



Make “continuous improvement” easier

IFS PIA Scoring System and Assessment frequency

IFS PIA Scoring System



All enterprises aim to secure and improve their market position by continuous optimization of product integrity. An effective tool to accomplish this, is the IFS Product Integrity Assessment.

One of the main objectives of the IFS Product Integrity Assessment is to ensure a continuous process of improvement in terms of product integrity management.

The differentiated scoring system of IFS PIA allows assessors to evaluate assessment findings in relation to the level of compliance with the IFS PIA Requirements.

The assessed company can easily derive actions from clearly stated explanations in the report and correct the non-compliances.

Within an IFS PIA Assessment process the assessor evaluates the nature and significance of any deviation or non-conformity. In order to determine whether compliance with the IFS PIA has been met, the assessor has to evaluate every individual IFS PIA Requirement.

The IFS PIA Assessor can use different scorings to evaluate the product integrity management of the company. In the following pages these options will be explained.

Scoring a requirement as a deviation

For the regular requirements of the IFS PIA Program, there are four (4) scoring possibilities:

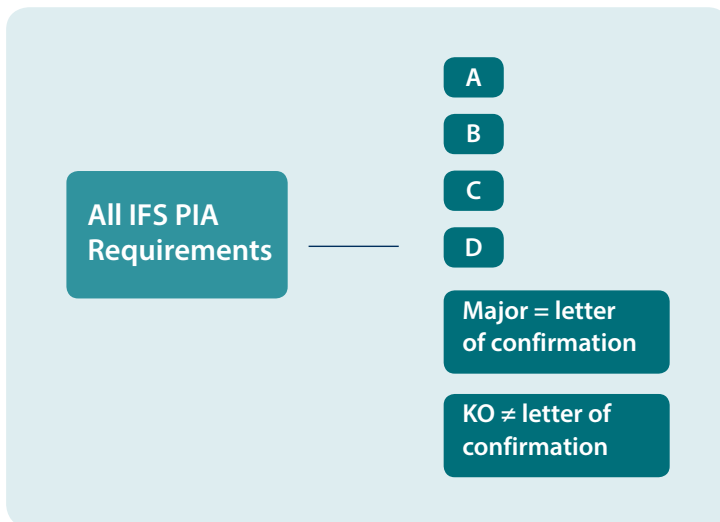
| Result | Explanation | Points | Meaning |
|----------|---|--------|--|
| A | Full compliance | 20 | Perfect implementation |
| B | Adequate compliance, improvement possible | 15 | Very good implementation, but some opportunities to improve |
| C | Poor compliance, small part of the requirement has been implemented | 5 | Basic implementation – it works in daily business many topics to improve |
| D | No compliance, requirement has not been implemented | - 20 | Implementation is not sufficient or not done at all |

The above table demonstrates clearly that points can also be awarded for “partial compliance”. This allows the assessor to address “room for improvement” without a significant negative impact on the final result of the assessment.

In addition to this scoring, the auditor can decide to give the company a “KO” or a “Major” non-conformity that will subtract points from the total amount of points.



Scoring a requirement as a non-conformity



In IFS PIA, there are two (2) types of non-conformities which are Major and KO. It will lead to a subtraction of points from the total amount.

> KO (Knock out)

A KO (Knock out) non-conformity can be given to any requirement when an intentional product integrity issue (fraud) is identified.

Assessment cannot be completed and 100 % of the possible total amount of points is subtracted.

If during the assessment the assessor establishes that a requirement is assessed with KO, this means that an intentional integrity issue, or fraud, is identified. In that case the company cannot pass the assessment and no letter of confirmation can be issued. This should be reported to the IFS Integrity Program within 2 (two) working days after finishing the assessment to involve the certification body that has issued the IFS Certificate. That certification body has the responsibility to follow up on this non-conformity.

> Major

A Major non-conformity can be given to any requirement when an unintentional product integrity issue is identified.

This non-conformity will subtract 50% of the possible total amount of points.

Scoring of the professional conclusion of the assessor

The professional conclusion of the assessor is an overall evaluation of the assessment (considering the preparatory phase of the assessment, the assessment itself and the phase following the assessment until completion, including the improvement and/or corrective action plan), focusing on: drive, risk awareness and level of control of the company in the area of product and process integrity.

The 4 criteria can be rated with A, B or C. The 4th criterion (best/poor practices) can result into a 10 % bonus /malus on the final assessment score:

Chart N° 1: Scoring of the professional conclusion of the assessor

| Result | Explanation |
|--------|-------------------|
| A | Plus 10% (bonus) |
| B | Neutral |
| C | Minus 10% (malus) |

The rating for the professional conclusion of the assessor is added after the improvement plan is submitted and reviewed for the final assessment report.

Total score of the assessment

The total score is calculated as following:

TOTAL NUMBER OF POINTS

= (total number of relevant IFS PIA Checklist Requirements – requirements scored with N/A) × 20

Final score (in %)

= number of points awarded / total number of points + Inclusion of the assessor's professional conclusion.



The IFS PIA Improvement- and Corrective Action Plan

After the assessment the assessor shall explain all scorings with B, C and D in the improvement plan and all Major or KO non-conformities in the corrective action plan.

The assessor shall complete all explanations (field A in chart N°2) and justify the deviations and non-conformities before sending the company the pre-report of the assessment.

Company's completion of the improvement- and corrective action plan

The company is given the opportunity to review the pre-report and draw up an improvement plan (for C and D scores, improvement is expected) and if Majors or KO non-conformities were identified, a corrective action plan.

The improvement plan is not mandatory but meant to facilitate the dialogue between the company and its clients. A corrective action plan is mandatory in case of majors/KO non-conformities.

For the corrective action plan, the company shall enter the correction, root cause and proposed corrective actions (field B of chart N° 2) for all Major and KO non-conformities listed by the assessor. The company shall clearly state the responsibilities and implementation deadlines for corrective actions (field C of chart N° 2).

In case of a Major non-conformity, improvement is necessary in order to receive a letter of confirmation. Evidence of implementation of the corrective action shall be delivered with the corrective action plan in order for the certification body to issue the letter of confirmation. At the next audit, the assessor will verify the improvement.

Chart N° 2: Outline corrective action plan

| Number of the requirement | IFS PIA Requirement | Evaluation | Explanation (by the assessor) | Correction, root cause and corrective action (by th company) | Responsibility, date and status of implementation (by the company) |
|---------------------------|--|------------|-------------------------------|--|--|
| | | | Field A | Field B | Field C |
| 1.2.1 | The company shall have and maintain a current overview of all company sites and their locations. | Major | | | |

In case of a KO non-conformity, the company cannot receive a confirmation letter. It has to start a new application including explanation on root cause and corrective actions. The company cannot start the new application within one year after the assessment with KO non-conformity.

An assessment finding (explanation) in the report and action plan should:

- > refer to a specific requirement
- > relate to objective facts
- > be precisely described and be verifiable
- > represent facts for others in an understandable manner
- > provide a basis for the evaluation according to the IFS System

By answering the questions “what, where, why and resulting effect” the assessor must give sufficient information within a described finding in order to have a clear picture of the situation found. IFS PIA Assessors are trained regularly to meet these expectations.

Assessor validation of the action plan and adding the professional conclusion

The assessor or a representative of the certification body shall validate the relevance of the improvement plan and/or corrective actions before preparing the final assessment report.

Results of this review will be expressed in the professional conclusion of the assessor.

During the next IFS PIA Assessment the assessor will review the improvement plan and/or corrective action plan as part of the assessment time schedule.

The assessor shall add his/her professional conclusion to the final report of the assessment to make up the final score of the assessment.

Assessment level and frequency

The IFS PIA Assessment can be passed in four (4) different levels. For each of these levels, there is a different assessment cycle.

For assessments in the meat sector, a separate assessment frequency applies due to the high vulnerability to fraud (see chart N°3).

Chart N° 3: Assessment frequency

| Assessment level | Assessment frequency | Assessment frequency for the meat sector |
|--|---------------------------------------|--|
| Higher level Total score is $\geq 90\%$ | Three (3) years to renewal assessment | Two (2) years to renewal assessment |
| Medium level Total score is $\geq 70\%$ and $< 90\%$ | Two (2) years to renewal assessment | Two (2) years to renewal assessment |
| Foundation level Total score is $\geq 50\%$ and $< 70\%$ | One (1) year to renewal assessment | One (1) year to renewal assessment |
| Lower level Total score is $< 50\%$ | Six (6) months to renewal assessment | Six (6) months to renewal assessment Note: the new assessment within 6 months is not applicable in the first year after publication. |



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