



Audit Report

Global Standard for Agents and Brokers Issue 2: February 2018

1. Audit Summary			
Company name	Direct Sourcing Ingredients Ltd	BRC Site Code	1404801
Operation	Agent & Broker		
Services	Storage Distribution Importation Export Select a service Select a service Select a service Select a service Select a service		
Scope of audit	Agent & Broker - Importer and exporter of ambient, chilled and frozen food ingredients for further processing including for pet food production; products delivered directly from manufacturing sites to customers or via third party storage and distribution contractors.		
Exclusion from scope	None		
Product categories	1 - Chilled and frozen food 2 - Ambient food Category Category		

2. Audit Results					
Audit result	Certificated	Audit grade	B	Audit type	Announced
Audit frequency	12 months	Audit finish date	2019-03-01	Re-audit due date	2020-02-28
Previous audit grade	Choose an item	Previous audit date	Select a date		

Voluntary modules included		
Modules	Result	Details
Choose a module	Choose an item	

Number of Non-Conformities	Critical	0
	Major	0



Minor

15

3. Company Details

Address	1st Floor, Chancery Lane, Retford, Notts DN22 6DF		
Country	United Kingdom	Site Telephone Number	01777710565
Commercial representative name	Sam Armitage	Email	sam@direct-sourcing.co.uk
Technical representative name	Steve Spencer	Email	steve@direct-sourcing.co.uk

4. Company Profile

No. of employees	7	No. of suppliers of products/services	150	No. of product categories traded	4
Other certificates held	None				
Product recalls in last 12 Months	No				
Regions actively exporting to	Europe Choose a region Choose a region Choose a region Choose a region Choose a region				
Regions actively importing from	Asia North America Middleeast Choose a region Choose a region Choose a region				
Major changes since last BRC audit	N/A - First BRC				

Company Description

The company was established in 2013 specialising in the supply of food ingredients to manufacturers including pet food production. Products supplied include ambient nuts, dehydrated fruits & vegetables, frozen fruits & vegetables, bakery ingredients, chilled liquid eggs & cream; sourced from Europe, Asia, America and the UK. The majority of the products are delivered in bulk directly from manufacturing sites to customers with some products via the company's third storage and distribution contractors. The company also provides commission-based order services as when required. The company has been trading from its current office in Retford for 18 months and employs 5 staff. Turnover was £4M in 2018.

FoodChain ID Certification Ltd, Four Oaks House, Lichfield Road, Sutton Coldfield B74 2TZ, United Kingdom (Formerly Cert ID Europe Ltd)



Audited Location		
Site Name	Country	BRC Site Code
Direct Sourcing Ingredients Ltd	United Kingdom	1404801

Additional Locations		
Site Name	Country	BRC Site Code

5. Audit Duration Details	
On-site duration	11 man hours
Reasons for deviation from typical or expected audit duration	N/A

Audit Duration per day			
Audit Days	Audit Date(s)	Audit Start Time	Audit Finish Time
1	2019-02-28	10:15	17:30
2	2019-03-01	09:00	12:45

6. Key Personnel			
Auditor Number	132063	Auditor Names and roles	Corina Lee – Lead Auditor

Present at audit			
Note: the most senior manager on site should be listed first and be present at both opening & closing meetings: Name / Job Title	Opening Meeting	Procedure Review	Closing Meeting
	Mat Armitage / Managing Director	X	
Steve Spencer / Technical Manager	X	X	X
Sam Armitage / Managing Director			X

Critical

No.	Clause	Details of non-conformity	Anticipated re-audit date

Major

No.	Clause	Details of non-conformity	Correction	Proposed Preventive Action Plan (based on root cause analysis)	Evidence provided document, photograph, visit/other	Date reviewed	Reviewed by

Minor

No.	Clause	Details of non-conformity	Correction	Proposed Preventive Action Plan (based on root cause analysis)	Evidence provided document, photograph, visit/other	Date reviewed	Reviewed by

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1	1.1.2	Objectives/ KPIs were not monitored at least every 6 months.	Meeting minuted. Meeting plan added to audit plan	Meetings diarised twice per year rather than 6 months. Dates held by Technical Manager only. Action Meetings added to audit plan, template agenda created as a controlled document	TP12a - Internal Audit Plan 2019-03-08 Management review meeting DS002 Management review meeting agenda	2019-03-22	C. Lee
2	1.1.3	Management review agenda did not include the assessment of review of previous meeting, audits, incidents, food defence, resource requirements.	Review meeting 8/3/19 includes missing elements	Agenda format not fully inclusive. Action Review meeting agenda amended Agenda now a controlled document	2019-03-08 Management review meeting Management review meeting agenda	2019-03-22	CL
3	1.2.1	Deputies were not documented.	Organogram edited to identify cover	Requirement missed from design Action CP06 is a controlled document and will be the template for subsequent changes	CP06 Organisational Chart	2019-03-22	CL

4	2.1	Evidence of HACCP training for team leader was not evident.	Complete training	Competence claimed based on existing skills and experience Action Submit evidence of competence for validation prior to audit	HACCP 3 course completed by S Spencer Cert attached	2019-03-22	CL
5	2.4	HACCP scope was not described.	Scope defined in procedure	Scope was listed but left open to amendment Action HACCP plan review and amendment to be specific	TP05 - HACCP Food Safety-see section 3	2019-03-22	CL
6	2.6	Some of the process steps have not been risk assessed and that the risk assessment did not consider radiological contamination, physical damage, fraud, malicious contamination, hazards impacting functionality of packaging, customer/legislative requirements.	Amend flow and risk assessment to demonstrate cross reference relationship	Flow chart included non-process steps and did not clearly map to the risk assessment layout Action Non process steps identified Remaining steps number and colour mapped to risk assessment Additional risks added to risk assessment RM002a	RM002- Direct Sourcing flow - FOB import raw material supply RM002a- Direct Sourcing flow FOB import raw material supply risk assess RM019 Direct Sourcing Product HACCP VACCP report	2019-04-10	CL

7	2.7	Prerequisites listed were examples instead of the actual programmer relevant to the site.	Pre requisite list defined for site in procedures.	Pre requisites listed but left open ended Action Pre requisite list defined.	TP05 - HACCP Food Safety (section 2) TP05c HACCP Pre-Requisite Programs	2019-03-22	CL
8	3.5.1	Internal audit plan did not include product security/food defence and product fraud mitigation plans.	Audit procedure and plan amended	Not clearly separated in the audit plan Action Audit plan updated to include these as separate items	RM013a- Direct Sourcing Raw Material Fraud Mitigation Procedure TP12a - Internal Audit Plan TP12 - Internal Audit Procedure	2019-03-22	CL
9	3.5.2	The internal auditor was not always independent from the areas they were auditing.	Audit plan amended to allocate audits to independent colleagues	Audits initially being conducted to validate the system. Action Plan to set and agreed for the remainder of the year with independent auditors	TP12 - Internal Audit Procedure TP12a - Internal Audit Plan	2019-03-22	CL
10	3.5.3	Internal audit reports were not available for audit subject "Complaints" signed off on audit plan October	Missing audit record located in business meeting file (used in the	Misfiled audit record. Miss read audit plan. NCN for delayed audit not raised.	20181102 complaints audit	2019-03-22	CL

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		2018 and follow up audit required from "Transport" audit 12/09/18 (timescale 25/11/18).	meeting) The audit was actually colour coded as 'incomplete' Follow up audit delayed and completed 29/1/2019. Non conformance not raised-	Action Non conformance raised as per procedure. Future audit issues to be raised as conformances	20190129 Transport- Logistics authorisation audit TP12a - Internal Audit Plan 20190305a NCN Transport - Logistics authorisation audit 2019-03-08 Management review meeting		
11	3.10.1	No formalised procedures for the control of non-conforming products.	Review Nonconformance procedure	Not specified as the company does not handle stock. Responsibility for ownership not identified. Action Amend non-conformance procedure to allocate responsibility and process for control	TP17a - Non Conformance Procedure- section 4	2019-03- 22	CL

12	4.1.1	Supplier risk assessment did not include nature of product, country of origin, adulteration/fraud, brand identity.	Risk assessment to includes nature of product, country of origin adulteration/fraud, brand identity.	<p>Included in HACCP but not sufficient as evidence for supplier authorization.</p> <p>Action</p> <p>Add a matrixed risk assessment to support supplier SAQ and quantify decision</p>	<p>RM007- Direct Sourcing Low Risk 1 Questionnaire</p> <p>RM006c Supplier risk assessment</p> <p>RM006- Direct Sourcing Supplier Approval Procedure</p>	2019-04-09	CL
13	4.2.1	Approval process for supplier of services was not risk-based.	Amended to demonstrate risk assessment	<p>System collected information and evidenced a decision(approved/ not approved) but did not evidence how this decision was made.</p> <p>Action</p> <p>Procedure updated to formalize process. Ongoing record retained</p>	<p>RM006- Direct Sourcing - Supplier Approval Procedure</p> <p>RM006c Direct Sourcing Supplier risk assessment</p> <p>RM011- Direct Sourcing Logistics Approval Procedures</p>	2019-04-09	CL

					Approval Procedure		
					RM011a -Direct Sourcing Logistics risk assessment		
14	4.4.2	Procedures not formalised to ensure the reliability of supplier's laboratory results.	Add laboratory validation to supplier authorization procedure	<p>No procedure to check supplier claims regarding analysis</p> <p>Action</p> <p>Authorisation procedure to include positive check of laboratory accreditation where claimed and recorded on the approved supplier list</p>	<p>RM007- Direct Sourcing Low Risk 1 Questionnaire</p> <p>RM006- Direct Sourcing - Supplier Approval Procedure</p> <p>RM001- Approved Suppliers</p>	2019-03-22	CL
15	4.8.2	Vulnerability assessment did not consider historical evidence of substitution/adulteration, ease of access, nature of product. Although testing was considered it was not specific in terms of identifying potential adulterant.	VACCP assessment separated from generic assessment	<p>VACCP not clearly separated and did not demonstrate full coverage of standards</p> <p>Action</p> <p>VACCP established for each ingredient as per amended procedure</p>	<p>RM020 Direct Sourcing Product Vulnerability Assessment</p> <p>RM019 - Product HACCP report</p>	2019-03-22	CL

Comments on non-conformities

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Voluntary Module Non-Conformity Summary Sheet - FSMA Preparedness (Module 6)

Critical

No.	Clause	Details of non-conformity	Anticipated re-audit date
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Major							
No.	Clause	Details of non-conformity	Correction	Proposed preventive action plan (based on root cause analysis)	Evidence provided document, photograph, visit/other	Date reviewed	Reviewed by

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17/5/2018

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Effective date: 16 July 2018 1501-1

Auditor: Corina Lee



Detailed Audit Report

1. Senior Management Commitment

Summary

A documented Food Quality Statement was in place stating the company's intention to provide the best quality ingredients and service, to meet customers expectation and to ensure working with suppliers and meeting GFSI standards to ensure quality, safety and hygienic of products. The statement was signed by the Managing Director.

Target for 2018/19 set for:

- To grow business £5m turnover.
- To complete investigation and documentation for all customer complaints and close out in one month.
- To obtain evidence of BRC accreditation and complete supplier approval for all new suppliers prior to commencing business.
- To obtain BRC by 15/06/2019.
- To register with local authority.
- To review staff training establish training records and review induction process by 01/10/2018.
- To conduct internal audit of a sample of authorised supplier documentation.
- To complete process flow charts by 01/10/2018.
- Legal food safety and technical updates to be established with BRC membership registration with FSA, My HACCP by 01/08/2018.

The first management review took place 15/06/18, attended by the Managing Directors and Technical Manager. Agenda included safety issues, review of Business Position review & targets for BRC in the next 12 months, Registration with authorities, Review of customer complaints, Commitment to continue to prioritise BRC accredited suppliers, Establish of HACCP framework with use of standardised product types and transport routes to classify risk.

The site obtained industry and legislation updates via BRC participate, FSA, Sedex.

The company with registered with Basseylaw District Council, North Nottingham as a Food Business Operator. Letter on file from the council 26/09/2018 for site visit 25/09/2018 (852/2004), ref. 111573.

The company was also register with Nottingham Country Council for The Animal Feed regulations 2015, GB/258/R1242.

The organisational chart was detailed in CP06 (v3, 07/02/2019). The company had a small team of 4 employees led by Managing Directors S Armitage and M Armitage.

The Managing Directors attended the opening and closing meetings.

This was the company's first BRC audit.

NC 1 (1.1.2) - Objectives/ KPIs were not monitored at least every 6 months.

NC 2 (1.1.3) - Management review agenda did not include the assessment of review of previous meeting, audits, incidents, food defence, resource requirements.

NC 3 (1.2.1) - Deputies were not documented.

N/A Clauses

<u>No.</u>	<u>Justification</u>



1.1.9, 1.1.11	First BRC Audit.

2. Hazard and Risk Assessment

Summary

The HACCP team consisted of the Technical Manager S Spencer and the Directors S Armitage and M Armitage.

A process flow diagram was documented - Tech/RM002 (issue 1, 18/06/18) covering the processes of Raw material sourced as per customer inquiry, Specification request, Add information to proposal to customer, Confirm meeting approved, Supplier transport, Pricing checks including procurement & transport, Supplier assessed, Obtain quote from port of origin, Despatch from port, Obtain quote for transport from port to destination, Offload at port, Delivery.

Hazard analysis (RM002a) covered microbiological, physical, chemical, allergens. Risk assessment based on consequences of 1-5 ratings and frequency of A-E ratings, final score of 10 or more deemed acceptable. No CCP identified.

HACCP was last reviewed 12/02/2019.

NC 4 (2.1) - Evidence of HACCP training for team leader was not evident.

NC 5 (2.4) - HACCP scope was not described.

NC 6 (2.6) - Some of the process steps have not been risk assessed and that the risk assessment did not consider radiological contamination, physical damage, fraud, malicious contamination, hazards impacting functionality of packaging, customer/legislative requirements.

NC 7 (2.7) - Prerequisites listed were examples instead of the actual programmer relevant to the site.

N/A Clauses

No.	Justification
2.2	Hazard and risk analysis not undertaken centrally
2.8	No CCPs

3. Product Safety and Quality Management System

Summary

The company had a procedure manual on the company's server. Document control was managed by the Technical Manager, the folder was password protected. There was a BRC Folder on the shared drive containing read-only documents for other company members.

Technical Policies Document Control Sheet used to record documentation issued, issue date, issue



number, details of amendment.

The company stated that no specific KPIs have been set by customers. Any other particular requirements were dealt with case by case e.g. delivery windows requested was recorded onto purchase order.

Internal audit plan was in place, audit items covered supplier approval, raw mat specs, raw materials risks, trace forward / HACCP, trace back / HACCP), mock recall, mass balance, transport audits, cold store storage, shipping, security / computers, facilities, allergens control, induction/HACCP/training, customer complaints, concession.

Internal audits were conducted by Technical Manager who held auditor training certificate from previous employment (12/02/2015).

Internal audit reports recorded onto Form TP12, covering audit title, auditor, audit date, procedure, documents. Examples of internal audit reports seen for 12/09/18 transport/ logistics.

Product specifications were maintained under each customer's file on the computer system. There was a separate product specification log. Product specifications were available in supplier's format and in customer's format when required.

Examples of product specifications review during the audit for:

IQG Peppers (supplier format), 15/02/2019.

IQF Leek (customer format), 30/07/2018.

Frozen mushrooms (supplier format) 15/02/2019.

Traceability procedure detailed in document TP09 (issue 1, 24/07/18), procedure required traceability test to be conducted as per schedule. Traceability based on product description, product code, use by/BB.

The company conducted traceability test with internal audit, last tested 16/10/2018 using Chinese Walnut SO 1614, BB Oct 2018, Batch W17-08.

Two traceability challenges conducted during the audit.

Traceability challenge one – Frozen mushrooms 900kg (one pallet) delivered to UK customer 26/11/18, sales order 2366. Records reviewed showed the stock was part of a bulk lorry load, order no. 1679, order date 08/10/2018. Records showed the original load arrived to UK third party warehouse 24/10/2018 and goods despatched between 30/20/2018 and 27/01/2019, no stock left.

Traceability challenge two – IQF Onions & Peppers, customer order 181578. Records reviewed showed product delivered directly from manufacturing site in China to customer's nominated warehouse in the UK, packing 12/09/2018, arrived 30/10/2018.

The traceability challenges were completed within 4 hours with associated records retrieved including sales order, invoices, purchase order, packing list, CMR, despatch notes, delivery note, product CoA.

Complaints procedures detailed in document TP03 (issue 1, 09/07/18), procedure covered complaints log, types of complaints, investigation, trending and review. A process flow diagram was included in the procedure.

Example of complaints handling reviewed for broken cherries received 12/02/19, ref. 20190213a. Records showed product batch AN/1/221/1/196; BBE 09/09/19, customer reported product being damages, mushy. Direct Sourcing Ingredients contacted the manufacturing site who stated that this may be due to product being inside the box for too long; manufacturer offered to uplift the stock via email 13/02/19. Closed 14/02/2019.

Trending of customer complaints has been introduced by the Technical Manager who joined the Company June 2018; the log showed trending started August 2018, trended by type and by



supplier.

Corrective action procedure detailed in document TP17a (issue 1, 02/11/2018) and required the use of form TP17 to record details.

Product Recall procedure included in Incident Management Procedure (TP04, issue1, 21/09/18) – Managing Director & Technical Manager to determine and define incident category. Procedure included emergency contact details for the recall team and external agencies, and referred to RM001 approved supplier’s list for their contact details. The procedure required the certification body to be informed within 3 days of a recall being issued. Responsibilities included in the procedures - Managing Director to inform customers and through incident team co-ordinator to locate stock in 2 hours. A checklist was included in the procedure including stock return information, stock disposal information.

The company conducted product recall test minimum once a year, last conducted 10/10/2018 using Liquid Egg SO2149, delivery date 19/09/2018 (8000kg). The test was conducted with internal audit and identified an improvement needed for data entering.

There has been no product recall in the last 12 months.

NC 8 (3.5.1) - Internal audit plan did not include product security/food defence and product fraud mitigation plans.

NC 9 (3.5.2) - The internal auditor was not always independent from the areas they were auditing.

NC 10 (3.5.3) - Internal audit reports were not available for audit subject “Complaints” signed off on audit plan October 2018 and follow up audit required from “Transport” audit 12/09/18 (timescale 25/11/18).

NC 11 (3.10.1) - No formalised procedures for the control of non-conforming products.

N/A Clauses

No.	Justification

4. Supplier and Sub-contracted Service Management

Summary

Supplier Approval Procedure detailed in document RM006 (issue 3, 02/11/18), the procedure covered risk categories e.g. high risk suppliers including agents and brokers required site audit, low risk suppliers including agents and brokers via authorisation form. In exceptional cases when non-approved supplied required by customers, a written confirmation must be obtained from the customer. Suppliers of services were approved by authorisation form or physical audits.

Product risk assessment conducted and considered processes, nature of product, pathogen risks.

Examples of supplier approval reviewed during the audit included:
Supplier 1 – IQF Peppers (China), Authorisation form 21/08/18, BRC exp. 19/06/2019.



Supplier 2 – IQF Mushrooms (Poland), BRC exp. 15/07/2019.
 Supplier 3 – Cherries (Greece), Authorisation form 30/10/18, BRC exp. 27/07/2019.
 Supplier 4 – Oil (UK), Authorisation form 16/06/18.
 Transport & Distribution (UK) - BRC exp. 21/11/19.
 Transport (Poland) – Authorisation form 19/09/18

Supplier approval lists on file and included current suppliers and archived suppliers. The list was also used to record contact details, supply site, produce code, logistics method, palm oil used, RSPO status, BRC expiry date, Authorisation form date. Suppliers of materials listed on RM001, suppliers of services listed on RM010.

Contract for suppliers of services seen for a transportation service provider based on Poland, the service supplier signed Direct Sourcing Ingredient’s Code of Conduct for The Transport of Food Ingredients (signed document returned by email 05/02/18). The Code of Conduct covered meeting legislations of the countries travelled, use of vehicles fit for purpose, keeping traceability, to inform Direct Sourcing if load comprised, to maintain load security, to meet rules of collection sites, records maintained for the last 3 loads, vehicle cleanliness, protection from physical chemical allergen contaminations, to maintain temperature, to inform Direct Sourcing if using sub-contractor.

Product testing conducted by suppliers.

Finished products were labelled with product name, weight, country of origin, lot/batch, shelf life. Customers may be contacted if requiring any specific information on the label, example seen for email sent to a pet food manufacturing customer 24/07/18 who replied with example of label required; the information was obtained by the Technical Manager and forwarded to the relevant Sales representative 27/07/18. All products supplied in bulk for further processing, no retail packs or retail customers.

The company did not undertake new product development activities.

There were no requirements for positive product release.

Vulnerability assessments conducted (RM002a Direct Delivery; RM018a Indirect Delivery) and considered Supply chain complexity, Audit strategy, Supplier relationship, Supplier history, Testing, Quality, Geographical, Fraud, Economic.

Products not given to staff or sold to charity. No surplus food handled.

NC 12 (4.1.1) - Supplier risk assessment did not include nature of product, country of origin, adulteration/fraud, brand identity.

NC 13 (4.2.1) - Approval process for supplier of services was not risk-based

NC 14 (4.4.2) - Procedures not formalised to ensure the reliability of supplier’s laboratory results.

NC 15 (4.8.2) - Vulnerability assessment did not consider historical evidence of substitution/adulteration, ease of access, nature of product. Although testing was considered it was not specific in terms of identifying potential adulterant.

N/A Clauses

No.	Justification
4.6	No NPD.
4.7	No positive release.
4.9	Surplus products not handled.



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5. Personnel

Summary

Training & Development policy detailed in procedure CP14. Training matrix was in place listing subjects including Induction, Job description, Company Handbook, Non-Disclosure Agreement, Computer H&S, Sales, HACCP, Auditing, Labelling. Induction review due date recorded. The matrix was colour coded, e.g., green = training completed, red = not applicable. Induction form recorded 3 months review, 6 months review and 12 months review.

Examples of training records seen for:

BL: Induction June 2017, Company handbook acknowledgement 25/02/19, Non-Disclosure Agreement 25/0/2019.

GL – Induction 26/04/18, HACCP awareness in-house training (quiz) June 2018.

N/A Clauses

No.	Justification

6. FSMA Preparedness Module

Summary

N/A Clauses

No.	Justification