

# Food Standards Scotland

## Independent Scrutiny of the Audit Process

*Audits performed by Food Standards Scotland in accordance with the Food (Scotland) Act 2015, The Official Feed and Food Controls (Scotland) Regulations 2009 and Article 6(1) of Retained Regulation (EU) 2017/625.*

*March 2023*



## Document Information

Version	Date	Reason for Amendment	Summary of Changes	Author
1.0	October 2018	New Procedure	N/A.	Food Standards Scotland Audit Branch
1.1	December 2019	Updating references to include regulation (EU) 2017/625	References to Regulation (EC) No 882/2004 updated	Food Standards Scotland Audit Branch
1.2	March 2023	General Review and Update to take account of change to guidance document on the conduct of audit	All references to Commission Decision 2006/677/EC updated to Commission Notice	Food Standards Scotland Audit Assurance Division

## 1.0 Background

1.1 Audits performed by Food Standards Scotland (FSS) in accordance with the Food (Scotland) Act 2015, The Official Feed and Food Controls (Scotland) Regulations 2009 as amended and Article 6(1) of Retained Regulation (EU) 2017/625 are expected to follow the guidelines for the conduct of audit as detailed in the document “A Commission Notice on the conduct of audit under Article 6 of Retained Regulation (EU 2017/625” <sup>1</sup>

1.2 Paragraph 4 of the Commission Notice states for Fundamental Principles:

*“To build and maintain confidence in the integrity of the audit system, management and implementation of the audit process are to be transparent to all relevant stakeholders. In particular, there should be full transparency between the audit body and the auditee”.*

1.3 Paragraph 5.3 of the Commission Notice states for Independence:

*“Audit bodies should be free from any commercial, financial, hierarchical, political or other pressures that might affect their judgment or the outcome of the audit process. The audit system, audit body and auditors should be independent of the activity being audited and free from bias and conflicts of interest”*

1.4 Paragraph 5.4 of the Commission Notice states that for Independent Scrutiny of the Audit process:

*“The process of independent scrutiny should be carried out by a person(s) from outside both the audit body and the organisation subject to internal audits with sufficient level of independence and expertise to scrutinise the audit process”*

*“Independent scrutiny should cover the whole audit process, including programming, planning and executing audits, reporting (including approval of reports), corrective action and follow-up. It should also cover the different*

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<sup>1</sup> [EUR-Lex - 52021XC0226\(01\) - EN - EUR-Lex \(europa.eu\)](#)

*threats to independence and mechanisms to manage them. Independent scrutiny is not an audit, however, such scrutiny can also be performed using an audit approach”*

*“Such scrutiny should be regular but the frequency may vary depending on the results of previous scrutiny and the internal controls applied by the audit body”*

*“The audit body should take action to remedy any shortcomings identified by the independent scrutiny”*

## 2.0 What is Independent Scrutiny?

2.1 Independent scrutiny should be a regular and planned process, external to the audit body, to ensure that the audit system is capable of producing objective results and the competent authorities meet their obligations under Article 6(2) of Regulation (EU) 2017/625.

2.2 The process will cover the whole audit process, including programming, planning and executing audits, reporting (including approval of reports), corrective action and follow-up. It should also cover the different threats to independence and mechanisms to manage them.

2.3 The objectives of independent scrutiny are to provide:

- An objective evaluation of the effectiveness and independence of the audit process and audit body.
- A critical evaluation of documentary evidence with a specific focus on objectivity of the audit body.
- Feed-back for continuous improvement.
- Confidence that the audit process is meeting the objectives of the appropriate legislation.

2.4 Outputs from the Scrutiny Process are:

- An opinion on effectiveness of the audit process.
- An opinion on independence of the audit body/auditors.
- A report identifying best practices and areas for improvement.

### 3.0 The Approach to Independent Scrutiny

- 3.1 Independent scrutiny of FSS's Enforcement Authority performance monitoring function will be carried out by Scottish Government (SG). SG is external to both FSS and to the Authorities being audited.
- 3.2 Scrutiny of the audit function will take place at least annually and will include:
- Scrutiny of the design and development of the audit programme, i.e. has it been developed on a risk basis;
  - A review of the previous year's audit activity
  - Any other area as appropriate.
- 3.3 Full access will be given to the audit process. The report will be provided to the Accountable Officer detailing the scrutiny process and outcomes, and will identify any shortcomings. All actions identified will be addressed by means of an agreed action plan.
- 3.4 The scrutiny report detailing the action to be taken to address any identified shortcomings will then be presented to FSS's Audit and Risk Committee and published on the FSS website.