

**A brief account of Chapter 2 of Report No. 71
“Centre for Food Safety: Import control of foods”
by the Director of Audit
at the Public Hearing of the Public Accounts Committee
of the Legislative Council on Monday, 7 January 2019**

Mr. Chairman,

Thank you for inviting me here to give a brief account of Chapter 2 of Report No. 71 of the Director of Audit, entitled “Centre for Food Safety: Import control of foods”.

This Audit Report comprises five PARTs.

PART 1 of the Report, namely “Introduction”, describes the background of the audit.

According to the Census and Statistics Department’s published trade statistics, in 2017, the total value of foods imported into Hong Kong was about \$205,400 million, which accounted for over 90% of foods for human consumption. Therefore, import control is of paramount importance to ensuring food safety, and control at source is recognised as an effective control mode in food safety. Control at source includes, for example, requiring the presence of health certificates issued by overseas authorities for import of foods, and allowing only live food animals from approved farms to enter into Hong Kong.

PART 2 of the Report, subdivided into PARTs 2A, 2B and 2C, examines control of foods imported by different modes of transport (i.e. air, road and sea).

To ensure the safety of imported foods, the Centre for Food Safety (CFS) has established procedures for controlling the import of foods via air, road and sea. For imported food consignments, the CFS staff of food control offices located at air, road and sea borders conduct five major procedures: (1) document checking; (2) on-the-spot physical inspections on a sample basis; (3) collecting food samples for laboratory tests under the Food Surveillance Programme; (4) radiation tests of certain imported foods; and (5) input of consignment information into the Food Import Control System (FICS). After the satisfactory completion of the above procedures, the consignments will be released.

For foods imported by air, the control is carried out by the Airport Food Inspection Offices. According to the CFS’s Operational Manual on import control of foods (Operational Manual), an import licence may be issued with the submission of a supporting document issued by a recognised authority of the exporting economy. However, the Audit Commission

(Audit) noted that during the course of the audit review, 97% of import licences were issued without the submission of the supporting documents, contrary to the requirement of the Operational Manual.

We also found a number of inadequacies in physical inspections and radiation tests. For example, for the import of high-risk foods, such as frozen meat, there were cases where the importers failed to provide original health certificates or import permissions. Upon the discretionary consent of the CFS staff, the consignments were released without physical inspections. In addition, in each of the 20 physical inspections accompanied by Audit, the CFS staff only inspected one carton of the food consignment. Furthermore, Audit noted that for some radiation tests under the Contamination Monitoring System, food samples were pre-selected by importers, and that some tests were not properly conducted to measure the radiation contamination level.

For foods imported by road, they are mainly handled by the Man Kam To Food Control Office (MKTFCO), which is the only office responsible for the inspection of consignments of certain foods (e.g. meat, poultry and eggs) imported by road from the Mainland. Owing to the high risk nature of certain foods, as a condition of import permissions, drivers of vehicles carrying consignments of such foods must drive their vehicles to the MKTFCO for inspection of the consignments by the CFS. In addition, only vehicles approved by the CFS are allowed to transport chilled foods. Audit, however, found that for the period January to April 2018, of the 59 vehicles transporting high-risk foods to Hong Kong through Man Kam To, 11 had evaded CFS inspection. In addition, 14 vehicles had not been approved by the CFS for carrying chilled foods.

In accompanying the CFS staff in 18 inspections conducted at the MKTFCO, Audit found that in some inspections, the CFS staff only opened the right doors of the vehicles carrying the consignments and examined the foods in front, or only selected very small quantity of foods or one type of foods for inspections.

Most foods are imported into Hong Kong by sea. The CFS staff conduct import documents checking and physical inspections on a selective basis. In general, physical inspections are conducted at importers' warehouses or privately-run cold stores. When situations warrant, physical inspections are conducted at the food inspection checkpoint located in the Kwai Chung Customhouse (KCCH checkpoint). Audit found that for food consignments subjected to physical inspections at warehouses or cold stores, the seals of containers carrying food consignments had already been broken off by importers before the CFS's inspections, and that not all the consignments from Japan were subjected to radiation testing. These practices were contrary to the requirements of the Operational Manual.

In order to align the practice of monitoring of foods imported by sea with that of foods imported by air and road, the CFS had set up the KCCH checkpoint to conduct physical inspection of food consignments. During the audit review, Audit found that in 2017, only 18 (i.e. 0.5%) of the 3,616 physical inspections conducted for foods imported by sea were conducted at the KCCH checkpoint. In addition, there was a high percentage of cases (ranging from 16% to 48% during January 2017 to March 2018) where importers requested to have their import licences cancelled when their consignments had been selected by the CFS for inspection. Audit also found that there was delay in submission of original health certificates by importers and inadequacies in selecting samples for physical inspections.

Audit has made a number of recommendations to the Food and Environmental Hygiene Department (FEHD) in respect of the issues relating to the control of foods imported by air, road and sea.

PART 3 of the Report examines the CFS's control of live food animals and live aquatic products.

Under the administrative arrangements with the Mainland, live food animals and live aquatic products imported into Hong Kong must originate from registered farms approved by the General Administration of Customs of the People's Republic of China (GACC). In addition, they must be imported with animal health certificates issued by the GACC. Audit's sample examination showed that the CFS had not sought, in a timely manner, clarifications from the GACC for import of consignments of bovines and swine from farms not on the list of registered farms.

Under the Rabies Regulation, a person shall import into Hong Kong any animal with a permit issued by the Agriculture, Fisheries and Conservation Department. According to the terms of permits, importers are required to show the permits to Field Officers upon arrival of the animals at the Man Kam To Animal Inspection Station. Audit found that in all of the 23 accompanied inspections, the importers failed to do so and the CFS did not take any remedial action. Audit's sample examination also reflected some discrepancies between the quantities stated on the food import declaration forms and the quantities on the animal health certificates. This showed that some live food animals might have been imported without health certification.

Audit has made a number of recommendations in respect of the audit findings.

PART 4 of the Report examines the registration and inspection of food traders.

Under the Food Safety Ordinance, any person who carries on a food importation or distribution business is required to register with the Director of Food and Environmental Hygiene as a food importer or food distributor. In addition, a food trader must keep

transaction records so that consignments could be traced (e.g. in food incidents). Audit found that in years 2013 to 2017, of the 3,420 cases in which the CFS requested information on licences and businesses from food importers or distributors who were exempted from the registration requirement, over 85% had not responded to the CFS's request. The CFS did not follow up these cases. In the 117 import documents examined and 54 inspections accompanied by Audit, Audit found that 8 importers had imported foods into Hong Kong without having been registered or exempted. Audit analysed the CFS's inspection records for 2017 and found that 49 (9%) of the 540 inspections were not successful but there were inadequacies in the CFS's follow-up actions. We have recommended that the FEHD should take follow-up actions accordingly.

PART 5 of the Report examines other issues relating to the import control of foods and way forward.

According to the CFS, food imported into Hong Kong should meet local standards for food safety. The CFS reviews from time to time the need for updating food safety standards having regard to various factors. As at 31 August 2018, updating of two food safety standards for "veterinary drug residues" and "shellfish toxins and mycotoxins" respectively was not yet completed, despite the fact that updating of these two food safety standards had been accorded "high priority" as early as 2006 and 2009.

The CFS uses the FICS, which is a computer system, to monitor the food import procedures. Audit examined the import documents of 117 food consignments and found that in 66% of the consignments, there were errors or omissions in inputting data into the system.

To ensure the safety of imported foods, the CFS has implemented measures for the import control of foods. However, as shown in this Audit Report, there were incidences of non-compliance and difficulties in implementing the measures. Hence, Audit has recommended that the FEHD should conduct a comprehensive review of the CFS's import control of foods, taking into account Audit's findings and recommendations set out in the Report.

Our views and recommendations were agreed by the FEHD. I would like to take this opportunity to acknowledge with gratitude the full cooperation, assistance and positive response of the Department's staff during the course of the audit review. I would also like to thank the Customs and Excise Department for its assistance in this matter.

Thank you, Mr. Chairman.