts, databases, websites, brochures, labels, packaging) management of recipes, product quantity/flow registration, and product & process development. This description is the basis for the data integrity analysis and is verified each year for completeness and accurateness by competent employees.	Data and information handling procedures are expected to include: marketing, website content management, contract management, product specifications management, specifications database management, product development and packaging/label design, recipe management, product flow registration (traceability including rework), product release procedure, supplier approval.
4.1.4	The company shall identify and analyse (opportunity x impact) all relevant product integrity hazards related to the supply chain and to its own organization. This analysis shall take into account the operational, administrative, organizational and economic hazards for all relevant processes and procedures and shall identify significant **product integrity** and **data integrity risks**.	It is expected that a company performs 2 assessments: 1. a product integrity risk assessment with the focus on the primary process steps and 2. a data integrity risk assessment with the focus on information handling procedures. As a result of the analysis, the company has an overview of significant product integrity risks regarding the supply chain and regarding the company's activities. It is expected that certain risks may apply to certain product(group)s.

NUMBER	REQUIREMENT	INTERPRETATION
4.1.5	The company shall establish the control points to manage all significant **product integrity** and **data integrity** risks. These control points are included in the schematic process descriptions.	
4.1.6	The company shall determine the control measures for all control points needed to ensure **product integrity** and **data integrity**.	
4.1.7	The company shall establish and implement a monitoring system for each control point to demonstrate that the established control measures are effective and product integrity and data integrity continuously is under control.	
4.1.7.1	The monitoring system shall include: • responsibilities; • control method; • control frequency; • actions needed in case of non-conformities (incl. re-check); • registration of results and actions; • verification of the monitoring results.	
4.1.7.2	The monitoring system shall identify, report and correct non-conformities in time to ensure product and data integrity.	
4.1.7.3	The company shall carry out frequent verification of the monitoring results/registrations. The frequency shall be based on a risk assessment to ensure effectiveness of the monitoring. Verification shall be carried out and documented by other persons than those carrying out the monitoring. The verification method shall be documented.	It is expected that registrations are verified within an appropriate period to allow corrections to be made in case of non-conformities.
4.1.8	Measuring equipment shall be calibrated as prescribed by the manufacturer. Calculations in automated systems shall be validated.	Equipment and software relevant for product integrity need to be verified e.g.: weighing equipment, software calculations, etc. to prevent systematic errors and deviations.

5 Traceability and Batch Balance

NUMBER	REQUIREMENT	INTERPRETATION
5	**TRACEABILITY AND BATCH BALANCE**	The goal of this chapter is to implement a robust traceability system. Therefore the system needs to be detailed, specific, complete and accurate. The traceability system shall assure that all products are fully traceable and shall enable the company to demonstrate that product flows are under control and to mitigate the risk of unallowed/unintentional dilution, mixing or exchange of products.
5.1	**TRACEABILITY**	
5.1.1	The company shall identify all raw materials, packaging materials, and (semi)final products with (a) **specific claim(s)** communicated to consumers (B2C). For these materials/products additional requirements are applicable indicated with **"SC"**.	**Specific claim:** Each extra explicitly specified product characteristic, additional to (different from) the legal mandatory specifications, what distinguishes one product from another, including a certified claim. **Certified claim:** a claim that can only be used when the company holds a valid third party certificate.
5.1.2	The company shall define the raw material batch size of raw materials and packaging materials. A raw material batch is typically defined by one type of raw material, one supplier, one date of receipt; **SC:** and one supplier batch.	In case one shipment of raw materials contains two or more different supplier batch codes, it is (as a result of risk assessment) allowed to make one raw material batch code, as long as the supplier batch codes are traceable.
5.1.3	The company shall define the manufacturing batch size. A manufacturing batch is typically defined by one product type, one manufacturing date; **SC:** and one manufacturing line and one manufacturing event.	In case of high risk, the batch info needs to be more specific: including place (manufacturing line) and time (manufacturing event).
5.1.4	The company shall describe and implement a system for the identification of raw material batches and manufacturing batches. This system shall ensure that raw materials, packaging materials and (semi) final products can be identified at all times and during all stages of the manufacturing process.	It is expected that all relevant personnel are aware of the need for identification and know how products are to be identified.

NUMBER	REQUIREMENT	INTERPRETATION
5.1.5	The company shall describe and implement a system for separation in time and/or place to prevent mixing and/or exchange of raw material batches and manufacturing batches at all times and during all stages of the manufacturing process.	It is expected that all relevant personnel is aware of the need for separation and know how products are to be separated. It is expected that control measures are appropriate for the identified risks.
5.1.6	The company shall ensure that the batch codes by which suppliers identify their delivery batches are known, documented and checked. Non-conformities shall be reported to the supplier.	It is expected that all incoming goods are checked on supplier batch code to ensure full traceability. Absence or unreadable codes need to be reported and corrected.
5.1.7	The company shall establish and implement a procedure for the management (storage, release, use) of batch identification materials. Employees responsible for the use of identification materials shall be trained.	This procedure shall prevent unauthorised and incorrect use of identification materials leading to batches being labelled incorrectly.
5.2	**BATCH BALANCE**	
5.2.1	The company shall describe and implement a system to follow each **raw material batch** (including packaging) administratively so that traceability (qualitative/quantitative) is ensured. This monitoring system establishes per raw material batch an overview into which manufacturing batches it has been processed. This monitoring system is kept up-to-date so that the status of the batches is readily available.	
5.2.1.1	**SC:** Each raw materials batch needs to be accountably verified (batch balance) to monitor the effectiveness (accurateness, completeness) of the traceability system.	It is expected that for each batch of products with a specific claim a batch balance is calculated as soon as possible to check whether registrations are accurate and complete and product flows are under control.
5.2.2	The company shall describe and implement a system to follow each **manufacturing batch** administratively so that traceability (qualitative/quantitative) is ensured. This monitoring system establishes per manufacturing batch a 'batch passport' including: the name of final product, raw material/packaging batches used, volumes in kg and/or numbers, **SC:** the place of processing (process line), processing times. This monitoring system is kept up-to-date so that the status of the batches is readily available.	

NUMBER	REQUIREMENT	INTERPRETATION
5.2.2.1	**SC:** Each completed batch passport needs to be accountably verified (batch balance regarding materials with specific claims (5.1.1)) to monitor the effectiveness (accurateness, completeness) of the traceability system.	It is expected that for each batch of all products with a specific claim a batch balance with regard to materials with specific claims is calculated as soon as possible to check whether registrations are accurate and complete and product flows are under control.
5.2.3	The company shall describe and implement a system to follow deliveries administratively so that traceability (qualitative/ quantitative) is ensured. This monitoring system establishes per manufacturing batch an overview to which customers it is supplied. This monitoring system is kept up-to-date every day so that the status of the supplies is continuously available.	
5.2.3.1	**SC:** Each completed manufacturing batch needs to be accountably verified (batch balance) to monitor the effectiveness (accuracy, completeness) of the traceability system.	It is expected that for each batch of products with a specific claim a batch balance is calculated as soon as possible to check whether registrations are accurate and complete and product flows are under control.
5.2.4	The company shall determine a calculated waste percentage per product (group)/process. These percentages are validated at least once per year or re-established when the process is adapted and are documented with underlying supportive evidence.	This percentage enables the product balance calculation to be „100% in balance“: 100% input = 100% output.
5.2.5	The company shall when applicable describe and implement a procedure for rework. This procedure shall ensure the traceability of all rework. Rework shall be registered in the manufacturing batch passport. Employees shall be trained to manage rework conform procedure.	
5.2.6	For raw materials, packaging materials and products with a **certified claim**, the product flow needs to be accountably verified (period mass balance) to monitor the effectiveness (accuracy, completeness) of the traceability system of raw materials batches, manufacturing batches and deliveries with a frequency based on a risk assessment, but at least once every quarter of a year.	

6 Product Integrity Management System

NUMBER	REQUIREMENT	INTERPRETATION
6	**PRODUCT INTEGRITY MANAGEMENT SYSTEM**	The goal of this chapter is to integrate product integrity procedures and control measures into the certified management system. Personnel need to be trained and supervised. Deviations and non-conformities need to be identified and corrected. Improvement points need to be identified to ensure the effectiveness of the product integrity management system.
6.1	**ORGANISATION**	
6.1.1	The company shall have and maintain a current schematic overview of the company's organisational structure.	The documentation shall indicate the functions with a specific task/responsibility within the product integrity management system.
6.1.2	The company shall ensure that employees carrying out activities within the product integrity management system are trained and competent.	
6.1.3	The company shall carry out an update training at least once a year.	A general update training is applicable for all employees and a specific update training is applicable for employees in functions with a specific task/responsibility within the product integrity system.
6.1.4	The effectiveness of the trainings shall be verified demonstrably.	
6.1.5	The company shall appoint a replacement for key staff regarding the product integrity management system.	The documentation shall indicate the key functions within the product integrity management system.
6.1.6	The company shall ensure that managers have demonstrably daily supervision on the effective implementation of the product integrity management system and take action in case of non-conformities.	It is expected that managers are frequently present on the work floor to check and coach employees. Daily supervision includes verification of control point registrations.
6.2	**MANAGEMENT SYSTEM**	
6.2.1	The company shall have a GFSI approved certified food safety management system and a valid GFSI approved certificate.	

NUMBER	REQUIREMENT	INTERPRETATION
6.2.2	The company shall integrate the management of product & data integrity into the procedures and instructions of the certified management system (including management of trainings, documents, internal audits, complaints, recalls, verifications, etc.).	It is expected that the requirements of this standard are incorporated in the scope of the company's certified management system regarding training and instruction of personnel, verification of the effectiveness of the system, incident management and continuous improvement.
6.2.3	The company shall establish and implement a procedure for approval, adaptation and implementation of supplier and customer contracts so that all customer requirements are integrated in the product integrity management system.	A new and/or changed contract may require an update of the product integrity risk assessment. The integrity manager needs to be involved in the procedure.
6.2.4	The company shall evaluate the rotation of suppliers, subcontractors, certification body and customers and its effect on integrity risk management at least once a year.	It is expected that a root cause analysis may indicate improvement point(s) for the product integrity management system.
6.3	**NONCONFORMING PRODUCTS**	
6.3.1	The company shall ensure that (based on risk analysis) the packaging of raw materials, packaging materials and final products are tamper evident. Products with tampered packaging shall be identified, isolated, blocked and documented.	
6.3.2	The company shall ensure that returned products are identified, isolated, blocked and documented.	
6.3.3	The company shall ensure that non-conforming products are identified, isolated, blocked and documented.	
6.3.4	The company shall determine and implement a procedure for the release of blocked products including responsibilities and authorisations.	Before releasing blocked products, the product integrity risks need to be considered. The integrity manager has the final responsibility for releasing products.
6.3.5	The release of blocked products shall be documented including motivations, actions taken, designation of the product, unique lot code(s) and released-by-name.	

7 Product Integrity Financial Management

NUMBER	REQUIREMENT	INTERPRETATION
7	**PRODUCT INTEGRITY FINANCIAL MANAGEMENT**	The goal of this chapter is to focus on financial hazards in the day-to-day business. It is expected that the company is aware of these risks and has implemented appropriate control measures demonstrably.
7.1.1	The company shall comply with applicable legislation. Issues with justice and authorities (food safety, tax, labour, environmental, etc.) resulting in a penalty in the past period (max. 3 years) shall be reported to the assessor.	Issues with authorities may indicate the company's commitment to comply with legislation.
7.1.2	The company shall ensure that the annual financial report is approved without reservation by a registered accountant and is published within 6 months after closing of the financial year.	Late publication of the financial yearly report or comments by the accountant may be an indication of financial issues.
7.1.3	The company shall establish and implement a procedure for the monitoring of purchase prices of raw materials/packaging materials to: • have a current overview of normal average rates; • identify and register batches/contracts with abnormal prices; • discuss these abnormalities in a multidisciplinary team and • decide on follow up actions to ensure product integrity.	The situation where one person has the power to decide by him/herself is not accepted. It is expected that involvement of a multidisciplinary team (minimal 3 persons) will enhance integer management. The company shall be able to demonstrate the implementation and effectiveness of these procedures.
7.1.4	The company shall establish and implement a procedure for the monitoring of payments to suppliers of raw materials and packaging materials to ensure that: • payments are only made to suppliers that are approved by the product integrity management system; • payments of invoices with abnormal prices are only made after approval of a multidisciplinary team.	

NUMBER	REQUIREMENT	INTERPRETATION
7.1.5	The company shall have a procedure for the handling of improper (financial) pressure by the customer to: • identify, register and report improper pressure to top management; • discuss improper pressure by a multidisciplinary team and • decide on follow up actions to ensure product integrity.	The situation where one person has the power to decide by him/herself is not accepted. It is expected that involvement of a multidisciplinary team (minimal 3 persons) will enhance integer management. The company shall be able to demonstrate the implementation and effectiveness of these procedures.
7.1.6	In case the company is significantly (financially) dependent of a customer, the company shall establish and implement a procedure to discuss situations of pressure critical to product integrity with the customer. This procedure shall be agreed with the customer.	A company is dependent of a customer where in case of losing the customer this leads to: dismissal of personnel and/or a reorganization and/or a situation of financial loss instead of profit.

Professional conclusion of the assessor

NUMBER	REQUIREMENT	INTERPRETATION
1	The management and key personnel showed a sincere drive to ensure product integrity (do they want it?).	Personal and professional evaluation by the assessor of the demonstrable genuine motivation of the management and key personnel by taking leadership and by setting the right example related to product integrity.
2	The management and key personnel showed an appropriate risk awareness to support an effective product integrity system (are they able to?).	Personal and professional evaluation by the assessor of the demonstrable knowledge and accurateness (being to-the-point) of the management and key personnel regarding relevant product integrity risks and effective integrity measurements.
3	The management and key personnel demonstrated that they are in control and that the integrity management system is effective (do they do it?).	Personal and professional evaluation by the assessor of the demonstrable result oriented drive, determination and persistence of the management and key personnel for ensuring product integrity in practice.
4	In relation to best practices the company showed strong- and/or improvement points resulting into a bonus/malus.	Personal and professional evaluation by the assessor of the level of product integrity measurements and practices of the company in relation to comparable companies and state of the art solutions.

Imprint

IFS Management GmbH
Am Weidendamm 1A
10117 Berlin
Germany

Phone: +49 30 726 250 74
Telefax: +49 30 726 250 79
E-mail: info@ifs-certification.com
www.ifs-certification.com

ifs-certification.com