

A. Introduction

The Audit Commission ("Audit") conducted a review of the import control of foods by the Centre for Food Safety ("CFS"), including matters relating to the control of foods imported by air, road and sea, control of live food animals and live aquatic products (for simplicity, unless otherwise stated, hereinafter foods and live food animals are collectively referred to as foods), registration and inspection of food traders, and other issues relating to import control of foods and the way forward.¹

2. Hon Kenneth LEUNG declared that he was a member of the Trade and Industry Advisory Board. Hon SHIU Ka-fai declared that he was a member of the Trade and Industry Advisory Board and Business Facilitation Advisory Committee, and unremunerated honorary adviser or honorary member to some non-governmental organizations or trade associations.

Background

3. In 2017, over 90% of foods for human consumption in Hong Kong were imported. According to the Census and Statistics Department's published trade statistics, the total value of imported foods in the year was \$205,351 million. The Food and Environmental Hygiene Department ("FEHD") has the mission of ensuring that food for sale in Hong Kong is safe and fit for consumption. In May 2006, CFS was established under FEHD to control food safety in Hong Kong. CFS works under the legal framework of two Ordinances, namely, the Public Health and Municipal Services Ordinance (Cap. 132), and its subsidiary legislation,² and the Food Safety Ordinance (Cap. 612).³

4. In 2013-2014 to 2017-2018, CFS's expenditure had increased by 32% from \$448 million to \$592 million. During this period, over 50% of the annual expenditure were spent on import control of foods. Control at source is recognized

¹ The findings of Audit on CFS's management of food safety are contained in Chapter 1, CFS: Management of food safety, of the Director of Audit's Report No. 71. The Committee's Report on this chapter is contained in its Report No. 71 issued in February 2019.

² The Public Health and Municipal Services Ordinance and its subsidiary legislation require that food intended for sale should be fit for human consumption. They cover general protection for food purchasers, offences in connection with sale of unfit food and adulterated food, and seizure and destruction of unfit food.

³ The Food Safety Ordinance provides additional food safety control measures, such as and in particular a registration scheme for food importers/distributors.

as an effective control mode in food safety. Control measures include 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.

5. Imported foods are broadly classified into two types: namely, high-risk foods,⁴ and other imported foods. For high-risk foods, specific import documents are required for their import into Hong Kong. These documents include an import licence⁵ and import permission.⁶ For other imported foods, no health certificates or import licences or import permissions are required under the law. Administrative arrangements may be agreed with relevant regulatory authorities of the place of origin for certain imported food types to better ensure food safety and public health.

6. The Committee held four public hearings on 7, 11 and 25 January and 6 March 2019 to receive evidence on the findings and observations of the Director of Audit's Report ("Audit Report").

The Committee's Report

7. The Committee's Report sets out the evidence gathered from witnesses. The Report is divided into the following parts:

- Introduction (Part A) (paragraphs 1 to 14);
- Control of foods imported by air (Part B) (paragraphs 15 to 37);
- Control of foods imported by road (Part C) (paragraphs 38 to 57);
- Control of foods imported by sea (Part D) (paragraphs 58 to 75);
- Control of live food animals and live aquatic products (Part E) (paragraphs 76 to 95);

⁴ High-risk foods include frozen meat, frozen poultry, chilled meat and chilled poultry, prohibited meat (e.g. meat comprising the wall of the thorax or abdomen), game, eggs, milk and frozen confections, livestock, live poultry, and aquatic products, that pose higher food safety risks as they are easily perishable and more likely subject to risk of pathogens.

⁵ An import licence covers the import of a single food consignment and is valid for a period of six weeks.

⁶ An import permission covers the import of multiple food consignments and is valid for a period of six months.

- Registration and inspection of food traders (Part F) (paragraphs 96 to 113);
- Other issues relating to import control of foods and way forward (Part G) (paragraphs 114 to 122); and
- Conclusions and recommendations (Part H) (paragraphs 123 to 125).

Speech by Director of Audit

8. **Mr John CHU Nai-cheung, Director of Audit**, gave a brief account of the Audit Report at the beginning of the Committee's public hearing held on 7 January 2019. The full text of his speech is in *Appendix 4*.

Opening statement by Secretary for Food and Health

9. **Prof Sophia CHAN Siu-chee, Secretary for Food and Health**, made an opening statement at the beginning of the Committee's public hearing held on 7 January 2019, the summary of which is as follows:

- CFS was aware of the inadequacies in its workflow during the review by Audit. Some improvement measures had been implemented or formulated, such as issuing guidelines in cases of the lack of guidelines or insufficient guidelines, strengthening training and supervision of staff, enhancing the enforcement concept of staff and improving the filing of information and work records;
- a dedicated team was formed by CFS in end 2017 to re-engineer CFS's workflow and overhaul its information technology ("IT") systems to support the frontline staff more effectively; and
- since 24 March 2011 when certain foods from five prefectures were restricted from importing into Hong Kong, CFS had conducted radiation tests on 550 000 food samples imported from Japan and all

results of these samples complied with the standards laid down by the Codex Alimentarius Commission.⁷

The full text of Secretary for Food and Health's opening statement is in *Appendix 5*.

Opening statement by Director of Food and Environmental Hygiene

10. **Miss Vivian LAU Lee-kwan, Director of Food and Environmental Hygiene**, made an opening statement at the beginning of the Committee's public hearing held on 7 January 2019, the summary of which is as follows:

- CFS would continue to strengthen staff supervision and training to ensure that officers of food control offices at air, land and sea borders adhered to the CFS's Operational Manual on import control of foods ("Operational Manual") and guidelines when performing their duties;
- in early January 2019, CFS issued new guidelines, requiring officers at the airport office to check the original health certificates and supporting documents of food consignments and inspect the consignments in accordance with a risk-based approach before releasing them from the air cargo terminals, so as to ensure the safety of food imports;
- on control of food imports by land, CFS was strengthening cooperation with the Customs and Excise Department ("C&ED"). It would take further steps to effectively deal with the problem of vehicles evading food inspections at the Man Kam To Food Control Office ("MKTFCO"). Other measures were also taken to ensure that vehicles had obtained prior approval from CFS for carrying chilled food and to collect samples of frozen/chilled meat and poultry at random; and
- CFS had also taken various measures to address the issues revealed by Audit on the control of food imports by sea.

The full text of Director of Food and Environmental Hygiene's opening statement is in *Appendix 6*.

⁷ The Codex Alimentarius Commission was established in 1963 by the Food and Agriculture Organization of the United Nations and the World Health Organization. The Commission sets up food codes which are a collection of internationally adopted food safety standards and related texts. Members' adoption of the Codex Standards is voluntary and members may formulate their own food safety standards based on local situations.

11. With reference to Table 2 in paragraph 1.7 of the Audit Report, the Committee enquired about the reasons for the increase in the number of prosecutions between 2015 and 2016 under the Public Health and Municipal Services Ordinance (i.e. from 490 to 766).

12. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 23 January 2019 (*Appendix 7*) that:

- the number of prosecution cases in Table 2 were initiated by CFS against contraventions of the Public Health and Municipal Services Ordinance, its subsidiary legislation, and the Food Safety Ordinance and were not limited to those involving control of imported foods; and
- the number of prosecutions in 2016 increased substantially comparing to 2015 mainly because a large number of prosecutions were instituted against contraventions of the regulation of poultry egg imports. The amended Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK) came into effect on 5 December 2015, under which no one could import poultry eggs into Hong Kong unless they produced a health certificate issued by an issuing entity from the place of origin recognized by Director of Food and Environmental Hygiene to certify that the eggs were fit for human consumption, and obtain permission in writing from FEHD to facilitate tracking of the actual importation and surveillance on the poultry eggs by CFS.

13. Figure 1 in paragraph 1.9 of the Audit Report showed that the expenditure ratio of CFS on import control had remained unchanged at around 57% from 2013-2014 to 2017-2018. The Committee asked whether CFS had reviewed its manpower resources in view of the change in workload, e.g. no live chickens had been imported into Hong Kong since 2017.

14. **Dr Christine WONG Wang, Assistant Director (Risk Management), Food and Environmental Hygiene Department and Director of Food and Environmental Hygiene** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 23 January 2019 (*Appendix 7*) that the total number of staff at all the food control offices at air, sea and land borders were 292 as at 1 January 2019. This represented an increase of 34 staff when compared to 2017-2018. During 2013-2014 to 2017-2018, the expenditure on import control of foods had increased from \$258 million to

\$337 million (a total increase of \$79 million). In 2018-2019, the relevant estimated expenditure further increased by \$52 million to \$389 million. CFS reviewed its staff establishment each year in accordance with actual needs. In the past five years, the overall manpower of the food control offices at air, sea and land borders was relatively stable. Despite the decrease in the quantity of live animals imported into Hong Kong, CFS needed to maintain basic manpower to handle the workload, in particular at land border offices.

B. Control of foods imported by air

15. According to paragraph 2.12 of the Audit Report, CFS staff had exercised discretion to release three consignments which failed to present the original health certificates on the spot to the Airport Food Inspection Offices ("AFIOs"), and no physical inspections were conducted for these consignments. The Committee asked about the number of the cases in the past year in which similar discretion had been exercised and whether there were any guidelines on how such discretion should be granted, including if physical inspections should be conducted.

16. **Director of Food and Environmental Hygiene** provided the staffing situation and operation schedules of AFIOs at the three cargo terminals of the Hong Kong International Airport, namely the Hong Kong Air Cargo Terminals Limited, Cathay Pacific Cargo Terminal and Asia Airfreight Terminal, in her letter dated 23 January 2019 (*Appendix 7*). **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- foods imported by air were mainly fresh provisions like chilled meat and poultry meat. Due to the short air freight time to Hong Kong, importers sometimes had difficulties submitting supporting documents when applying for import licences, as these documents might be shipped together with the consignments;
- provided that food safety was not compromised, CFS would consider the circumstances of individual cases and facilitate business operation by allowing importers to present the original supporting documents for custom clearance at AFIOs. To ensure the safety of imported foods, officers at AFIOs would examine the import documents of the food consignment concerned and conduct food inspections by adopting a risk-based approach;

- in 2018, there were 54 cases in which discretion was granted to release food consignments without original health certificates at AFIOs. In 13 of these cases, the food importers did not supplement the original health certificates to CFS staff for inspection within the seven-day period. The importers for 12 of these cases had subsequently furnished the original copies of documents. CFS had issued warnings to the food importers concerned; and
- there was still one case without furnishing of the original copies of documents. CFS was seeking legal advice on the relevant case. Prosecution would be instituted if there was sufficient evidence.

17. With reference to paragraph 2.14 of the Audit Report, the Committee asked about the progress of the implementation of the new guidelines for CFS staff to exercise discretion on the release of food consignments without original supporting documents and their effectiveness.

18. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 23 January 2019 (*Appendix 7*) that:

- at the end of October 2018, CFS formulated specific guidelines on granting discretion for release of food consignments from air cargo terminals without original health certificates based on specific conditions, such as good track records of the importer involved, should be fulfilled; the staff on duty should physically inspect the consignment; and the case must be endorsed by a Senior Health Inspector;
- after the implementation of the guidelines, there were 2 191 cases in November and December 2018 in which importers were required to present the original health certificates and supporting documents for clearance at AFIOs. Twelve of these cases were granted discretion for release of food consignments;
- after a review, CFS updated the guidelines in early January 2019. AFIO officers were advised to check the original health certificates and supporting documents of a food consignment and conduct food inspection in accordance with the risk-based principle before releasing the consignment from the air cargo terminal;

- in issuing the updated guidelines, CFS mainly took into account the requirements of the Imported Game, Meat, Poultry and Eggs Regulations. Provided that food safety was not affected, CFS allowed importers to present the original health certificates and the relevant import documents at AFIOs when the relevant consignments were imported into Hong Kong by air. In light of the present situation, the new guidelines could strike a balance between ensuring food safety and business facilitation; and
- the trade was informed of the updated measures. Notices were also posted at conspicuous locations of AFIOs to remind the trade about the new arrangement. The new measures had been implemented smoothly since early January 2019.

19. In reply to the Committee's enquiry about measures in place for frontline staff to verify the authenticity of the original health certificate and ensure that the health certificate corresponded to the food consignment being examined, **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 23 January 2019 (*Appendix 7*) that:

- CFS would distribute a standard specimen of the health certificate to the food inspection offices and the Food Importer/Distributor Registration and Import Licensing Office ("FIRLO"). The specimen of the health certificate would be saved for easy access and reference by duty officers; and
- supervisors would provide newly appointed Health Inspectors with training on the workflow involved and the specimens of the health certificates, and brief them on the methods to verify the relevant information. In case there was any doubt about the authenticity of the original health certificate and/or the corresponding food consignment, the frontline staff would make a report to their supervisors. Upon examination of the case, the supervisors on duty would make verification as deemed necessary with the authority of the exporting end through the relevant section of CFS.

20. The Committee noted from Case 1 in paragraph 2.12 of the Audit Report that the consignment concerned was released without the submission of the original

Export Declaration⁸ on the spot and without an import permission issued by CFS. The Committee was concerned about the streamlined procedure for importing foods from the European Union ("EU") member states, in particular for food originated from animals slaughtered in one EU member state but exported from another EU member state to Hong Kong, and how CFS would ensure that frontline staff are fully informed of any new overseas requirements/procedures.

21. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 23 January 2019 (*Appendix 7*) that:

- starting from 1 December 2017, CFS had fully adopted the dual-purpose document of EU for use in respect of eligible EU member states (i.e. those EU member states that had already established relevant meat import protocol with Hong Kong). The document could be used either as a health certificate or an Export Declaration for importing beef, pork and mutton from eligible EU member states;
- under the new arrangement, an eligible EU member state where the animal was slaughtered for export would make use of the document to issue a health certificate in respect of the meat. If the animal was slaughtered by one eligible EU member state and the meat was exported by another eligible member state, the export member state would use the document to issue the Export Declaration, and the importer had to obtain written permission from CFS before importing the consignment into Hong Kong;
- if the EU member state where the animal was slaughtered or the meat was exported was not an eligible EU member state, the new arrangement and the dual-purpose document would not apply; and
- Case 1 happened shortly after the above new arrangement was put into practice. Learning from the experience gained from this incident, CFS had enhanced the awareness and training of any new arrangement among the frontline staff through regular working meetings and briefings. CFS had further reminded the frontline staff to strictly implement the new EU arrangement for meat imports.

⁸ An Export Declaration issued by an exporting European Union ("EU") member state is required for foods (i.e. beef, pork and mutton) originated from animals slaughtered in one EU member state but exported from another EU member state to Hong Kong.

22. With reference to paragraphs 2.15 and 2.16 of the Audit Report, the Committee enquired about the latest position in devising guidelines on the ratio and number of food samples selected for physical inspection and whether randomization sampling would be adopted.

23. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** and **Director of Food and Environmental Hygiene** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- there had been no guidelines on the number of samples to be inspected in a physical inspection.⁹ The time required for inspection of each food consignment was usually about 15 minutes (not including the time taken for radiation testing and sampling);
- CFS was comprehensively reviewing the present sampling work with references to similar practices in other economies and the relevant guidelines of the Codex Alimentarius Commission, with a view to formulating operational guidelines on the appropriate number of samples to be taken during physical inspection of imported foods at border control points and putting in place improvement measures for sampling; and
- the operational guidelines were expected to be ready in the first quarter of 2019. CFS would further consult the sections concerned on the actual operation of the guidelines and enhance communication with and supervision of frontline staff to ensure their compliance with the new guidelines.

24. With reference to paragraphs 2.18 to 2.25 of the Audit Report on monitoring of the radiation level of foods imported from Japan, the Committee sought details of such testing under the Contamination Monitoring System ("CMS"), including procedures to separate the edible parts from the inedible parts.

⁹ According to Note 15 in paragraph 2.15 of the Audit Report, the only exception is for physical inspection of chilled/frozen meat and poultry imported by sea and placed in cold stores, and eggs. For these foods, 5% of a food consignment should be selected for physical inspection.

25. **Director of Food and Environmental Hygiene** provided the operational procedures of a hand-held survey meter on the radiation level of foods as well as the operational procedures of CMS tests in her letter dated 31 January 2019 (*Appendix 8*). **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- after the Fukushima Nuclear Incident in 2011, CFS had been using hand-held survey meters in conducting comprehensive surveillance on the radiation levels of Japanese food imports. The hand-held survey meter was reliable and recognized by the International Atomic Energy Agency as a means and device for obtaining instant readings of radiation tests. If the radiation level of the hand-held survey meter exceeded 0.4 microsievert per hour, CFS would detain the consignment and collect more samples for CMS testing. For consignments that had passed the radiation test of a hand-held survey meter, CFS would still adopt a risk-based approach to take some samples for CMS testing as an extra and supplementary measure. The factors of consideration included the surveillance results of the Japanese authorities, the previous local surveillance results and risk assessments for specific types of food; and
- according to the "Measurement of Radionuclides in Food and the Environment" issued by the International Atomic Energy Agency, for some foods like fish, bones would not be used in the testing and it would be easier to remove bones after heating the food at 150 degrees Celsius for an hour. Based on the past experience of the Food Chemistry Section of CFS, the edible portion of a food sample could be extracted for testing using the appropriate tools. The extraction method mentioned in the guidelines was for general reference only.

26. According to paragraph 2.22 of the Audit Report, food samples were pre-selected by importers for tests at the Hong Kong Air Cargo Terminals Limited, and **Director of Food and Environmental Hygiene** said at the public hearings that this practice was contrary to CFS guidelines. The Committee asked about details of the relevant guidelines and follow-up actions taken on this non-compliance case.

27. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letters dated 23 January 2019 (*Appendix 7*) and 8 April 2019 (*Appendix 9*) that:

- CFS did not accept pre-selected food samples from importers. This principle applied to all food samples for inspection by CFS, including Japanese food imports by air or sea. It had all along been laid down in the Operational Manual that food samples should be taken by CFS staff at random. CFS staff on duty would sign and affix a dedicated mark on the packing of the food sample selected;
- taking into account Audit's observations on individual cases, CFS introduced supplementary guidelines on 14 November 2018 on the procedures for taking food samples at AFIOs for tests. The supplementary guidelines required the operational staff to personally inspect each consignment of targeted food by taking samples from different parts of the consignment at random and examine the import documents. CFS had further reminded its staff to strictly comply with the relevant guidelines; and
- between 2013 and 2017, there was no cases of staff members suspected of dereliction of duty or violation of discipline with respect to food import control. CFS had taken prompt follow-up actions pursuant to the Civil Service Regulations and the established procedures of FEHD to investigate the cases mentioned in the Audit Report, and investigation was in progress.

28. With reference to paragraph 2.25 of the Audit Report, CFS staff reflected that it was impractical to remove all inedible parts in the setting of AFIOs. The Committee sought explanation from the Administration on whether reviews had been conducted on the relevant guidelines taking into account actual frontline operation and measures to ensure compliance of the guidelines.

29. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- in conducting CMS tests, CFS staff should remove the inedible portion of the food sample as far as practicable. Starting from October 2018, the operational guidelines for CMS were made available to all AFIOs for easy reference by the frontline staff;
- to assist frontline officers in fully understanding the CMS operational procedures for testing of food samples, briefings and regular supervisory inspections by Senior Health Inspectors and on-site

demonstrations by Chemical Analyst from the Food Chemistry Section were arranged. The relevant information was also uploaded to the Intranet for reference by all staff. CFS would hold regular briefing sessions and produce videos on the CMS operational procedures for reference of relevant staff as learning materials; and

- although there was still room for improvement in the procedures for taking samples from imported Japanese foods for CMS testing, it had little effect on the test results.

30. With reference to paragraph 2.25 of the Audit Report, the Committee asked about the reasons for different procedures in conducting radiation tests between foods imported by air and sea and the implications of these differences.

31. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- all food consignments from Japan, whether by air or sea, would have to go through measurement of radiation contamination with a hand-held survey meter by CFS staff, and conducting the CMS test as necessary (see paragraph 25 above); and
- for Japanese foods imported by air, the above screening procedures were carried out at AFIOs. A food consignment would be released from the air cargo terminal if a satisfactory result was obtained by hand-held survey meter testing and samples had been taken for the CMS test (if applicable). As for Japanese foods imported by sea, testing with a hand-held survey meter and sample collection were generally conducted in the warehouse of the importer concerned. The collected samples would be dispatched to CFS's Radiation Monitoring Team for the CMS test. If the test result was satisfactory, CFS would issue a letter to the importer to allow release of the relevant food consignment.

32. Director of Food and Environmental Hygiene replied at the public hearings that the conduct of a CMS test normally lasted for 30 minutes. As such, the Committee asked why the food consignments were allowed to early release subjected to both hand-held and CMS tests before the CMS test results were available as pointed out in paragraph 2.25 of the Audit Report.

33. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- starting from end September 2018, AFIOs had launched new measures. Before a food consignment tested with satisfactory results with a hand-held survey meter and sampled for CMS testings was released from the air cargo terminal, CFS would inform the importer concerned in writing to refrain from selling the relevant food products. The food consignment could only be sold in the market when a release letter was received from AFIOs if the radiation test result was satisfactory;
- since the commencement of the Food Safety Order prohibiting the import of certain food products from five Japanese prefectures on 24 March 2011, CFS had tested over 550 000 samples of imported Japanese food products. So far no sample had been tested with radiation levels exceeding the Codex's guideline levels; and
- from 1 January 2016 to 31 December 2018, CMS tests were conducted on 84 451 samples. None of them exceeded the Codex's guideline levels. Among these samples, seven samples were detected with low levels of radioactivity. After learning about the test results, the traders were willing to discontinue the sale of the relevant food products and remove them from the shelf, return the products to the country of origin, or surrender them for disposal.

34. As Director of Food and Environmental Hygiene said at the public hearings that electronic health certificates would enhance the issuing of import licences, the Committee sought further details of the electronic health certificates system, such as the number of countries which issued electronic health certificates, and any implementation timetable to widen the use of electronic health certificate.

35. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 23 January 2019 (*Appendix 7*) that:

- direct government-to-government data transfer would enable CFS to receive data on health certificates issued by the authority in the exporting place in the first instance and the data thus collected were intact, accurate and reliable. The data collected could be used for various food import control measures, including the processing of import licence applications for meat and poultry; and

- currently, there were arrangements in place for CFS to receive electronic data on health certificates transferred from the relevant authorities of Australia, New Zealand and the Netherlands. CFS was approaching other authorities, including the Mainland, the United States of America and Brazil, to explore the feasibility of data transfer for an electronic health certificate. The actual progress of negotiation and the implementation of the arrangement would depend on the readiness of the issuing entity as well as the time required for both ends in revamping their IT systems.

36. According to paragraph 2.27 of the Audit Report, Director of Food and Environmental Hygiene said that FEHD would enhance supervisory inspections to enhance full compliance with relevant guidelines. In respect of inspections at the terminal border points, the Committee asked about the supervisory inspection system before such enhancements were made and details of the enhancements.

37. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 23 January 2019 (*Appendix 7*) that:

- in respect of monitoring AFIO staff in sampling of food imported from Japan for conducting CMS test, the supervisory staff previously conducted supervisory inspections every two months in accordance with the Operational Manual. No record of inspections was kept; and
- since October 2018, the frequency of supervisory inspections had increased to at least once a week and a formal record kept by the responsible senior supervisory officer was required. In addition, CFS had provided operational guidelines for easy reference by frontline staff at all AFIOs. On top of re-briefing of frontline staff on the operational procedures by Senior Health Inspectors, CFS would hold briefing sessions on a regular basis.

C. Control of foods imported by road

38. With reference to paragraph 2.32 of the Audit Report, the Committee noted that apart from those required by CFS to drive their vehicles carrying food consignments into MKTFCO for inspection, CFS would also entertain some other importers to inspect their food consignments. The Committee enquired about the

reasons for this arrangement as this situation would add to the already heavy workload of MKTFCO.

39. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that some importers took the initiative to send their food consignments to MKTFCO for inspection when importing non-regulated foods by land. Their purpose was for CFS to affix a seal of inspection on their consignments. In 2018, about 3 400 food consignments of this nature were inspected at MKTFCO, an average of about 280 consignments per month. On the whole, this kind of workload was at a level acceptable to MKTFCO.

40. The Committee enquired about the joint arrangement between CFS and C&ED (paragraph 2.37 of the Audit Report refers).

41. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- all vegetables entering Hong Kong by land were imported from the Man Kam To Control Point. After customs clearance, vehicles carrying vegetables would be directed to MKTFCO for verification of import documents and sample collection by CFS in accordance with a risk-based principle;
- in the past five years, all vegetable vehicles inspected at the MKTFCO came from Mainland registered vegetable farms and their production and processing establishments;
- following the commencement of the Pesticide Residues in Food Regulation (Cap. 132CM) in August 2014, CFS started conducting joint operations with C&ED in late August 2014 to enhance inspection of vehicles carrying vegetables to Hong Kong through Man Kam To. Under this joint operation mechanism, C&ED would intercept vehicles carrying vegetables to Hong Kong at the Man Kam To Control Point to combat smuggling activities under the camouflage of a vegetable

vehicle. After inspection, these vehicles would be directed to MKTFCO for inspection of vegetables by CFS; and

- for risk management, C&ED would also identify box-type lorries carrying vegetables for inspection by FEHD. In addition, C&ED would intercept targeted vegetable vehicles based on the information provided by CFS and refer them to CFS for inspection. Taking the recommendations of the Audit Report into account and after discussion with C&ED, CFS had started to extend the scope of joint operations to inspection of vehicles carrying regulated foods (e.g. eggs, meat, etc.).

42. The Committee also enquired about the joint arrangement between CFS and the Hong Kong Police Force ("the Police") (paragraph 2.38 of the Audit Report refers).

43. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that the Police and CFS had conducted joint operations on a regular basis since September 2014. During these operations, the Police would identify vegetable vehicles based on their appearance and direct them to MKTFCO for inspection by CFS. The frequency of joint operations was determined by factors such as staffing arrangements and the operational priorities of each department. CFS was also discussing with the Police on the feasibility of further strengthening cooperation with each other.

44. With reference to paragraphs 2.39 to 2.41 of the Audit Report, the Committee noted some vehicles carrying consignment of foods evading inspection by CFS. The Committee enquired about the follow-up actions taken on the 11 suspected evading cases.

45. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that CFS had followed up on the 11 cases concerning vehicles carrying chilled poultry meat and bypassing MKTFCO. Regarding the nine vehicles that had on at least one occasion evaded inspection at MKTFCO, CFS had issued warning letters to the importers concerned in respect of two vehicles and put their names on

the watch list. For the other seven vehicles, CFS staff had entered incorrectly their registration numbers into the system that discrepancies occurred upon checking of these records by Audit. For the two vehicles mentioned in the Audit Report as carrying chilled poultry meat according to the Road Cargo System ("ROCARS")¹⁰ records but having evaded inspection at the MKTFCO, CFS was actively following up the relevant investigation work.

46. In reply to the Committee's enquiry about the number of successful prosecution cases against vehicles evading inspection, **Director of Food and Environmental Hygiene** advised in her letter dated 31 January 2019 (*Appendix 8*) that from 2015 to 2017, CFS instituted 33 prosecutions under section 68 of the Public Health and Municipal Services Ordinance against drivers who did not stop their vehicles for inspection by CFS as requested. The offenders all pleaded guilty and were fined from \$600 to \$2,000. CFS was reviewing the penalties for offences under the food safety legislation and plans to report the findings to the Legislative Council Panel on Food Safety and Environmental Hygiene in 2019-2020.

47. Noting that in Case 3 in paragraph 2.46 of the Audit Report where there was a suspected case of import of frozen beef patties without an import licence, the Committee sought details of the case.

48. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- in the case, a consignment of 432 cartons of frozen beef patties was imported from the Mainland by an importer through the Mam Kam To Control Point in 2018. The consignment was inspected by the Health Inspector on duty at MKTFCO, who considered that the meat products had been subjected to a process of preservation. The driver confirmed that the beef patties had been subjected to preservation and microwave processing. After checking the import declaration, the manifest and

¹⁰ ROCARS is an electronic advance cargo information system for customs clearance of road cargoes. The shipper or freight forwarder is obliged to submit a pre-defined set of cargo information to C&ED through ROCARS 14 days in advance or at least 30 minutes before the cargo consignment being imported into or exported from Hong Kong by trucks.

the health certificate of the consignment, it was considered that no import licence was required and the consignment was released;¹¹

- the importer concerned further confirmed that the consignment of frozen beef patties had been subjected to a process of preservation. CFS also made an enquiry to the relevant authority of the export country and received a reply confirming that the above information was correct;
- as a practice, the frontline staff would release a food consignment after physical examination without keeping a record if no import licence was required. In respect of this, CFS had adopted improvement measures by issuing guidelines and a checklist on physical inspection to frontline officers. The existing system was also improved to remind frontline officers to check the relevant documents and keep a record of any irregularities spotted; and
- regarding the definition of "frozen" in the Imported Game, Meat, Poultry and Eggs Regulations, CFS was further consulting the Department of Justice for advice.

49. With reference to paragraph 2.48 of the Audit Report, the Committee enquired about the reasons for the release of the two consignments of foods without investigation despite the lack of seal numbers on the original health certificates. The Committee also asked about the existing mechanism in place for CFS to communicate with the Mainland authorities on irregularities found during inspections.

50. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- vehicles transporting frozen poultry and departing from other provinces usually had to unload their consignments upon arrival in Shenzhen. The consignments would then be reloaded onto cross-boundary

¹¹ According to paragraph 3 in Case 3 in paragraph 2.46 of the Audit Report, it was stated in the CFS's letter to the Department of Justice that the Health Inspector on duty overlooked the checking of the import licence during the inspection of the consignment.

vehicles for conveyance to Hong Kong. The arrangement of marking seal numbers on the health certificates might not be applicable to the consignments concerned;

- in handling these frozen poultry consignments, CFS staff would check the place of origin shown on the packing of the frozen poultry, and also verify the health certificate, the import licence, the Mainland manifest and the import declaration before releasing the consignments;
- in response to Audit's observations, CFS had taken improvement measures, including updating the guidelines, preparing a physical inspection checklist and reminding frontline officers to keep a record and, where necessary, clarifying issues with the Mainland authorities on the spot if any irregularities were found during verification of documents as well as enhancing supervision of the frontline staff and on-the-spot guidance;
- CFS had been working closely with the General Administration of Customs of the People's Republic of China ("GACC") on matters relating to food imports to Hong Kong. It also maintained communication with the contact persons of the relevant local custom authorities by emails and phone; and
- regarding the lack of seal numbers on the health certificates of frozen poultry, CFS had communicated with the Mainland authorities and the situation had improved. So far in 2019, three consignments of frozen poultry had been imported from other provinces, all with seal numbers on the health certificates and no irregularities were found.

51. The Committee asked how CFS could effectively identify vehicles that were required to enter into MKTFCO for inspection and whether monitoring based on ROCARS records sufficient and effective for CFS to take inspection and enforcement actions.

52. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that:

- CFS obtained around 160 000 entries of ROCARS information from C&ED each month to draw a reference for comparison with the FEHD's records on regulated foods, and follow up on cases found to be inconsistent with the information provided, including referring the registration numbers of vehicles suspected of evading MKTFCO inspections to C&ED to facilitate interception of these vehicles. This arrangement was effective in enhancing the identification of and curbs on vehicles evading CFS inspections with regulated foods on board;
- CFS and C&ED were considering increasing the frequency of transfer of the ROCARS records from once every two weeks to once weekly to step up inspection and enforcement. CFS was also exploring ways to facilitate retrieval of the relevant information to enhance identification of suspected vehicles; and
- a closed circuit television system was installed at the passing lanes of the Man Kam To Control Point at the end of 2017 to strengthen control on imported foods. CFS would review the overall staffing arrangement, with a view to stepping up efforts to combat vehicles evading inspection with regulated foods on board and the follow-up work.

53. In response to the Committee's enquiry about the mistakes in inputting the vehicle registration numbers into the CFS's inspection record system, **Director of Food and Environmental Hygiene** advised in her letter dated 31 January 2019 (*Appendix 8*) that regarding the wrong entry of information by hand, CFS had improved the existing system, apart from additional briefings for the staff. The system would give a warning signal when the vehicle registration number entered was different from that of the vehicle approved for carrying chilled poultry meat by CFS. Starting from July 2018, CFS randomly selected 5% of the inspection record for verification on a daily basis and no incorrect records had been found.

54. The Committee noted that from paragraph 2.58 of the Audit Report that there were 158 vehicles approved by CFS for transporting chilled foods as at April 2018 and asked about details of the approval procedures, including any mechanism to re-examine the vehicles periodically.

55. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and**

Environmental Hygiene supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- Health Inspectors of CFS were responsible for inspecting vehicles importing chilled meat and poultry at MKTFCO. Officers of the MKTFCO were deployed on two shifts, with three to four Health Inspectors on each shift to serve the operating hours of the Mam Kam To Control Point (7:00 am to 10:00 pm);
- since 2002, only vehicles approved by FEHD were allowed to transport imported chilled meat and poultry to Hong Kong. The Health Inspectors would approve the applications submitted by importers and their food transport operators if they were satisfied with the result of vehicle inspection. There was no specified period of time for the approval;
- upon inspection of foods conveyed by an approved vehicle at the control points, the Health Inspector would also check the hygienic condition of the vehicle and the food storage temperature to ensure that the vehicle was suitable for transporting chilled meat and poultry; and
- if there were changes in the information of the vehicle after the application was approved, a new application should be made for approval by FEHD before the vehicle could be used for transporting chilled meat and poultry imported from the Mainland. Starting from 2019, FEHD would conduct a comprehensive inspection on all approved vehicles every two years.

56. According to paragraph 2.59 of the Audit Report, there were cases where vehicles transporting chilled foods were not approved for such purpose. The Committee sought explanation how these cases happened and the Administration's measures to address these cases.

57. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- in the past, the list of vehicles approved for importing chilled meat and poultry was not kept in the computer system of MTKFCO. It was not possible for the frontline officers to identify a vehicle that was not approved during the inspection; and

- CFS observed this inadequacy during the Audit's review and put in place improvement measures in July 2018, including adding the list of vehicles approved for importing chilled meat and poultry to the computer system. When a vehicle on the list entered MTKFCO, the frontline officers would input the vehicle registration number into the system. The system would give a warning signal if the information entered was different from that on the list.

D. Control of foods imported by sea

58. In response to the Committee's enquiry about the latest sampling guidelines for physical inspection of foods imported by sea, **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 26 February 2019 (*Appendix 10*) that CFS selected food consignments for physical inspection in accordance with the Operational Manual. The details were as follows:

- 20% of import licences issued under the Imported Game, Meat, Poultry and Eggs Regulations for permission cases of imported consignments of chilled or frozen meat and poultry were randomly selected by computer each day for physical inspection of food consignments;
- five other cases of frozen meat and poultry consignments issued with import licences were randomly selected by computer each day for physical inspection of food consignments;
- for consignments of chilled or frozen meat and poultry issued with import licences that were granted with a copy of health certificate, one from each 50 import licences was randomly selected for physical inspection of food consignments;
- one from each 100 egg consignments was randomly selected for physical inspection; and
- for each flavour of imported milk, milk beverages and frozen confections, one from each five consignments was randomly selected for physical inspection.

59. Regarding the problem of container seals having broken off by importers prior to CFS's inspection (paragraphs 2.77 and 2.78 of the Audit Report refer), the

Committee sought whether CFS had implemented any measures to address the problem and details of the latest enhancements measures.

60. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- in selecting food consignments imported by sea for inspection at the Kwai Chung Customhouse ("KCCH") checkpoint, CFS adopted a risk-based monitoring approach to conduct inspections on high-risk target containers. Food consignments (e.g. chilled food) that could not be inspected at the KCCH checkpoint due to practical constraints would be inspected at the warehouses or cold stores of the importers concerned;
- for high-risk target containers selected for inspection, regardless of whether food inspections were conducted at the KCCH checkpoint or the cold storages or cold stores of importers, CFS staff must ensure that the seal/lead seal of a container was intact before it could be opened for food inspection;
- as for routine inspection of other containers (i.e. not high-risk target containers) at importers' warehouses, cold storages or cold stores, taking into account the mode of operation of the trade and other practical operational concerns, the intactness of the container seal/lead seal was not a prerequisite for physical inspection of imported food consignments. However, CFS staff must check the indications on the packages against the information of the import documents (the shipping mark, name of product, name of processing plant, date of manufacture, etc.) to ensure that the foods inspected came from the original container. This practice was similar to that in other countries (including New Zealand and Singapore);
- in paragraph 2.77 of the Audit Report, the guideline that CFS required that a container carrying the consignments must be sealed and the seal of the container should not be opened until it was confirmed to be intact by CFS officers targeted high-risk target refrigerated containers, and the requirement was not applicable to containers selected for routine inspections;
- in the past few years, there was no case in which the act of breaking the container seal by the importer was witnessed when the food containers

were conveyed to the cold stores for inspection. From October 2015 up to 2018, a total of six high-risk target containers were inspected at the cold stores (two in 2015, three in 2016 and one in 2017). In all these cases, CFS staff had checked the intactness of the container seals/lead seals before conducting physical inspections;

- CFS selected two high-risk target containers in January 2019 for inspection, with the additional requirement of ascertaining the intactness of the container seal/lead seal prior to the performance of food inspection at the cold stores of importers. In both cases, the entire inspection process was time-consuming. The unloading area of a cold store was very busy with forklift trucks in operation. CFS staff encountered some difficulties in collaborating with the importers during the actual operation; and
- CFS would review the situation in two directions, namely, the feasibility of providing cold storage facilities at the KCCH checkpoint and applying a risk-based principle in selecting high-risk target containers for inspection at cold stores, with CFS staff witnessing the act of breaking the seal prior to the conduct of food inspections.

61. Noting from paragraphs 2.81 to 2.84 of the Audit Report that in 2017, of the 3 616 physical inspections conducted for foods imported by sea, only 18 were conducted at the KCCH checkpoint. The Committee enquired about the planned use of KCCH and measures to increase the usage of the facilities.

62. **Dr HO Yuk-yin, Controller, Centre for Food Safety and Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- as at the end of January 2019, there were 61 licensed cold stores in Hong Kong. Routine physical inspection of food consignments imported by sea were mainly conducted at the warehouses, cold storages or cold stores of the importers concerned. These inspections were carried out by 24 Health Inspectors from the Hong Kong and Kowloon Offices and FIRLO. On average, about 15 imported food consignments were inspected at importers' warehouses or cold stores each working day;

- to strengthen monitoring of foods imported by sea, CFS set up the KCCH checkpoint in October 2015 to inspect foods shipped to Hong Kong by sea. The KCCH checkpoint was an additional facility for inspecting high-risk food containers on top of routine inspections of food consignments at the warehouses, cold storages or cold stores of importers;
- before the KCCH checkpoint was set up, CFS was aware that given the practical circumstances (a temporary checkpoint without chilling facilities, and the difficulty to provide chilling facilities there), it could not be used for inspection of refrigerated food containers. The KCCH checkpoint was meant for inspection of food containers with potential food safety risks¹² and did not cover frozen foods;
- in September and October 2015, CFS held a number of briefings on the KCCH checkpoint for the trade. On 18 November 2015, CFS organized a trade consultation forum to further brief the trade on the KCCH checkpoint; and
- although there were practical difficulties furnishing the KCCH checkpoint with chilling facilities, CFS was discussing and assessing the feasibility of providing such facilities at the KCCH checkpoint with the Architectural Services Department. An implementation timetable would be formulated upon completion of the relevant feasibility study taking into account the circumstances.

63. According to paragraph 2.87 of the Audit Report, the Committee sought explanation of the usefulness of the Electronic System for Cargo Manifest ("EMAN") I in identifying all pre-arrival import information to facilitate CFS's inspection work, in particular importers with food from Japan and the rationale for using EMAN I on a voluntary basis instead of making it compulsory to use the system.

¹² These risks include consignments with potential food safety hazards as revealed by intelligence, foods coming from economies with food safety incidents, importers which had previously disregarded instructions to contact CFS for food inspections, and food imports with doubtful information.

64. **Ms Louise HO Pui-shan, Deputy Commissioner of Customs and Excise**¹³ said at the public hearings and **Commissioner for Customs and Excise** supplemented in his letter dated 23 January 2019 (*Appendix 11*) that:

- the prevailing legislation did not require sea cargo carriers to submit pre-arrival cargo information. To facilitate risk profiling and expedite customs clearance, C&ED introduced EMAN I in 2003 to encourage cargo carriers to submit pre-arrival e-manifests. C&ED had been conducting outreach publicity in order to encourage more sea cargo carriers to participate in the scheme;
- the cargo carriers participating in the EMAN Statement One Submission Scheme would submit pre-arrival e-manifests via the EMAN system, while non-EMAN I cargo carriers could submit paper manifests;
- in order to facilitate radiation tests to be conducted by CFS on food products imported from Japan, C&ED would provide CFS with information in advance on all seaborne food products imported from Japan. Under the notification mechanism, C&ED would screen the e-manifests submitted under EMAN I for food products imported from Japan; and
- the submission rate had already attained 85% of the cargo information for goods imported from Japan. C&ED would also request non-EMAN I cargo carriers (i.e. the remaining 15%) to submit pre-arrival paper manifests for screening information of goods reported to be food products. The information would be passed to CFS together with the information from EMAN I. Through the notification mechanism, C&ED provided CFS with information of all seaborne food products imported from Japan.

65. **Mr Eugene FUNG Kin-yip, Deputy Secretary for Food and Health (Food)**² said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 31 January 2019 (*Appendix 8*) that, to facilitate CFS in conducting radiation tests on food products imported from Japan, C&ED would provide with information on all seaborne food products imported from Japan to CFS in advance. The Administration expected that with the

¹³ Ms Louise HO Pui-shan attended the first and second public hearings on 7 and 11 January 2019 respectively as Assistant Commissioner (Boundary and Ports), Customs and Excise Department.

implementation of Phase 3 of the "Trade Single Window" ("TSW") in the future, cargo information could be submitted through the TSW platform in advance. CFS would develop an information system to link up with TSW for gathering cargo information in conducting risk assessment on food imports.

66. The Committee noted the several issues raised in relating to import licences in paragraphs 2.90 to 2.103 of the Audit Report and enquired about the requirements and procedures for applying an import licence.

67. **Controller, Centre for Food Safety** said at the public hearings and **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 26 February 2019 (*Appendix 10*) that any person or importer importing frozen or chilled meat and poultry into Hong Kong must hold an import licence issued under the Import and Export Ordinance (Cap. 60). FEHD was the designated authority to issue import licences for such foods. Each consignment of imported frozen or chilled meat and poultry must be covered by an import licence. The application must be supported by a valid health certificate for the consignment concerned issued by the recognized issuing entity of the exporting place or by specific approval from Director of Food and Environmental Hygiene. To apply for an import licence, payment was only required for purchase of the original application form (\$3 per set and \$20 per pad (20 sets)).

68. With reference to paragraphs 2.90 to 2.96 of the Audit Report, the Committee sought information on the cancellation of import licences selected for inspection by importers.

69. **Controller, Centre for Food Safety** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- when a consignment of imported frozen or chilled meat and poultry was selected for physical inspection by CFS, FIRLO would add a licensing requirement to the import licence stating that "the consignment shall be inspected before release". Upon receipt of the approved import licence, the importer would be aware that the consignment was subject to physical inspection by CFS staff;

- CFS conducted an analysis on 372 import licences which covered frozen or chilled meat and poultry that were imported by sea and were selected for physical inspection by CFS in October and November 2018. Among them, 70 (or some 19%) import licences were found to have the importer subsequently applying for cancellation, which involved altogether 35 importers. Importers had different grounds for making applications to cancel their import licences, mainly out of concern of commercial operations. However, it could not be ruled out that some might have done so for evasion of physical inspections; and
- as some importers might apply for cancellation of import licences to evade physical inspection of food consignments, CFS had introduced an improvement measure since October 2018 by keeping a monitoring system of cancelled import licences. If a food consignment had been selected for physical inspection but subsequently not done because of cancellation of the import licence by the importer, the information contained in the cancelled licence (such as the name of the importer) would be included in the system. The food consignment concerned would still be subject to physical inspection by CFS if the importer re-applied for an import licence for the same consignment of frozen/chilled meat/poultry (carrying the same health certificate).

70. In reply to the Committee's enquiry about the rationale for setting the validity period of import licences at six weeks, which might not be suitable for food consignments with shipping time longer than six weeks, **Director of Food and Environmental Hygiene** advised in her letter dated 26 February 2019 (*Appendix 10*) that taking into account the relatively short durability for chilled meat and poultry, the import licences were valid for six weeks. FEHD would actively consider the feasibility of extending the validity of import licences.

71. According to paragraph 2.93 of the Audit Report, FIRLO needed to spot out import licences unused by importers for cancellation, as required in the Operational Manual. The Committee asked the work in this aspect and whether frontline staff of FIRLO had indicated to CFS management any operational difficulties encountered in the process and measures adopted by CFS to resolve the difficulties.

72. **Controller, Centre for Food Safety** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- the return of expired unused import licences by importers to CFS for cancellation was entirely voluntary in nature. The reasons for non-return of import licences included that the expired import licences were discarded and the relevant documents were lost, and the non-return was not contrary to the legislation or in breach of the licensing requirements;
- the management and the supervisory staff of CFS maintained liaison with the frontline staff and encouraged the staff to reflect challenges met at work and put forward improvement suggestions. Communication with the frontline staff was on-going and conducted in different forms;
- the existing computer system of CFS had its limitations. All issued import licences would be shown as "unused". When a food consignment had undergone document checking or been selected for physical inspection, the computer system would then show this import licence as "used". The "unused" import licences mentioned in the Audit Report only reflected those licences that had not undergone document checking or physical inspection in the CFS's computer system, not reflecting the actual situation whether import licences were unused;
- CFS conducted a survey from June to December 2018 to identify import licences of which CFS had requested for document checking or had selected them for physical inspection. The results showed that during the period, out of the 1 163 import licences stipulated with the above licensing condition imported through the sea route, 88% were used and the importers concerned had submitted the import documents and/or accepted physical inspection of their consignments. The remaining 12% were unused (5% were returned to CFS by the importers voluntarily and 7% were not returned);
- CFS had enhanced its computer system which could now identify whether an importer had applied for more than one import licence for the same meat consignment. This was to ensure that the same consignment of meat would not be issued with several import licences at the same time; and
- in the long run, with the implementation of Phase 3 of TSW in the future, cargo information needed for custom clearance had to be submitted through the TSW platform in advance. CFS would develop

an information system to link up with TSW for gathering cargo information in conducting risk assessment on food imports. CFS would then have more timely and comprehensive knowledge of the usage of import licences.

73. In reply to the Committee's enquiry about prosecutions initiated against importer who could not provide the required imported documents for foods imported by sea, **Director of Food and Environmental Hygiene** advised in her letter dated 26 February 2019 (*Appendix 10*) that from 2016 to 2018, CFS instituted 14 prosecutions under section 4 of the Imported Game, Meat, Poultry and Eggs Regulations and one prosecution under section 5A of the Milk Regulation (Cap. 132AQ) against importers who failed to present valid import documents for food consignments imported by sea. All cases were convicted with imposition of fines from \$1,000 to \$20,000.

74. According to paragraph 2.100 and Case 6 in the paragraph of the Audit Report, the delay in submitting the original health certificates for 315 cases ranged from 141 days to 717 days (as at 30 June 2018). The Committee sought detailed information on the reasons for the delay and follow-up actions taken on these cases, in particular Case 6.

75. **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that:

- for the 281 import licences in 2016, officers of FIRLO returned the original certificates to importers after checking and signing their import licences without keeping a proper checking record. As a result, based on the available information,¹⁴ Audit considered that all 281 import licences in 2016 were without the submission of original health certificates;
- starting from January 2017, CFS had saved records of import licences with original health certificates checked to the computer system. As

¹⁴ According to Note 35 to paragraph 2.100 of the Audit Report, in late September 2018, the CFS informed Audit that as the recording of the dates of sighting original health certificates by CFS staff in the computer system had not fully taken effect until 2017 owing to limited manpower, some cases in 2016 might still be shown as original health certificates not yet submitted in the computer system, although the original health certificates of these cases might actually have already been submitted.

for the 34 import licences in 2017 (i.e. 315-281), the original health certificates were all checked and proved satisfactory, with records entered into the computer system accordingly;

- in Case 6, an importer did not submit the original health certificate within 42 days after the issuance of an import licence. The first warning letter was issued in July 2017 and reissued in August 2017 because the first letter sent to the importer was undelivered and returned, followed by a second warning letter in September 2017. CFS staff subsequently visited the importer's office and found that the business was no longer related to food importation. CFS also confirmed that the importer had not applied for an import licence since December 2017; and
- regarding control of food imports by sea, CFS had strengthened staff supervision and sought to increase its manpower since January 2017. If an importer did not produce the original health certificate to CFS within 42 days after the issuance of an import licence, CFS would take follow-up actions, including issuing a reminder and/or a warning letter to the importer. CFS was now reviewing the workflow of issuing import licences for import of foods coming under regulation by sea.

E. Control of live food animals and live aquatic products

76. With reference to paragraph 3.9 of the Audit Report, the Committee sought explanation for the Field Officers of CFS not clarifying with GACC on the questionable livestock and the mechanism between CFS and GACC in ensuring that the list of registered farms put on the website of GACC was updated.

77. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- according to the administrative arrangement between the Hong Kong Special Administrative Region and the Mainland authorities, Mainland food animals and live aquatic products supplied to Hong Kong must originate from registered farms approved by GACC with the provision of valid animal health certificates. CFS maintained liaison with the Mainland authorities concerning changes in the list of registered farms.

CFS would also regularly check the list of registered farms on the GACC website and verify the relevant information with the Mainland authorities if necessary; and

- regarding the cattle farm mentioned in paragraph 3.9 of the Audit Report, where two consignments of bovines were inspected by Audit in the company of CFS staff on 17 May 2018, the Mainland authorities confirmed on 14 February 2017 that it was a registered farm approved for exporting to Hong Kong. The two consignments of bovines were accompanied by valid animal health certificates and attached with intact official seals affixed by the Mainland authorities. They had passed inspection by the Mainland inspection and quarantine authorities and were released only after passing inspection by CFS staff.

78. With reference to paragraph 3.10 of the Audit Report, the Committee enquired about the actions taken by CFS in seeking clarification with the relevant Mainland parties regarding the two farms not on the list of approved farms and the typing mistake on the farm code of the third farm as shown on the website of GACC given that the farm had supplied livestock to Hong Kong since 2010.

79. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- for the two farms mentioned in paragraph 3.10(b) of the Audit Report, the Mainland authorities confirmed respectively in February and April 2017 that they were registered farms approved for exporting to Hong Kong. The registration status of the two farms remained unchanged. The consignments of bovines from these two registered farms in the above period were accompanied by valid animal health certificates and attached with intact official seals affixed by the Mainland authorities. The consignments had passed inspection by the Mainland inspection and quarantine authorities. They were released only after passing inspection by CFS staff;
- regarding the third farm mentioned, the Mainland authorities confirmed that it was a registered pig farm (Farm C) which has been supplying pigs to Hong Kong since 2010;

- in April 2017, CFS found that the Mainland authorities had updated the list of registered farms that exported to Hong Kong on the relevant website. The original code of Farm C was changed and became identical with the code of another registered farm exporting to Hong Kong (Farm D) without changing other information about Farm C (including its name and address). As for Farm D, all information were same as what was previously entered on the registered farm list. As each farm should have a unique code, CFS had reasonable ground to consider the new code of Farm C as an input mistake. Hence, CFS had not particularly sought clarification from the Mainland authorities at that time;
- in response to Audit's enquiry, CFS communicated with the Mainland authorities which confirmed on 26 September 2018 that Farm C's code on the website was an input mistake. Subsequently, the code of Farm C was reverted to the original code; and
- CFS agreed that there was room for improvement in handling this case. In the future, CFS staff would seek clarification from the Mainland authorities as early as possible if there are suspected mistakes in the registered farm list posted on the GACC website.

80. With reference to paragraph 3.13 of the Audit Report, for the 23 accompanied inspections, the Committee sought the reasons for CFS to allow importers not showing the permits issued by Agriculture, Fisheries and Conservation Department ("AFCD") to Field Officers upon arrival of the animals at the Man Kam To Animal Inspection Station ("MKTAIS") and improvement measures taken in this regard, including whether any review undertaken on the practicality of the AFCD permit term requiring the importers to show the permits to Field Officers.

81. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 26 February 2019 (*Appendix 10*) that:

- the permit issued by AFCD under the Rabies Regulation (Cap. 421A) allowed the permittee (i.e. the importer) and the airline/shipping company responsible for shipping animals to convey animals to Hong Kong, subject to the clauses listed therein. The permit, which listed out the daily maximum number of livestock permitted to be

imported to Hong Kong, was valid for one month. The arrangements under the permit were applicable to live food animals imported from the Mainland;

- AFCD issued a permit to local importers that imported food animals from the Mainland for multiple use and the importer should produce it to the officer authorized by AFCD (i.e. a CFS officer) when the animals were shipped to Hong Kong. However, as the goods vehicle driver that conveyed the animals to Hong Kong was not the permittee (i.e. the importer), in actual operation it was impractical to adhere to the above clause by requiring the importer to produce the permit for inspection upon the arrival of each livestock consignment; and
- after discussing the issue among CFS, AFCD and the importers concerned, the three parties reached a consensus on the improvement measures. Starting from November 2018, the importers would produce the original AFCD permit to CFS each month after obtaining the permit from AFCD, and CFS staff would make photocopies of the relevant documents accordingly. When CFS staff inspected imported food animals at the control point, they would check whether the consignee's name on the animal health certificate of each consignment was identical with the importer's name on the permit produced to CFS by the importer. AFCD had confirmed that the new arrangement was compatible with the clauses of the permit.

82. In reply to the Committee's enquiry, **Director of Food and Environmental Hygiene** advised in her letter dated 26 February 2019 (*Appendix 10*) that in the past three years, the daily number of livestock imported by individual importers had been within the daily maximum import quota indicated on the AFCD permit.

83. Given that a few incidents in the Audit Report have shown that some CFS guidelines on the import control of foods had practical difficulties in actual operations, the Committee asked whether CFS had a mechanism to regularly review the guidelines as well as to streamline workflow of inspection, having regard to actual circumstances and frontline operation so as to facilitate the conduct of inspection by frontline staff as well as trade facilitation.

84. **Director of Food and Environmental Hygiene** advised in her letter dated 26 February 2019 (*Appendix 10*) that:

- CFS would review the Operational Manual and internal guidelines in light of the work situation and consult the trade and/or the relevant sections within CFS in order to update the Operational Manual and guidelines in a timely manner. In addition, CFS held working meetings with the frontline staff regularly to communicate with them as well as to exercise supervision to ensure that they were informed of and understand the Operational Manual and internal guidelines. Newly appointed officers would be given training and briefings on the implementation of the Operational Manual and guidelines. CFS encouraged the frontline staff to reflect problems encountered at work or their views on the manual and guidelines to the senior management; and
- in 2017, CFS set up a dedicated team to fully review the operational processes and the monitoring system for regulation of food imports and to carry out major revamping of the information system, with a view to supporting the work of the frontline staff and enhancing data management and analysis by CFS. The new measures would be implemented in phases starting from 2019.

85. With reference to paragraph 3.22 and Case 8 in the paragraph of the Audit Report, there were three consignments of live aquatic products the quantity of which stated on the food import declaration forms was found greater than that shown on the original animal health certificates. These three consignments were released without evidence that CFS had ascertained the reasons for the discrepancy or sought clarification from the relevant Mainland parties. The Committee sought details of the guidelines in dealing with discrepancy between the information shown in the food import declaration form and animal health certificate and any improvements made to the guidelines in this respect.

86. **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) the inspection procedures of imported live aquatic food products by CFS at MKTAIS. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 8 April 2019 (*Appendix 9*) that:

- it was technically not feasible to ascertain the net weight of live aquatic product consignments during import inspection. For this reason, CFS made reference to the import quantity on the animal health certificate

and entered it into computer system for record purposes. The quantity of a consignment put down by the driver on the food import declaration form was merely an estimate. Previously, CFS's operational guidelines did not require officers to clarify with the driver the weight of live fish declared by the driver on a voluntary basis; and

- in response to Audit's recommendation, CFS had updated the operational guidelines to require the frontline staff to make clarifications with the driver if the import quantity on the food import declaration form was greater than that listed on the animal health certificate.

87. Given that the main purpose of voluntary submission of food import declaration form was to collect the contact information of the driver of the vehicle carrying the live aquatic products and his vehicle registration number to facilitate communication if necessary, the Committee asked whether CFS had any plan to simplify the form.

88. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 8 April 2019 (*Appendix 9*) that:

- generally speaking, a driver would have filled out the food import declaration form upon arrival at MKTAIS. If the driver was unable to produce the form for inspection, CFS officers would provide such a form for him to fill out on the spot on voluntary basis. The information collected mainly served as additional information for tracing the food source rather than verifying the information on the animal health certificate during import inspection; and
- CFS was reviewing the food import declaration form and the exercise was expected to be completed in 2019. The form was only for use by drivers conveying imported food by land. CFS had no plan to require drivers conveying live aquatic products imported by air or sea to fill out the form for the time being.

89. In reply to the Committee's enquiry, **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that in 2016, 2017 and

2018, CFS conducted five, seven and 13 inspections to registered Mainland farms supplying live aquatic food products to Hong Kong respectively. The major items of inspection included the geographical location and environment of the farm, the use of veterinary drugs and control on feed, the control of water quality in aquaculture, the sources of aquatic fingerlings and their control, traceability of records of production and the routine hygienic control practices of a farm.

90. In reply to the Committee's enquiry about the traceability of imported live food animals and live aquatic products, **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that CFS could obtain information about importers or consignees of food livestock and live aquatic products from the animal health certificates issued by the Mainland authorities and the permits for imported food livestock granted by AFCD. Where it was deemed necessary to contact the local importer or the consignee and neither of them could be reached, CFS would detain the relevant consignment until the parties concerned were reached. The results of this arrangement were proved satisfactory.

91. **Director of Food and Environmental Hygiene** further advised in her letter dated 8 April 2019 (*Appendix 9*) that in the past three years, there were 11 cases involving detention of food consignments, including one case without the provision of a valid animal health certificate, three cases requiring immediate clarification of animal health certificates, four cases where the seal number did not tally with that listed on the animal health certificate, and three cases where the conditions of registered farms remained uncertain.

92. The Committee enquired about the mechanisms in place in ensuring that the seals attached to the vehicles carrying food consignments were genuine, and the registered farms were importing food products originated from their own farms and not from other places.

93. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 8 April 2019 (*Appendix 9*) that:

- food live animals imported to Hong Kong would first be inspected by the authorities of the place of origin. After completion of inspection/quarantine, an animal health certificate would be issued in

respect of the consignment of food animals concerned. The consignment would be loaded onto a conveying vehicle, with an official seal attached to the vehicle, under the supervision of the authorities. If the food livestock had to be transferred in the Mainland, the original seal would be removed by the Mainland authorities for inspections/quarantine checks prior to the export of the consignment. An official seal would be reaffixed afterwards; and

- CFS officers conducted import inspection on vehicles carrying food livestock to Hong Kong at MKTAIS, including checking the intactness of the seal and verifying whether the seal number tallied with that listed on the animal health certificate. After satisfactory completion of import inspection, CFS staff would break the official seal affixed by the Mainland authorities, attach a CFS seal to the conveying vehicle and issue a movement permit to the driver to release the consignment.

94. With reference to Case 9 in paragraph 3.36 of the Audit Report, the Slaughterhouse (Veterinary) Section informed Audit that as the total admitted quantity of the swine was less than the maximum quantity of swine permitted under the AFCD permit, it had not sought clarification from Veterinary Public Health Section ("VPHS"). However, improvement measures had been implemented since late September 2018. The Committee sought details of the improvement measures and the number of cases where the admitted quantities of livestock were greater than those shown on the animal health certificates in the past three years and the follow-up actions taken to sort out the discrepancies and the results.

95. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 8 April 2019 (*Appendix 9*) that:

- in the past three years, there were about 114 000 consignments of food livestock imported from the Mainland. In each of these years, the quantity of Mainland imported food livestock admitted to slaughterhouses was less than the total quantity declared on the animal health certificates;
- regarding Case 9, CFS had followed up on this issue with the Mainland authorities. As the livestock would be regrouped for dispatch by vehicles to Hong Kong after completion of inspection/quarantine by

the Mainland authorities during transfer, it was likely that certain consignments of livestock would not be regrouped in the exact quantity for dispatch by vehicles given the quantity of livestock and the tight transportation schedule; and

- since September 2018, the Slaughterhouse (Veterinary) Section of CFS would ascertain the quantity of livestock in a consignment admitted to the slaughterhouse with the slaughterhouse operator, and check whether there were discrepancies between the admitted quantity and the quantity shown on the movement permit issued to the driver by VPHS at MKTAIS. In case the admitted quantity was greater than that shown on the movement permit, MKTAIS would be informed and VPHS would clarify the discrepancies with the Mainland authorities. So far no discrepancy had been found.

F. Registration and inspection of food traders

96. In reply to the Committee's enquiry, **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that active food importers/distributors referred to food traders who had registered with the Department and whose registration was still valid. As at 31 December 2018, there were 11 994 food importers/distributors with valid registration in the register. From 2013 to 2017, the computer system of FEHD only kept the cumulative number of registered food traders without a breakdown on the number of food traders with valid registration at the end of each year.

97. According to paragraph 4.9 of the Audit Report, many food importers/distributors were not aware of the registration requirements as stipulated in the Food Safety Ordinance. The Committee sought the Administration's measures taken to enhance education/promotion of the registration requirements and the mechanism in place for CFS to identify those food importers/distributors who were neither registered nor exempted, such as seeking information from other relevant departments (e.g. the Inland Revenue Department) to identify those importers/distributors which declared that they would carry on food importation or distribution business.

98. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 8 April 2019 (*Appendix 9*) that:

- since the Food Safety Ordinance came into operation in 2011, CFS had sought through different channels to convey and explain the content of the Ordinance to the trade, other stakeholders and the public, including setting up a dedicated webpage on the Food Safety Ordinance on the CFS website, publishing a pamphlet and a guideline, communicating with the trade via consultation forums and sending officers to attend talks on the registration scheme for food traders and the related record keeping requirements each year during the Food Expo organized by the Hong Kong Trade Development Council; and
- in conducting inspections on food retailers, CFS would check their suppliers to find out whether they had registered as food distributors/importers. Starting from March 2019, apart from conducting inspections on registered food importers/distributors and exempted food traders engaging in food importation/distribution business, CFS also randomly inspected the premises of exempted food traders who claimed that they did not carry on any food importation/distribution business and the premises of licensees/permittees who did not reply to FEHD.

99. According to paragraph 4.9 of the Audit Report, there were 44 prosecution cases against unregistered food importers/distributors in 2013 to 2017. The Committee asked about the results of these cases and the figures on the number and results of such cases in 2018.

100. **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that the 44 prosecutions were convicted and fines ranging from \$420 to \$30,000 were imposed. In 2018, no prosecution was taken out by CFS against food traders not registered as food importers/distributors under the Food Safety Ordinance.

101. The Committee asked whether CFS would consider registering a food trader only when it imported food into Hong Kong for the first time, so as to save resources and simplify the relevant work procedures.

102. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 8 April 2019 (*Appendix 9*) that under section 4 of the Food Safety Ordinance, a person must not carry on a food importation business

unless the person was registered as a food importer in respect of that business. The Ordinance also stipulated the registration requirements and procedures for verification by FEHD. In inspecting imported food consignments, CFS officers would also verify whether the food importers were registered or exempted food importers.¹⁵

103. As Director of Food and Environmental Hygiene said at the public hearings that currently CFS did not fully grasp all the information relating to imported foods, the Committee asked whether there was any implication on the safety of imported foods.

104. **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that according to the Public Health and Municipal Services Ordinance and its subsidiary legislation, the import of certain high-risk foods like game, meat, poultry, eggs, milk beverages and frozen confections required the prior permission of FEHD and/or an import licence issued by the Department. For foods other than the above high-risk foods coming under regulation, importers were not required to report to the Department on the import of each food consignment. Nonetheless, CFS took food samples at the import, wholesale and retail levels and adopted a risk-based principle in determining the types of food samples to be collected, the sampling frequency and the types of laboratory analysis to be conducted, so as to ensure food safety.

105. With reference to Table 18 in paragraph 4.17 of the Audit Report, the Committee asked how CFS defined higher risk, medium risk and lower risk levels of the businesses inspected by FIRLO.

106. **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that the risk levels of the businesses were determined by comprehensive analysis, taking into account the type of food, the business mode of the food premises and whether unfavourable past records were involved. CFS did not have breakdowns on the respective number of high-risk, medium-risk and low-risk businesses as at the end of 2016 and 2017.

¹⁵ This is a new measure in responding to Audit's recommendation. See paragraphs 4.17, 4.21 and 4.22 of the Audit Report.

107. In reply to how CFS selected food traders for inspection, **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that:

- CFS made use of a computer programme to randomly select food traders meeting the relevant high-risk, medium-risk or low-risk criteria for inspection. Since mid-2015, CFS had adopted a risk-based principle in determining the inspection ratio;
- review and adjustments had been made in the light of the Audit Report and the actual operation, and the number of inspections, instead of the inspection ratio, had been adopted as the criterion since January 2019. The target was to conduct at least 500 inspections in a year, including not less than 250 and 200 inspections (i.e. 50% and 40% of the full-year target) on high-risk and medium-risk businesses of food traders respectively;
- food incidents or food complaints were often concerned with high-risk or medium-risk foods, for which special inspections would be conducted on food traders accordingly. There was no need to set a fixed inspection ratio or a fixed number of inspections for low-risk businesses; and
- with the implementation of the above measures, it would be more effective to exercise supervision of high-risk, medium-risk and low-risk businesses and compute the actual number of inspections conducted on these businesses each year. As to whether the actual number of inspections in a certain year could meet the target, this would be largely determined by the manpower deployed and the work priorities at the time.

108. The Committee enquired about the manpower to conduct the inspection of food traders and the procedures.

109. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 8 April 2019 (*Appendix 9*) that:

- the inspection of food traders by FIRLO was taken up by a Senior Health Inspector and two Health Inspectors. The inspection work accounts for 30% of their workload. The remaining 70% workload of the three officers mainly involved the handling of other work, including processing of the registration of food traders, renewal of registration and information update, handling of related complaints and public enquiries, promotion of the registration of food traders and proper keeping of food information records, and enforcement actions. A flow chart showing the inspection procedures is provided in the above letter; and
- CFS had improved the checklist for inspection of food traders and the inspection report in October 2018. Apart from properly recording the inspection results and the follow-up actions taken in the computer, inspection officers would record the number of invoices inspected and take photographs showing the invoices inspected for review by supervisory officers. Moreover, Senior Health Inspectors would conduct supervisory visits and provide on-site supervision to Health Inspectors on a bi-monthly basis.

110. In paragraph 4.17 of the Audit Report, eight importers were found unregistered or had not been exempted from registration. The Committee asked about the follow-up actions on these cases and any measures to improve the verification process.

111. **Assistant Director (Risk Management), Food and Environmental Hygiene Department** said at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 8 April 2019 (*Appendix 9*) that among the eight importers, one importer was a licensee exempted from the registration requirement; one case, after seeking the advice of the Department of Justice, was considered to be lacking sufficient evidence for prosecution following investigation by CFS; and six cases were still under investigation. CFS had stepped up efforts to remind its officers and border staff to verify the registration status of food importers, including confirming whether they were exempted food traders, when checking their import documents and inspecting their food consignments, and to take follow-up actions as appropriate.

112. With reference to paragraphs 4.19 and 4.20 of the Audit Report, the Committee sought figures on the number of unsuccessful inspection on food traders in the past three years and measures to improve the successful rate of inspections.

113. **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that:

- there were 22, 49 and 13 unsuccessful inspections in 2016, 2017 and 2018 respectively. The inspections were unsuccessful mainly because the food premises were found to have ceased operation or changed to a new business;
- as regards the 49 cases of unsuccessful inspections in 2017 mentioned in paragraph 4.20 of the Audit Report, they were all dealt with despite variance in length of time and priority. The follow-up actions included issuance of a letter to the food traders concerned reminding them to notify FEHD if there was any change in their registration particulars, and putting food traders having valid registration on the monitoring list;
- CFS had, starting from the end of 2018, deducted the number of unsuccessful inspections from the annual number of inspections and set a target to conduct at least 500 successful inspections each year, with additional inspections conducted on food traders to make up the shortfall in the number of successful inspections. The food trader monitoring system had been improved to prompt CFS staff to arrange inspections on food traders on the list when they opted to renew registration;
- inspection officers were required to properly record the findings and follow-up actions in respect of unsuccessful inspections in the computer for checking by supervisory officers. The supervisory officers would also conduct supervisory visits and provide on-site guidance on a bimonthly basis. CFS was actively planning to increase the manpower of FIRLO to ensure the quality and efficiency of the inspection work; and
- in the course of inspections, some food traders were found not carrying out food importation/distribution business. These inspections were considered as completed inspections. The number of such cases in

each of the past three years (from 2016 to 2018) was 37, 36 and 50 respectively.

G. Other issues relating to import control of foods and way forward

114. Regarding Table 21 in paragraph 5.14 of the Audit Report, the Committee asked about the reasons for the high error rate of CFS staff in inputting data of imported food consignments into the Food Import Control System ("FICS")¹⁶ (77 out of 117 food consignments) and measures taken to improve the situation.

115. **Controller, Centre for Food Safety** explained at the public hearings and **Director of Food and Environmental Hygiene** supplemented in her letter dated 8 April 2019 (*Appendix 9*) that data had to be entered manually into FICS. The 77 consignments in question involved 39 frontline officers, including 32 Health Inspectors and 7 Clerical Officers. To improve the situation, apart from additional briefings for the staff, CFS had enhanced the existing system to include required input of the above omitted information. CFS would continue to conduct random checks on the FICS records on a regular basis to enhance and monitor data inputs.

116. In paragraph 5.24 of the Audit Report, Director of Food and Environmental Hygiene said that CFS had enhanced supervisory measures to ensure that supervisory visits were conducted properly to assess performance of staff and give advice on the practice. The Committee sought details of the enhancement measures.

117. **Director of Food and Environmental Hygiene** advised in her letter dated 8 April 2019 (*Appendix 9*) that the improvement measures included the following:

- a Senior Health Inspector would accompany a Health Inspector to carry out inspections and provide on-site guidance on a regular basis. At AFIOs and MKTFCO, Senior Health Inspectors had also stepped up the weekly supervisory inspections having regard to the mode of operation of each food control office. In addition, Chief Health Inspectors of the Food Import and Export Section would conduct monthly surprise supervisory inspections to different offices in rotation; and

¹⁶ The Food Import Control System is a computer system used in carrying out import control. It captures a range of information about imported foods (e.g. types and quantities of foods).

- since October 2018, CFS had enhanced the supervisory inspection record to lay emphasis on recording the findings of on-site supervision, so as to effectively evaluate the staff performance and provide on-site guidance as appropriate. CFS would continue to provide training and explain the Operational Manual and guidelines to new recruits and provide refresher courses as deemed necessary. Staff would be reminded to pay attention to the Operational Manual and guidelines during regular working meetings and communicate on problems arising from the implementation of the manual and guidelines.

118. With reference to paragraph 5.25 of the Audit Report, the Administration said at the public hearings that a working group had been formed to study the establishment of TSW. The Committee requested the Administration to provide details of the group, including whether there was an implementation timetable of TSW.

119. **Director of Food and Environmental Hygiene** said at the public hearings and supplemented in her letter dated 8 April 2019 (*Appendix 9*) that:

- TSW was being implemented in three phases. Phase 1, which was launched in December 2018, covered five types of import and export trade documents for specific types of commodities and would be progressively extended to cover some 13 types of trade documents in the first half of 2019 at the earliest. Phase 2 would cover some 28 additional types of trade documents. Phase 3 would cover trade documents required or proposed to be required for all cargoes (e.g. Import and Export Declaration). Subject to the progress of all the preparatory work, the Administration planned to roll out Phase 2 in 2022 and Phase 3 in 2023 at the earliest; and
- to take forward the TSW project, a dedicated Project Management Office was set up in April 2016 under the Commerce and Economic Development Bureau. In 2017 and 2018, FEHD joined 14 of the meetings of the Office at different levels to discuss issues of common interest on the development and implementation of TSW.

120. In paragraph 5.30 of the Audit Report, Director of Food and Environmental Hygiene said that CFS was currently revamping its IT systems and was already in the process of reviewing the business processes and workflow in food import control.

The Committee asked the Administration to provide further information and implementation timetable of this revamp exercise.

121. **Director of Food and Environmental Hygiene** explained at the public hearings and supplemented in her letter dated 8 April 2019 (*Appendix 9*) that:

- the existing 16 IT systems of CFS were developed at different times by contractors to meet different needs. As each IT system (and its database) was independently designed, the organization and structuring of data of the systems were different, without integration into a central database to facilitate retrieval and analysis;
- the lack of flexibility in system design was also a hindrance to streamlining of workflow. In processing work requests involving various systems, CFS officers could not complete the work by using the existing functions of the systems. Instead, the assistance of technical staff had to be sought in writing another programme or using external software to combine the data for processing and analysis. All these limitations affected the cost-effectiveness of the food safety work of CFS and its efficiency in conducting risk assessment;
- CFS established a dedicated team at the end of 2017 to look closely at its operational workflow, revamp its IT systems for higher efficiency, and enhance its mode of operation through IT to support the work of its frontline staff and reinforce its capability in food import control, surveillance, incident management, risk assessment and traceability. Phased improvements to the IT systems would start from the end of 2019;
- specifically, a food trader portal would be set up to provide a platform for electronic communication between CFS and the food trade. The existing FICS would be replaced by a new system which would support the streamlined workflow and procedures on import control and the provision of food export certification. A new Food Incident Management System would be developed to strengthen the management of food safety incidents. The above systems would interface with each other to provide a well-connected network of information in support of risk profiling and risk-based inspection to enhance food safety control; and

- the team in charge of the above work would have 74 staff members at an estimated staffing expenditure of about \$58 million in 2019-2020.

122. In reply to the Committee's enquiry about new resources in 2019-2020 for CFS, **Director of Food and Environmental Hygiene** explained at the public hearings and supplemented in her letter dated 8 April 2019 (*Appendix 9*) that in 2019-2020, 35 additional civil service posts would be created in CFS along with an additional provision of \$25 million to implement the review and the enhancement measures. A task group, led by the Controller, Centre for Food Safety, was set up to take forward the recommendations of Audit and the Committee on the food safety management of CFS and its control on imported foods. The task group had commenced a comprehensive review on the Operational Manual and guidelines, its staff management and supervision arrangements, training requirements, and manpower and resource requirements. CFS had started to roll out concrete and effective short, medium and long term measures to enhance its effectiveness by phases.

H. Conclusions and recommendations

Overall comments

123. The Committee:

- notes that:
 - (a) in 2017, over 90% of foods and live food animals for human consumption (for simplicity, unless otherwise stated, hereinafter foods and live food animals are collectively referred to as foods) in Hong Kong were imported. According to the Census and Statistics Department's published trade statistics, the total value of imported foods in the year was \$205,351 million. In May 2006, the Centre for Food Safety ("CFS") was established under the Food and Environmental Hygiene Department ("FEHD") to control food safety in Hong Kong; and
 - (b) in 2013-2014 to 2017-2018, CFS's expenditure had increased by 32% from \$448 million to \$592 million. In this period, CFS

spent more than 50% of its annual expenditure on import control of foods;

- stresses that:
 - (a) import control is of paramount importance to ensuring food safety in Hong Kong as control at source¹⁷ has increasingly been recognized as an effective control mode in food safety by the Administration. CFS staff at food control offices set up across the territory are responsible for carrying out established procedures for controlling the import of foods via air, road and sea;
 - (b) CFS management bears an undeniable responsibility of ensuring proper implementation of various import control measures at its various food control offices for foods according to the procedures laid down in CFS's guidelines/Operational Manual on import control of foods ("Operational Manual"); and
 - (c) CFS management also has a responsibility to proactively devise and review their guidelines/Operational Manual to ensure that they could achieve the main purpose of ensuring food safety. At the same time, CFS management should also ensure CFS staff to follow these guidelines/Operational Manual which have to be practical for implementation, and could suit the changing environment with a view to facilitating the trade and all relevant stakeholders;
- expresses grave dismay and finds it unacceptable that CFS staff have not followed the procedures in the control of foods as stipulated in the Operational Manual as evidenced by the following incidents revealed in the Director of Audit's Report ("Audit Report"):
 - (a) for two consignments imported by air, CFS staff only examined a readily accessible carton of food placed on the top of the batch of consignment;

¹⁷ 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.

- (b) in five inspections on food samples imported by air for radiation tests using the Contamination Monitoring System ("CMS") machine, the food samples were pre-selected by importers;
 - (c) food samples imported by air used in CMS test procedures should contain only the edible portion of approximately one kilogram ("kg"). In 12 cases, one kg was entered in the computer system for CMS tests without re-weighing the samples after eliminating the inedible portion and in one case, the actual weight of the food sample was 3.37 kg;
 - (d) CFS staff did not clarify the discrepancies (e.g. in respect of weight, quantity and source of the foods imported by road) between the import documents found during inspections with the relevant parties (e.g. General Administration of Customs of the People's Republic of China ("GACC")); and
 - (e) two consignments (of frozen poultry) had been imported by road without seal numbers on the original health certificates. Hence, the procedure of matching the seal numbers to the numbers of the security seals on the vehicles carrying the consignments could not be performed. There was no assurance that the consignments (which had been released) carried by the vehicles were identical with those shown on the original health certificates;
- expresses dismay and finds it unacceptable that CFS management has failed to effectively monitor its staff's compliance with the guidelines/Operational Manual promulgated as evidenced by the above incidents revealed in the Audit Report;
 - expresses disappointment and finds it unacceptable that CFS's middle management staff have failed to effectively supervise their frontline subordinates in performing their routine duties in accordance with the guidelines/Operational Manual as evidenced by the above incidents revealed in the Audit Report;
 - expresses grave dismay and finds it unacceptable about various problems with CFS's existing practices/systems in relating to the import control of foods by air, road and sea and that CFS has not proactively reviewed such practices/systems and the guidelines/Operational Manual to identify the insufficiencies/impracticalities as evidenced by the following cases revealed in the Audit Report:

- (a) there were no guidelines on the selection of food samples to be inspected in a physical inspection. CFS staff only selected very small quantity for physical inspections for foods imported by air (as low as one out of 831 cartons (0.1%)), by road (three cartons out of 1 000 (0.3%)) and by sea (two out of 2 025 cartons (0.1%)). In nine of the 18 Audit-accompanied inspections, CFS staff only examined the foods in front. In five such inspections in which several types of foods were involved, only one type of food had been selected for examination;
- (b) for the period January to April 2018, of the 59 vehicles carrying chilled food consignments, nine vehicles had at least once evaded CFS inspection at the Man Kam To Food Control Office ("MKTFCO") and two vehicles had never been driven into MKTFCO for CFS inspection of the consignments. On 27 August 2018, of the 24 vehicles carrying food consignments required to be checked by CFS at MKTFCO, four vehicles carrying consignments of eggs had evaded CFS inspection at MKTFCO;
- (c) seven vehicles which had entered MKTFCO were not shown in the CFS inspection records because the vehicle registration numbers of the vehicles had been wrongly entered into the CFS's inspection records. There was no proper verification procedure and checking by the management on the accuracy of the data entered into the system;
- (d) CFS staff did not check whether vehicles transporting chilled foods to Hong Kong through Man Kam To had been approved by CFS for transporting chilled foods;
- (e) CFS did not have the practice of conducting periodic examinations of approved vehicles to ensure that they continue to be suitable for transporting chilled foods;
- (f) on average only about 1.5 inspections were conducted monthly at the CFS's Kwai Chung Customhouse ("KCCH") due to the lack of cold storage facilities but the limitations should have been foreseen at the time when KCCH was set up in October 2015;

- (g) for foods imported by sea, there were a number of cases (ranging from 16% to 48%) where importers had cancelled their import licences when their food consignments covered by the licences had been selected by CFS for inspection. There was a high percentage of unused import licences (increased from 60 865 in 2013 to 85 475 in 2017) and CFS had not identified whether an issued import licence has been used;
 - (h) for food consignments arrived by sea subjected to physical inspections at warehouses or cold stores, contrary to the requirement of the Operational Manual, the seals had already been broken off by importers and the foods of the consignments had been stored at the warehouses or cold stores prior to CFS's inspections;
 - (i) in all the 23 Audit-accompanied inspections conducted on 16 and 17 May 2018, contrary to the terms of the permit issued by the Agriculture, Fisheries and Conservation Department, the importers did not show the permits to CFS's Field Officers upon arrival of the animals at the Man Kam To Animal Inspection Station; and
 - (j) CFS staff (e.g. Health Inspectors) did not ascertain whether food importers had registered under the Food Safety Ordinance (Cap. 612) (or were exempted from registration) at border control points;
- expresses serious concern and has reservations about CFS's decision¹⁸ to cancel the granting of discretion for release of food consignments without original health certificates from air cargo terminal and the impact on the operation of the trade;
 - calls on CFS, in introducing any new measures to tighten the import control of foods, to conduct adequate consultation with the trades and all relevant stakeholders with a view to striking a balance in the import control of foods and the facilitation of business operation;

¹⁸ CFS formulated guidelines on granting discretion for release of food consignments from air cargo terminals without original health certificates in October 2018. In view of the small number of cases that were granted such discretion in November and December 2018 (12 out of 2 191 cases), CFS updated its guidelines in early January 2019 that CFS staff were to check the original health certificates before releasing the consignment from the air cargo terminal.

- notes that CFS created a supernumerary post of Senior Principal Executive Officer in 2017 up to 31 March 2024 to head a dedicated team to take forward the recasting and re-engineering of workflow and an overhaul of information technology systems to substantially strengthen its data management and analysis for enhanced food safety control, including the Trade Single Window;¹⁹ and
- urges CFS to:
 - (a) set up a mechanism to review the work flows at various food control offices in order to identify whether they could achieve their intended purpose and are practical, as well as other areas of improvements;
 - (b) supplement new guidelines where necessary or revise/update existing guidelines/Operational Manual, as the case may be;
 - (c) enhance its communication channels with the relevant authorities in the Mainland and other countries/areas from which foods are imported so that CFS could be informed of any updates (e.g. the list of registered farms as shown on the website of GACC) and any discrepancies found during the import control could be clarified as soon as practicable;
 - (d) review whether its establishment and manpower are sufficient to ensure that they could handle the increasing workload at the food control offices; and
 - (e) make good use of the new dedicated team to conduct a comprehensive review of various systems under CFS, including upgrading the information system and the workflows associated with the import control of foods so that the procedures/workflows could be rationalized and simplified to ensure the integrity of the input data, avoid manual errors and enhance its monitoring of staff's compliance with guidelines, among other objectives. The work of the dedicated team should be expedited and any

¹⁹ For international trade, "Single Window" refers to a facility (e.g. an information technology platform) which allows trading parties to lodge information and documents with a single entry point to fulfil all import and export regulatory requirements. In his 2016-2017 Budget Speech, the then Financial Secretary announced that the Government should establish a Trade Single Window.

recommendations made by the team should be implemented as soon as possible.

Specific comments

124. The Committee:

Control of foods imported by air

- expresses grave dismay and finds it unacceptable that:
 - (a) for non-permission cases (i.e. import licences issued with the submission of supporting documents comprising original health certificates or photocopies of original health certificates), of a total of 138 import licences issued from 25 to 31 January 2018, 134 (97%) import licences were issued without submission of any of the required supporting documents, contrary to the requirements set out in the Operational Manual;
 - (b) for 44 food consignments imported by air in January 2018, three of them were issued with import licences based on submission of photocopies of health certificates. Their importers, however, failed to provide the required original health certificates on the spot to the Airport Food Inspection Offices ("AFIOs"). Upon the consent of the Senior Health Inspectors, the consignments were released without physical inspections conducted by CFS staff;
 - (c) in one of the three consignments mentioned in paragraph (b) above, the consignment was released without the original Export Declaration (i.e. an import document for the import of beef, pork and mutton from a European Union member state but the animal was slaughtered in another European Union member state) submitted on the spot and without an import permission as required by CFS;
 - (d) of 12 radiation tests accompanied by the Audit Commission ("Audit") conducted in May and June 2018 for foods imported

from Japan using CMS machine, the food samples for CMS tests were pre-selected by importers in five inspections; and

- (e) for import of foods by air, CMS tests were conducted by Health Inspectors of AFIOs. For import of foods by sea, CMS tests were conducted by Science Laboratory Technologists and Science Laboratory Technicians who were apparently more professionally competent in conducting CMS tests;
- notes that:
 - (a) CFS has reminded colleagues to issue import licences after receipt of supporting documents (i.e. an original health certificate, a photocopy of health certificate, or an import permission) from importers as far as practicable;
 - (b) CFS issued new guidelines in October 2018 and January 2019 and conducted briefing for frontline staff for the handling of food consignments arrived at the border checkpoint, in particular on the arrangement when the original health certificates were not available. Frontline staff were also reminded that physical inspection of food consignments should be conducted;
 - (c) CFS will prepare guidelines on the number of food samples to be inspected in a physical inspection of foods imported by air;
 - (d) CFS will issue a new guideline on sampling at physical inspection at the Airport. CFS is also enhancing supervision of frontline operation at AFIOs;
 - (e) regarding the collection of food samples for CMS tests, FEHD would take follow-up actions, implement improvement measures and enhance supervisory inspections to ensure full compliance with relevant guidelines; and
 - (f) Director of Food and Environmental Hygiene has agreed with Audit's recommendations in paragraphs 2.13, 2.16 and 2.26 (b) to (d) of the Audit Report;
- recommends that CFS should take measures to ensure that all food samples collected for all tests, in particular CMS tests, are selected by CFS staff themselves at AFIOs;

Control of foods imported by road

- expresses grave dismay and finds it unacceptable that:
 - (a) it might not be appropriate for CFS to consider that fully cooked or flavoured meat are not under the control of the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK). CFS needs to seek clarification from the Department of Justice regarding the scope of the Regulations;
 - (b) in 12 of 28 food consignments imported through Man Kam To in January 2018 and examined by Audit, and in four of 18 Audit-accompanied inspections at MKTFCO in April 2018, there were discrepancies between import documents (e.g. original health certificates and import licences). However, CFS staff did not clarify the discrepancies before releasing the consignments;
 - (c) from January to April 2018, of the 59 vehicles transporting chilled foods to Hong Kong through Man Kam To, 14 (24%) had not been approved by CFS. Of these 14 vehicles, 12 vehicles had entered into MKTFCO. However, CFS staff did not notice that the vehicles had not been approved for transporting chilled foods. Two of the 14 vehicles had evaded CFS inspections at MKTFCO;
 - (d) of the 158 vehicles approved for transporting chilled foods as at 20 April 2018, 20 were container carriers. Containers of 10 of these carriers had not been included in the list of approved vehicles, and those for the other 10 carriers were not approved by CFS; and
 - (e) there were no guidelines on the selection of food samples at import level for laboratory tests under the Food Surveillance Programme;
- notes that:
 - (a) CFS has been liaising with relevant parties on the improvement measures for addressing the problem of vehicles evading CFS inspection of food consignments at MKTFCO;

- (b) CFS has enhanced supervision to ensure that operation has been conducted according to the guidelines on conducting physical inspection;
- (c) CFS has reminded frontline staff to clarify the irregularities with GACC as soon as practicable and document the actions taken to deal with the irregularities;
- (d) CFS will work out guidelines on an appropriate number of food samples and food types to be inspected in a physical inspection of foods imported by road;
- (e) CFS has enhanced supervision to ensure frontline operation is conducted according to the guidelines;
- (f) CFS has included the checking of approved vehicles in the inspection checklist;
- (g) CFS has included the containers approved for carrying chilled meat/poultry in the approved vehicle list;
- (h) the approved vehicle list and the containers, if any, have been made available to frontline staff for checking;
- (i) re-inspection of the approved vehicles for transporting chilled meat and poultry will be conducted at a two-year interval;
- (j) CFS will monitor and review the guidelines on collection of food samples for laboratory tests to meet the objective and operational needs from time to time; and
- (k) Director of Food and Environmental Hygiene has agreed with Audit's recommendations in paragraphs 2.44, 2.52, 2.56, 2.62 and 2.65 of the Audit Report;

Control of foods imported by sea

- expresses grave dismay and finds it unacceptable that:
 - (a) the KCCH checkpoint commenced operation in late October 2015 in order to align the practice of monitoring foods imported by sea with those imported by air and road. However, in the period

from late October 2015 to 30 June 2018, an average of about 1.5 inspections was conducted monthly at the KCCH checkpoint only. In 2017, of the physical inspections conducted for 3 616 food consignments imported by sea, only 18 were held at the KCCH checkpoint, while the remaining 3 598 were conducted at warehouses or cold stores;

- (b) according to the Custom and Excise Department, as advance declaration was only made on a voluntary basis, only about 85% sea cargo information could be obtained through the Electronic System for Cargo Manifest Statement One. As CFS relied on the Electronic System to identify importers to make arrangements with them for conducting radiation tests on every food consignment imported from Japan, some importers might not have been identified and hence no radiation tests were conducted for some consignments imported from Japan;
- (c) from 1 January 2017 to 31 March 2018, there was a considerable percentage of cases (ranging from 16% to 48%) where importers had cancelled their import licences when their food consignments covered by the licences had been selected by CFS for inspection;
- (d) according to the Operational Manual, CFS needs to spot out unused import licences for cancellation in order to prevent improper use of these licences by importers. However, in years 2013 to 2017, the proportion of unused import licences was high, ranging from 86% to 96% (of all licences issued). The number of unused import licences had increased from 60 865 in 2013 to 85 475 in 2017;
- (e) to prevent the use of counterfeit photocopies of health certificates, CFS required that for import licences issued based on the submission of photocopies of health certificates, importers should submit original health certificates to CFS within 42 days (an import licence is valid for six weeks). However, in 2016 and 2017, there were 281 and 34 import licences respectively, of which the original health certificates had not been submitted within 42 days. The delay ranged from 141 days to 717 days (as at 30 June 2018);
- (f) in 2017, of the 1 903 import licences for food consignments selected by CFS for physical inspection, 411 (22%) had been

cancelled. CFS did not re-select additional import licences to replace those that had been cancelled for physical inspection; and

- (g) there were inadequacies in the conduct of physical inspection and follow-up actions taken up by CFS staff, including quantity in letter for releasing consignment overstated; quantity of foods inspected less than required; overall examination of the whole consignment and cross-checking to supporting documents not conducted; sample of foods not properly selected; and warning letters to importers not issued;

- notes that:

- (a) CFS will sort out the discrepancy between the requirement of the Operational Manual and the actual inspection practices of not witnessing the act of breaking seal attached to containers by importers;
- (b) CFS will solicit assistance from relevant parties to explore the possibility of setting up a formal food control office with cold storage facilities at KCCH for inspection of targeted food consignments imported via sea route;
- (c) CFS has been working with relevant authorities on Trade Single Window which plans to capture all pre-arrival import information, among other things;
- (d) CFS has launched an exercise to identify expired unused import licence (permission cases) since mid 2018 and the exercise is planned to be completed by 4th quarter of 2018. CFS is considering the way forward upon completion of the exercise;
- (e) CFS has notified importers in writing to return the expired unused licence (permission cases) for cancellation;
- (f) CFS has implemented improvement measures to select additional import licences for physical inspection to make up for those cancelled import licences being selected;
- (g) CFS has been implementing improvement measures and the percentage of import licences issued with photocopies of health certificate has decreased from 24% in 2016 to 18% in 2017;

- (h) CFS has enhanced supervision to ensure frontline operation is conducted according to the guidelines/Operational Manual;
 - (i) CFS has reminded frontline staff to make clarifications with importers on any discrepancies in import documents and properly record any actions taken;
 - (j) CFS will provide guidance to frontline staff on selection of food samples randomly for the conduct of physical inspections; and
 - (k) Director of Food and Environmental Hygiene has agreed with Audit's recommendations in paragraphs 2.88, 2.102(a) to (c) and (e) and 2.108 of the Audit Report;
- recommends that CFS should explore a more effective way to identify and cancel unused import licences on a regular basis;

Control of live food animals and live aquatic products

- expresses dismay and finds it unacceptable about the following cases revealed in the Audit Report:
- (a) from 27 April to 28 May 2018, nine consignments of bovines and 15 consignments of swine were imported from six farms that were not on the list of registered farms as shown on the website of GACC. CFS did not seek immediate clarification from GACC;
 - (b) there were discrepancies in import documents (i.e. food import declaration forms and original animal health certificates) for the import of live aquatic products. For example, in one consignment imported in January 2018, the quantity of live aquatic products stated on the food import declaration form of 6 000 kg was greater than that shown on the original animal health certificate of 2 710 kg (i.e. a difference of 3 290 kg). Furthermore, in examining the import documents of five consignments of live aquatic products, in all the five consignments, the information on importers or exporters filled in by the drivers of vehicles carrying the products on the food import declaration forms was unclear;

- (c) in the six accompanied inspections conducted on 16 May 2018, Audit found that the Field Officer only inspected one of the four types of fish in a consignment; and
 - (d) in May 2018, in 98 consignments (involving 140 heads of swine), the quantities of live swine admitted into slaughterhouses were greater than the quantities of the live swine shown on the animal health certificates;
- notes that:
 - (a) with effect from 4th quarter of 2018, CFS would seek immediate clarification with GACC prior to the release of consignments of livestock if the registration status of the farm is uncertain or there are other irregularities;
 - (b) CFS has agreed with relevant parties to implement improvement measures with effect from November 2018 so that the permittee shall present the original special permit to CFS in a timely manner;
 - (c) CFS has proactively clarified with the drivers if necessary and has implemented an enhanced inspection scheme on fish types;
 - (d) CFS has implemented improvement measures since late September 2018 and the discrepancies between the admitted quantities of livestock and the quantities on the movement permit have been identified and verified with relevant parties on a daily basis; and
 - (e) Director of Food and Environmental Hygiene has agreed with Audit's recommendations in paragraphs 3.16, 3.32 and 3.38 of the Audit Report;
- recommends that CFS should consider reviewing its guidelines on the import control of live aquatic products taking into account the practical difficulties to verify accurately the quantity of the consignments as stated in the food import declaration forms and original animal health certificates;

Registration and inspection of food traders

- considers it inexplicable and unacceptable that:
 - (a) in years 2013 to 2017, of the 3 420 licensees to whom request letters were sent by Food Importer/Distributor Registration and Import Licensing Office ("FIRLO") requiring them to provide information on their licences and businesses to FEHD, only 483 (14%) replied to FIRLO that they did not carry on any importation/distribution businesses or provided the requested information to FIRLO. FIRLO had not taken any follow-up actions on those licensees that had not replied to FIRLO;
 - (b) of the prosecutions against 44 unregistered food importers/distributors in years 2013 to 2017, the majority of them (39 of 44) claimed that they either were unaware of or had misunderstood the registration requirement;
 - (c) CFS staff (e.g. Health Inspectors) did not have the practice of ascertaining whether food importers had registered under the Food Safety Ordinance (or were exempted from registration) at border control points. In 117 import documents examined by Audit in 2018, there were four importers who had imported foods into Hong Kong without having been registered or exempted. In the 54 inspections accompanied by Audit in 2018, there were five importers who had imported foods into Hong Kong without having been registered or exempted;
 - (d) some inspections had not been conducted in accordance with the risk-based inspection plan. In years 2014 to 2017, contrary to the inspection plan, less than 50% (ranging 31% to 48%) of the yearly inspections had been conducted on food traders of higher-risk businesses. In years 2015 to 2017, contrary to the inspection plan, less than 10% (ranging from 1% to 4%) of the yearly inspections had been conducted on food traders of lower-risk businesses;
 - (e) in examining food transaction records at premises of food traders, FIRLO staff only requested the sighting of a small number of invoices as supporting documents for the records; and

- (f) in 2017, of the 540 inspections of food traders, 49 inspections (concerning food importers/distributors) were not successful due to various reasons (e.g. the address of the business premises was invalid). Of the 49 cases of unsuccessful inspections, FIRLO had not taken any follow-up actions for 16 cases. In another 11 cases, FIRLO sent correspondence to the food importers/distributors to follow up the cases but either further action had not been taken afterwards or FIRLO further contacted the food importers/distributors but to no avail;
- notes that:
 - (a) CFS has put in place arrangements for keeping records of non-responding licensees (who have been requested to provide information on their licences and businesses to FEHD) and further contacting these licensees by other means such as e-mails;
 - (b) CFS has increased publicity and would continue to raise the awareness of the trade on the registration requirement under the Food Safety Ordinance;
 - (c) CFS staff at the border offices have been reminded to promptly check the status of importers at the point of importing food consignments;
 - (d) CFS has stepped up enforcement against unregistered food importers where warranted. In 2016 and 2017, CFS took 14 and eight prosecutions against unregistered food importers and distributors respectively;
 - (e) the results of inspections have been entered in the computer for record and for formulation of the risk-based inspection plan as a stop-gap measure, pending a more comprehensive overhaul of the information technology infrastructure for CFS currently underway; and
 - (f) Director of Food and Environmental Hygiene has agreed with Audit's recommendations in paragraphs 4.11, 4.21 and 4.26 of the Audit Report;

Other issues relating to import control of foods and way forward

- expresses serious concern that:
 - (a) in the two priority-setting exercises of 2006 and 2009, the Expert Committee on Food Safety²⁰ accorded "high priority" to the updating of food safety standards for three substances of concern (i.e. "pesticide residues", "veterinary drug residues" and "shellfish toxins and mycotoxins"). However, as at 31 August 2018, the updating of food safety standards for two of the three high-priority items (i.e. "veterinary drug residues" and "shellfish toxins and mycotoxins") was not yet completed;
 - (b) for the import documents of 117 food consignments examined by Audit in 2018, errors and/or omissions in inputting data into the Food Import Control System were found in 77 consignments; and
 - (c) there were no clear guidelines on the requirements for supervisory visits for individual food control offices, and the supervisory practices varied among food control offices; and
- notes that:
 - (a) CFS has provided a briefing to frontline staff regarding requirement of data input and plans to enhance supervision regarding data input;
 - (b) CFS has enhanced supervisory measures to ensure that supervisory visits are conducted properly to assess performance of staff and give advice on the practice; and
 - (c) Director of Food and Environmental Hygiene has agreed with Audit's recommendations in paragraphs 5.10, 5.16, 5.23, 5.29 and 5.35 of the Audit Report.

²⁰ In September 2006, CFS set up the Expert Committee on Food Safety which is tasked with advising Director of Food and Environmental Hygiene on matters such as food safety operational strategies and measures.

Follow-up action

125. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by the Committee and Audit.