# DESCRIPTION OF SERVICE – CERTIFICATION ACCORDING TO IFS BROKER (INTERNATIONAL FEATURED STANDARDS)

IFS summarizes the requirements for broker activities in 6 chapters:

IFS Broker v3 and IFS Broker v3.1
Senior Management Responsibility
Quality and Product Safety Management System
Resource Management
Planning and Service Process
Measurements, Analysis, Improvements
Product Defense Assessment

At each audit/assessment all relevant activities of the company shall be audited/assessed against the IFS Broker requirements. Certification according to IFS Broker is a continuous process therefore recertification audits/assessments on annual base are required after initial certification. The following section describes the process of initial certification and the necessary steps to maintain the certification.

TYPICAL TIMELINE FOR IFS BROKER CERTIFICATION
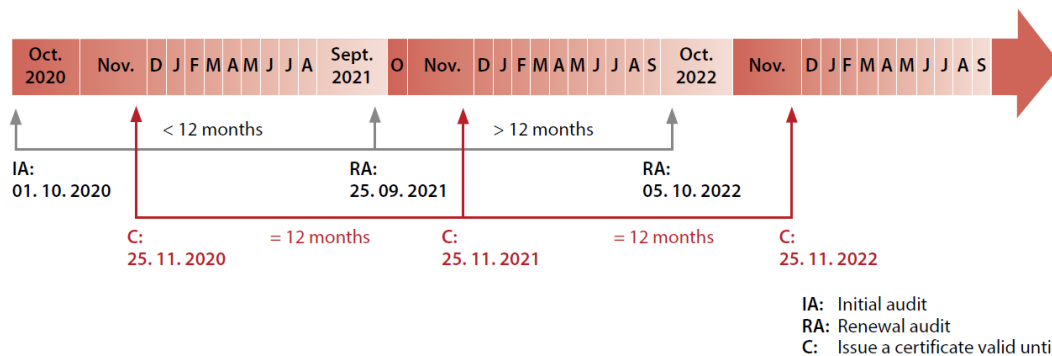
INITIAL CERTIFICATION

1   APPLICATION AND PRELIMINARY TALK

The commissioning of the SGS to conduct audits / assessments is basically based on the "Application and Order for Certification".

After receipt of the order these will be checked in the following points on its feasibility:

- Completeness of information and compliance with the quotation data
- Feasibility (Standard/Type of company/appointed day)
- Admissibility of exclusions if client applied for

If necessary, a preparatory informal visit may take place at the client premises. In the case that a company carries out a pre-audit / pre-assessment, the auditor who performs this pre-audit / pre-assessment is other than during the initial audit / assessment.

Currently two IFS Broker Standards exist parallel: IFS Broker v3 and IFS Broker v3.1. Generally, from 1st of October 2021 IFS Broker v3.1 is applicable. In special situations (e.g. multi-location companies, etc.) IFS Broker v3 may still be applicable after this date. During contracting process SGS Office will inform and explain to the clients the available options most suitable for the organisation applying for IFS Broker certification.

2   PRE-AUDIT / ASSESSMENT INCL. REPORT (OPTIONAL)

If required by client SGS performs a pre-audit / pre-assessment. During pre-audit / pre-assessment all requirements of the Standard will be audited based on a sample check. The aim is to identify possible weaknesses with company's procedures. If ordered by client a report will be done (optional).

The auditor assigned for the pre-audit / pre-assessment is not allowed to do the certification audit / assessment after the pre-audit / pre-assessment.

3   AUDIT PREPARATION

3.1 Personnel Allocation

In the first instance SGS allocates the lead auditor and – if necessary – further members of the audit / assessment team. Doing so it shall be ensured that the general qualification criteria for auditors according to ISO 19011 and according to IFS Broker are fulfilled. The members of the audit / assessment team will be announced to the client in due time prior to the scheduled audit / assessment date.

3.2 Audit plan

The date of the announced certification audit / assessment is usually agreed with a lead time of 8 weeks with the client.

In coordination with the client the lead auditor prepares a documented Audit Plan for the execution of the audit / assessment. The plan will be sent to the client approx. 2 weeks prior of the scheduled audit / assessment date.

The plan contains amongst other things the following information:

- ■ Date and time of the audit
- ■ Name of the lead auditor/team members
- ■ Audited / assessed standard(s)
- ■ Audit language
- ■ Departments/Function/Process to be audited

4   CONDUCTING THE AUDIT / ASSESSMENT

4.1 Opening meeting

At the beginning of the audit / assessment an opening meeting will be conducted with senior management and quality management representative as well as other participants appointed by company. During opening meeting, the lead auditor explains the audit / assessment and certification process. Furthermore, the certification scope and applicable technology scope will be confirmed. If necessary adjustments to the time schedule of the audit / assessment will be done.

4.2 Document review

During audit / assessment the auditor evaluates the relevant and necessary documentation which includes amongst other things quality management documentation, HACCP / risk management documents.

4.3 Evaluation of the broker services

To confirm compliance of the company with IFS requirements the auditor shall evaluate and grade all requirements of the IFS Standard during audit / assessment.

This evaluation will focus on product and process conformity and will be carried out along an audit / assessment trail. The auditor(s) will choose representative risk-based samples and will use auditing and inspection techniques. The auditor(s) will conduct interviews with personnel from all levels of responsibility e.g. senior management, department leaders, supervisors and other relevant staff. By this methodology, auditor(s) will collect objective evidences in order to be able to determine whether the company's operation and the audited/assessed services and processes are in compliance with the IFS Broker requirements as well as with legal and customer requirements

4.4 Preparation of final conclusions drawn from the audit

The auditor grades his findings from the according to the following scheme:

For IFS Broker v3:

Result	Explanation	Points
A	Full compliance	20 points
B (deviation)	Almost full compliance	15 points
C (deviation)	Small part of the requirement has been implemented	5 points
D (deviation)	Requirement has not been implemented	−20 points

For IFS Broker v3.1:

Result	Explanation	Points
A	Full compliance	20 points
B (point of attention)	**Point of attention as it may lead to a future deviation**	15 points
C (deviation)	~~Small~~ Part of the requirement **is not** implemented	5 points
D (deviation)	Requirement **is** not ~~been~~ implemented	−20 points

Besides the above mentioned grading the auditor can raise a non-conformity „KO" (D grading at KO requirement) or a Major if a substantial failure of a certain IFS requirement is identified during audit. If a non-conformity is raised during audit / assessment this has a severe impact on the total result of the audit / assessment.

4.4.1 KO non-conformity

A „KO" (D grading at a KO requirement) will be raised if one (or more) of the 8 KO-requirements are not implemented or a substantial failure is identified during audit. The 8 defined KO-requirements in IFS Broker can be found in the respective Standard:

IFS Broker v3 and IFS Broker v3.1
1.2.2   Responsibility of the senior management
2.3.1   Product safety management system
4.2.2   Customer specifications
4.6.1   Traceability system
5.1.1   Internal audits
5.2.2   Product analyses
5.5.2   Management of incidents, product withdrawal, product recall
5.7.2   Corrective actions

When a KO requirement has been graded as „D", 50 % of the possible total amount of points will be subtracted automatically meaning that the company is „not approved" for IFS Broker certification.

In case of a recertification audit / assessment the current valid certificate will be blocked by certification body within 2 working (starting after last audit day) within IFS Database. All user of IFS Database who has added the company to their „Favourites" will be informed by an automatically generated E-mail. In each case, the audit shall be completed and all requirements shall be evaluated in order to give the company a complete overview about its situation. In these situations, a complete new audit shall be performed. The new audit shall be scheduled no earlier than 6 weeks after the audit where a KO was scored with D.

4.4.2 Major non-conformity

A Major non-conformity can be given to any requirement which is not defined as KO requirement.

When there is a substantial failure to meet the requirements of the Standard, which includes but not limited to product safety and/or the legal requirements of the production and destination countries and internal disfunction. A Major can also be given when the identified non-conformity can lead to a serious health hazard.

A Major will subtract 15 % of the possible total amount of points.

In case of a recertification audit / assessment the current valid certificate will be blocked by certification body within 2 working (starting after last audit day) within IFS Database. All user of IFS Database who has added the company to their „Favourites" will be informed by an automatically generated E-mail. In each case, the audit / assessment shall be completed and all requirements shall be evaluated in order to give the company a complete overview about its situation. In case one Major non-conformity has been identified and at least a total score of 75% or above is achieved the company can go for a follow-up audit / assessment. In cases where more than one Major non-conformity have been identified, a full new audit / assessment shall be performed. The new audit / assessment shall be scheduled no earlier than 6 weeks after the audit / assessment where Major non-conformities were issued.

4.5 Closing Meeting

During the closing meeting, the auditor (or lead auditor in the case of an audit team) shall present a non-committal summary of all findings and confirm all deviations and non-conformities which have been identified. The auditor may only issue a provisional assessment of company's status during the closing meeting.

5 REPORTING

5.1 Audit Report

After completion of the audit / assessment the Preliminary Report and Action Plan will be send to the client by lead auditor (latest after 14 calendar days). The content of these documents are clearly described in the relevant IFS Broker Standards. All certification bodies and auditors shall use the format defined by IFS.

5.2 Action Plan

Procedure for IFS Broker v3:

The company shall enter proposed corrective actions for all deviations (B, C, D) and KO requirements scored with a B and non-conformities (Major, KO requirements scored with a D) listed by the auditor.

For all evaluated deviations with grade C and D, as well as non-conformities, Major or KO requirements scored with a B and/or a D, the company shall clearly state the responsibilities and implementation deadlines for corrective action. The company shall forward the corrective action plan to the certification body via the lead auditor within 2 weeks of having received the Pre-Report and the Action Plan. If this deadline is not respected, the company has to undergo a complete initial or recertification audit / assessment.

The proposed corrective actions are subject to evaluation by lead auditor, after confirmation of lead auditor the Action plan is released by lead auditor and send to certification body for technical review. If the corrective actions are not valid or are inadequate, the certification body shall return the Action Plan to the company for completion in due time.

Procedure for IFS Broker v3.1:

The company shall enter proposed corrections AND corrective actions for all deviations (C, D) and KO requirements scored with a C and non-conformities (Major, KO requirements scored with a D) listed by the auditor.

For all evaluated deviations with grade C and D, as well as non-conformities, Major or KO requirements scored with a C and/or a D, the company shall clearly state the responsibilities and implementation deadlines for corrections AND corrective action. The company shall forward the Action Plan to the certification body via the lead auditor within 4 weeks of having received the Pre-Report and the Action Plan. Beside the Action Plan evidences of corrections shall be sent as well (e.g. updated procedures, before- and after photos taken of an equipment repair, training records, etc.). If this deadline is not respected, the company has to undergo a complete initial or recertification audit / assessment.

The corrections and proposed corrective actions as well as the submitted evidences for the corrections are subject to evaluation by lead auditor, after confirmation of lead auditor the Action plan is released by lead auditor and send to certification body for technical review. If the corrective actions are not valid or are inadequate, the certification body shall return the Action Plan to the company for completion in due time.

Corrections	Corrective actions
As soon as possible. Evidence of implementation shall be provided to the certification body within a maximum of four (4) weeks after the receipt of the provisional audit report and the provisional action plan for completion.	Relevant for a sustainable and successful implementation (may take longer than the deadline for issuing the certificate, need to be reasonably justified by the company). Implemented before the renewal audit at the latest.

6   CERTIFICATE

The final Report and Action Plan (including evidences for the corrections) will be reviewed by certification body. After technical approval of Report and Action Plan (including the evidences for the corrections) the certification decision will be done by competent personnel of the certification body.

Awarding the certificate is based on the total result of the audit:

Procedure for IFS Broker v3:

Audit Result	Status	Action company	Report form	Certificate
At least 1 KO scored with D	Not approved	Actions and new initial audit to be agreed upon	Report gives status	No
>1 Major and/or <75 % of the requirements are fulfilled	Not approved	Actions and new initial audit to be agreed upon	Report gives status	No
Max 1 Major and ≥75 % of the requirements are fulfilled	Not approved unless further actions taken and validated after follow-up audit	Send completed action plan within 2 weeks of receiving the preliminarily report. Follow-up audit max. 6 months after the audit date	Report including action plan gives status	Certificate at foundation level, if the Major non-conformity is finally solved as controlled during the follow-up audit
Total score is ≥75 % and <95 %	Approved at foundation level after receipt of the action plan	Send completed action plan within 2 weeks of receiving the preliminarily report.	Report including action plan gives status	Yes, certificate at foundation level, 12 months validity
Total score is ≥95 %	Approved at higher level after receipt of the action plan	Send completed action plan within 2 weeks of receiving the preliminarily report.	Report including action plan gives status	Yes, certificate at higher level, 12 months validity

Procedure for IFS Broker v3.1:

Audit result	Status	Action company	Report form	Certificate
Total score is ≥ 95 %	Passed at IFS Broker higher level following the receipt of the action plan	Send completed action plan within four (4) weeks of receiving the provisional report	Report including action plan provides status	Yes, certificate at higher level, 12-month validity. The certificate shall only be issued when the corrections are closed
Total score is ≥ 75 % and < 95 %	Passed at IFS Broker foundation level after receipt of the action plan	Send completed action plan within four (4) weeks of receiving the provisional report	Report including action plan provides status	Yes, certificate at higher level, 12-month validity. The certificate shall only be issued when the corrections are closed
Maximum one Major and total score is ≥ 75 %	Not passed, unless further actions taken and validated after a follow-up Audit	Send completed action plan within four (4) weeks of receiving the provisional report. Follow-up Audit maximum six (6) months after the Audit date	Report including action plan provides status	Certificate at foundation level, if the Major non-conformity is finally solved during the fol-low-up Audit. The certificate shall only be issued when the correc-tions are closed.
Total score is < 75 %	Not passed	Actions and new initial Audit to be agreed upon (no earlier than six (6) weeks after the Audit where the final score was < 75 %).	Report provides status	No
> one Major and/or total score is < 75 %	Not passed	Actions and new initial Audit to be agreed upon	Report provides status	No
At least one KO requirement scored with D	Not passed	Actions and new initial Audit to be agreed upon	Report provides status	No

FOLLOW-UP AUDIT / ASSESSMENT

A follow-up audit / assessment is required in a specific situation when the results of the audit / assessment (an initial audit or a recertification) have been insufficient to allow the award of the certificate. During the follow-up audit / assessment, the auditor focuses on the implementation of the actions taken to correct the Major non-conformity determined during the previous audit.

The follow-up audit / assessment shall be performed within a six months period from the date of the previous audit / assessment. As a general rule, the follow up audit / assessment shall be performed at least 6 weeks after the previous audit / assessment and no later than 6 months after the previous audit / assessment.

If there is no follow-up audit / assessment performed after 6 months from the date of the previous audit / assessment, then a complete new audit / assessment is necessary. If the company decides not to perform a follow-up audit / assessment but to start with a new full audit / assessment, the new audit / assessment shall be scheduled not earlier than 6 weeks after the audit / assessment where the Major non-conformity was issued.

In the event that the follow-up audit / assessment establishes that requirements remain inadequate, a complete new audit / assessment is necessary, which shall be scheduled not earlier than 6 weeks after the follow-up audit / assessment. The elimination of Major non-conformities shall always be established by an onsite visit by the auditor.

RECERTIFICATION AUDIT / ASSESSMENT

Recertification / renewal audits / assessments are those which are performed after the initial audit / assessment. The period in which a renewal audit / assessment shall be performed is shown on the certificate. A renewal audit involves a full and thorough audit of a company resulting in the issue of a new certificate. During the audit, all criteria of the IFS requirements shall be assessed by the auditor. Particular attention is paid to the deviations and non-conformities identified during the previous audit, as well as to the effectiveness and implementation of corrective actions and preventive measures laid down in the company's corrective action plan.

Link between two consecutive audits / assessments:

When the auditor scores a requirement with C or D, corrective actions shall be implemented before the renewal audit / assessment. This means the certification body and the auditor(s) shall read the Report and the Action Plan of the previous audit / assessment, even if the report was issued by another certification body. If C and/or D scorings remain the same from one audit / assessment to the next, or if scorings are getting worse, the auditor shall assess in accordance with the IFS chapter related to „Corrective actions". This link between two consecutive audits ensures a continuous improvement process.

UNANNOUNCED AUDIT / ASSESSMENT

1   REGISTRATION

Prior to scheduling and performing the audit / assessment, the company shall inform its certification body about the chosen option:

■ IFS Broker announced audit / assessment (option "Announced"):
The requirements defined in the current audit protocol of IFS Broker Standard apply.

■ IFS Broker unannounced audit / assessment (option "Unannounced"):
The information below described the requirements which will apply.
This option involves a full unannounced audit / assessment against the audit checklist of the IFS Broker requirements, which replaces the yearly scheduled audit. The audit / assessment date shall not be notified to the company in advance of the audit / assessment.

Recertification registration:
This is the regular registration for the unannounced recertification audits / assessments, with a time window of – 16 weeks; + 2 weeks (18 weeks in total) from the recent audit due date. By choosing this option the certification validity/cycle does not change
The deadline for this registration is 4 weeks before the unannounced audit / assessment time window starts.

Initial registration:
This option give companies the possibility to postpone or move forward their audit / assessment time window (18 weeks in total) to align it with other schemes and / or due to non-production periods. This option is also available for companies who want to start IFS Broker certification with an initial unannounced audit / assessment. This option shall also be used whenever the previous certification cycle breaks or when the deadline for registration for unannounced recertification option has missed. This option shall be used for seasonal companies in order to be able to adjust the unannounced time window to the actual season in each year. Based on the new time window the validity of the next certificate will change. SGS may need some weeks to plan and register the audit, therefore the client is obliged to inform SGS as soon as possible about the requested audit option.

The unannounced option is preferably aimed at renewal audits / assessments (i.e. for companies already IFS Broker certified), but may also apply for initial audits, if the company prefers starting directly with an unannounced audit.

For each renewal audit, the company shall inform its certification body about the chosen option.

2   BLOCK-OUT DAYS

The company has the opportunity to identify maximum 10 operational days, plus not operating periods, when the site is not available for the audit.

These dates shall be notified to the certification body at the same time as the company is registered for the unannounced audit / assessment by its certification body and reasons shall be provided. Reasons may be challenged by the certification body or by the auditor during the audit / assessment. Note: the company may only split the 10 operational block-out days into a maximum of 3 periods (e.g. planned customer visit, holidays of Quality manager, etc.).

3 FURTHER INFORMATION PROVIDED BY THE CLIENT

The company shall provide the name(s) of the person(s) to be contacted on-site when entering the site on the day of the unannounced audit / assessment, to facilitate the auditor entry. As for an announced audit, SGS may ask, before the start of the time window, for some company's documentation, in order to prepare the audit.

4 ON-SITE AUDIT / ASSESSMENT

After arrival and introduction, the auditor may briefly review the documents prepared by the company and shall immediately (within 30 minutes after arrival) start the audit / assessment of the broker processes. The opening meeting and documentation audit / assessment shall be undertaken later during the audit / assessment.

NOTE:
If company denies access to the auditor (apart from "force majeure"), the currently valid IFS certificate shall be suspended by SGS, within a maximum of 2 working days after the audit / assessment date (notification will be received by customers having placed the company in their „Favourites" list in IFS Database) and this information will be visible in the company history in IFS Database. The company shall be invoiced by SGS for the total cost of the audit / assessment. Moreover, the next audit / assessment can only be scheduled announced.

5 ACTION PLAN, REPORTING, CERTIFICATE

No changes to IFS announced program except, the option "Unannounced" will be clearly stated on the IFS Report and Certificate.

EXTENSION AUDIT / ASSESSMENT

In specific situations, such as new products and/or processes to be included in the audit / assessment scope or each time the audit / assessment scope would need to be updated on the certificate during the validity of the existing certificate, then, for an IFS Broker certified company, it is not necessary to perform a complete new audit / assessment, but to organize an on-site extension audit / assessment during the validity period of the existing certificate.

REMOTE AUDIT / ASSESSMENT

The remote option is voluntary and needs to be agreed well in advance between the certification body and the company subject to IFS Broker certification. The remote audit option is only applicable for the announced option. It is NOT possible to complete a remote audit as part of the unannounced audit program.

For the certification process, the general rules of the relevant version of IFS Broker apply. The main purpose for conducting a remote IFS Broker audit is to obtain objective evidence of the fulfilment of IFS Broker requirements by using remote ICT. In this regard, there are some additional points to consider that are related to the use of remote ICT in the certification process, which shall be taken into account.

To be able to apply the full remote audit option, the following pre-requisites shall be fulfilled:
- The auditee is actively IFS Broker certified or subject to an IFS initial Broker audit, an IFS Broker follow-up audit or extension audit according to IFS Broker.
- The certification body, auditor and auditee have the appropriate information technology (IT) infrastructure and environment (e.g. internet access) in place.
- The auditee has all relevant documents and records available online, or has a document scanner or similar, to enable the digitalisation of further documents or records, if necessary.
- The certification body and the auditee have signed an agreement on the use of ICT, which includes details on data security and confidentiality.

Prior to audit preparation and as a pre-requisite, the certification body shall conduct a risk assessment to determine whether it is feasible to apply the remote audit option. The risk assessment shall include but not limited to:
- The capability of the certification body / auditor to conduct a remote audit using remote ICT.
- Adequate cooperation from the auditee (e.g. access to an IT system, availability and capability of the auditee to use technology such as remote ICT).
- The limitation of the site's willingness to share the information remotely.
- Risks and impacts of the use of remote ICT in regard to confidentiality, security and data protection, including identification and documentation of risks and opportunities that may impact the audit effectiveness for each selected remote ICT, including the selection of the appropriate technologies, and how they are managed.

- ◼ Findings of the previous audit / assessment (e.g. number and seriousness of the deviations, non-conformities).
- ◼ Certification history (e.g. previous audit / assessment results).
- ◼ Recalls, withdrawals or incidents.

Before starting the audit (i.e. opening meeting), it needs to be ensured that the ICT platform and necessary features function properly and that all relevant audit participants have accessed the platform successfully. In addition to the general rules, the auditor is obliged to explain the remote audit process during the opening meeting (including the traceability test, if the audit is conducted over consecutive days) and to explain how ICT is applied for the purpose of collecting objective evidence.

Measures to ensure confidentiality and security shall be confirmed by the auditor during the opening meeting.

The remote audit is conducted using a combination of features such as documentation and record review via screen-sharing, taking screenshots or sending of documents including remote interviews. Interviews include, as usual, appropriately sampled representatives of management and operational personnel involved in the process.

Only records and documents presented to the auditor during the ongoing remote audit, or documents (e.g. procedures, organisation chart, risk assessment documentation) submitted prior to the remote audit and verified during the ongoing remote audit can be considered as audit evidence.

The auditor shall delete and remove access to any documented information and records not required as objective evidence from its system after completing the audit.

For reporting, handling the deviations and non-conformities, managing the action plan and issuing the certificate, the general rules defined by the IFS Broker Standard shall be applied.

The cover page of the report shall clearly state that the audit was conducted remotely.

EXTRAORDINARY INFORMATION

The company shall inform its certification body about any change that may affect its ability to conform with the certification requirements (e.g. recall, alert on products, notifications from competent authorities, changes in legal entity, changes in location, etc.). This information shall be made within 3 working days

SGS IS THE WORLD'S LEADING INSPECTION, VERIFICATION, TESTING AND CERTIFICATION COMPANY