

**Ministry of Agriculture and Forestry  
P O Box 2526, Wellington, New Zealand**

**MAF Food: Dairy & Plants**

**Circular no. 53**

*Dairy Industry Regulations 1990*

***Accreditation and Approval of Third Party  
Agencies***

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## Issue of Circular

Regulation 59 of the *Dairy Industry Regulations 1990* allows the Director-General of the Ministry of Agriculture and Forestry to issue Circulars setting out criteria for matters which must be approved by, or done to the satisfaction of, the Director-General, pursuant to the *Dairy Industry Regulations 1990*.

This Circular, no. 53, containing ‘MAF Standard D502.1, “Accreditation and Approval of Third Party Agencies,”’ is issued in accordance with that regulation 59.

This Circular, no. 53, takes effect on 23 December 1999.



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**MAF Food Assurance Authority**

23/12/99

*(Signed under authority delegated by the Director-General of MAF, pursuant to regulation 59 of the Dairy Industry Regulations 1990.)*

# Contents

- 1 Background
- 2 Summary
- 3 Outcome
- 4 Effective changes
- 5 Implementation
- 6 Effect on compliance costs

## **MAF Standard D502.1, “Accreditation and Approval of Third Party Agencies”**

- 1.0 SCOPE
- 2.0 PURPOSE
- 3.0 OUTCOME
- 4.0 INTERRELATED REQUIREMENTS
- 5.0 ADDITIONAL RESOURCES
- 6.0 DEFINITIONS
- 7.0 REQUIREMENTS
- 8.0 VERIFICATION
  - 8.1 Criteria
  - 8.2 Decision
  - 8.3 Result
- 9.0 VERSION CONTROL

## **Appendix One: ACCEPTABLE CRITERIA**

- 1.0 Accreditation criteria
- 2.0 Contractual criteria
- 3.0 Management of confidentiality
- 4.0 Management of workload
- 5.0 Management of potential conflicts of interest
- 6.0 Management of approved individuals
- 7.0 Control of documents
- 8.0 Management of internal non-compliance
- 9.0 Management review
- 10.0 Reporting to MAF
- 11.0 Industry standardisation sessions

## 1 Background

The MAF Standard on Accreditation and Approval of Third Party Agencies was developed to describe acceptable criteria (means for satisfying MAF) for the approval of Third Party Agencies (TPAs) providing evaluation and verification services to the New Zealand dairy industry.

Upon the introduction of the Optimal Regulatory Model (ORM)-based regulatory system, a system of accreditation and approval of TPAs and their associated individuals will operate at the same time as the existing system, wherein MAF assesses and recognises individuals within recognised service providers.

## 2 Summary

This Standard specifies requirements relating to the approval of Third Party Agencies in compliance with the requirements of the *Dairy Industry Regulations 1990*.

Appendix One outlines acceptable criteria for demonstrating that the outcomes in the Standard are achieved, including:

- accreditation standards,
- contractual conditions with clients,
- management of confidentiality,
- management of workload,
- management of any potential conflicts of interest,
- management of approved individuals,
- control of documents,
- management of internal non-compliance,
- management review,
- reporting to MAF, and
- participation in industry standardisation sessions.

Proposals for alternative criteria may be approved by MAF, provided it can be demonstrated to MAF's satisfaction that the required outcomes will be achieved.

### **3 Outcome**

MAF is confident that all TPAs evaluating and/or verifying Product Safety Programmes and their components, and monitoring the performance of the dairy industry against Product Safety Programmes, on MAF's behalf, in compliance with regulation 6 of the *Dairy Industry Regulations 1990*, are competent.

### **4 Effective changes**

This Standard will introduce the following changes from the previously existing situation.

- Accreditation bodies will accredit TPAs, with MAF Food providing technical experts for the process.
- The accreditation process in the Optimal Regulatory Model system provides more international credibility through the involvement of the accreditation body and its procedures.

### **5 Implementation**

This Standard will apply from the date of its issue by Circular.

### **6 Effect on compliance costs**

The accreditation process will impact financially on TPAs. The costs involved will be determined in a contracted relationship between TPAs and accreditation bodies.

The cost and frequency of TPA accreditation will be affected by the size, scope and performance of the TPA.

# MAF Standard D502.1, "Accreditation and Approval of Third Party Agencies"

## 1.0 SCOPE

This Standard contains the outcomes for the competency of Third Party Agencies (TPAs) which provide evaluation and verification services to the New Zealand dairy industry. All Third Party Agencies approved by MAF Food to provide evaluation and verification services under the *Dairy Industry Regulations 1990*, must comply with this Standard.

## 2.0 PURPOSE

This Standard sets out the requirements for the accreditation of TPAs by an accreditation body, and approval by MAF pursuant to the *Dairy Industry Regulations 1990*.

This Standard specifies the outcomes related to the competency criteria against which TPAs will be assessed and, as appropriate, approved by MAF.

The acceptable criteria outlined in Appendix One of this Standard were developed in consultation with industry to establish clear rules for judging whether or not a TPA is satisfactory, and to assist parties to achieve the outcomes described in the Standard. Proposals for alternative criteria will be approved by MAF, provided it can be demonstrated to MAF's satisfaction that the required outcomes will be achieved.

## 3.0 OUTCOME

MAF is confident that all TPAs evaluating and/or verifying Product Safety Programmes and their components, and monitoring the performance of the dairy industry against Product Safety Programmes, on MAF's behalf, in compliance with regulation 6 of the *Dairy Industry Regulations 1990*, are competent.

## 4.0 INTERRELATED REQUIREMENTS

The following standards must be read in conjunction with this Standard.

- *Accreditation Policies and Procedures Manual*. JAS-ANZ.
- *Accreditation Services Manual*. IANZ.
- ISO Standard 17020, "General Criteria for the Operation of Various Types of Bodies Performing Inspections" (EN 45004:1009). International Standards Organisation, 1998.
- MAF Standard D102, "Product Safety Programme Reporting Requirements." Dairy and Plant Products Group, Food Assurance Authority, New Zealand Ministry of Agriculture and Forestry.

- MAF Standard D501, “Technical Competency of Third Party Agency Individuals.” Dairy and Plant Products Group, Food Assurance Authority, New Zealand Ministry of Agriculture and Forestry.
- MAF Standard D503, “Third Party Agencies’ Responsibilities.” Dairy and Plant Products Group, Food Assurance Authority, New Zealand Ministry of Agriculture and Forestry.
- MAF Standard D504, “Performance Measurement of Third Party Agencies and Approved Individuals” (once promulgated). Dairy and Plant Products Group, Food Assurance Authority, New Zealand Ministry of Agriculture and Forestry.

## 5.0 ADDITIONAL RESOURCES

The following document is a useful resource.

- *Dairy Products Safe and True.* Dairy and Plant Products Group, Food Assurance Authority, New Zealand Ministry of Agriculture and Forestry, 1999. World Wide Web address: [www.maf.govt.nz/Dairy/](http://www.maf.govt.nz/Dairy/)

## 6.0 DEFINITIONS

These definitions must be read in conjunction with the interpretations in the *Dairy Industry Act 1952* and the *Dairy Industry Regulations 1990*.

MAF Food: Dairy & Plants definitions of terms can be found in their “Glossary of Terms,” available on the Dairy & Plants website ([www.maf.govt.nz/Dairy/](http://www.maf.govt.nz/Dairy/)).

**Accreditation** – Formal granting of recognition of competency for specified categories, following assessment against a standard, by an accreditation body.

**Accreditation body** – An internationally recognised, independent organisation which is authorised to accredit organisations to certain ISO standards. Currently only IANZ and JAS-ANZ are accreditation bodies in New Zealand.

**Approval** – Written confirmation from MAF pursuant to the *Dairy Industry Regulations 1990* where action or participation is dependent on the Director-General of MAF’s formal acceptance or permission.

**Approved individual** – A person who has demonstrated that they meet MAF competency standards for qualifications and experience, and has subsequently been approved by the Director-General of MAF pursuant to the *Dairy Industry Regulations 1990*.

**Assessment** – Systematic examination of an individual, organisation, plan, programme, or system against regulatory requirements.

**Conflict of interest** – Any circumstance which may undermine or detract from the impartiality and/or independence of an individual or organisation.

**Critical non-compliance** – An action, event or omission which may result in:

- failure of dairy produce to comply with regulatory requirements;
- failure to follow the lawful direction of an Inspector;
- an alleged offence against the *Dairy Industry Act 1952* or *Dairy Industry Regulations 1990*;
- a critical situation;
- failure of a critical control point within a MAF-approved programme or plan;
- failure to identify when dairy produce is non-conforming;
- failure to stop a non-compliance;
- failure to keep accurate and complete records;
- failure to provide accurate, complete, and timely reports;
- failure to dispose of non-conforming dairy produce in compliance with regulatory requirements;
- failure to prevent recurrence of a non-compliance; and/or
- failure to rectify a non-compliance within the specified timeframe.

**Critical situation** – Any situation which, in the professional judgement of the Inspector, places public health, animal welfare, market access, official assurances, national good, or MAF's credibility at risk, or where an offence is suspected.

**Evaluation** – Assessment of an individual, plan, programme, or system to determine compliance with regulatory requirements. This will involve review of documentation and, in some cases, review of operations or observation of practice. It is undertaken by a competent individual contracted to an impartial agency (e.g. TPA or National Assessor, MAF Compliance Group).

**IANZ** – International Accreditation New Zealand. An accreditation body.

**ISO Standard 17020** – ISO Standard entitled, “General criteria for the operation of various types of bodies performing inspections” (identical to EN 45004:1990).

**JAS-ANZ** – Joint Accreditation System of Australia New Zealand. An accreditation body.

**MAF Compliance** – The Compliance and Investigation Group of MAF Food, reporting to the Director, Compliance and Investigation Group.

**MAF Food** – The Food Assurance Authority of the Ministry of Agriculture and Forestry.

**MAF Food: Dairy & Plants** – The Dairy and Plant Products Group of MAF Food, reporting to the Director, Dairy and Plant Products.

**Non-compliance** – Any failure to comply with regulatory requirements.

**Product Safety Programme (PSP)** – A programme of conditions, processes, procedures, measures, and standards to be complied with, performed, undertaken, taken, or met in relation to:

- (a) any process or activity related to dairy produce, ingredients used in the manufacture of dairy products, or both; and
  - (b) sampling, examination, inspection, and testing, or any of those actions, relating to any such process or activity; and
  - (c) the recording and inspection( by persons with qualifications and experience approved by the Director-General for the purpose) of information relating to any such action;
- and (without limiting the generality of the foregoing) may include conditions, processes, procedures, measures, or standards relating to the production, manufacture, storage, or transport of dairy produce.

**Third Party Agency (TPA)** – Organisation approved by MAF to carry out evaluation and/or verification services.

**Verification** – Application of methods, procedures, tests and other checks, in addition to monitoring, to determine compliance with MAF-approved plans, programmes and systems, and to confirm the ongoing applicability of those.

## **7.0 REQUIREMENTS**

An approved TPA providing assessment and monitoring services, on behalf of MAF, to the New Zealand dairy industry, must:

- be accredited, by an accreditation body, to ISO Standard 17020,
- document the contractual conditions with its clients,
- effectively manage client confidentiality,
- effectively manage its workload,
- effectively manage any potential conflicts of interest,
- effectively manage approved individuals providing assessment services on its behalf,
- effectively control relevant documents,
- effectively manage internal non-compliance,
- conduct management review of its quality system at appropriate times,
- report relevant information to MAF, and
- participate in industry standardisation sessions.

## 8.0 VERIFICATION

Verification of compliance with this Standard is undertaken by the accreditation body.

### 8.1 Criteria

The criteria for assessing compliance with the Standard are as follows.

- The procedures to meet the requirements of this Standard are documented in the TPA's quality system.
- The TPA has paid its fees.

### 8.2 Decision

The TPA is non-compliant if one or more of the criteria for assessing compliance is not met.

### 8.3 Result

#### 8.3.1 Compliant TPAs

Compliant TPAs are accredited by an accreditation body and approved by MAF Food to provide evaluation and verification services to the dairy industry.

A list of approved TPAs is available on the MAF Food: Dairy & Plants website.

#### 8.3.2 Non-compliant TPAs

Non-compliant TPAs are not accredited by an accreditation body or approved by MAF Food, or have accreditation/approval withdrawn, and are not able to provide evaluation and verification services. Their reports are not recognised by MAF Food.

## 9.0 VERSION CONTROL

Version	Date	Status	By	Approved
502.1	23 December 1999	Promulgated by Circular no. 53	Director, MAF Food: Dairy & Plants	

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# Appendix One

## ACCEPTABLE CRITERIA

Following are criteria by which a TPA may be judged to satisfactorily achieve the requirements described in section 7 of this Standard. TPAs which have demonstrated that they meet each of the criteria will be approved by MAF.

Proposals for alternative criteria will be accepted by MAF, provided it can be demonstrated to MAF's satisfaction that the required outcomes will be achieved. A guide to the information required in these proposals and the procedures used by MAF to assess proposals can be obtained from MAF Food.

### 1.0 Accreditation criteria

All TPAs providing services to the dairy industry are accredited, by an accreditation body, to ISO Standard 17020 and the requirements of this Standard. The TPA specifies, in its quality system and application for accreditation, the category in Section 4 of ISO Standard 17020 against which it is to be assessed.

Sections 3.4 and 3.6 of ISO Standard 17020 (requiring "adequate liability insurance" and "independently audited accounts") are not criteria for accreditation of TPAs. The TPA is responsible for deciding whether or not to insure or to have independent auditing of accounts.

Procedures for accreditation of TPAs are outlined in detail in the accreditation bodies' Accreditation Services Manuals. An outline of the accreditation and approval process is provided in Table A1.1.

### 2.0 Contractual criteria

A TPA contracting to provide assessment services has systems in place which ensure the contractual conditions, under which it provides those services to clients are documented and agreed by both parties. These conditions include:

- full access to relevant client records,
- full access to the relevant personnel and facilities of the client, at any reasonable time,
- written authority from its clients, to report relevant information to MAF,
- conditions of payment,
- key performance indicators, by which the client will measure the performance of the TPA,
- full access by the client to all records concerning it held by the TPA, and
- a statement clarifying ownership of all information relating to the client.

### **3.0 Management of confidentiality**

The TPA has a written statement, as part of the quality system, allowing the accreditation body to release information to MAF, as required.

The TPA has systems to preserve the confidentiality of information from clients.

### **4.0 Management of workload**

The TPA has documented policies and procedures that prevent and demonstrate the absence of commercial, financial and other pressures that may lead to a conflict of interest for all areas of work. These procedures ensure that all work is completed without time constraints, intimidation or other factors that would influence assessment results (either in favour of or against the party being assessed).

The TPA has documented policies and procedures that prevent it from abusing its position for financial or other gain.

### **5.0 Management of potential conflicts of interest**

The TPA has documented policies and procedures that ensure the effective separation of consultancy and assessment work for the same client, to prevent conflicts of interest.

### **6.0 Management of approved individuals**

The TPA has adequate numbers of full-time, competent employees to provide routine services in the category or categories for which the TPA is approved. Refer to MAF Standard D501, "Technical Competency of TPA Individuals." All personnel providing assessment services, including subcontracted staff, are individually approved by MAF.

The TPA has systems to ensure that all individuals for whom approval is sought are appropriately qualified, trained and assessed, in accordance with MAF Standard D501, "Technical Competency of TPA Individuals."

TPAs have documented systems to ensure that only approved individuals provide evaluation and verification services.

The TPA demonstrates that it has documented systems to manage potential conflicts of interest when undertaking consultancy and evaluation/verification contracts for the same client.

TPAs have minimum criteria against which each approved individual's competency is internally assessed, at least annually, by management review and internal peer review. Where internal peer review is not possible, peer review is by an accreditation body.

The following areas are included in the criteria:

- knowledge of relevant dairy industry legislation and MAF Standards,
- knowledge and demonstrated use of TPA quality system and procedures,
- appropriate technical background and current knowledge,
- adequate experience in a relevant area of industry,
- demonstrated skills and competencies,
- adequacy of evaluation and verification services carried out, and
- accurate, unbiased, uncensored and timely reporting of client details.

The TPA has systems in place to check the consistency of work done by approved individuals within the TPA, at least annually.

The TPA has documented systems to ensure that, when any individual is deemed to be non-compliant:

- the individual does not carry out evaluation and verification services,
- within 24 hours of the review the accreditation body and MAF Food are notified of any individual deemed to be non-compliant,
- a traceback is conducted on the work done by the non-compliant individual to determine the corrective actions required, and
- where there is any doubt about the quality of any work done by the individual, the client(s) involved are advised and the work is repeated by another approved individual.

TPAs subcontracting the services of individuals to deliver specific functions have systems in place to manage those individuals in accordance with section 4.2 of ISO Standard 17020 and this Standard.

The TPA has systems in place to maintain full records of all training and experience of all approved individuals providing assessment services on behalf of the TPA.

The TPA has systems to ensure that approved individuals maintain their independence, objectivity, and powers of critical, impartial scrutiny when assessing clients' systems and processes.

## **7.0 Control of documents**

The TPA has documented systems to ensure adequate record-keeping and document control.

The TPA has systems to ensure access by relevant staff to the latest version of all relevant legislation and standards.

The TPA's procedures specify the retention time for all information required by MAF Standards.

## **8.0 Management of internal non-compliance**

The TPA has proactive systems for internal management review and the completion of corrective actions to rectify non-compliances. These systems have provision for monitoring the agency's own performance, and for the anticipation, identification and prevention of problems. Critical non-compliances are reported to MAF Compliance within 24 hours.

## **9.0 Management review**

The TPA has procedures to conduct an internal management review of its own quality system at least annually.

## **10.0 Reporting to MAF**

The TPA's system documents the requirements for reporting to MAF. Refer to MAF Standard D503, "Third Party Agencies' Responsibilities," for details.

## **11.0 Industry standardisation sessions**

The TPA's system requires participation in industry standardisation sessions (organised by MAF Food) to ensure uniformity when Standards are issued or reviewed.

**Table A1.1 *Outline of the accreditation and approval process***

- 1 The TPA applies to an accreditation body for accreditation, using appropriate documentation.
- 2 The accreditation body registers the application and requests a copy of the TPA's quality system documentation, including technical procedures.
- 3 The accreditation body appoints a Lead Assessor, who reviews the quality system documentation.
- 4 The accreditation body contacts the MAF Technical Expert and forwards the TPA's quality system documentation for review.
- 5 If any non-compliances are identified in the review of documentation, the TPA is notified and requested to correct non-compliances.
- 6 Any non-compliances are signed off by either the Lead Assessor or Technical Expert.
- 7 The Lead Assessor arranges a site assessment visit with the Technical Expert and the TPA.
- 8 The Assessment Team conducts a site assessment, including observation of persons seeking approval performing relevant tasks, and the TPA is notified of any non-compliances. All approved individuals within the TPA are assessed annually, but the depth of external assessment will be based on performance.
- 9 The TPA resolves non-compliances.
- 10 The Assessment Team signs off non-compliances.
- 11 The accreditation body grants accreditation to the TPA and forwards a recommendation for approval to MAF Food.
- 12 MAF Food approves the TPA, and lists it on the Register of Approved TPAs on the MAF website.