

CHAPTER 2

Food and Environmental Hygiene Department

<p>Centre for Food Safety: Import control of foods</p>

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CENTRE FOR FOOD SAFETY: IMPORT CONTROL OF FOODS

Contents

	Paragraph
EXECUTIVE SUMMARY	
PART 1: INTRODUCTION	1.1
Food safety in Hong Kong	1.2 – 1.9
Import control of foods and live food animals	1.10 – 1.20
Expert Committee on Food Safety	1.21
Advisory Council on Food and Environmental Hygiene	1.22
Audit review	1.23 – 1.24
Acknowledgement	1.25
PART 2: CONTROL OF FOODS IMPORTED BY AIR, ROAD AND SEA	2.1
Background	2.2
PART 2A: CONTROL OF FOODS IMPORTED BY AIR	2.3
Background	2.4 – 2.9
Monitoring the import of foods and import documentation	2.10 – 2.12
Audit recommendations	2.13
Response from the Government	2.14

	Paragraph
Inspection of food consignments	2.15
Audit recommendations	2.16
Response from the Government	2.17
Monitoring of food radiation	2.18 – 2.25
Audit recommendations	2.26
Response from the Government	2.27
PART 2B: CONTROL OF FOODS IMPORTED BY ROAD	2.28
Background	2.29 – 2.36
Monitoring the import of foods	2.37 – 2.43
Audit recommendation	2.44
Response from the Government	2.45
Import documentation	2.46 – 2.51
Audit recommendations	2.52
Response from the Government	2.53
Inspection of food consignments	2.54 – 2.55
Audit recommendations	2.56
Response from the Government	2.57
Requirements for vehicles transporting chilled foods	2.58 – 2.61
Audit recommendations	2.62
Response from the Government	2.63

	Paragraph
Collecting food samples for laboratory tests	2.64
Audit recommendation	2.65
Response from the Government	2.66
PART 2C: CONTROL OF FOODS IMPORTED BY SEA	2.67
Background	2.68 – 2.73
Monitoring the import of foods	2.74 – 2.87
Audit recommendations	2.88
Response from the Government	2.89
Issues relating to import licences	2.90 – 2.101
Audit recommendations	2.102
Response from the Government	2.103
Discrepancies in import documents and physical inspections of consignments	2.104 – 2.107
Audit recommendations	2.108
Response from the Government	2.109
PART 3: CONTROL OF LIVE FOOD ANIMALS AND LIVE AQUATIC PRODUCTS	3.1
Background	3.2 – 3.5
Control of livestock imported by road	3.6 – 3.15
Audit recommendations	3.16
Response from the Government	3.17 – 3.18

	Paragraph
Control of live aquatic products imported by road	3.19 – 3.31
Audit recommendations	3.32
Response from the Government	3.33
Control of livestock admitting into slaughterhouses	3.34 – 3.37
Audit recommendations	3.38
Response from the Government	3.39
 PART 4: REGISTRATION AND INSPECTION OF FOOD TRADERS	 4.1
Background	4.2 – 4.6
Registration and exemption of food importers/distributors	4.7 – 4.10
Audit recommendations	4.11
Response from the Government	4.12
Inspection of food traders	4.13 – 4.20
Audit recommendations	4.21
Response from the Government	4.22
Management information	4.23 – 4.25
Audit recommendations	4.26
Response from the Government	4.27
 PART 5: OTHER ISSUES RELATING TO IMPORT CONTROL OF FOODS AND WAY FORWARD	 5.1
Food safety standards	5.2 – 5.9
Audit recommendations	5.10
Response from the Government	5.11

	Paragraph
Food Import Control System	5.12 – 5.15
Audit recommendations	5.16
Response from the Government	5.17
Supervisory visits	5.18 – 5.22
Audit recommendations	5.23
Response from the Government	5.24
Trade Single Window	5.25 – 5.28
Audit recommendation	5.29
Response from the Government	5.30
Way forward	5.31 – 5.34
Audit recommendation	5.35
Response from the Government	5.36

Appendices	Page
A : Food and Environmental Hygiene Department: Organisation chart (extract) (30 June 2018)	174
B : Subsidiary legislation of the Public Health and Municipal Services Ordinance	175
C : Meaning of meat, poultry, prohibited meat, game, eggs, and milk and frozen confections under the Public Health and Municipal Services Ordinance	176
D : Import control of foods	177 – 179
E : Quantity and value of high-risk foods imported (2013 to 2017)	180 – 181

Appendices	Page
F : Main suppliers of high-risk foods imported (2017)	182 – 183
G : Quantity and value of other imported foods (2013 to 2017)	184 – 185
H : Main suppliers of other imported foods (2017)	186 – 187
I : Acronyms and abbreviations	188 – 189

CENTRE FOR FOOD SAFETY: IMPORT CONTROL OF FOODS

Executive Summary

1. 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, the Centre for Food Safety (CFS) was established under the FEHD to control food safety in Hong Kong. The CFS works under the legal framework of two Ordinances:

- (a) the Public Health and Municipal Services Ordinance (Cap. 132) and its subsidiary legislation require that food intended for sale should be fit for human consumption. It covers general protection for food purchasers, offences in connection with sale of unfit food and adulterated food, and seizure and destruction of unfit food; and
- (b) the Food Safety Ordinance (Cap. 612) provides additional food safety control measures, such as and in particular a registration scheme for food importers/distributors.

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

2. The CFS adopts a risk-based approach to food safety control and works in the following areas:

- (a) ***Risk assessment.*** Food hazards (i.e. microbiological, chemical and radiological hazards) are evaluated and potential risks to the population are assessed, thereby facilitating formulation of appropriate risk management actions (see (b) below) and risk communication messages (see (c) below) to protect public health;

Executive Summary

- (b) **Risk management.** Through food control offices set up across the territory, the CFS carries out import control of foods (e.g. inspecting imported foods). Through the Food Surveillance Programme, the CFS takes food samples at import, wholesale and retail levels for testing. The CFS also manages local and overseas food incidents, and handles food complaints in the territory; and
 - (c) **Risk communication.** The CFS organises various programmes to promote food safety (e.g. communication forums) and disseminates information on food safety to the public through different communication channels (e.g. on its website, social media platforms and publications).
3. In 2013-14 to 2017-18, the CFS's expenditure had increased by 32% from \$448 million to \$592 million. In this period, the CFS spent more than 50% of its annual expenditure on import control of foods and live food animals (for simplicity, unless otherwise stated, hereinafter foods and live food animals are collectively referred to as foods). According to the FEHD, as over 90% of the food supply in Hong Kong is imported, import control is of paramount importance to ensuring food safety in Hong Kong and control at source is increasingly recognised as an effective control mode in food safety. Control at source includes, for example, requiring the presence of health certificates issued by overseas authorities for import of foods, and allowing only live food animals from approved farms to enter into Hong Kong.
4. For the purpose of import control of foods, imported foods are broadly classified into two types:
- (a) **High-risk foods.** The CFS considers that certain foods, such as 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, pose higher food safety risks as they are easily perishable and more likely subject to risk of pathogens. Specific import documents (i.e. a health certificate or a certificate of country of origin issued by a recognised authority of the exporting economy, and/or an import licence and/or an import permission issued by the FEHD) are required for the import of high-risk foods into Hong Kong. An import licence covers the import of a single food consignment and is valid for a period of six weeks, while an import

Executive Summary

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

- (b) ***Other imported foods.*** These foods refer to foods other than those mentioned in (a) above (e.g. beverages, cereals, fruits and vegetables). Health certificates or import licences or import permissions are not required under the law. Administrative arrangements may be agreed with relevant regulatory authorities of the place of origin for certain food types (e.g. freshwater aquatic products and vegetables) to better ensure food safety and public health.

5. The Audit Commission (Audit) has recently conducted a review of the CFS's management and control of food safety. The findings are contained in this Audit Report and in "CFS: Management of food safety" (Chapter 1 of the Director of Audit's Report No. 71). This Audit Report reviews matters relating to the control of foods imported by air, road and sea, control of live food animals and live aquatic products, registration and inspection of food traders, and other issues relating to import control of foods and way forward.

Control of foods imported by air, road and sea

6. To ensure the safety of imported foods, the CFS has established procedures for controlling the import of foods via air, road and sea. For imported food consignments, the CFS staff of food control offices located at air, road and sea borders: (a) check the import documents of the consignments; (b) on a sample basis, conduct on-the-spot physical inspection of the consignments; (c) collect food samples for laboratory tests under the Food Surveillance Programme; (d) conduct radiation tests; and (e) input the information on the consignments into the Food Import Control System (FICS). After the satisfactory completion of the above procedures, the consignments will be released (para. 2.2).

Control of foods imported by air

7. ***Import licences issued without submission of required supporting documents.*** According to the CFS's Operational Manual on import control of foods (Operational Manual), an import licence (see para. 4(a)) may be issued with the submission of a supporting document (i.e. an original health certificate, a photocopy

Executive Summary

of an original health certificate or an import permission (see para. 4(a)) by an importer. Audit examined all the import licences issued for foods imported by air in the period 25 to 31 January 2018 and found that for non-permission cases (i.e. import licences issued with the submission of original health certificates or photocopies of original health certificates), of a total of 138 import licences issued in the period, 134 (97%) licences were issued without the submission of any of the required supporting documents. According to the CFS, as trade facilitation measure, import licences may be issued without the submission of supporting documents by importers. Nevertheless, original health certificates must be submitted when food consignments are being imported into Hong Kong (see para. 8) (paras. 2.10 and 2.11).

8. *Need to review whether discretion was properly granted.* For food consignments imported by air referred from the Customs and Excise Department (C&ED), the importers will approach the Airport Food Inspection Offices (AFIOs) of the CFS and apply for the CFS's approval for release of the consignments unloaded from planes and placed at the cargo terminals of the Hong Kong International Airport. According to the CFS, food consignments can only be released after conducting the import documents checking (including the submission of original health certificates by importers) and on-the-spot physical inspections on a sample basis. Audit examined 44 food consignments imported by air in January 2018 and found that in 3 consignments, the importers were issued import licences based on submission of photocopies of health certificates (see para. 7). They, however, failed to provide the original health certificates on the spot to the AFIOs. Upon the discretionary consent of the Senior Health Inspectors, the consignments were released without physical inspections conducted by the CFS staff. Audit considers that the CFS needs to review the propriety of granting discretion by the CFS staff. Furthermore, in one of the 3 consignments, the consignment of frozen pork was released without the submission of the original Export Declaration (i.e. an import document for the import of beef, pork or mutton from a European Union (EU) country but the animal is slaughtered in another EU country) and CFS's import permission (paras. 2.4, 2.6, 2.9, 2.10 and 2.12).

9. *Inadequacies in physical inspections.* Physical inspections of the food consignments aim at ascertaining whether there is any physical deterioration of foods (e.g. bad smell, sight of moulds and spills) which may render the foods unfit for human consumption. In accompanying CFS staff in 20 physical inspections (involving 20 consignments) conducted for consignments imported by air in May and June 2018, Audit observed that: (a) in each of the 20 consignments, the CFS staff only inspected one carton of the food consignment (e.g. only one (0.1%) carton out of 831 cartons);

Executive Summary

and (b) in 2 consignments, the CFS staff only examined a readily accessible carton of food (placed on the top of the batch of consignment). The CFS needs to increase the extent and introduce more randomness in its conduct of physical inspections (paras. 2.2(b), 2.9 and 2.15).

10. ***Monitoring of food radiation.*** At a meeting of the Legislative Council (LegCo) Panel on Food Safety and Environmental Hygiene held in June 2018, the Food and Health Bureau (FHB) informed the Panel that the CFS had been conducting radiation tests on every consignment of food products imported from Japan. Radiation level was assessed by hand-held survey meters for every consignment. Food samples would also be taken on a risk-based approach for laboratory examination under the Contamination Monitoring System (CMS). Importers would need to wait until the CFS had conducted radiation tests on the food products, and all consignments could only be released to the market for sale after the testing results were confirmed to be satisfactory. Audit accompanied CFS staff in the conduct of 12 CMS tests (in 12 inspections) and observed that:

- (a) ***Food samples pre-selected by importers.*** In 5 out of 12 CMS tests, the food samples to be tested by the CFS were pre-selected by the importers. Audit observed that when an importer was queuing for submission of import documents for release of a food consignment by the CFS, he also lined up a box of food outside the AFIO. If the box of food was selected by the AFIO for the CMS test, he would pass the box on for the AFIO to conduct the test; and
- (b) ***Need to rationalise the practices for the conduct of CMS tests.*** CMS test procedures require that a food sample (e.g. scallops) should contain only the edible portion and weigh approximately 1 kilogram (kg). Audit observed that in all the 12 CMS tests, the CFS staff did not properly weigh the food samples but, in all cases, entered the weight of 1 kg (despite that, for example, the actual weight of the food sample was 3.37 kg) into the computer connected to the CMS machine for the CMS testing. Audit also noted in 7 CMS tests, the CFS staff had included inedible portions of food samples in the CMS tests. This might have distorted the results of the sample tests. There was therefore inadequate assurance that the CMS test results correctly measured the contamination level because the test procedures had not been properly followed by the CFS staff. For foods imported from Japan by air, the consignments were released by the AFIOs after hand-held radiation testing results were found to be satisfactory but

Executive Summary

before the CMS test results were available. In contrast, for foods imported from Japan by sea, consignments were released only when the CMS test results were found to be satisfactory. In late September 2018, the CFS informed Audit that given that most of the foods from Japan were of a perishable nature and the vast amount of food import from Japan was by air, to facilitate the trade, the consignments of food from Japan were released after radiation tests by the hand-held survey meter had shown satisfactory testing results only, and not having them subjected to the more elaborate CMS testing. Audit also found that, for import of foods by air, CMS tests are carried out by Health Inspectors at the AFIOs. In contrast, for import of foods by sea, food samples are delivered to the CFS's Food Chemistry Section for CMS tests carried out by Science Laboratory Technologists and Science Laboratory Technicians who are apparently more professionally competent in conducting contamination testing. The CFS needs to rationalise the practices in conducting CMS tests (paras. 2.18, 2.20, 2.21, 2.24(b) and 2.25).

Control of foods imported by road

11. *Need to enhance the monitoring of import of foods.* The Man Kam To Food Control Office (MKTFCO) handles the largest volume of foods imported by road and is the only office responsible for the inspection of consignments of certain foods (i.e. meat, poultry, eggs and vegetables) imported by road from the Mainland. Owing to the high-risk nature of foods like chilled pork, chilled poultry, chilled prohibited meat, frozen prohibited meat, chilled pigeons, eggs and milk (which are easily perishable and more likely subject to risk of pathogens), as a condition of import permissions, drivers of vehicles carrying consignments of such foods must drive their vehicles to the MKTFCO for inspection of the consignments by the CFS. Audit selected and compared, for the period from January to April 2018, the C&ED's Road Cargo System (ROCARS)'s records and the CFS inspection records and found that, of the 59 vehicles carrying such consignments, 9 vehicles had at least once evaded CFS inspection at the MKTFCO and 2 vehicles had never been driven into the MKTFCO for CFS inspection. In the morning of 27 August 2018, Audit also observed that of the 24 vehicles carrying food consignments required to be checked by the CFS at the MKTFCO, 4 vehicles carrying consignments of eggs had evaded CFS inspection at the MKTFCO (paras. 1.11(a), 2.29, 2.30, 2.32(b), 2.39 and 2.41).

Executive Summary

12. ***A suspected case of import without an import licence.*** Audit examined the import documents of 28 food consignments of high-risk foods that arrived at Man Kam To in January 2018. Audit found that in one consignment of frozen meat (frozen beef patties), the consignment was imported without an import licence. In this case, the CFS later sought legal advice on whether legal action could be instituted against the importer but had been advised by the Department of Justice that based on the evidence and its interview with the Health Inspector, legal action could not proceed against the importer. In July 2018, the CFS issued guidelines to prevent import without an import licence. Furthermore, in view of this case, the Department of Justice considered that there is a need to clarify the scope of the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK), as the CFS considers that fully cooked or flavoured meat and poultry are not under the control of the Regulations (paras. 2.36(a) and 2.46).

13. ***Release of food consignment without subjecting it to proper import procedures.*** The Mainland is Hong Kong's largest source of food supply especially with respect to foods with a premium on freshness. Since 2002, to strengthen the control of foods imported from the Mainland, the Government of the Hong Kong Special Administrative Region has entered into administrative arrangements with the Mainland to regulate foods imported into Hong Kong. According to the administrative arrangements, when transporting a consignment of certain foods (e.g. chilled meat, chilled poultry or frozen poultry), a veterinarian of the Mainland will certify on the original health certificate that the meat is fit for human consumption and mark a seal number on the health certificate. Upon arrival of the consignment at the MKTFCO, CFS staff will match the seal number shown on the original health certificate against the number of the security seal on the vehicle. Audit examined the import documents of 15 consignments of the aforesaid foods and found that 2 consignments (of frozen poultry) had been imported without seal numbers on the original health certificates (paras. 2.47 and 2.48, and Appendix D).

14. ***Inadequacies in physical inspections.*** As mentioned in paragraph 9, physical inspections of the food consignments aim at ascertaining whether there is any physical deterioration of foods which may render the foods unfit for human consumption. In accompanying the CFS staff in 18 inspections of food consignments conducted at the MKTFCO in April 2018, Audit observed how CFS staff conducted inspections and noted that: (a) in 13 inspections, the CFS only selected very small quantity of foods for physical inspections (ranging from 0.3% to 3.0%); (b) in 9 inspections, the CFS staff only opened the right doors of the vehicles carrying the consignments and examined the foods in front; and (c) in 5 inspections in which

Executive Summary

several types of foods were involved, only one type of food had been selected for examination (paras. 2.2(b) and 2.55).

15. ***Requirements for vehicles transporting chilled foods.*** Owing to the high-risk nature of chilled foods, only vehicles approved by the CFS are allowed to transport such foods. However, Audit examined ROCARS's records of the C&ED and the CFS's records, and found that:

- (a) ***Vehicles transporting chilled foods without approval.*** For the period January to April 2018, of the 59 vehicles transporting chilled foods to Hong Kong through Man Kam To, 14 had not been approved by the CFS. Of these 14 vehicles, 12 vehicles had entered the MKTFCO. However, the CFS staff did not notice that the vehicles had not been approved for transporting chilled foods. In the period, all the 159 consignments of chilled foods transported by these 12 vehicles had been released by the MKTFCO. Furthermore, 2 other vehicles transporting a total of two consignments in the period had evaded CFS consignment inspection at the MKTFCO; and
- (b) ***Containers not in the list of approved vehicles.*** Of the 158 approved vehicles as at 20 April 2018, 20 were container carriers. Of the 20 container carriers: (a) for 10 carriers, while the carriers had been included in the list of approved vehicles, their containers (which had been approved) had not been included in the approved list; (b) for the other 10 carriers, while the CFS had approved the carriers for carrying chilled foods, the containers of the carriers had not been approved by the CFS (paras. 2.58 to 2.60).

16. ***Collecting food samples for laboratory tests.*** Under the Food Surveillance Programme, the CFS takes food samples at import, wholesale and retail levels for microbiological, chemical and radiation tests to ensure that foods offered for sale comply with all the legal requirements and are fit for human consumption. However, there were no guidelines on the selection of food samples for laboratory tests under the Food Surveillance Programme. Of the 18 CFS inspections observed by Audit (see para. 14), in 3 inspections, the CFS staff had collected food samples for the Programme. In all the 3 inspections, the CFS staff only selected the foods placed near the doors of the vehicles (paras. 1.8(b)(ii) and 2.64).

Executive Summary

Control of foods imported by sea

17. *Need to sort out a discrepancy between the Operational Manual and actual inspection practices.* Most imported foods arrive by sea. For food consignments imported by sea with import licence and/or import permission, on a selective basis, CFS staff conduct import documents checking and physical inspections. According to the CFS, in general, physical inspection is conducted at importers' warehouses or privately-run cold stores. When situation warrants, physical inspection is conducted at the food inspection checkpoint located in the Kwai Chung Customhouse (KCCH checkpoint). According to the Operational Manual, the seal of the container carrying food consignments should remain intact until the consignment is cleared by CFS officers. To ensure completeness and to inhibit tampering, it is essential to confirm that the seal of the container is intact. However, Audit found that for food consignments 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 moved to the warehouses or cold stores prior to the CFS's inspections. This could not ensure the completeness of the food consignments (paras. 1.18, 2.69, 2.77 and 2.78).

18. *Small number of food consignments examined at the KCCH checkpoint.* In a paper submitted to LegCo Panel on Food Safety and Environmental Hygiene in November 2015, the FEHD informed the Panel that in order to align the practice of monitoring of foods imported by sea with that of foods imported by air and road, the CFS had set up the KCCH checkpoint serving functions similar to those of the AFIOs and the MKTFCO. The KCCH checkpoint has commenced operation since late October 2015. For food consignments subjected to physical inspections at the KCCH checkpoint, the containers carrying the consignments are always sealed as the containers are immediately transported to the KCCH checkpoint after unloading at the Kwai Tsing Container Terminal. Audit noted that in the 32-month period from late October 2015 (date of commencement of operation of the KCCH checkpoint) to June 2018, on average, only about 1.5 inspections (for the consignments of eggs, fruits and vegetables, fish and milk) were conducted monthly. No other high-risk foods had been inspected at the KCCH checkpoint. In 2017, of the 3,616 physical inspections (involving 3,616 consignments) conducted for foods imported by sea, only 18 (0.5%) inspections were conducted at the KCCH checkpoint (paras. 2.75, 2.78, 2.81 and 2.82).

Executive Summary

19. ***Some importers of foods imported from Japan not identified.*** As stated in paragraph 10, the FHB informed LegCo Panel on Food Safety and Environmental Hygiene that every food consignment from Japan was subjected to radiation tests. The CFS requested the C&ED to provide, on a regular basis, a statement (known as the Electronic System for Cargo Manifest Statement One (EMAN I)) for identifying importers with food consignments imported from Japan so that radiation test could be conducted on the consignments. According to the C&ED, as EMAN I concerns advance declaration made by importers on a voluntary basis, only about 85% of sea cargo information could be obtained through EMAN I. Accordingly, some importers of foods imported from Japan might not have been identified (paras. 2.85 and 2.87(b)).

20. ***Import licences cancelled by importers when the food consignments covered by the licences were selected for physical inspection.*** For food consignments imported by sea and selected for import documents checking and physical inspection by the CFS, the importers are generally notified in advance that their consignments will be subjected to the CFS inspection. However, Audit noted that in the period 1 January 2017 to 31 March 2018, there was a high percentage of cases (ranging from 16% to 48%) where importers had cancelled their import licences when their consignments covered by the licences had been selected by the CFS for inspection (paras. 2.90 and 2.91).

21. ***High percentage of import licences issued but not used.*** According to the Operational Manual, to prevent improper use of import licences by importers, the CFS needs to spot out import licences unused by importers for cancellation. An importer, for example, may apply for a number of import licences (and re-apply if the licences expired) and keep some of them unused. When an import licence is selected for physical inspection, the importer could replace the import licence with an unused import licence to import the same food consignment in order to evade physical inspection. Audit noted that in years 2013 to 2017, the proportion of unused import licences was high (ranging from 86% to 96% of all licences issued). The CFS did not know whether the importers had used the licences or held some licences unused, or the licences were time-expired. The number of unused import licences had increased from 60,865 in 2013 to 85,475 in 2017, compared to 8,892 and 2,455 used in 2013 and 2017 respectively (paras. 2.93 and 2.94).

22. ***Need to improve the follow-up of submission of original health certificates.*** As a measure to prevent the use of counterfeit photocopies of health

Executive Summary

certificate, if an import licence is issued to an importer based on a photocopy of the health certificate, as a condition of the import licence, the importer is required to submit the original health certificate to the CFS within 42 days after the date of issue of the import licence. 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 to 717 days (as at 30 June 2018). The action taken by the CFS to follow up the importers' submission of original health certificates was less than adequate (paras. 2.97 and 2.100).

23. ***Replacement inspections not conducted.*** In 2017, of the 1,903 import licences for food consignments selected by the CFS for physical inspection, 411 (22%) had been cancelled. The CFS, however, did not have the practice of selecting additional import licences to replace those that had been cancelled. As a result, the actual number of inspections conducted by the CFS was lower than that stipulated in the Operational Manual (para. 2.106).

24. ***Inadequacies in physical inspections.*** In accompanying 10 physical inspections conducted by the CFS in the period from March to July 2018, similar to the situation of import by air and road (see paras. 9 and 14), Audit found that there was room for improvement in the conduct of physical inspections by the CFS staff. For example, in one inspection, 20 of 190 cartons were found short-shipped but the CFS issued a release letter for a consignment of 190 cartons to the importer. In one inspection of frozen beef, the CFS staff only inspected 2 cartons out of a total of 2,025 cartons (i.e. 0.1% of the consignment), instead of 5% as required by the Operational Manual. Furthermore, in one inspection, the CFS staff only selected 2 cartons of food readily accessible at the front of the consignment lot for inspection (paras. 2.73 and 2.107).

Control of live food animals and live aquatic products

25. ***Need to verify the origin of livestock on a timely basis.*** Live food animals (comprising livestock and live poultry) and live aquatic products from the Mainland are imported into Hong Kong by road through the Man Kam To Boundary Control Point. To control the import of live food animals and live aquatic products from the Mainland, the CFS has set up the Man Kam To Animal Inspection Station (MKTAIS), which is located next to the MKTFCO. Under the administrative arrangements with the Mainland (see para. 13), live food animals and live aquatic products must originate

Executive Summary

from registered farms approved by the General Administration of Customs of the People's Republic of China (GACC). Audit found that during the period 27 April to 28 May 2018, 9 consignments of bovines and 15 consignments of swine were imported from 6 farms that were not on the list of registered farms. There is room for improvement in the checking of the registration status of the farms and seeking clarifications with the GACC by the CFS staff. Of the 6 farms: (a) for 3 farms, the CFS staff clarified with the GACC the registration status of the farms only after the consignments were released; (b) for 2 farms, the information sought with the former General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (now the GACC) could have been outdated and further clarification had not been sought on the spot; and (c) for the remaining one farm, the CFS informed Audit that, there might be a typing mistake on the farm code as shown on the list of registered farms. However, clarification had not been sought with the GACC until late September 2018 (paras. 3.2 to 3.4 and 3.9 to 3.11).

26. ***Need to comply with the terms of AFCD permits.*** Under the Rabies Regulation (Cap. 421A), a person shall import into Hong Kong any animal with a permit issued by the Agriculture, Fisheries and Conservation Department (AFCD). The permit is issued on the condition that the import of livestock meets the terms for importation. According to the terms of permits, importers are required to show the permits to CFS Field Officers upon arrival of the animals at the MKTAIS. Audit found that in all the 23 accompanied inspections conducted on 16 and 17 May 2018, the importers failed to do so (paras. 3.5, 3.12 and 3.13).

27. ***Discrepancies relating to import documents.*** Audit examined the import documents of 5 consignments of live aquatic products imported in January 2018 and accompanied CFS staff in the conduct of 6 inspections of such products. Audit found that in one import document checked and 2 inspections, the quantities of live aquatic products stated on the food import declaration forms were greater than those shown on the original animal health certificates. For example, 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). There was a risk that the excess quantities of live aquatic products were imported without health certification. Moreover, in all the 5 consignments selected for import document checking and in 5 of 6 inspections of live aquatic products, the information on importers and exporters filled in on the food import declaration forms by the drivers of vehicles carrying the products was unclear. The discrepancies in respect of importers' names and unclear information on the food import declaration forms might render it difficult for the CFS to trace the relevant parties in the food

Executive Summary

distribution chain in the event of a food incident (paras. 3.5, 3.22, 3.24, 3.25, 3.27 and 3.28).

28. *Need to improve the conduct of physical inspection of live aquatic products.* On 16 May 2018, Audit accompanied CFS staff in 6 inspections of live aquatic products conducted at the MKTAIS. According to the Operational Manual of the Veterinary Public Health Section (VPHS), in a physical inspection of live fish, a Field Officer should inspect the types of fish. However, in one accompanied inspection of a consignment involving four types of fish, the Field Officer only inspected one type of fish (paras. 3.5 and 3.30).

29. *Need to verify the number of livestock admitted into slaughterhouses.* According to the Manual of Procedures for Slaughterhouse (Veterinary) Section (SH(V)S), a Field Officer of the SH(V)S will record into the Live Food Animal System (LFAS) the quantity of every consignment of livestock admitted to a slaughterhouse and verify the admitted quantity against the data entered earlier into the LFAS by the Field Officer of the VPHS. Audit examined the records of admission of live swine into the two slaughterhouses for May 2018 and found that of 98 consignments (involving 140 heads of live swine), the admitted quantities of live swine (entered into the LFAS by a Field Officer of the SH(V)S) were greater than the quantities of the live swine shown on the animal health certificates (entered into the LFAS by a Field Officer of the VPHS). Audit further noted that for an importer, in all of the 16 consignments imported from a farm, the admitted quantities were greater than those on the animal health certificates (involving 31 heads of swine). These discrepancies showed that the swine in question might have been imported without animal health certificates. The SH(V)S informed Audit that they had not sought clarification from the VPHS (paras. 3.35 and 3.36).

Registration and inspection of food traders

30. *Registration and exemption of food importers/distributors.* Under the Food Safety Ordinance, any person who carries on a food importation or distribution business is required to register with the Director of Food and Environmental Hygiene as a food importer or food distributor. Food importers or food distributors that have already obtained a licence/permit/certification under other ordinances are exempted from the registration requirement. Upon the request of the Director, food importers/distributors so exempted are required to provide information relating to

Executive Summary

their licences and businesses to the FEHD. Furthermore, a food trader who imports, captures, acquires or supplies wholesale food in Hong Kong, must keep transaction records so that consignments could be identified and traced (e.g. in food incidents). The FEHD's Food Importer/Distributor Registration and Import Licensing Office (FIRLO) is responsible for registration of food importers/distributors, conducting related inspections and carrying out enforcement work (paras. 4.2, 4.3 and 4.6). Audit found that in years 2013 to 2017:

- (a) ***Information for exemption of registration not always provided.*** Of the licensees exempted from the registration requirement, request letters were sent to 3,420 licensees by FIRLO. While 483 (14%) licensees had replied that they did not carry on any importation/distribution businesses or had provided the requested information to FIRLO, FIRLO did not take any follow-up actions on those 2,937 (86%) licensees that had not replied (para. 4.8); and
- (b) ***Low awareness of registration requirement under the Food Safety Ordinance.*** FIRLO conducted prosecutions against 44 unregistered food importers/distributors. In years 2013 to 2017, in 30 (68%) of the 44 prosecution cases, the food importers/distributors said that they were not aware of the registration requirement. In 9 (20%) cases, the food importers/distributors said that they had misunderstood the requirement (para. 4.9).

31. ***Inspection of food traders.*** FIRLO conducts inspections of food traders to ensure compliance with the registration scheme and the requirement of keeping transaction records under the Food Safety Ordinance. FIRLO has set a target of conducting 500 inspections in a calendar year. The inspections are carried out in accordance with a risk-based inspection plan (paras. 4.13 and 4.14). Areas for improvement on FIRLO's inspections include:

- (a) ***Need to enhance the conduct and documentation of inspections.*** Audit found that:
 - (i) CFS staff did not have the practice of ascertaining whether food importers had registered under the Food Safety Ordinance at border control points. In the 117 import documents examined by Audit, there were 4 importers who had imported foods into Hong Kong without having been registered or exempted. Similarly, in the

Executive Summary

54 inspections accompanied by Audit, there were 5 importers who had imported foods into Hong Kong without having been registered or exempted;

- (ii) some inspections had not been conducted in accordance with the inspection plan. In years 2014 to 2017, less than 50% (ranging from 31% to 48%) of the yearly inspections had been conducted on food traders of higher-risk businesses. In years 2015 to 2017, 1% to 4% of the yearly inspections had been conducted on food traders of lower-risk businesses, contrary to the inspection plan that specified 10%; and
 - (iii) in examining food transaction records at premises of food traders, FIRLO staff only requested the sighting of a small number of invoices (i.e. 1 to 4 invoices in each inspection) as supporting documents for the records. In late September 2018, the CFS informed Audit that the small number of invoices as noted by Audit were only the number of copies of invoices placed in CFS office files (as examples of invoices checked by CFS staff). In early October 2018, the CFS informed Audit that it has taken improvement measures in this regard (e.g. conducting supervisory visits) (paras. 4.17 and 4.18);
- (b) ***Need to enhance follow-up on unsuccessful inspections.*** Audit analysed FIRLO's inspection records for 2017 and found that of the 540 inspections of food traders, 49 (9%) inspections (concerning food importers/distributors) were not successful (e.g. business premises under lock):
- (i) in 16 (33% of 49 inspections) cases, FIRLO had not taken any follow-up actions; and
 - (ii) in 33 (67% of 49 inspections) cases, FIRLO had sent correspondence to the food importers/distributors to follow up the case. In 2 of the 33 cases, the importers/distributors did not respond and FIRLO had not taken any further action. In another 9 of the 33 cases, FIRLO had taken further actions to contact the food importers/distributors but to no avail (paras. 4.19 and 4.20); and

Executive Summary

- (c) *Need to improve the provision of management information.* It is the practice of FIRLO to report the actual number of inspections conducted in a year to the FEHD's senior management for monitoring purposes. Audit found that, of FIRLO's 540 inspections conducted in 2017, no follow-up action had been taken for 16 (3%) unsuccessful inspections and 11 (2%) inspection cases in which there was no response to FIRLO's enquiries. Audit considers that FIRLO needs to report more information on inspections (e.g. information on unsuccessful inspections with no follow-up action and the reasons for not following up) to senior management of the FEHD (para. 4.23).

Other issues relating to the import control of foods and way forward

32. *Food safety standards yet to be updated.* According to the CFS, food imported into Hong Kong should meet local standards for food safety which have been set with reference to international practices. Provisions for food safety standards are stipulated in the subsidiary legislation of the Public Health and Municipal Services Ordinance. The FHB and the CFS informed Audit that the setting of priorities for updating food safety standards was the ambit of the FHB in consultation with the CFS. Accordingly, the CFS reviewed from time to time the need for updating food safety standards having regard to various factors (e.g. views of members of the Expert Committee, policy considerations, operational needs and food incidents). In 2006 and 2009, the CFS consulted the Expert Committee about updating food safety standards. The Expert Committee 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"). While food safety standards for pesticide residues came into effect in 2014, Audit noted that for the remaining 2 high-priority items, as at 31 August 2018, updating of food safety standards was not yet completed (paras. 5.2 to 5.4, 5.6 and 5.7). In October 2018, the CFS informed Audit that:

- (a) priority setting regarding legislative proposals involved a lot more than scientific and expertise considerations. It was a policy decision by the FHB in consultation with the CFS to accord priority to making an entirely new regulation for pesticide residues, updating regulations for metallic contamination in foods, and then conducting a public consultation exercise on updating the Harmful Substances in Food Regulations (Cap. 132AF)

Executive Summary

which would deal with veterinary drug residues and mycotoxins (para. 5.8(a));

- (b) for shellfish toxins, the required testing service was not provided by commercial laboratories. The CFS would continue to keep in view the latest development (para. 5.8(c)); and
- (c) for mycotoxins, the public consultation on amendment to Harmful Substances in Food Regulations (including updating the food safety standards for mycotoxins) was planned for 2019 (para. 5.8(d)).

33. ***Errors/omissions in data input of the Food Import Control System.*** The FICS 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). The CFS can make use of the information to monitor the food import procedures. Audit examined the import documents of 117 food consignments imported by air, road and sea, and found that in 77 (66%) consignments, there were errors and/or omissions in inputting data into the FICS. The FICS could be more useful if the information input is more complete and accurate (paras. 5.12, 5.14 and 5.15).

34. ***Lack of clear guidelines on supervisory visits.*** The CFS requires Senior Health Inspectors to conduct supervisory visits (i.e. accompanying Health Inspectors on inspection visits and on taking of food samples). Audit noted that there was a lack of clear guidelines on the requirements for supervisory visits for individual food control offices. The supervisory practices among food control offices varied. In the period January to March 2018, of the 15 food control offices, only 4 recorded their supervisory visits and 1 did not conduct such visits (paras. 5.18 to 5.20 and 5.22).

35. ***Trade Single Window.*** 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 2016-17 Budget Speech, the then Financial Secretary announced that the Government should establish a Single Window (referred to as Trade Single Window — TSW). According to the CFS, its computer system will interface with the TSW for carrying out import control of foods. This audit review has identified situations where, in carrying out import control of foods, there was a lack of automated processes for accessing up-to-date information. The TSW

Executive Summary

would provide an opportunity for the CFS to enhance its import control of foods (paras. 5.25, 5.27 and 5.28).

36. **Way forward.** According to the FEHD, as over 90% of the food supply in Hong Kong is imported, import control is of paramount importance to ensuring food safety in Hong Kong. The CFS has implemented measures for the import control of foods. However, as shown in this Audit Report, there were incidences of non-compliance and difficulties in implementing the measures. Furthermore, the practices of import control varied among the food control offices responsible for controlling foods imported by air, road and sea. To enhance the efficiency and effectiveness of import control, there is merit for the CFS to review the operations of these food control offices so as to streamline or enhance the operations as well as to identify and establish good import control practices (paras. 5.31, 5.33 and 5.34).

Audit recommendations

37. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

Control of foods imported by air

- (a) **take measures to ensure that import licences are issued after the submission of supporting documents from importers as far as practicable (para. 2.13(a));**
- (b) **review the propriety of granting discretion by CFS staff in circumstances where food consignments are released without the submission of original health certificates or Export Declarations by importers and without the conduct of physical inspections, and take remedial measures as appropriate (para. 2.13(b));**
- (c) **take measures to ensure that food samples collected for CMS tests are selected by CFS staff themselves at the AFIOs (para. 2.26(a));**

Executive Summary

Control of foods imported by road

- (d) **take further measures to address the problem of vehicles evading CFS inspection of food consignments at the MKTFCO (para. 2.44);**
- (e) **seek legal advice on the definition of “frozen” in the relevant Regulations under the Public Health and Municipal Services Ordinance from the Department of Justice (para. 2.52(b));**
- (f) **take measures to ensure that CFS staff follow the guidelines issued in July 2018 (see para. 5 in Case 3 in para. 2.46) in the conduct of physical inspections, and that frontline CFS staff fully check that food consignments are imported with appropriate import documents (para. 2.52(a) and (c));**
- (g) **take measures to ensure that vehicles transporting chilled foods are approved by the CFS and all the containers carrying consignments of chilled foods are approved by the CFS for transporting such foods (para. 2.62(a) and (c));**
- (h) **include containers approved for carrying chilled foods in the list of vehicles approved for transporting consignments of chilled foods (para. 2.62(b));**

Control of foods imported by sea

- (i) **sort out the discrepancy between the requirement of the Operational Manual and the actual inspection practices (see para. 17) (para. 2.88(a));**
- (j) **take measures to improve the utilisation of the KCCH checkpoint, and take further measures to ensure that all food consignments imported from Japan are subjected to radiation tests (para. 2.88(b) and (c));**
- (k) **complete the exercise to identify and cancel unused import licences (see para. 2.95(b)) in a timely manner, and continue to identify and cancel unused import licences on a regular basis (para. 2.102(a) and (d));**

Executive Summary

- (l) ensure that the measures taken to prevent importers from cancelling their import licences when their consignments are selected for physical inspection (see para. 2.95(c)) are duly carried out and monitor the effectiveness of the measures taken (para. 2.102(b));
- (m) for import licences issued based on photocopies of health certificates, take measures to ensure that follow-up action to deal with delay in submitting original health certificates by importers is taken until the importers have submitted the certificates, and that follow-up action is carried out properly in accordance with the CFS's Operational Manual and practices (see para. 2.99) (para. 2.102(e));
- (n) take measures to ensure that warning letters are issued to importers for breaching the conditions of import licences where applicable, and the figures quoted in letters for releasing food consignments are accurate (para. 2.108(c) and (d));

Control of live food animals and live aquatic products

- (o) ensure that, prior to the release of consignments of livestock, the livestock are originated from approved farms in the Mainland, and in cases where the livestock are imported from farms not on the list of registered farms or there are other irregularities, seek immediate clarification with the GACC (para. 3.16(a) and (b));
- (p) take measures to ensure that AFCD permits are always shown to the CFS for checking upon arrival of the livestock at the MKTAIS (para. 3.16(c));
- (q) ensure that the CFS clarifies with drivers (and importers where necessary) in cases of any discrepancies noted between food import declaration forms and original animal health certificates and takes action to rectify the discrepancies where warranted (para. 3.32(a));
- (r) identify and clarify any discrepancies between the admitted quantities of livestock and the quantities on the animal health certificates, and take follow up action on those cases of which the admitted quantity of

Executive Summary

livestock was greater than that recorded on the animal health certificate (para. 3.38(a) and (b));

Registration and inspection of food traders

- (s) take measures to ensure that follow-up actions are taken on those licensees that have failed to reply to FIRLO concerning exemption of registration (para. 4.11(a));
- (t) conduct inspections (e.g. when conducting import documents checking or at the point of importing food consignments) to detect unregistered food importers (para. 4.21(a));
- (u) take measures to ensure that FIRLO takes follow-up actions on unsuccessful inspections (para. 4.21(e));

Other issues relating to import control of foods and way forward

- (v) keep in view the latest changes in factors relevant to the updating of food safety standards, i.e. latest international development, new scientific evidence, and changes in other prevailing circumstances (e.g. emerging food incidents, results of public consultations, and other competing priorities) (para. 5.10(a));
- (w) having regard to the relevant factors and any latest changes in the factors, closely monitor the updating of food safety standards for shellfish toxins and mycotoxins, with a view to updating the standards in a timely manner (para. 5.10(b));
- (x) review the adequacy of the practices of individual food control offices on the conduct of supervisory visits, and based on the results of the review, take measures to ensure that supervisory visits are properly carried out in future (para. 5.23(a) and (b)); and
- (y) consider the need for conducting a comprehensive review of the CFS's import control of foods, taking into account the findings and recommendations in this Audit Report (para. 5.35).

Executive Summary

Response from the Government

38. The Director of Food and Environmental Hygiene agrees with the audit recommendations.

PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

Food safety in Hong Kong

Food supply in Hong Kong

1.2 In 2017, over 90% of foods for human consumption in Hong Kong were imported. Imported foods, excluding live food animals, accounted for 99% of total food supply in Hong Kong. Imported live food animals accounted for 94% of total supply of live food animals in Hong Kong (Note 1). Table 1 shows the quantity and value of imported foods in years 2013 to 2017.

Note 1: *The percentages were compiled by the Food and Environmental Hygiene Department (see para. 1.4) based on information obtained from the Census and Statistics Department (whose officers are authorised by the Customs and Excise Department to verify whether particulars provided in the trade declarations are sufficiently clear and complete for compiling trade statistics) and the Agriculture, Fisheries and Conservation Department (which provides technical assistance and other support to local farmers and fishermen to produce local foods (e.g. pork, poultry and vegetables)).*

Table 1
Quantity and value of imported foods
(2013 to 2017)

Year	Quantity (Note 1)				Value (Note 2) (\$ million)
	Live animals (Head)	Eggs in shells (No.) (’000)	Drinks and vinegars (Litre)	Other imported foods (Tonne)	
2013	10,810,170	2,242,906	484,444,046	7,578,092	179,241
2014	9,607,157	2,282,963	517,469,775	8,003,472	197,637
2015	9,073,311	2,317,256	527,485,207	7,436,481	184,950
2016	8,526,581	2,481,464	521,940,382	7,886,418	200,401
2017	7,874,309	2,588,806	537,745,743	8,037,075	205,351

Source: Audit analysis of Census and Statistics Department’s (C&SD’s) published trade statistics

Note 1: Live animals, eggs in shells, and drinks and vinegars are measured in heads, number and litres respectively. Live fish and water are measured in monetary value. Other imported foods are measured in tonnes. Live animals include live food animals and those not for human consumption. The C&SD did not separately record figures for imported live food animals.

Note 2: Value refers to the value of all imported foods (including that of live fish and water).

Role of the Food and Environmental Hygiene Department

1.3 According to the World Health Organization (WHO)’s 2015 estimates of the global burden of foodborne diseases, almost 1 in 10 people fell ill every year from eating contaminated food, 33 million of healthy life years were lost and 420,000 people died as a result. In March 2018, the United States Department of

Agriculture estimated that major foodborne pathogens cost the United States' economy USD15.5 billion per year in medical care, caused lost time from work and brought losses due to premature death. Nevertheless, the WHO has stated that foodborne diseases are preventable and can be controlled through an effective food safety system. Ensuring that the food we eat is safe and protected from contamination is an essential element of our health security.

1.4 In Hong Kong, the Food and Environmental Hygiene Department (FEHD), which was set up in 2000, is responsible for food safety in the territory. It has the mission of ensuring that food for sale in Hong Kong is safe and fit for consumption. When the Department was first set up, food safety work was undertaken by its Food and Public Health Branch. Following an organisational review, in May 2006, the Centre for Food Safety (CFS) was established under the FEHD to control food safety in Hong Kong.

1.5 The work of the CFS is to:

- (a) ensure that food available for human consumption is wholesome, hygienic, safe and properly labelled;
- (b) safeguard public health through testing and control of live food animals; and
- (c) advise the public on risk management measures in relation to food and public health matters.

The CFS is headed by the Controller, CFS who reports to the Director of Food and Environmental Hygiene. It has a multi-disciplinary team which includes public health physicians, nurses, veterinarians and health inspectors. An extract of the organisation chart of the FEHD is shown at Appendix A. As at 1 January 2018, the CFS had a total of 640 staff. The total expenditure of the CFS for 2017-18 was \$592 million.

Legal framework of food safety control

1.6 The CFS works under the following legal framework of food safety control:

Introduction

- (a) ***Public Health and Municipal Services Ordinance (Cap. 132).*** The provisions in Part V of the Ordinance (enacted in 1960 with subsequent amendments) and its subsidiary legislation (Note 2) cover general protection for food purchasers, offences in connection with sale of unfit food and adulterated food, composition and labelling of food, food hygiene, seizure and destruction of unfit food. The fundamental requirement is that food intended for sale should be fit for human consumption. Any person who sells any food unfit for human consumption shall be guilty of an offence and is liable to a maximum fine of \$50,000 and imprisonment for 6 months; and

- (b) ***Food Safety Ordinance (Cap. 612).*** The Ordinance (enacted in 2011 with subsequent amendments) provides additional food safety control measures, including a registration scheme for food importers/distributors, and a requirement for food traders (e.g. food importers/distributors, food retailers and online food selling shops) to maintain proper records of acquisition and wholesale supply of food to enhance food traceability. It also empowers the authorities to make regulations for tightening import control of specific food types, make orders to prohibit the import and supply of problem food, and order the recall of such food. A food importer/distributor who fails to register with the FEHD commits an offence and is liable to a maximum fine of \$50,000 and imprisonment for 6 months. In addition, a food trader who fails to provide transaction documents commits an offence and is liable to a maximum fine of \$10,000 and imprisonment for 3 months.

Under the Ordinances, foods include drink, ice, chewing gum, smokeless tobacco products, and articles and substances used as ingredients in the preparation of food, but do not include live animals or live birds (other than aquatic products), fodder or feeding stuff for animals, birds or aquatic products, and medicine.

Note 2: *The Public Health and Municipal Services Ordinance comprises 17 parts. Part V of the Ordinance makes provisions relating to food and drugs safety control. Controls in specific food safety matters are provided in the subsidiary legislation of the Ordinance (see Appendix B). The other parts of the Ordinance make provisions for other public health and municipal services (e.g. maintenance of sewers and drains, rules relating to public swimming pools and management of public markets and museums).*

1.7 Table 2 shows the number of prosecution cases initiated by the CFS in years 2013 to 2017.

Table 2
Number of prosecution cases initiated by the CFS
(2013 to 2017)

Cases prosecuted under	2013	2014	2015	2016	2017	Total
Public Health and Municipal Services Ordinance	499	495	490	766	551	2,801
Food Safety Ordinance	5	12	12	17	9	55

Source: CFS records

Risk-based approach to food safety control

1.8 In accordance with the guidelines of the Codex Alimentarius Commission (Note 3), the CFS adopts a risk-based approach to food safety control. The approach covers:

- (a) ***Risk assessment.*** It consists of hazard identification, hazard characterisation, exposure assessment and risk characterisation. By going through these risk assessment processes, hazards (i.e. microbiological, chemical and radiological hazards) associated with food or food ingredients are evaluated and potential risks to the population are assessed, thereby facilitating formulation of appropriate risk management actions (see (b) below) and risk communication messages (see (c) below) to protect public health;

Note 3: *The Codex Alimentarius Commission was established in 1963 by the Food and Agriculture Organization of the United Nations and the WHO. The Commission sets up food codes which are a collection of internationally adopted food safety standards and related texts. As at 31 August 2018, the Commission had 189 members (Hong Kong has participated in the Codex Alimentarius Commission since 1998 under the delegation of the People's Republic of China). Members' adoption of the Codex Standards is voluntary and members may formulate their own food safety standards based on local situations.*

Introduction

- (b) **Risk management.** It includes:
- (i) import control (see paras. 1.10 to 1.20 for details); and
 - (ii) food surveillance, managing food incidents and complaints, and monitoring the nutrition labelling scheme through:
 - the Food Surveillance Programme at the downstream of the food supply chain. Under the Food Surveillance Programme, the CFS takes food samples at import, wholesale and retail levels for microbiological, chemical and radiation tests to ensure that foods offered for sale comply with all the legal requirements (see para. 1.6(a)) and are fit for human consumption;
 - management of local and overseas food incidents. The CFS assesses the impact of local and overseas food incidents and takes appropriate follow-up actions (e.g. investigating outbreaks of foodborne infectious diseases). In 2013 to 2017, the number of local food poisoning cases referred to the CFS for investigation ranged from around 190 to 290 each year (Note 4). The number of persons affected ranged from around 720 to 1,020. The CFS also handles complaints relating to foods in the territory; and
 - monitoring of the nutrition labelling scheme. According to the legislation (see para. 1.6(a)), nutrition labelling setting out energy and seven specified nutrients (i.e. protein, total fat, saturated fatty acids, trans fatty acids, carbohydrates, sugars and sodium) is mandatory for prepackaged foods unless otherwise exempted. The CFS provides support to the trade to comply with the legislative requirements and promotes the nutrition labelling scheme to the general public through a variety of publicity and education schemes; and

Note 4: *According to the CFS, food poisoning outbreaks occur in a seasonal pattern in which summer is the peak season. Bacterial foodborne agents are the leading causes of all food poisoning outbreaks.*

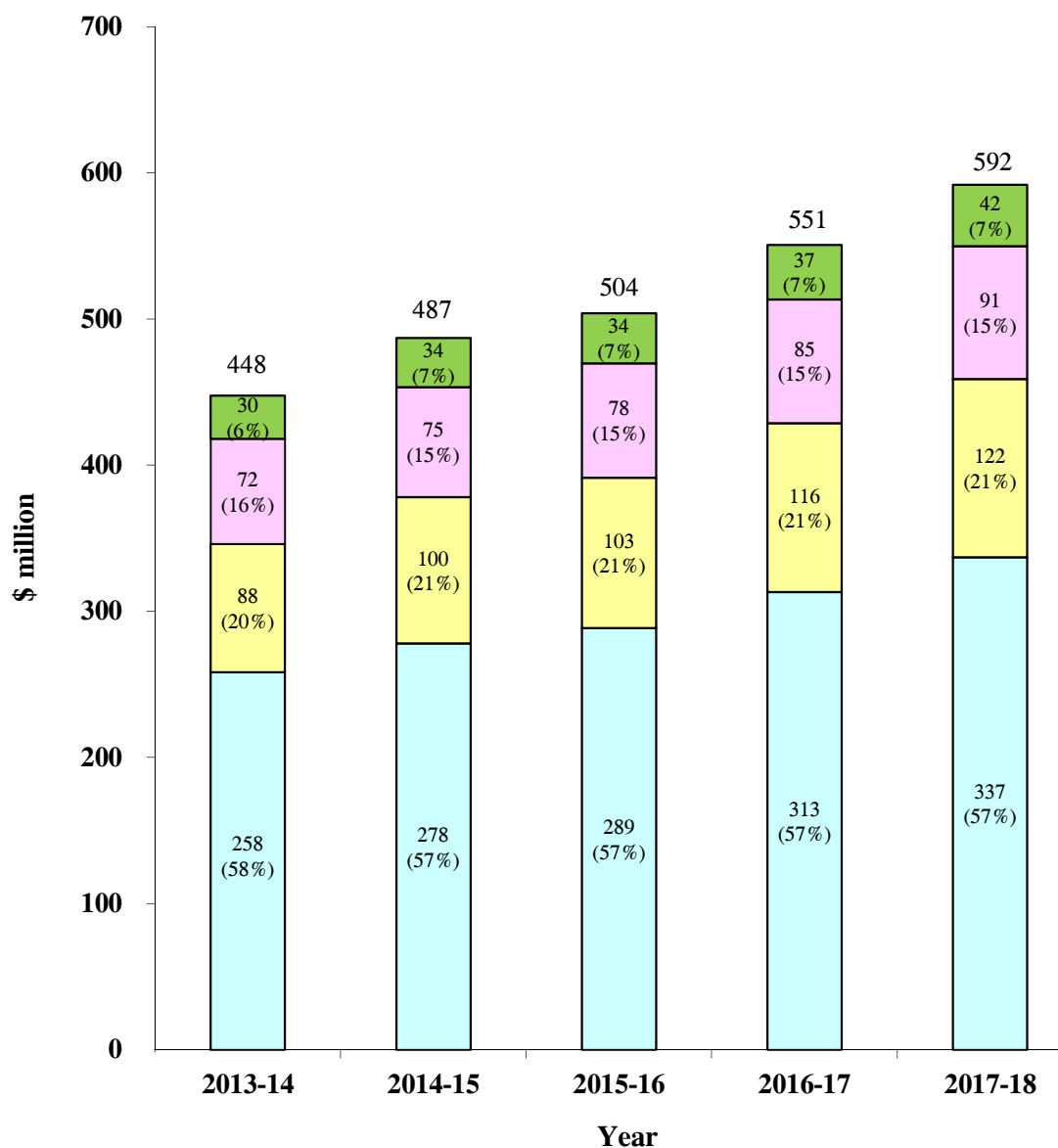
- (c) ***Risk communication.*** It is the interactive exchange of information and opinions concerning hazards and risks, risk-related factors and risk perceptions, among the CFS, experts (see para. 1.21), academics, members of the food trade and industry, consumers and the public. The CFS organises various programmes to promote food safety (e.g. communication forums) and disseminates information on food safety to the public through different communication channels (e.g. on its website, social media platforms and publications).

Expenditure on food safety control

1.9 In the five-year period 2013-14 to 2017-18, the expenditure of the CFS had increased by 32 % from \$448 million to \$592 million. A breakdown of the expenditure is shown in Figure 1.

Figure 1

**Expenditure of CFS
(2013-14 to 2017-18)**



Legend:

- Risk assessment
- Import control
- Food surveillance, managing food incidents and monitoring the nutrition labelling scheme
- Risk communication

} Risk management

Source: Audit analysis of CFS records

Remarks: The CFS's expenditure comprised staff emoluments and related expenses, and departmental expenses.

Import control of foods and live food animals

1.10 In years 2013-14 to 2017-18, the CFS spent more than 50% of its annual expenditure on import control of foods and live food animals (for simplicity, unless otherwise stated, hereinafter foods and live food animals are collectively referred to as foods) (see Figure 1 in para. 1.9). According to the FEHD, as over 90% of the food supply in Hong Kong is imported, import control is of paramount importance to ensuring food safety in Hong Kong. According to the CFS, control at source is increasingly recognised as an effective control mode in food safety. Control at source includes, for example, requiring the presence of health certificates issued by overseas authorities for import of foods, and allowing only live food animals from approved farms to enter into Hong Kong. Details on control at source are elaborated in PARTs 2 to 5.

Types of imported foods

1.11 For the purpose of import control of foods, imported foods are broadly classified into two types (see Appendix D). The salient features of these foods are shown below:

- (a) ***High-risk foods.*** The CFS considers that certain foods (such as frozen meat, frozen poultry, chilled meat and chilled poultry, prohibited meat (see Appendix C), game, eggs, milk and frozen confections, livestock, live poultry and aquatic products) pose higher food safety risks as they are easily perishable and more likely subject to risk of pathogens. The import of high-risk foods into Hong Kong is required to be imported with specific import documents (i.e. a health certificate or a certificate of country of origin issued by a recognised authority of the exporting economy, and/or an import licence and/or an import permission issued by the FEHD). The quantity and value of high-risk foods imported in years 2013 to 2017 are shown in Appendix E. The main suppliers of these foods imported in 2017 are shown in Appendix F; and
- (b) ***Other imported foods.*** These foods refer to foods other than those mentioned in (a) above (e.g. beverages, cereals, fruits and vegetables). Health certificates or import licences or import permissions are not required under the law. Administrative arrangements may be agreed with relevant regulatory authorities of the place of origin for certain food types (e.g. freshwater aquatic products and vegetables) to better ensure food

Introduction

safety and public health. The quantity and value of other foods imported in years 2013 to 2017 are shown in Appendix G. The main suppliers of these foods imported in 2017 are shown in Appendix H.

Details of the above food types and the import control arrangements are provided in Appendix D.

1.12 Both types of foods may be selected by the CFS at the point of entering into Hong Kong for physical inspection and microbiological, chemical and radiation tests. Details are shown in PARTs 2 to 5.

Import control of foods

1.13 The CFS carries out import control of foods through:

- (a) control at borders (see paras. 1.14 to 1.18);
- (b) inspection of farms and food processing plants (see para. 1.19); and
- (c) registration and inspection of food traders (see para. 1.20).

1.14 ***Control at borders.*** The Food Import and Export Section of the CFS (see Appendix A) is responsible for carrying out import control functions (e.g. conduct checking of health certificates and import licences, and physical inspection of imported foods — details are shown in PART 2) at CFS food control offices. As at 1 January 2018, the Section had 230 staff, comprising 139 Health Inspector grade staff and 91 administrative staff (e.g. Executive Officers, Clerical Officers).

1.15 Food control offices are set up across the territory to control foods imported by:

- (a) ***Air.*** Airport Food Inspection Offices (AFIOs) (see Photograph 1) are set up at the Hong Kong International Airport (the Airport). Three offices are located at different cargo terminals of the Airport, namely the Asia Airfreight Terminal (AA Terminal), the Cathay Pacific Cargo Terminal

(CP Terminal) and the Hong Kong Air Cargo Terminals Limited (HK Terminal);

Photograph 1

An AFIO



Source: Photograph taken by Audit in May 2018

- (b) **Road.** Food control offices are set up at Man Kam To (see Photographs 2 and 3), Lok Ma Chau, Lok Ma Chau Spurline, Lo Wu, Sha Tau Kok and Shenzhen Bay. Among these offices, only Man Kam To and Lok Ma Chau handle imported food consignments that are subjected to import control. The other offices are mainly tasked to handle suspected cases of individual travellers illegally taking regulated food into Hong Kong as may be referred by the Customs and Excise Department (C&ED) from time to time; and

Photograph 2

Man Kam To Food Control Office (MKTFCO)



Source: Photograph taken by Audit in March 2018

Photograph 3

Car parking space for food inspection at the MKTFCO



Source: Photograph taken by Audit in March 2018

- (c) **Sea.** Food control offices are set up at the Kwai Chung Customhouse (KCCH) (see Photographs 4 and 5), the Cheung Sha Wan Wholesale Food Market (CSWWFM) (see Photographs 6 and 7), and the Western Wholesale Food Market (WWFM).

Photograph 4

KCCH



Source: Photograph taken by Audit in April 2018

Photograph 5

Car parking space for food inspection at the KCCH



Source: Photograph taken by Audit in April 2018

Photograph 6

Pier at the CSWWFM



Source: Photograph taken by Audit in March 2018

Photograph 7

Unloading area for vehicles carrying aquatic products at the CSWWFM



Source: Photograph taken by Audit in March 2018

1.16 In late 2018, the CFS has set up food control offices at new border control points subsequent to the opening of the Express Rail Link in September 2018, and the Hong Kong-Zhuhai-Macao Bridge in late October 2018.

1.17 For import control of live food animals, the responsibility falls upon the Veterinary Public Health Section (VPHS) of the CFS (see Appendix A). As at 1 January 2018, the Section had 54 staff, comprising one Senior Veterinary Officer, 4 Veterinary Officers, 24 Field Officers, and 25 clerical staff and workmen. Details of import control of live food animals are shown in PART 3.

1.18 Table 3 shows the quantity and value of live animals (see Note 1 to Table 3) and foods imported by different modes of transport in 2017.

Table 3

**Quantity and value of live animals and foods imported
by different modes of transport
(2017)**

Imported by	Quantity (Note 1)					Value (Note 4)	
	Live animals (Head)	Eggs in shells (No.) (’000)	Drinks and vinegars (Litre)	Other imported foods		(\$ million)	(%)
				(Tonne)	(%)		
Sea (including ocean and river)	2,387	1,446,564	410,757,339	6,118,874	76	142,408	70
Road (including road and rail)	3,085,267 (Note 2)	1,129,882	122,950,272	1,730,568	22	31,486	15
Air	4,786,655 (Note 2)	12,360	4,024,301	187,323	2	26,617	13
Others (Note 3)	N.A.	N.A.	13,831	310	< 1	4,840	2
Total	7,874,309	2,588,806	537,745,743	8,037,075	100	205,351	100

Source: Audit analysis of C&SD’s published trade statistics

Note 1: Live animals, eggs in shells, and drinks and vinegars are measured in heads, number and litres respectively. Live fish and water are measured in monetary value. Other imported foods (e.g. chilled meat, frozen meat, candies and instant noodles) are measured in tonnes. Live animals include live food animals and those not for human consumption. The C&SD did not separately record figures for imported live food animals.

Note 2: Live animals imported by road included some 1.5 million live swine and some 1.5 million live chicks from the Mainland (live chicks are not regarded as live food animals by the CFS). Live animals imported by air included about 4 million live edible frogs from Thailand.

Note 3: Others include foods such as water imported from the Mainland (i.e. the supply of Dongjiang water) and imported foods carried by hand and by mail (e.g. wine). Water is measured in monetary value.

Note 4: Value refers to the value of all imported foods.

1.19 ***Inspection of farms and food processing plants.*** In addition to controlling import of foods at borders, the CFS conducts regular audits at farms and food processing plants that supply foods to Hong Kong. According to the CFS, farm visits are conducted in the Mainland and also elsewhere, for example, before the CFS approves the import control protocols with exporting economies, and may form part of its investigation of food incidents due to imported food before import of the same is resumed. According to the CFS's 2017 Annual Report, the CFS's veterinary staff members visited registered farms exporting to Hong Kong to understand their husbandry practices. In 2017, the CFS inspected a total of 44 registered and associated farms and 36 food processing plants in the Mainland. These included farms of chickens, ducks, pigeons, pigs, cattle, goats, eels and freshwater fish (Note 5).

1.20 ***Registration and inspection of food traders.*** In 2011, a trader registration system was introduced to identify and trace the source of foods and determine the extent of distribution of the foods in Hong Kong so as to facilitate food recalls and dissemination of more timely information to the food trade and consumers. The system requires food importers and food distributors to register with the CFS and keep records to facilitate food tracing. Details of the system is shown in PART 4.

Expert Committee on Food Safety

1.21 In September 2006, to deliberate on matters concerning major food safety control measures, the CFS set up an Expert Committee on Food Safety (the Expert Committee — Note 6). The Committee is responsible for advising the Director of Food and Environmental Hygiene on:

- (a) existing or new food safety operational strategies and measures to protect public health;

Note 5: *Inspection of farms is not covered in this Audit Report.*

Note 6: *The Committee consists of academics, professionals, food experts, members of the trade and consumer group, and other experts. For the current term, the Committee comprises 1 Chairman, 1 Vice-chairman, 12 local members, 4 experts from the Mainland and overseas, and 3 ex-officio members (representatives from the Food and Health Bureau, the Agriculture, Fisheries and Conservation Department and the Department of Health). The Chairman, Vice-chairman and members of the Committee are appointed by the Secretary for Food and Health for a term of two years. The CFS provides secretarial support to the Expert Committee.*

Introduction

- (b) standards/guidelines relating to food safety and food composition and their suitable adoption in Hong Kong having regard to international practices, trends and developments;
- (c) strategies for risk communication to promote food safety and how best to implement relevant risk communication or public education programmes; and
- (d) any new directions for any research to be commissioned by the CFS.

Advisory Council on Food and Environmental Hygiene

1.22 In April 2000, the Advisory Council on Food and Environmental Hygiene (Note 7) was established under the Food and Health Bureau (FHB) to give advice and monitor the Government's work on food safety and environmental hygiene. The Council is responsible for:

- (a) considering and advising the Secretary for Food and Health on policies relating to food safety, environmental hygiene and veterinary public health, and monitoring their implementation;
- (b) advising the Secretary on the regulation of farms, food premises, food hazards and food composition;
- (c) receiving reports on the handling of major food and farm incidents; and
- (d) advising the Secretary on community education and publicity programmes for promoting public understanding of food safety and public responsibility for environmental hygiene.

Note 7: *The Council consists of academics, professionals and food experts. It comprises 1 Chairman and 16 non-official members (appointed by the Chief Executive for a term of two years), and 4 ex-officio members (i.e. the Permanent Secretary for Food and Health (Food), Director of Agriculture, Fisheries and Conservation, Director of Food and Environmental Hygiene and Director of Health).*

Audit review

1.23 The Audit Commission (Audit) has recently conducted a review of the CFS's management and control of food safety (see para. 1.8). The findings of this audit review are contained in two separate Audit Reports, as follows:

- (a) "CFS: Import control of foods" (the subject matter of this Audit Report), which reviews import control matters, taking into account the fact that in 2017, over 90% of foods for human consumption in Hong Kong were imported (see para. 1.2) and that the CFS's annual expenditure on import control of foods accounted for over 50% of its total annual expenditure (see Figure 1 in para. 1.9); and
- (b) "CFS: Management of food safety" (Chapter 1 of the Director of Audit's Report No. 71), which reviews matters relating to the assessment of food safety risks, food surveillance programme, management of food incidents and complaints, and communicating with the public on food safety risks (see para. 1.8(a), (b)(ii) and (c) — Note 8).

1.24 In this Audit Report, the audit review has focused on the following areas:

- (a) control of foods imported by air, road and sea (PART 2);
- (b) control of live food animals and live aquatic products (PART 3);
- (c) registration and inspection of food traders (PART 4); and
- (d) other issues relating to import control of foods and way forward (PART 5).

Audit has found room for improvement in the above areas and has made recommendations to address the issues.

Note 8: *The nutrition labelling scheme (see para. 1.8(b)(ii)) is not covered in this audit review. In 2011, Audit conducted a review on food labelling and nutrition labelling of infant and special dietary foods (Chapters 3 and 4 of the Director of Audit's Report No. 57).*

Acknowledgement

1.25 Audit would like to acknowledge with gratitude the assistance and full cooperation of the staff of the CFS during the course of the audit review. During the course of audit, Audit had consulted the C&ED regarding border controls on import of foods and would also like to thank the C&ED for its assistance in this matter. Moreover, Audit thanks the Agriculture, Fisheries and Conservation Department (AFCD), the Census and Statistics Department (C&SD), the Department of Justice and the Trade and Industry Department for providing their comments on the relevant parts of this Audit Report.

PART 2: CONTROL OF FOODS IMPORTED BY AIR, ROAD AND SEA

2.1 This PART examines control of foods imported by different modes of transport, i.e. air, road and sea.

Background

2.2 To ensure the safety of imported foods, the CFS has established procedures for controlling the import of foods via air, road and sea. In general, for imported food consignments selected by the CFS, CFS staff (i.e. Health Inspectors with the assistance of Workmen (e.g. for labour work)) of food control offices located at air, road and sea borders:

- (a) check the import documents of the consignments;
- (b) on a sample basis, conduct on-the-spot physical inspection of the consignments. The inspection aims at ascertaining whether there is any physical deterioration of foods (e.g. bad smell, sight of moulds and spills) which may render the foods unfit for human consumption;
- (c) collect food samples (Note 9) for laboratory tests under the Food Surveillance Programme (see para. 1.8(b)(ii));
- (d) conduct radiation tests (e.g. for foods imported from Japan); and

Note 9: *Under the Public Health and Municipal Services Ordinance, the CFS can take food samples at points of entry to the territory for various kinds of laboratory tests. The CFS will pay the market prices of any samples taken from an importer. Due to the difficulties in ascertaining the prices at entry points, the CFS will issue a sampling notice to the importer when samples are collected. The notice will specify the items and quantities of samples which have been taken. The importer could send an invoice and a copy of the notice afterwards to the CFS for payment.*

Control of foods imported by air, road and sea

- (e) input the information on the consignments into the Food Import Control System (FICS — Note 10).

After the satisfactory completion of the above procedures (Note 11), the consignments will be released. Further details on the control procedures and related audit findings are shown in:

- (a) PART 2A — Control of foods imported by air (paras. 2.3 to 2.27);
- (b) PART 2B — Control of foods imported by road (paras. 2.28 to 2.66); and
- (c) PART 2C — Control of foods imported by sea (paras. 2.67 to 2.109).

Note 10: *The FICS is a computer system which is used to capture the information of food consignments inspected by the CFS. The information captured includes, for example, the types and quantities of foods, names of importers and exporters, health certificate numbers, and import licence numbers.*

Note 11: *The CFS may withhold the food consignments while sampling testing is underway, if it appears to the CFS that the food in question is unfit for human consumption. For routine surveillance, the food consignments are released pending the results of laboratory tests of the food samples taken (see para. 2.2(c)).*

PART 2A: CONTROL OF FOODS IMPORTED BY AIR

- 2.3 This PART examines control of foods imported by air, focusing on:
- (a) monitoring the import of foods and import documentation (paras. 2.10 to 2.14);
 - (b) inspection of food consignments (paras. 2.15 to 2.17); and
 - (c) monitoring of food radiation (paras. 2.18 to 2.27).

Background

2.4 Prior to the arrival of air consignments at the Airport, air consignment operators submit electronic cargo information of imported goods to the C&ED through the C&ED's Air Cargo Clearance System for customs clearance. According to the cargo information given by the air consignment operators, staff of the C&ED will assign a customs constraint code to each imported shipment by air. The customs constraint code specifies the government departments which the importer is required to approach for clearance. For food consignments imported by air assigned with specific codes related to the CFS, the importers will approach the CFS and apply for the approval to release the consignments, which are already unloaded from planes and placed at the three cargo terminals of the Airport (i.e. the AA Terminal, the CP Terminal and the HK Terminal).

2.5 Table 4 shows the number of food consignments imported by air and unloaded at the three terminals in 2017.

Table 4

**Foods imported by air and unloaded
at the three terminals of the Airport
(2017)**

	Foods imported by air and unloaded at		
	AA Terminal	CP Terminal	HK Terminal
Number of consignments	46,716	89,879	82,370

Source: Audit analysis of CFS records

2.6 To control food consignments referred from the C&ED, the CFS has set up an AFIO at each of the three terminals. To obtain CFS clearance for release of consignments, importers need to provide import documents to the AFIO at the terminals where the consignments are unloaded. Import documents normally include air waybill, packing list, invoice, shipment release form (Note 12), original health certificate, and import licence and/or import permission for high-risk foods mentioned in paragraph 1.11(a).

2.7 According to the CFS, CFS staff (i.e. Health Inspectors with the assistance of Workmen (e.g. for labour work)) of the AFIOs will:

- (a) check the import documents for all food consignments referred from the C&ED;
- (b) conduct on-the-spot physical inspection of food consignments as follows:
 - (i) on a sample basis (i.e. first consignment of every 5 consignments of an importer), conduct physical inspection of high-risk food consignments whose import requires import permissions

Note 12: *The shipment release form is issued by cargo terminal operators of the Airport and has to be duly stamped by the relevant government authorities, such as the C&ED and the CFS.*

(e.g. chilled meat and chilled poultry as well as eggs — see Appendix D) (see Photograph 8); and

Photograph 8

Food inspection at the CP Terminal



Source: Photograph taken by Audit in May 2018

- (ii) conduct physical inspection on all food consignments from Japan (see Photograph 9); and

Photograph 9

**Examination of a fruit consignment
from Japan**



Source: Photograph taken by Audit in May 2018

- (c) carry out the following tasks where necessary:
 - (i) collecting food samples for conducting laboratory tests as determined by the CFS's Risk Management Section (see Appendix A) in accordance with the Food Surveillance Programme (see para. 1.8(b)(ii)). According to the CFS, in collecting food samples for laboratory tests, physical inspection of the food samples will also be conducted;

- (ii) following up of food incidents and previous cases of unsatisfactory food samples;
- (iii) collecting food samples of consignments subjected to “hold and test” and “test and release” arrangements (Note 13); and
- (iv) ascertaining risks identified through intelligence.

2.8 An inspection for a food consignment conducted by the CFS takes about 5 to 15 minutes. After acknowledging receipt of applications for release of consignments (see para. 2.6), CFS staff will input the data relating to the consignments into the FICS in the AFIOs. Subject to satisfactory import documents checking and physical inspection, and after collection of food samples for laboratory tests (where applicable) (see para. 2.7), CFS staff will stamp on the shipment release forms with their designated inspection chops for release of the consignments. For food consignments imported with import permissions and are selected for inspection (see para. 2.7(b)(i)), CFS staff record the inspection results manually, the record of which are then submitted for endorsement by Senior Health Inspectors.

2.9 For food consignments imported by air, Audit examined the import documents of 44 consignments of high-risk foods (see Appendix D) imported in January 2018 and accompanied CFS staff in 20 physical inspections conducted by them in May and June 2018 at the three AFIOs. Audit found that there is room for improvement in the CFS’s control of foods imported by air as shown in the paragraphs that follow.

Note 13: *In approving food imported with a health certificate issued by a jurisdiction newly approved by the CFS, the CFS selects food samples of first 3 imported consignments and conducts laboratory tests. The consignments can only be released after the test results are found to be satisfactory (i.e. “hold and test”). For subsequent 3 imported consignments, the CFS selects food samples for testing and releases the consignments before the test results are available (i.e. “test and release”).*

Monitoring the import of foods and import documentation

Import licences issued without submission of required supporting documents

2.10 According to the CFS's Operational Manual on import control of foods (Operational Manual), an import licence (see Note 1(b) to Appendix D) may be issued with the submission of a supporting document (i.e. an original health certificate, a photocopy of an original health certificate or an import permission) by an importer. According to the CFS, import licences are issued on the condition that food consignments can only be released after the submission of original health certificates by importers at the border. Audit examined all the import licences issued for the foods imported by air in the period 25 to 31 January 2018 (last 7 days of the month) and found that for permission cases (i.e. import licences issued with the submission of import permissions), all the 345 import licences were issued with the submission of import permissions. However, for non-permission cases (i.e. import licences issued with the submission of original health certificates or photocopies of original health certificates), of a total of 138 import licences issued in the period, 134 (97%) licences were issued without the submission of any of the required supporting documents.

2.11 According to the CFS, it has been a trade facilitation measure for air route that import licences for non-permission cases imported by air are issued without the submission of health certificates due to the short transportation time involved in air freight (hence importers sometimes have difficulties in obtaining original health certificates on time) and situation where health certificates might not have been provided to importers in advance but are shipped together with consignments. Nevertheless, the CFS has instituted monitoring actions comprising:

- (a) all consignments via air are subjected to clearance at the terminals and the import documents must be checked by the AFIOs before they are released;
- (b) in circumstances where no health certificates are available at the time of applying for import licences, CFS staff will check all the information on the import licence application forms to ensure that consignments are imported from jurisdictions recognised by the CFS; and

- (c) a condition “the consignment covered by this licence must not be released for sale and/or for use unless the FEHD has sighted the health certificate” will be stamped on licences for observance by importers and checked by CFS staff at the AFIOs.

Audit, however, noted that the above procedures had not always been followed (see para. 2.12).

Need to review whether discretion was properly granted

2.12 As mentioned in paragraph 2.10, food consignments can only be released after the submission of original health certificates by importers. According to the CFS, for trade facilitation purpose, frontline staff are allowed to exercise flexibility under close supervision of Senior Health Inspectors. In cases where no original health certificate is provided, CFS staff will check the importer’s past record, assess the risk of the food and analyses whether there is any intelligence information or unsatisfactory sampling history. Furthermore, CFS staff conduct physical inspection according to the established risk-based approach and/or food sampling plan under the Food Surveillance Programme, whichever is applicable. Moreover, endorsements by Senior Health Inspectors are required prior to the release of consignments. In examining the 44 food consignments (see para. 2.9), Audit found that:

- (a) ***Food consignments released without original health certificates submitted on the spot.*** In 3 (7%) consignments (relating to the import of frozen chicken and frozen pork from Denmark, Germany and Portugal), the importers were issued import licences based on submission of photocopies of health certificates (Note 14). They, however, failed to provide the original health certificates on the spot to the AFIOs. The importers, therefore, requested the AFIOs to release the consignments without the original health certificates. They also informed the CFS staff that they would later submit the certificates within 7 days from the date of consignment release. Upon the consent of the Senior Health Inspectors, the consignments were released without physical inspections and the importers had submitted the certificates within the 7-day period. Nevertheless, Audit considers that the CFS needs to review the propriety

Note 14: See also paragraph 2.100 for audit observations on issue of import licences based on photocopies of health certificates.

Control of foods imported by air

of granting discretion by the CFS staff as according to the CFS's records, the 3 consignments had been released without physical inspection; and

- (b) *Food consignment released without an original Export Declaration submitted on the spot and without an import permission issued by the CFS.* In one of the 3 consignments mentioned in paragraph (a) above, the consignment was released without the submission of the original Export Declaration (i.e. an import document for the import of beef, pork and mutton from a European Union (EU) country but the animal is slaughtered in another EU country — see also Note in Case 1 below) submitted on the spot and without an import permission issued by the CFS. Details are shown in Case 1.

Case 1

**Inadequacies in the import of a consignment
(January 2018)**

1. According to the CFS, an Export Declaration issued by an exporting EU country is required for foods (i.e. beef, pork and mutton) originated from animals slaughtered in one EU country but exported from another EU country to Hong Kong (Note). Furthermore, the importer is required to obtain an import permission from the CFS (see Note 1(c) to Appendix D) prior to the arrival of the food consignment in Hong Kong.
2. On 6 December 2017, the CFS issued an import licence (without submission of any supporting documents by the importer — see para. 2.10) to an importer intending to import frozen pork originated from animals slaughtered in Spain but exported from Portugal. The licence was issued on the condition that the food must not be released for sale and/or for use in the preparation of food in Hong Kong unless the CFS had sighted and approved the Export Declaration issued by the Portugal authority.
3. On 8 January 2018, upon arrival of the consignment, the importer submitted a photocopy of an Export Declaration and requested release of the consignment. The importer also informed the CFS that the original Export Declaration would be submitted later. Upon the consent of a Senior Health Inspector, the consignment was released. On 10 January 2018, the importer submitted the original Export Declaration to the CFS.
4. Audit, however, noted that:
 - (a) the importer had not applied for an import permission (see para. 1 above) for the import of the consignment and there was no evidence indicating that the CFS staff had questioned the importer about the missing import permission; and
 - (b) according to the CFS's records, the consignment had been released without physical inspection.

Note: According to the CFS, the arrangement, which was effective from 1 December 2017, was agreed between the CFS and the EU after the CFS was satisfied that the arrangement would enable it to continue to effectively safeguard food safety of those products from any EU countries while achieving trade facilitation. Under the arrangement, the dual purpose EU document, i.e. Export Declaration/health certificate, is adopted for replacing the health certificate previously agreed with individual EU countries for importing beef, pork and mutton from those eligible EU countries.

Case 1 (Cont'd)

5. In late September 2018, the CFS informed Audit that this case happened in the transition period of the implementation of the new EU export requirement effective from 1 December 2017. The CFS staff thought that the relevant CFS section responsible for issuing the import licence had checked whether an import permission should be required before issuing the import licence in this particular case. The CFS staff had checked the import licence (see para. 2 above) but it did not state that an import permission (see para. 1) was required. The CFS staff had been briefed on the right procedures and the documents required for import clearance. The CFS also told Audit that this was an isolated case and that improvement measures and training would be implemented.

Source: Audit analysis of CFS records

Audit recommendations

2.13 Audit has *recommended* that the Director of Food and Environmental Hygiene should:

- (a) **take measures to ensure that import licences are issued after the submission of supporting documents from importers as far as practicable;**
- (b) **review the propriety of granting discretion by CFS staff in circumstances where food consignments are released without the submission of original health certificates or Export Declarations by importers and without the conduct of physical inspections, and take remedial measures as appropriate (e.g. take measures to ensure that physical inspections are conducted prior to the release of consignments and issue guidelines to facilitate granting discretion by CFS staff); and**
- (c) **ensure that appropriate training for handling cases involving the import of foods requiring EU Export Declarations is provided to CFS staff.**

Response from the Government

2.14 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

- (a) the CFS has reminded colleagues to issue import licences after receipt of supporting documents (e.g. a photocopy of health certificate, import permission) from importers as far as practicable;
- (b) the CFS has been implementing measures to publicise among the trade the need to submit supporting documents when applying for import licences;
- (c) a new guideline had been issued in October 2018 to frontline staff that physical inspection should be conducted when the original health certificates were not available and that a briefing had been conducted for frontline staff;
- (d) the CFS has compiled guidelines for Senior Health Inspectors to exercise discretion to release food consignments where importers failed to provide original health certificates or Export Declarations. Accordingly, the discretion may be exercised subject to the following conditions:
 - (i) the importer has clear past record;
 - (ii) the subject food item has no outstanding record (e.g. intelligence information or outstanding sampling history);
 - (iii) the consignment is considered to be in good condition upon physical inspection; and
 - (iv) the release of the consignment should be endorsed by the Senior Health Inspector with proper documentation; and
- (e) the CFS would enhance training for frontline colleagues.

Inspection of food consignments

Inadequacies in physical inspections

2.15 In accompanying CFS staff in the 20 physical inspections (see para. 2.9), Audit observed that:

- (a) *A few food samples inspected.* According to the Operational Manual, for import of meat and meat products, CFS staff normally need to inspect 5% (in quantity) of a food consignment if the result of physical inspection is unsatisfactory. The Operational Manual, however, has not laid down the number of food samples (for meat and meat products as well as other foods) to be inspected in a physical inspection in the first place (Note 15). Audit noted that in each of the 20 inspections, the CFS staff only inspected one carton of the food consignment. In some cases, it accounted for more than 30% of the total number of cartons of a consignment (see Consignments 18 to 20 in Table 5). However, in some other cases, the inspection of only one carton of food was apparently inadequate (e.g. one carton out of a total of 831 cartons was inspected — see also Consignments 1 to 6 in Table 5); and

Note 15: *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.*

Table 5

**Food samples inspected by the CFS
(May and June 2018)**

Consignment	Food involved	Total number of cartons (a)	Number of cartons inspected (b)	Percentage inspected (c) = $\frac{(b)}{(a)} \times 100\%$
1	Chilled chicken	831	1	0.1 %
2	Scallop with shell	208	1	0.5 %
3	Geoduck clams and other seafood	127	1	0.8 %
4	Chilled beef	112	1	0.9 %
5	Seabream	112	1	0.9 %
6	Scad	104	1	1.0 %
7	Roll cake	40	1	2.5 %
8	Noodles and other foods	39	1	2.6 %
9	Flounder, dried shrimp and tomato	26	1	3.8 %
10	Netted melon, other seafood and vegetables	25	1	4.0 %
11	Scad	23	1	4.3 %
12	Tuna, oyster and chilled beef	17	1	5.9 %
13	Oyster, other seafood and vegetables	15	1	6.7 %
14	Bitter melon	14	1	7.1 %
15	Loquat and other fruits	13	1	7.7 %
16	Mackerel, other seafood and vegetables	10	1	10.0 %
17	Red hair crab	9	1	11.1 %
18	Yellowtail	3	1	33.3 %
19	Seabream, other seafood and vegetables	3	1	33.3 %
20	River crab	2	1	50.0 %

Source: Audit analysis of CFS records

Control of foods imported by air

- (b) *Food samples not randomly selected.* According to the Operational Manual, for inspection of meat and meat products, CFS staff should select units randomly so that each unit should have an equal chance of being picked as a sample for inspection. In two consignments (see Consignments 1 and 4 in Table 5 above), the CFS staff only examined a readily accessible carton of food (placed on the top of the batch).

Audit recommendations

2.16 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) **lay down guidelines on the number of food samples to be inspected in a physical inspection of foods imported by air; and**
- (b) **take measures to ensure that CFS staff select food samples randomly for the conduct of physical inspections (including, for example, extending the CFS's "randomisation sampling" (see para. 2.55(b) to inspection of foods imported by air).**

Response from the Government

2.17 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

- (a) the CFS will prepare guidelines on the number of food samples to be inspected in a physical inspection of foods imported by air; and
- (b) in addition to the existing Operational Manual, the CFS will issue a new guideline on sampling at physical inspection at the Airport. The CFS is enhancing supervision of frontline operation at AFIOs.

Monitoring of food radiation

2.18 Subsequent to the nuclear power plant incident in Fukushima in March 2011, the government of Japan announced that the release of radioactive substances

had contaminated foods at levels hazardous to human health. Since March 2011 and up to 23 July 2018 (Note 16), the Director of Food and Environmental Hygiene had made a Food Safety Order under the power of the Public Health and Municipal Services Ordinance to prohibit the import into and supply within Hong Kong of certain foods (e.g. fruits, vegetables, and milk) from five prefectures of Japan, namely Fukushima, Ibaraki, Tochigi, Gunma and Chiba. Since the Fukushima incident, the CFS has stepped up surveillance and tested the radiation level of foods imported from Japan. At a meeting of the Legislative Council (LegCo) Panel on Food Safety and Environmental Hygiene held in June 2018, the FHB informed the Panel that the CFS had been conducting radiation tests on every consignment of food products imported from Japan. Radiation level was assessed by hand-held survey meters for every consignment (see para. 2.19(a)). Food samples would be taken on a risk-based approach for laboratory examination under the Contamination Monitoring System (CMS — see para. 2.19(b)). Importers would need to wait until the CFS had conducted radiation tests on the food products, and all consignments could only be released to the market for sale after the testing results were confirmed to be satisfactory.

2.19 According to the CFS, for all food consignments from Japan, in addition to conducting physical inspections (see para. 2.7(b)), it also conducts radiation tests as follows:

- (a) for each consignment, a CFS staff selects food samples and screens them with a hand-held survey meter to test the radioactivity level of the food (see Photograph 10). According to the Operational Manual, the detection level is 0.4 microsievert (µSv) per hour. For a sample which exceeded the detection level, the CFS staff needs to collect another sample for the CMS test (see (b) below); and

Note 16: *Since 24 July 2018, vegetables, fruits, milk, milk beverages and dried milk from four prefectures of Japan (namely Ibaraki, Tochigi, Chiba and Gunma) have been allowed to be imported into Hong Kong on the conditions that they are accompanied with a radiation certificate and an exporter certificate issued by the competent authority of Japanese government.*

Photograph 10

**Using a hand-held survey meter
to test the radioactivity level of food**



Source: Photograph taken by Audit in May 2018

- (b) for selected consignments, in accordance with the CFS's radiation sampling plan for Japanese foods, a CFS staff selects food samples from the consignments for CMS test (see Photographs 11 and 12). For example, for chilled pork, 2 out of every 5 consignments are selected (Note 17) and a food sample is selected from each of the 2 consignments for CMS test. According to the Operational Manual, the detection level is 15 Bq/kg (Note 18) (i.e. radionuclide concentration (expressed in Bq) per unit weight (expressed in 1 kilogram (kg))). For a food sample that is found by an AFIO to have exceeded the detection level, a CFS staff needs to collect another sample and send it to the Government Laboratory for confirmatory test to ensure that the food is safe for human consumption.

Note 17: *Since 24 July 2018, the CFS has lifted the ban on foods imported from four prefectures of Japan (i.e. Ibaraki, Tochigi, Chiba and Gunma). Following this relaxation, since early August 2018, the CFS has also revised the selection basis for CMS tests. For example, for chilled pork, 2 out of every 5 (instead of 3 out of every 5 previously) consignments are now selected. The selection bases for CMS test vary among different types of foods from Japan.*

Note 18: *According to the CFS, though setting a stringent detection level, the CFS adopts the standards laid down by the Codex Alimentarius Commission (see Note 3 to para. 1.8), which are international standards, for testing the radiation levels of foods. Relevant radionuclides include iodine-131 (100 Bq/kg), caesium-134 and caesium-137 (1,000 Bq/kg), which are most closely associated with health risks. In late October 2018, the CFS also informed Audit that from a scientific perspective, testing of iodine-131 is not required to be stated in the radiation certificate for imported Japanese foods with effect from 8 December 2017.*

Photograph 11

Preparing the food for the CMS test



Source: Photograph taken by Audit in May 2018

Photograph 12

A CMS machine for performing CMS test

CMS machine



Source: Photograph taken by Audit in May 2018

Remarks: A food sample is put into a plastic container which is then placed into the CMS machine for CMS test. The machine is connected to a computer to generate readings concerning radiation (see paras. 2.23 and 2.24 for more details).

2.20 Of the 20 accompanied inspections (see para. 2.9), 18 inspections were related to import of foods from Japan. Based on the selection criteria mentioned in paragraph 2.19, for these 18 inspections, the CFS conducted radiation test on food samples using the hand-held survey meter. For 12 of the 18 inspections, the CFS conducted the CMS test on food samples. Audit found that there is room for improvement in the conduct of CMS tests as shown in the ensuing paragraphs.

Food samples pre-selected by importers

2.21 Audit found that of the 12 inspections (see para. 2.20), in 6 inspections conducted by the AFIO at the CP Terminal, the CFS staff themselves selected food samples for CMS tests from food consignments. However, in the other 6 inspections conducted by the AFIO at the HK Terminal, with the exception of one inspection, the food samples for CMS tests were pre-selected by importers in 5 inspections. Audit noted that, at the HK Terminal, when an importer was queuing for submission of import documents for release of a food consignment by the CFS (see para. 2.6), he also lined up a box of food outside the AFIO (see Photograph 13). Audit observed that if the box of food was selected by the AFIO for the CMS test, he would pass the box on for the AFIO to do so.

Photograph 13

**Food samples pre-selected by importers
for CMS tests at the HK Terminal**



Source: Photograph taken by Audit in May 2018

2.22 Upon enquiry in May 2018, the CFS staff of the AFIO at the HK Terminal informed Audit that although the food samples were pre-selected by the importers, the CFS reserved the right to select other samples from the consignments to replace the pre-selected samples. However, in the 5 inspections, the CFS staff did not select other samples to replace those pre-selected ones.

Need to rationalise the practices for the conduct of CMS tests

2.23 Foods from Japan are imported into Hong Kong by air or sea. According to the Operational Manual, in conducting the CMS test, a food sample weighing approximately 1 kg should be randomly selected from the food consignment for the CMS test. The sample should then be put into a plastic container, called the Marinelli Beaker (see Photograph 14), which should be placed into the CMS machine for the CMS test.

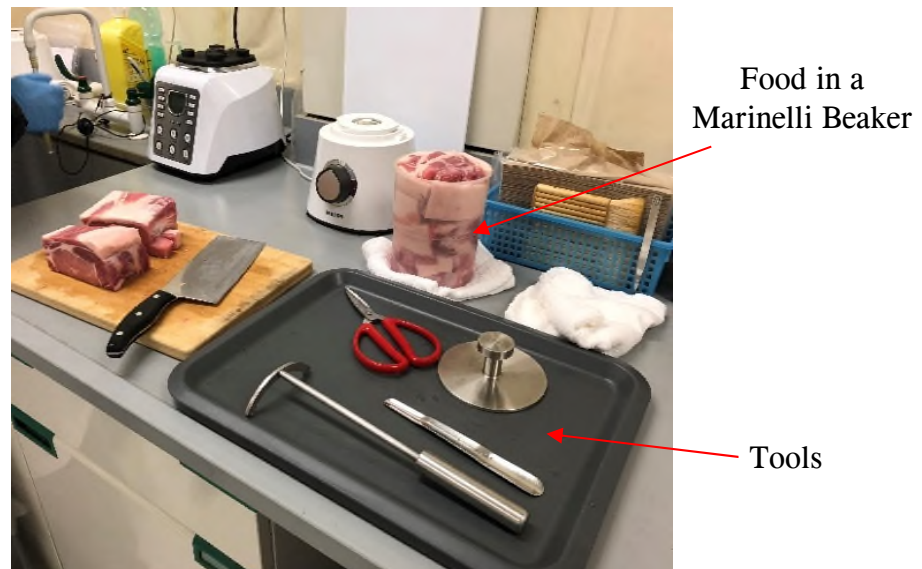
2.24 The Operational Manual does not specify other procedures for the CMS test. However, according to the practice of the CFS's Food Chemistry Section (see Appendix A), which is responsible for CMS tests of foods imported from Japan by sea:

- (a) a food sample selected for the CMS test is cleaned and includes only the edible portion. Photograph 14 shows the tools used by the Section for eliminating the inedible portion. This practice is carried out in accordance with the Guidebook "Measurement of Radionuclides in Food and the Environment" issued by the International Atomic Energy Agency (Note 19). According to the Guidebook, for some foods such as fish, the bones can be easily separated after heating for one hour at 150°C. Furthermore, the mass of the sample must be referred to the mass of the genuine material after subtracting the mass of the bones; and

Note 19: *The International Atomic Energy Agency is an international centre for cooperation in the nuclear field. It works with its member states (including China) and multiple partners worldwide to promote safe, secure and peaceful use of nuclear technologies.*

Photograph 14

**Tools for eliminating
inedible portion of a food**



Source: Photograph taken by Audit in June 2018

- (b) the food sample, which contains only the edible portion, is put into the Marinelli Beaker and then weighed to ensure that the sample weighs approximately 1 kg (see Photograph 15) (Note 20). The Beaker is placed into the CMS machine, which is connected to a computer. A weight of 1 kg is entered into the computer. The CMS machine then performs the CMS test.

Note 20: *The weight of the food sample does not include the weight of the Marinelli Beaker as the electronic weight is set to discount the weight of the Beaker.*

Photograph 15

Food sample put into
a Marinelli Beaker and weighed



Source: Photograph taken by Audit in June 2018

2.25 In accompanying CFS staff in the 12 inspections which involved a total of 12 CMS tests at the CP Terminal (6 tests) and the HK Terminal (6 tests), Audit observed that:

- (a) ***Food samples were not properly weighed before conducting CMS tests.*** In the 12 CMS tests, CFS staff only weighed the food samples when they collected the samples from the importers at the terminals. The weight of the samples ranged from 1.04 kg to 3.37 kg. They did not re-weigh the samples after eliminating the inedible portion. In all cases, they entered the weight of 1 kg into the computer connected to the CMS machine for the CMS testing. Case 2 is an example;

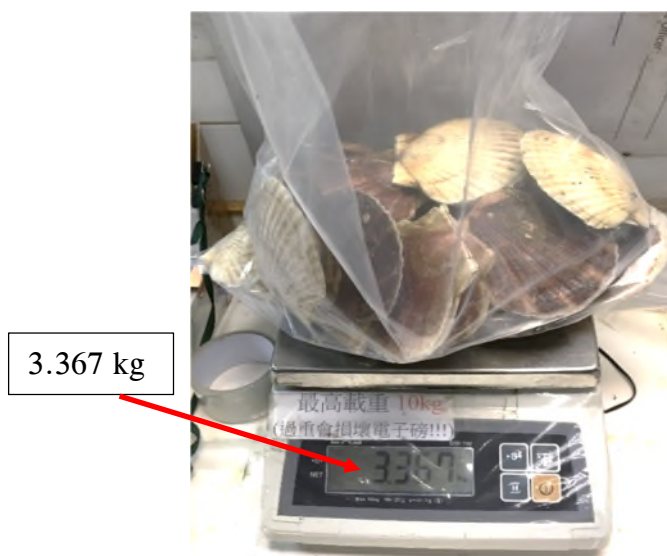
Case 2

A food sample not properly weighed

1. A CFS staff:
 - (a) collected a sample of scallops from an importer for the CMS test;
 - (b) weighed the scallops (with shells) and found the weight to be 3.367 kg (see Photograph 16);
 - (c) removed the shells of the scallops and put the edible portion of the scallops into the Marinelli Beaker (see Photograph 17); and
 - (d) did not re-weigh the scallops but input a weight of 1 kg into the computer connected to the CMS machine.

Photograph 16

Sample of scallops weighed with shells



Source: Photograph taken by Audit in May 2018

Case 2 (Cont'd)

Photograph 17

Sample of scallops with
shells removed and put into
the Marinelli Beaker



Source: Photograph taken by Audit in
May 2018

2. The results of the CMS test indicated 8.56 Bq/kg, 4.75 Bq/kg and 0 Bq/kg (a CMS test examines 3 different types of radiation and a result is generated for each of the 3 types) which were lower than the detection level of 15 Bq/kg (see para. 2.19(b)).

3. In late September 2018, the CFS informed Audit that the Marinelli Beaker of the CMS machine is a standard-size container. Filling the Beaker to the top will give approximately 1 kg in weight. By experience, staff of the AFIOs know that if they fill the Beaker by wet food items to the top, the weight will be 1 kg or more after eliminating the inedible parts.

Audit comments

4. Although in this case, the CMS test results were lower than 15 Bq/kg and the CFS staff had filled the Beaker by foods to the top, it could not be concluded with certainty that the results were satisfactory because it was unsure whether the weight of the scallops without shells put into the Marinelli Beaker for the CMS test was actually approximately 1 kg in weight. The CFS staff should have re-weighed the scallops to ensure that the weight was approximately 1 kg.

Source: Audit analysis of CFS records

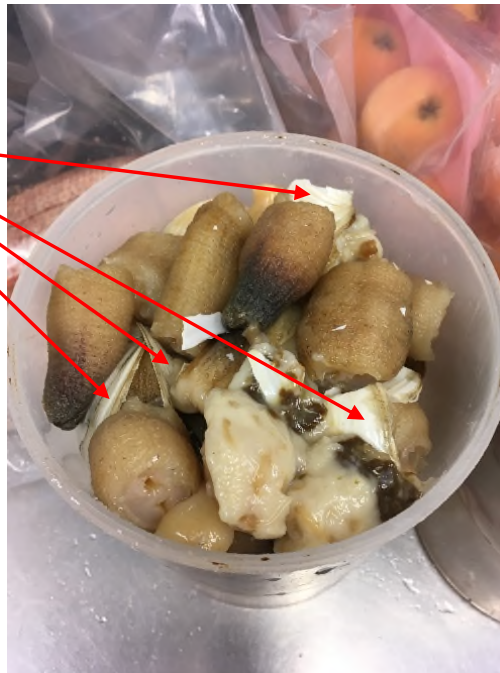
Control of foods imported by air

- (b) ***Inedible portions of food samples included in CMS tests.*** In 7 (58%) of the 12 CMS tests, the CFS staff had included inedible portions (e.g. shells of geoduck clams) in the Marinelli Beaker for the CMS tests (see Photographs 18 and 19 for examples).

Photograph 18

**Geoduck clams with crushed shells
in the Marinelli Beaker**

Shell
(which should have
been taken out)



Source: Photograph taken by Audit in May 2018

Photograph 19

**Fishes with bones in the
Marinelli Beaker**



*Source: Photograph taken by Audit in
May 2018*

In late September 2018, the CFS informed Audit that the CFS staff had tried their best to remove all the inedible part and it was impracticable to remove all inedible part in the setting of the AFIOs. Having considered the Codex Standards (see Note 18 to para. 2.19(b)) and operational issues, the effect of these small amount of inedible part was considered insignificant. The 15 Bq/kg being adopted as the detection level of the CMS test was lower than the Codex Standards. While noting the CFS's explanation, Audit considers that the CFS staff of the AFIOs need to remove inedible parts (see para. 2.24(a)) of food samples as far as possible (see Photograph 18 in para. 2.25(b) for an example);

- (c) ***Early release of consignments.*** While all Japanese food consignments are subjected to hand-held testing for radiation, some samples will be collected for CMS testing (see para. 2.19). According to the CFS, for food consignments subjected to both hand-held and CMS tests, the consignments are released by the AFIOs after hand-held radiation testing results are found to be satisfactory but before the CMS test results are available (e.g. a vehicle carrying the consignment was allowed to leave the terminal while Audit was accompanying the CFS staff in conducting the CMS tests, and the CMS test was conducted after the release of the consignment). In

contrast to the AFIOs' practice, for foods imported from Japan by sea, consignments are released only when the CMS test results are found to be satisfactory. In late September 2018, the CFS further informed Audit that given that most of the foods from Japan were of perishable nature and the vast amount of import from Japan was by air, to facilitate the trade, the consignments of food from Japan were released after radiation tests by hand-held survey meters had shown satisfactory testing results; and

- (d) ***Different grades of staff responsible for conducting CMS tests.*** Physical inspections of food consignments imported by air and sea are both inspected by Health Inspectors. However, CMS tests are carried out by Health Inspectors at the AFIOs of the three terminals. For import of foods by sea, after the collection of food samples from importers, the samples are delivered to the CFS's Food Chemistry Section (see para. 2.24) for CMS tests carried out by staff of the Section who are apparently more professionally competent in dealing with scientific matters (e.g. radiation testing). These staff include, for example, Science Laboratory Technologists and Science Laboratory Technicians. In late September 2018, the CFS informed Audit that although different grades of staff conducted the CMS tests, the methodology and testing machines used by the Food Chemistry Section and the AFIOs were the same. Staff of the Food Chemistry Section and the AFIOs were capable of conducting the CMS tests. On-the-job training to the Health Inspectors of the AFIOs was provided by the CFS. Moreover, the CMS System User's Manual is provided in the AFIOs. The Health Inspectors who are newly posted to the AFIOs will be taught by incumbent experienced Health Inspectors on how to conduct the CMS tests. Nevertheless, the CFS considered that there is merit for providing refresher courses for Health Inspectors at the AFIOs.

Audit recommendations

2.26 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) **take measures to ensure that food samples collected for CMS tests are selected by CFS staff themselves at the AFIOs;**

- (b) remind CFS staff at the AFIOs to properly weigh the food samples selected for CMS tests to ensure that the weight of a food sample is approximately 1 kg as required by the Operational Manual;**
- (c) remind CFS staff at the AFIOs to remove, as far as possible, inedible parts of food samples in the conduct of CMS tests; and**
- (d) provide refresher courses on the conduct of CMS tests for CFS staff at the AFIOs.**

Response from the Government

2.27 The Director of Food and Environmental Hygiene agrees with the audit recommendations in paragraph 2.26(b) to (d). Regarding the audit recommendation in paragraph 2.26(a), she has said that the FEHD would take serious follow-up actions, implement improvement measures and enhance supervisory inspections to ensure full compliance with relevant guidelines.

PART 2B: CONTROL OF FOODS IMPORTED BY ROAD

2.28 This PART examines control of foods imported by road, focusing on:

- (a) monitoring the import of foods (paras. 2.37 to 2.45);
- (b) import documentation (paras. 2.46 to 2.53);
- (c) inspection of food consignments (paras. 2.54 to 2.57);
- (d) requirements for vehicles transporting chilled foods (paras. 2.58 to 2.63);
and
- (e) collecting food samples for laboratory tests (paras. 2.64 to 2.66).

Background

2.29 The CFS has set up six food control offices which are located at Man Kam To, Lok Ma Chau, Lok Ma Chau Spurline, Lo Wu, Sha Tau Kok and Shenzhen Bay for inspecting food consignments imported by road (Note 21) (see also para. 1.16). Among these six offices, the MKTFCO handles the largest volume of foods imported by road (Note 22) and is the only office responsible for the inspection of consignments of certain foods (see para. 2.30) imported from the Mainland by road.

Note 21: *According to the CFS, only Man Kam To and Lok Ma Chau handle imported food consignments that are subjected to import control, and are equipped with food inspection platforms for inspection of food consignments. The food control offices at the other four land borders are set up mainly to handle suspected cases of individual travellers illegally taking regulated food into Hong Kong as may be referred from the C&ED from time to time.*

Note 22: *In 2017, of the some 26,000 food consignments imported by road, the MKTFCO handled some 23,000 (90%) consignments.*

2.30 To strengthen the control of safety of foods imported from the Mainland, by virtue of an agreement between the Government of the Hong Kong Special Administrative Region and the Mainland in 1998, vehicles carrying certain foods from the Mainland must enter Hong Kong through the Man Kam To Boundary Control Point (MKTBCP). Such foods comprise meat, poultry, eggs and vegetables (Note 23).

2.31 According to the C&ED:

- (a) its main role is to suppress smuggling activities and prevent illegal importation and exportation of any articles which are controlled/prohibited by law;
- (b) for cargoes importing into Hong Kong, advance cargo information will be submitted to the C&ED via the Road Cargo System (ROCARS) (Note 24). Based on the cargo information submitted, the C&ED will adopt risk management approach to select vehicles for customs clearance. The C&ED will inspect import manifest submitted by vehicle drivers. Physical examination of the goods will be conducted when necessary. If there is no unmanifested cargo or contrabands on board, the C&ED will release the vehicles; and
- (c) at the MKTBCP, for the purpose of anti-smuggling, it will also select vehicles carrying vegetables for inspection. As a daily joint operation, CFS staff will be present at the Import Cargo Examination Building of the C&ED (see Photograph 20) to select and direct those vehicles carrying vegetables upon completion of customs clearance to proceed to the MKTFCO for inspection. In addition, the CFS will seek the C&ED's

Note 23: *Furthermore, the Mainland only allows livestock, live poultry and live aquatic products to enter Hong Kong by road through the MKTBCP. This PART covers foods other than livestock, live poultry and live aquatic products (which are covered in PART 3).*

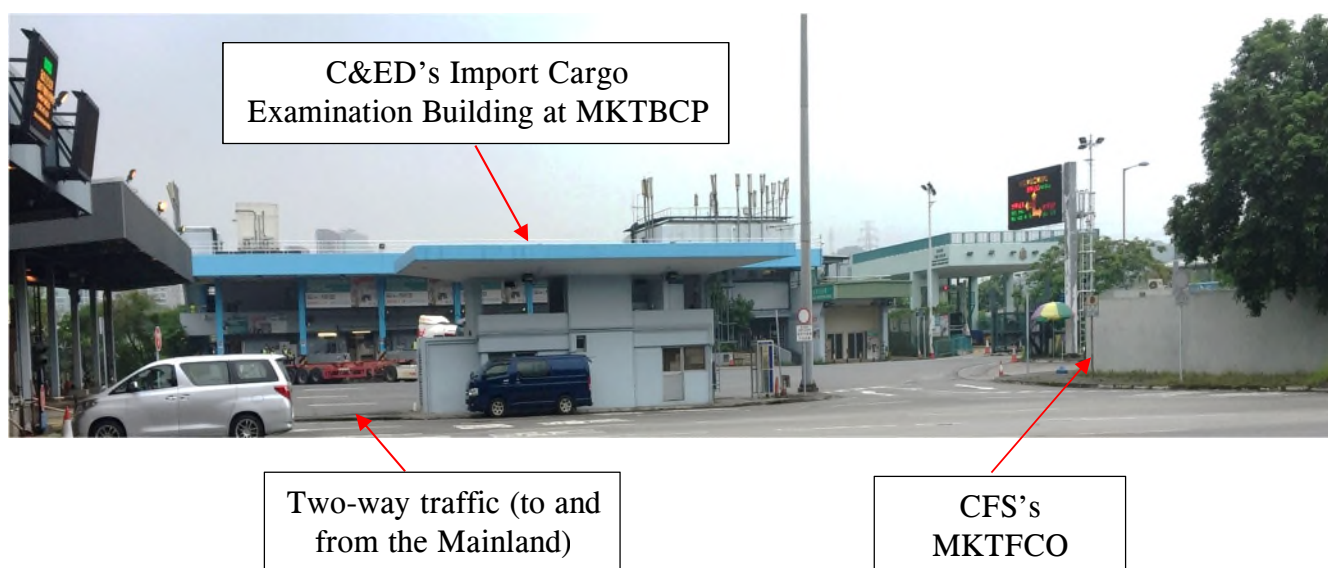
Note 24: *The ROCARS is an electronic advance cargo information system for customs clearance of road cargoes. The shipper or freight forwarder is obliged to submit a pre-defined set of cargo information to the C&ED through ROCARS 14 days in advance or at least 30 minutes before the cargo consignment being imported into or exported from Hong Kong by trucks.*

Control of foods imported by road

assistance in intercepting their targeted vehicles for referral to CFS staff for further action (see para. 2.37 for details).

Photograph 20

The C&ED's Import Cargo Examination Building at MKTBCP and the CFS's MKTFCO



Source: Photograph taken by Audit in August 2018

2.32 According to the CFS:

- (a) it will inspect consignments of vegetables carried by vehicles entering into the MKTFCO;
- (b) owing to the high-risk nature of foods (see Appendix D), as a condition of import permissions, drivers of vehicles carrying consignments of certain foods (e.g. chilled pork, chilled poultry, chilled prohibited meat, frozen prohibited meat, chilled pigeons (i.e. game products), eggs and milk) must automatically drive their vehicles to the MKTFCO for inspection of the consignments by the CFS; and

- (c) for the purpose of obtaining the CFS's assurance on food safety, some importers (e.g. an importer that supplies foods to a burger company) sometimes voluntarily require their drivers to drive vehicles carrying food consignments other than those mentioned in (b) above, into the MKTFCO for inspection of the consignments by the CFS.

2.33 In respect of foods imported through Man Kam To, the CFS requires that every food consignment should be accompanied with the following documents (if applicable):

- (a) ***A food import declaration form.*** The CFS requires the importer or the vehicle driver to provide in the form the details of the importer and the exporter (e.g. telephone, name and address) and the particulars of the imported food consignments (e.g. date of arrival and descriptions and quantities of foods). The completion of the form is not a statutory requirement but on a voluntary basis;
- (b) ***An original health certificate.*** It is required for the foods imported with a health certificate (see Appendix D); and
- (c) ***An import licence and/or import permission.*** It is required for the foods imported with an import licence and/or import permission (see Appendix D).

2.34 According to the CFS, all vehicles entering the MKTFCO will be subjected to inspection by the CFS staff (i.e. Health Inspectors with the assistance of Workmen). Upon arrival of the vehicles, the CFS staff will:

- (a) inspect the import documents (see para. 2.33);
- (b) conduct physical inspection of foods on the spot (see para. 2.2(b));
- (c) carry out inspection of the condition of food vehicles; and
- (d) collect food samples for conducting laboratory tests as determined by the CFS's Risk Management Section (see Appendix A) in accordance with the Food Surveillance Programme.

Control of foods imported by road

An inspection conducted by the CFS takes about 5 to 10 minutes.

2.35 After inspection and release of vehicles carrying food consignments, the CFS staff will input the information on the consignments into the FICS (see Note 10 to para. 2.2(e)).

2.36 Audit examined the CFS's control of foods imported through Man Kam To. In carrying out the examination, Audit:

- (a) examined the import documents of 28 food consignments of high-risk foods (see Appendix D) arrived at Man Kam To in January 2018; and
- (b) accompanied the CFS staff in 18 physical inspections conducted at the MKTFCO in April 2018 (Note 25).

Audit found that there is scope for improvement in the CFS's control of foods imported by road as shown in the ensuing paragraphs.

Monitoring the import of foods

Need to enhance the monitoring of import of foods

2.37 To inspect consignments of vegetables carried by vehicles (see paras. 2.30 and 2.32(a)), the CFS has entered into the following arrangements with the C&ED:

- (a) on a daily basis, the C&ED adopts a risk management approach to select vehicles carrying consignments of vegetables entering Hong Kong through the MKTBCP for anti-smuggling purposes. Among these selected vehicles, the CFS staff at the Import Cargo Examination Building of the C&ED will, after customs clearance is completed, select 15 vehicles to enter the MKTFCO; and

Note 25: *Fruits and vegetables were not covered by Audit for examination as they are not classified as high-risk foods by the CFS.*

- (b) on a daily basis, the CFS identifies 3 vehicles carrying consignments of vegetables that have frequently evaded CFS inspection at the MKTFCO, or vehicles whose vegetable consignments have previously been selected for laboratory tests (see para. 2.34(d)) and have unsatisfactory test results, and requests the C&ED to refer the drivers to CFS staff. These three vehicles are identified by the CFS by obtaining information on food consignments from ROCARS and comparing the information with the CFS's inspection records. The C&ED, based on the key words agreed with the CFS, identified ROCARS records to be retrieved and transferred to the FICS automatically by electronic means.

2.38 Furthermore, since September 2014, the CFS and the Hong Kong Police Force have conducted joint operations to direct the drivers of vehicles carrying consignments of vegetables that evaded CFS inspection to drive the vehicles into the MKTFCO for inspection by the CFS. The joint operation lasts for one hour and is currently carried out at night with a frequency of two times per month.

2.39 As mentioned in paragraph 2.32(b), as a condition of import permissions, drivers of vehicles carrying consignments of certain foods must drive their vehicles to the MKTFCO for inspection of the consignments by the CFS. Audit selected and compared, for the period January to April 2018, ROCARS's records and the CFS inspection records relating to vehicles carrying consignments of chilled pigeons, chilled pork and chilled poultry and found that in the period, of the 59 vehicles carrying such consignments:

- (a) 9 (15%) vehicles had at least once evaded CFS inspection at the MKTFCO; and
- (b) 2 (3%) vehicles had never been driven into the MKTFCO for CFS inspection of the consignments.

Control of foods imported by road

2.40 In late May 2018, Audit discussed with the CFS about the issue of vehicles evading CFS inspection at Man Kam To. In mid-June 2018, the CFS initiated action to identify vehicles that fled from the MKTFCO and took follow-up action where warranted (Note 26). As at September 2018, the follow-up action was still in progress.

2.41 In the morning (from 7 a.m. to 12 noon) of 27 August 2018, Audit observed vehicles transporting commodities into Hong Kong through the MKTBCP. Audit observed that of some 200 vehicles passing through the MKTBCP:

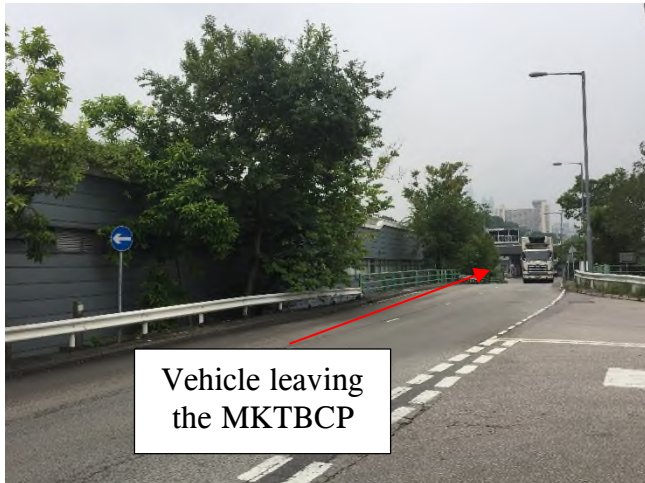
- (a) 24 vehicles were carrying food consignments (comprising 11 consignments of eggs, 3 consignments of milk, 8 consignments of chilled poultry and chilled pigeons, and 2 consignments of chilled pork) which were required to enter the MKTFCO for inspection by the CFS (see para. 2.32(b)); and
- (b) of these 24 vehicles, 4 vehicles carrying consignments of eggs had evaded CFS inspection at the MKTFCO. One of the vehicles is shown in Photographs 21 to 24.

Note 26: *The action was confined to consignments imported with import permissions (see also para. 2.95(b)).*

Photographs 21 to 24

**A fleeing vehicle at Man Kam To
(27 August 2018)**

Photograph 21



Photograph 22



Photograph 23



Photograph 24



Way to
MKTFCO

Vehicle fleeing
from the MKTFCO

Source: Photographs taken by Audit in August 2018

Control of foods imported by road

2.42 In late September and early October 2018, the CFS informed Audit that it was investigating the relevant vehicles mentioned in paragraphs 2.39 and 2.41(b). The CFS further stated that:

- (a) of the 9 vehicles which had at least once evaded CFS inspection at the MKTFCO for the period January to April 2018 (see para. 2.39(a)), 7 vehicles had entered the MKTFCO. These 7 vehicles 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; and
- (b) regarding the 4 vehicles carrying consignments of eggs which evaded CFS inspection at the MKTFCO on 27 August 2018 (see para. 2.41(b)), the case is being investigated and followed up by the CFS.

2.43 Audit noted that the CFS had taken actions to identify those vehicles which had fled from the MKTFCO. Nevertheless, Audit considers that the CFS could take further measures to address the problem of vehicles evading CFS inspection. For example, as shown in paragraphs 2.37 and 2.38, the CFS's collaborations with the C&ED and the Hong Kong Police Force have been confined to consignments of vegetables. To enhance the monitoring of import of other foods, the CFS could consider making arrangements similar to those mentioned in paragraph 2.37. For example, the CFS may select, at the Import Cargo Examination Building of the C&ED, vehicles carrying foods other than vegetables (e.g. eggs, poultry and meat), and direct the selected vehicles to enter the MKTFCO for inspection upon completion of customs clearance (see para. 2.37(a)). It may also identify some vehicles carrying foods other than vegetables that have frequently evaded CFS inspection at the MKTFCO, and requests the C&ED to refer the drivers to CFS staff for further action (see para. 2.37(b)).

Audit recommendation

2.44 **Audit has *recommended* that the Director of Food and Environmental Hygiene should take further measures to address the problem of vehicles evading CFS inspection of food consignments at the MKTFCO.**

Response from the Government

2.45 The Director of Food and Environmental Hygiene agrees with the audit recommendation. She has said that the CFS has been liaising with relevant parties on the improvement measures.

Import documentation

A suspected case of import without an import licence

2.46 Of the 28 food consignments examined (see para. 2.36(a)), Audit found that in one food consignment of frozen beef patties, the frontline Health Inspector was unsure whether the frozen beef patties were “frozen raw meat” or “frozen processed meat” and the consignment was released by the MKTFCO despite the absence of an import licence (see Case 3).

Case 3

Frozen beef patties imported without an import licence

1. On 26 January 2018, a consignment of 432 cartons of frozen beef patties was imported from the Mainland through Man Kam To. As stated in Appendix D, frozen meat should be imported with an import licence issued by the FEHD under the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK) of the Public Health and Municipal Services Ordinance (Note). Under the Regulations, “meat” means the “fresh” or “frozen” carcass, flesh or other edible part including edible viscera and offal of an animal, being an animal kept in captivity before slaughter from which beef, mutton, pork, veal or lamb is derived.
2. Audit, however, found that the importer had not applied for an import licence for the import of this food consignment. Upon Audit’s enquiry in May 2018, the CFS staff confirmed that the consignment was released from the MKTFCO despite the lack of an import licence. The CFS records did not indicate the reasons for the release.
3. On 11 June 2018, the CFS sought legal advice on whether legal action could be instituted against the importer as the importer had failed to apply for an import licence. It was stated in the CFS’s letter to the Department of Justice that:
 - (a) the Health Inspector on duty overlooked the checking of the import licence during the inspection of the consignment; and
 - (b) the CFS sent an email to the importer on 14 May 2018 requesting the importer to provide, among other things, the import licence to the CFS. The importer, however, could not provide the said licence to the CFS.
4. On 21 July 2018, the Department of Justice advised that, based on the evidence and its interview with the Health Inspector, legal action against the importer could not proceed.
5. On 23 July 2018, while the CFS’s investigation was underway, the CFS issued guidelines to the staff at the MKTFCO. According to the guidelines:
 - (a) all fully cooked or flavoured meat and poultry are not under the control of the Regulations; and
 - (b) unless the importer can provide substantial proof that the food in a consignment has been fully cooked/flavoured/subjected to a process of preservation, the consignment should be considered under the control of the Regulations.

Case 3 (Cont'd)

Audit comments

6. The CFS needs to take measures to ensure that frontline CFS staff strictly follow the new guidelines issued in July 2018 (see para. 5) in carrying out physical inspections, and fully check that food consignments are imported with appropriate import documents.

7. As mentioned in paragraph 5(a), according to the CFS, all fully cooked or flavoured meat are not under the control of the Regulations. However, Audit noted that in the Regulations (see para. 1), while “fresh” has been defined (“fresh” means “in relation to game, meat or poultry means game, meat or poultry which has not been subjected to a process of preservation; or has been preserved by chilling”), “frozen” has not been defined. “Frozen” could include frozen fully cooked or flavoured meat. It might therefore not be appropriate for the CFS to consider that fully cooked or flavoured meat are not under the control of the Regulations. In late October 2018, the Department of Justice informed Audit that it saw no harm for the FEHD to seek further legal advice to clarify the scope of the definition of meat (which includes frozen meat — see para. 1) in the Regulations, as it would shed light on the ambit of the Regulations. Audit considers that the CFS needs to seek further legal advice from the Department of Justice to clarify this issue as it might have an impact on control of imported foods in future.

Source: Audit analysis of CFS records

Note: Under the Imported Game, Meat, Poultry and Eggs Regulations, the CFS can impose any conditions (e.g. the requirement of an import licence) with regard to the import of game, meat, poultry, eggs or prohibited meat. Any person who fails to comply with the conditions commits an offence and is liable to conviction to a maximum fine of \$50,000 and imprisonment for 6 months.

***Release of food consignment without
subjecting it to proper import procedures***

2.47 According to the administrative arrangements with the relevant Mainland authority (see Note 4 to Appendix D), when transporting a consignment of certain foods (e.g. chilled meat, chilled poultry or frozen poultry), a veterinarian of the Mainland will certify on the original health certificate that the meat is fit for human consumption and mark a seal number on the certificate (see Photograph 25). A security seal, bearing the same number as the seal number (see Photograph 26) will also be attached to the vehicle transporting the consignment. Upon arrival of the consignment at the MKTFCO, in addition to the normal checking procedures (see

Control of foods imported by road

para. 2.34), CFS staff will match the seal number shown on the original health certificate against the number of the security seal on the vehicle. This is to ensure that the foods carried by the vehicle are identical with those shown on the certificate.

Photograph 25

Seal number shown on an original health certificate

		中华人民共和国出入境检验检疫 ENTRY-EXIT INSPECTION AND QUARANTINE OF THE PEOPLE'S REPUBLIC OF CHINA	
兽医(卫生)证书 VETERINARY (HEALTH) CERTIFICATE		编号 No.	
发货人名称及地址 Name and Address of Consignor			
收货人名称及地址 Name and Address of Consignee			
品名 Description of Goods 鲜的整只鸡(黄鸡)(CHILLED CHICKEN(YELLOW CHICKEN))			
报检重量 Weight Declared 12200 PCS		产地 Place of Origin 云南 YUNNAN	
包装种类及数量 Number and Type of Packages **800其他OTHER PACKAGES		标记及号码 Mark & No.	
集装箱号 Container No. ***			
铅封号 Seal No. CH0016000000			

Source: Photograph taken by Audit in April 2018
(with particulars blurred by Audit)

Photograph 26

**Seal number shown on
the security seal of a vehicle**



Source: Photograph taken by Audit in April 2018

2.48 Audit examined the import documents of 15 consignments of chilled pork, chilled poultry and frozen poultry (see para. 2.36(a)) and found that 2 consignments (of frozen poultry) had been imported without seal numbers on the original health certificates. Audit could not ascertain the reason that, despite the lack of the seal numbers whereby the matching of the numbers to the numbers of the security seals could not have been performed, the consignments had still been released from the MKTFCO. There was also no evidence indicating that action had been taken to investigate the consignment imported without a matching seal number on the original health certificate.

2.49 In late September 2018, the CFS informed Audit that the CFS had checked (in late September 2018) with the General Administration of Customs of the People's Republic of China (GACC — see Note 4 to Appendix D) about the reasons for the lack of seal numbers on the original health certificates. According to the CFS, the arrangement of marking seal numbers on the health certificates was not applicable to the 2 consignments as the vehicles used for transporting the consignments had to be

Control of foods imported by road

changed at Shenzhen (the consignments were unloaded from the vehicles from Henan and reloaded to other vehicles at Shenzhen). Though there were no seal numbers on the health certificates, the certificates were issued by the former General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ — see Note 4 to Appendix D) bearing the required attestation. Besides, the CFS staff had checked the import licence, the Mainland manifest and the import declaration prior to the release of consignments. To ensure that import control is properly carried out, Audit considers that in future the CFS needs to clarify with the GACC any irregularities relating to health certificates on the spot (Note 27). To enhance transparency and public accountability, the CFS also needs to document the actions taken to deal with the irregularities.

Discrepancies in import documents

2.50 According to the Operational Manual (see para. 2.10), if there are any discrepancies in import documents, the importers shall be asked to clarify and rectify the discrepancies as soon as possible. Of the 28 food consignments examined (see para. 2.36(a)), Audit found that:

- (a) for 3 (11%) consignments, the names of the exporters shown on the original health certificates were different from those shown on the import licences, but there was no written explanation given for the differences; and
- (b) for 9 (32%) consignments, the total quantities (in kgs) declared in the food import declaration forms were less than the quantities recorded in the original health certificates (ranging from 0.7% to 69.5%, averaging 33.7%), but there was no written explanation given for the differences. In late September 2018, the CFS informed Audit that not all the quantities mentioned in the health certificates would be exported, and therefore it was acceptable that the quantities actually imported were less than those on the health certificates. The driver/importer would declare the actual quantities on the import declaration forms for CFS checking.

Note 27: *The MKTFCO has 23 car parking spaces capable of fitting large vehicles for inspection and detention. Vehicles can be held in detention at the MKTFCO where warranted (e.g. in circumstances where original health certificates could not be provided, or there are irregularities in import documents and the CFS needs to clarify the irregularities with the relevant authorities).*

2.51 Audit also found that of the 18 accompanied inspections conducted in April 2018 (see para. 2.36(b)), in 4 (22%) inspections, the names of the exporters shown on the original health certificates were not the same as those shown on the import licences or the food import declaration forms, but there was no written explanation given for the differences. The CFS staff did not verify the discrepancies prior to the release of the food consignments. The CFS needs to ensure that discrepancies between import documents are promptly clarified.

Audit recommendations

2.52 Audit has *recommended* that the Director of Food and Environmental Hygiene should:

- (a) take measures to ensure that CFS staff follow the guidelines issued in July 2018 (see para. 5 in Case 3 in para. 2.46) in the conduct of physical inspections;
- (b) seek legal advice on the definition of “frozen” in the relevant Regulations under the Public Health and Municipal Services Ordinance from the Department of Justice;
- (c) take measures to ensure that frontline CFS staff fully check that food consignments are imported with appropriate import documents;
- (d) clarify with the GACC any irregularities relating to health certificates as soon as practicable, and document the actions taken to deal with the irregularities; and
- (e) take measures to ensure that discrepancies between import documents are promptly clarified.

Response from the Government

2.53 The Director of Food and Environmental Hygiene generally agrees with the audit recommendations. She has said that:

Control of foods imported by road

- (a) the CFS proactively issued advice and inspection checklist on inspection of meat, poultry, egg, and milk and frozen confections consignment for frontline staff in July and September 2018;
- (b) briefings have been conducted to frontline staff;
- (c) the CFS has enhanced supervision to ensure that operation has been conducted according to the guidelines; and
- (d) the CFS has reminded frontline staff to clarify the irregularities with the GACC as soon as practicable and document the actions taken to deal with the irregularities.

Inspection of food consignments

2.54 As mentioned in paragraph 2.34(b), CFS staff conduct physical inspection of food consignments at the MKTFCO. According to the Operational Manual, the inspection includes:

- (a) visual examination of foods to detect, for example, mechanical damage, microbial spoilage, insect or rodent damage and observable chemical contamination; and
- (b) inspection of the transport environment, such as the cleanliness of the storage compartment of the vehicle, the storage temperature of food containers, and whether there is evidence of water damage, mechanical damage, microbial growth, off-odours and insect or rodent infestation.

Inadequacies in physical inspections

2.55 In April 2018, in accompanying the CFS staff in 18 inspections of food consignments (involving a total of 18 consignments) conducted at the MKTFCO (see para. 2.36(b)), Audit observed that:

- (a) of the 18 inspections, 13 (72%) involved consignments of eggs and chilled/frozen meat or poultry. The CFS only selected very small quantity of foods for physical inspections (see Table 6);

Table 6
Food samples inspected by the CFS
(April 2018)

Item	Food involved	Total number of cartons (a)	Number of cartons inspected (b)	Percentage inspected $(c) = \frac{(b)}{(a)} \times 100\%$
1	Pork	1,000	3	0.3%
2	Pork	1,000	3	0.3%
3	Poultry and pigeons	1,460	5	0.3%
4	Poultry and pigeons	1,540	4	0.3%
5	Eggs	800	2	0.3%
6	Eggs	720	2	0.3%
7	Poultry	810	3	0.4%
8	Poultry and pigeons	375	2	0.5%
9	Poultry and pigeons	410	2	0.5%
10	Pork	137	1	0.7%
11	Pigeons	220	5	2.3%
12	Poultry	120	3	2.5%
13	Poultry	100	3	3.0%

Source: Audit analysis of CFS records

Remarks: Of the 18 accompanied inspections, 3 inspections involved consignments of cooked poultry (according to the CFS, cooked foods are not under the control of the Public Health and Municipal Services Ordinance) and 2 inspections involved consignments of milk (transported by trucks carrying milk tanks of which the quantity of milk could not be verified by Audit).

- (b) in 9 (69%) of the 13 inspections (see (a) above), in carrying out the inspection of foods, the CFS staff only opened the right doors of the vehicles carrying the consignments and examined the foods in front (see

Control of foods imported by road

Photograph 27). In the other 4 (31%) inspections, the CFS staff had selected foods placed at different places of the inner parts of the vehicles' storage compartments. In late September 2018, the CFS informed Audit that it had commenced, since mid-July 2018, a trial run of a "randomisation sampling" of chilled/frozen meat or poultry to include taking samples from the front and back portions of vehicles;

Photograph 27

**Inspection of a consignment
of chilled poultry**



Source: Photograph taken by Audit in April 2018

- (c) the Operational Manual has not laid down the number of food types to be examined in a consignment. In 5 (38%) of the 13 inspections (see (a) above) in which several types of foods (e.g. chicken, ducks and geese) were involved, only one type of food (e.g. chicken) had been selected for examination; and
- (d) CFS staff would complete inspection checklists which record the details of food consignments inspected. Of the 18 inspections, 9 (50%) inspections

involved consignments of chilled pork, chilled pigeons or chilled poultry for which inspection checklists had been completed. However, the use of the checklist is only applicable to consignments of designated foods (i.e. chilled pork, chilled pigeons, chilled poultry, frozen pigeons and frozen poultry — according to the CFS, these are high-risk foods). Checklists are not applicable to other foods. To facilitate inspection of food consignments by CFS staff and supervisory reviews, the CFS needs to consider extending the use of the checklist to other foods (e.g. eggs and milk which, according to the CFS, are also high-risk foods). In late September 2018, the CFS informed Audit that the use of checklist had been extended to eggs and milk consignments since late September 2018. Furthermore, Senior Health Inspectors would conduct random checking and on-site supervision regularly.

Audit recommendations

2.56 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) lay down guidelines on the number of food samples to be inspected in a physical inspection of foods imported by road;**
- (b) evaluate the trial run of the “randomisation sampling” of chilled/frozen meat or poultry, modify the methodology where warranted, and apply the methodology to other foods (e.g. eggs);**
- (c) set guidelines on the number of food types to be examined in a consignment; and**
- (d) ensure that inspection checklists are randomly checked by Senior Health Inspectors and that regular on-site supervisory inspection visits are carried out by the Inspectors.**

Response from the Government

2.57 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

Control of foods imported by road

- (a) the 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;
- (b) the CFS will consider the feasibility of adopting randomisation sampling to other foods; and
- (c) the CFS has enhanced supervision to ensure frontline operation is conducted according to the guidelines.

Requirements for vehicles transporting chilled foods

2.58 As empowered under the Imported Game, Meat, Poultry and Eggs Regulations, the CFS has set a condition in the import permissions for the import of chilled foods (e.g. chilled pigeons, chilled pork and chilled poultry) that owing to their high-risk nature, only vehicles approved by the CFS are allowed to transport such foods. Any person who fails to comply with the condition is liable to conviction to a maximum fine of \$50,000 and imprisonment for 6 months. In approving a vehicle, CFS staff will conduct a physical examination of the vehicle. They will determine whether the vehicle meets the specified conditions (Note 28) for transporting chilled foods. As at the time of audit examination on 20 April 2018, there were a total of 158 vehicles in the CFS's list of vehicles approved for transporting such foods.

Note 28: *The specified conditions include, for example:*

- (a) *the vehicle is capable of maintain a chilling temperature between 0°C and 4°C and in no circumstances shall exceed 8°C;*
- (b) *the internal surfaces of the conveying compartment of the vehicle shall be smooth and impervious to facilitate cleansing;*
- (c) *the vehicle shall have temperature devices which constantly record the temperature of the conveying compartment on a running graph for the duration of the trip; and*
- (d) *every door or window of the conveying compartment of the vehicle for the imported chilled chicken carcasses and/or offal shall be kept properly closed except during loading and unloading of the food. The chilling device of the conveying compartment shall be kept running at all times when the compartment is loaded.*

Vehicles transporting chilled foods without approval

2.59 Audit examined ROCARS's records and the CFS's records for the period January to April 2018. Audit found that in the period, of the 59 vehicles transporting chilled foods to Hong Kong through Man Kam To (see para. 2.39), 14 (24 %) had not been approved by the CFS. Of these 14 vehicles:

- (a) 12 (86 %) vehicles had entered into the MKTFCO. However, the CFS staff did not notice that the vehicles had not been approved for transporting chilled foods, as there was no CFS requirement for checking whether the vehicles were approved ones. In the period, all the 159 consignments of chilled foods transported by the vehicles had been released by the MKTFCO (see Case 4 for an example); and

Case 4

An unapproved vehicle transporting chilled pork

1. According to the CFS's inspection records, in the period January to April 2018, a vehicle which had not been approved for transporting chilled pork had carried such food (see Table below) and entered into the MKTFCO for CFS consignment inspections.

Month	Number of consignments of chilled pork transported by the vehicle and released by the MKTFCO
January 2018	31
February 2018	23
March 2018	31
April 2018	30
Total	115

Audit comments

2. The CFS staff at the MKTFCO were not aware that the vehicle had not been approved for transporting chilled pork (Note). The CFS needs to take measures to ensure that vehicles transporting chilled foods are approved by the CFS.

Source: CFS records

Note: The vehicle was only approved in July 2018.

- (b) 2 (14%) vehicles transporting a total of two consignments in the period had evaded CFS consignment inspections at the MKTFCO.

Containers not in the list of approved vehicles

2.60 Of the 158 approved vehicles as at 20 April 2018 (see para. 2.58), 20 were container carriers. Audit found that of the 20 container carriers:

- (a) for 10 carriers, while the carriers had been included in the list of approved vehicles, their containers which were used for storing chilled foods and which had been examined and approved by the CFS for carrying such foods, had not been included in the approved list; and
- (b) for the other 10 carriers, while the CFS had approved the carriers for carrying chilled foods, the containers of the carriers had not been approved by the CFS.

For proper control purposes (as the carriers may carry containers other than those approved by the CFS), these containers should be approved by the CFS and included in the approved list.

No regular examination of approved vehicles

2.61 In examining the issues relating to vehicles transporting chilled foods, Audit also noted that apart from the first-time examination (see para. 2.58) and inspection of hygiene condition when vehicles entered into the MKTFCO, the CFS did not have the practice of conducting periodic examinations similar to the first-time examination of the condition of vehicles. To ensure that vehicles are continually suitable in all aspects (i.e. not only the hygiene condition) for transporting chilled foods, the CFS needs to consider conducting periodic examinations.

Audit recommendations

2.62 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) **take measures to ensure that vehicles transporting chilled foods are approved by the CFS;**
- (b) **include containers approved for carrying chilled foods in the list of vehicles approved for transporting consignments of chilled foods;**
- (c) **take measures to ensure that all the containers carrying consignments of chilled foods are approved by the CFS for transporting such foods; and**

Control of foods imported by road

- (d) **consider conducting periodic examinations similar to the first-time examination of the condition of vehicles transporting consignments of chilled foods to ensure that the vehicles are continually suitable for transporting consignments of such foods.**

Response from the Government

2.63 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

- (a) the CFS has included the checking of approved vehicles in the inspection checklist;
- (b) the CFS has included the containers approved for carrying chilled meat/poultry in the approved vehicle list;
- (c) the approved vehicle list and the containers, if any, have been made available to frontline staff for checking; and
- (d) in addition to the routine checking, re-inspection of the approved vehicles for transporting chilled meat and poultry will be conducted at a two-year interval.

Collecting food samples for laboratory tests

2.64 In accompanying CFS staff in the conduct of physical inspections of food consignments at the MKTFCO, Audit found that there were no guidelines on the selection of food samples for laboratory tests under the Food Surveillance Programme (see para. 2.34(d)). Of the 18 accompanied inspections (see para. 2.36(b)), in 3 inspections, the CFS staff had collected food samples for the Programme. In all the 3 inspections, the CFS staff only selected the foods placed near the doors of the vehicles. In late September 2018, the CFS informed Audit that guidelines on collection of chilled/frozen meat or poultry samples from vehicles had been issued in late September 2018.

Audit recommendation

2.65 Audit has *recommended* that the Director of Food and Environmental Hygiene should keep under review the adequacy of the guidelines on collection of food samples for laboratory tests and modify the guidelines where warranted.

Response from the Government

2.66 The Director of Food and Environmental Hygiene agrees with the audit recommendation. She has said that the CFS will monitor and review the guidelines to meet the objective and operational needs from time to time.

PART 2C: CONTROL OF FOODS IMPORTED BY SEA

2.67 This PART examines the control of foods imported by sea, focusing on the following issues:

- (a) monitoring the import of foods (paras. 2.74 to 2.89);
- (b) issues relating to import licences (paras. 2.90 to 2.103); and
- (c) discrepancies in import documents and physical inspections of consignments (paras. 2.104 to 2.109).

Background

2.68 According to the CFS:

- (a) foods imported into Hong Kong by sea are mainly imported through the Kwai Tsing Container Terminal at Kwai Chung; and
- (b) apart from foods imported through the Terminal, foods imported into Hong Kong by sea may be entered through the CSWWFM or the WWFM under the management of the AFCD. These foods are confined to freshwater aquatic products (e.g. live fish and chilled swim bladder) imported from the Mainland.

2.69 Table 7 shows the food control offices set up under the Food Import and Export Section (see Appendix A) of the CFS to examine foods imported by sea through the Kwai Tsing Container Terminal, the CSWWFM and the WWFM.

Table 7

CFS food control offices for examining foods imported by sea

CFS office	Location	Duties
(1) Hong Kong and Kowloon Offices (HKKO)	Mongkok	On a selective basis (Note 29), CFS staff (i.e. Health Inspectors with the assistance of Workmen) conduct import documents (e.g. original health certificate, import licence and/or import permission) checking and physical inspection of foods imported with <i>import licences and/or import permissions</i> (e.g. frozen meat, chilled meat, eggs, and milk and frozen confections — see Appendix D), food samples collected under the Food Surveillance Programme (see para. 1.8(b)(ii)) and foods involved in food incidents. According to the CFS, in general, physical inspection is conducted at importers' warehouses or privately-run cold stores. When situation warrants, physical inspection is conducted at the food inspection checkpoint located in the KCCH (KCCH checkpoint — see paras. 2.74 to 2.84 for details).
(2) Food Importer/ Distributor Registration and Import Licensing Office (FIRLO)	Wan Chai	(a) On a selective basis (see Note 29), staff of FIRLO conduct import documents checking and physical inspection of food consignments imported with <i>import licences which are issued based on photocopies of health certificates</i> (Note 1). Where physical inspection cannot be carried out at the KCCH checkpoint, it will be carried out at importers' warehouses or privately-run cold stores.

Note 29: *Selection of food consignments (e.g. for the import of eggs, 1 out of every 100 consignments is selected) differs between types of foods and food control offices (controlling the import of foods by sea).*

Control of foods imported by sea

Table 7 (Cont'd)

CFS office	Location	Duties
		<p>(b) FIRLO is also responsible for:</p> <p>(i) issuing import licences for foods imported by sea as well as air and road; and</p> <p>(ii) registration and inspection of food traders under the Food Safety Ordinance (see Note 44 to para. 4.1 and para. 4.6).</p>
(3) CSWWFM Waterfront Office	Cheung Sha Wan	When vessels carrying consignments of freshwater aquatic products from the Mainland arrived at the Waterfront Offices, CSF staff conduct import documents checking and physical inspection of these consignments. According to the CFS, <i>all</i> such consignments are subjected to the checking and inspection (Notes 2 and 3).
(4) WWFM Waterfront Office	Western District	

Source: CFS records

Note 1: To apply for an import licence, an importer normally needs to submit an original health certificate. In circumstances where the original health certificate cannot be produced (e.g. the exporter in an overseas country has not posted the certificate in advance to the importer but accompanied it with the shipment of a consignment), for trade facilitation, the CFS also accepts a photocopy of the health certificate for application purpose. Due to historical reasons, for consignments with import licences issued based on photocopies of health certificates, import documents checking and physical inspections are conducted by FIRLO.

Note 2: Import of freshwater aquatic products does not require import licences and/or import permissions. Under the administrative arrangements with the relevant Mainland authority (see para. 1.11(b) and Note 4 to Appendix D), these products are subjected to the CFS's import documents checking and physical inspection.

Note 3: Marine fish (excluding live marine fish and shellfish) is required under the Marine Fish (Marketing) Ordinance (Cap. 291) to be landed and wholesaled at the wholesale fish markets operated by the Fish Marketing Organization (FMO). The FMO is headed by the Director of Marketing, a position currently held by the Director of Agriculture, Fisheries and Conservation. The FMO is a self-financing and non-profit making organisation and operates seven wholesale fish markets located at Aberdeen, Shau Kei Wan, Kwun Tong, Cheung Sha Wan, Castle Peak, Tai Po and Sai Kung to provide wholesale marketing services to the fishermen, fish wholesalers and buyers. Marine fishery produce wholesaled at the FMO wholesale fish markets include marine fish and live seafood (e.g. live marine fish and live shellfish).

2.70 For consignments imported through the Kwai Tsing Container Terminal and selected for import documents checking and physical inspection, the importers are notified in advance (e.g. when they are issued with import licences or when they report the arrival of consignments — see para. 2.71) that their consignments will be subjected to the checking and inspection. The HKKO and FIRLO will:

- (a) follow up with the importers to enquire when the consignments will arrive;
- (b) request the importers to provide the import documents for checking prior to the physical inspection of the consignments; and
- (c) make appointments (e.g. setting dates and time as well as the locations, i.e. the KCCH checkpoint, importers' warehouses or cold stores) with the importers for physical inspection of the consignments. An inspection conducted by the CFS takes about half an hour to 2.5 hours.

Subject to the satisfactory completion of the import documents checking and physical inspection, CFS staff will input the information on food consignments into the FICS (see Note 10 to para. 2.2(e)).

2.71 According to the CFS, foods whose imports require import permissions (e.g. chilled meat and poultry — see Appendix D) are foods of higher risks. The CFS therefore checks the import documents of all foods imported by sea with import permissions. It is a condition of import permissions that:

- (a) for consignments of milk and frozen confections imported by sea, importers should send written reports (stating information such as the arrival dates of the consignments) to the CFS 48 hours prior to the arrival of the consignments;
- (b) for consignments of eggs imported by sea, importers should send import documents to the CFS within two working days in advance of the arrival of the consignments; and
- (c) for consignments of meat, poultry and game imported by sea, importers should send import documents to the CFS within two working days after the arrival of the consignments.

Control of foods imported by sea

Under the Public Health and Municipal Services Ordinance, any person who fails to comply with the above requirements is liable on conviction to a maximum fine of \$50,000 and imprisonment for 6 months.

2.72 According to the CFS, in 2017, there were 9,453 consignments of foods imported by sea with import licences and/or import permissions and 1,398 consignments of freshwater aquatic products imported into Hong Kong. Of these 9,453 consignments, 3,616 (38%) (Note 30) were subjected to both import documents checking and physical inspection by the CFS.

2.73 For foods imported by sea, Audit examined the import documents of 40 consignments of high-risk foods (see Appendix D) imported in January 2018 and accompanied CFS staff in 10 physical inspections conducted by them in the period from March to July 2018 (see Note 25 to para. 2.36). Audit found that there is room for improvement in the CFS's control of foods imported by sea as shown in the ensuing paragraphs.

Monitoring the import of foods

2.74 In March and May 2015, Members of LegCo Panel on Food Safety and Environmental Hygiene expressed concern about the absence of a food inspection checkpoint at the Kwai Tsing Container Terminal to conduct inspection on foods imported by sea. In July 2015, the CFS actively discussed with the C&ED the possibility of setting up an inspection checkpoint at the Terminal with a view to enhancing the surveillance of foods to safeguard food safety.

2.75 In a paper submitted by the FHB and the FEHD to the Panel in November 2015, the FEHD informed the Panel that in order to align the practice of monitoring of foods imported by sea with that of foods imported by air and road, the CFS had set up the KCCH checkpoint (see Photographs 28 and 29) serving functions (e.g. import documents checking and physical inspection) similar to those of the

Note 30: *The figures represented the number of consignments which were imported with import licences and/or import permissions.*

AFIOs and the MKTFCO. The KCCH checkpoint has commenced operation since late October 2015.

Photograph 28

**The CFS station at
the KCCH checkpoint**



Source: Photograph taken by Audit in March 2018

Photograph 29

Outside the CFS station of the KCCH checkpoint



Source: Photograph taken by Audit in April 2018

2.76 According to the CFS:

- (a) no CFS staff is stationed at the KCCH checkpoint. Based on the appointments made with importers (see para. 2.70(c)), CFS staff will arrive at the KCCH checkpoint to conduct physical inspections of food consignments;
- (b) it adopts a risk-based surveillance principle in selecting consignments imported via sea route for inspection at the KCCH checkpoint, taking into account factors such as relevant intelligence, food safety incidents in neighbouring areas, whether the importers concerned have previously disregarded instructions by the CFS (e.g. release of consignments before CFS inspection), and whether cargo manifests have been submitted to the C&ED through the Electronic System for Cargo Manifest (EMAN — which contains information of consignments declared by the importer/carrier and provides users with comprehensive cargo information for screening and analysis. EMAN can be referred to as Statement One (EMAN I) or Two (EMAN II) depending on when the information is submitted (see also para. 2.87(b) for further details);

- (c) under the risk-based surveillance principle, imported foods subjected to inspection at the KCCH checkpoint include:
 - (i) foods affected by food incidents occurred;
 - (ii) foods under regulatory control (those regulated under the Imported Game, Meat, Poultry and Eggs Regulations, i.e. high-risk foods); and
 - (iii) other foods of higher-risk (e.g. foods covered under a Food Safety Order to ban foods from 5 prefectures of Japan in 2011 issued by the Director of Food and Environmental Hygiene); and
- (d) depending on the circumstances of an import case (e.g. whether frozen foods are involved), instead of inspecting imported foods at the KCCH checkpoint, the CFS may examine the foods at importers' warehouses or privately-run cold stores (see Table 7 in para. 2.69). In general, inspections of imported foods via sea route are conducted at warehouses or cold stores and not at the point of entry, although in other food control checkpoints located at border areas, inspections are conducted at the point of entry.

Need to sort out a discrepancy between the Operational Manual and actual inspection practices

2.77 For food consignments imported by sea, the CFS requires that a container carrying the consignments must be sealed (see Photograph 30). According to the Operational Manual:

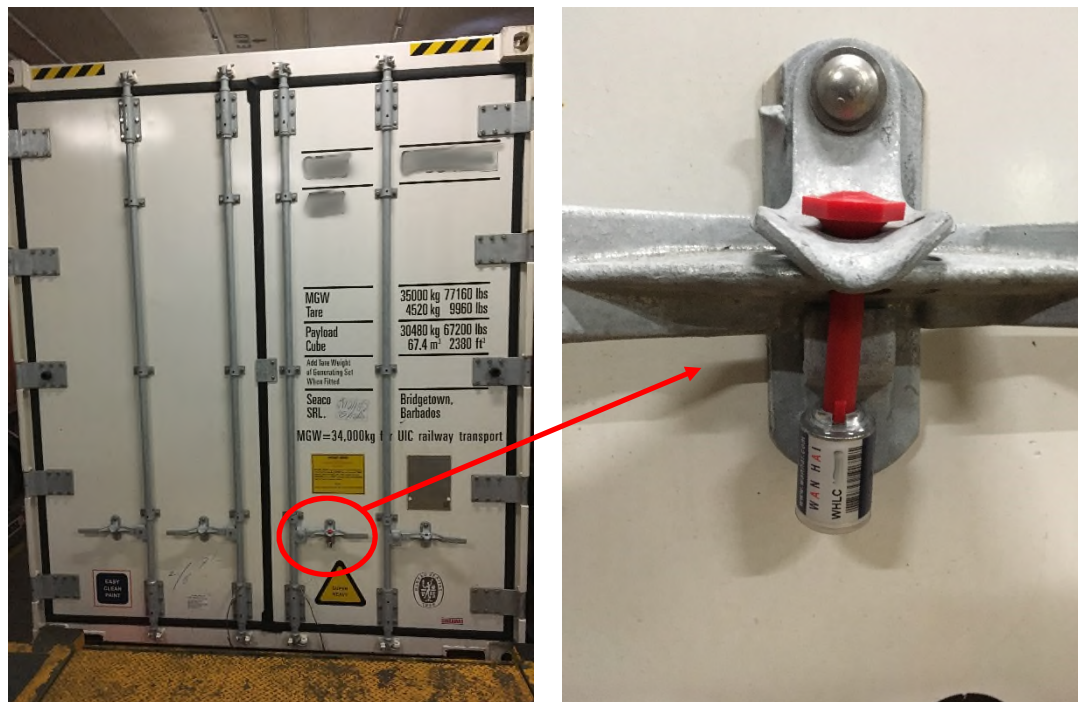
- (a) “at the checkpoint (KCCH checkpoint), the seal of the container should not be opened until it is confirmed to be intact by CFS officers”; and
- (b) “for food products (e.g. chilled foods) that cannot be inspected at the above checkpoint due to practical constraints, CFS conducts food inspections at the warehouses or cold stores of the importer concerned, although the seal of the container must be confirmed to be intact by CFS officers before it can be opened”.

Control of foods imported by sea

To ensure completeness and to prevent tampering, it is essential to confirm that the seal of the container is intact.

Photograph 30

The seal on a container



Source: Photograph taken by Audit in April 2018

2.78 Audit noted that for food consignments subjected to physical inspections at the KCCH checkpoint, the containers carrying the consignments are always sealed as the containers are immediately transported to the KCCH checkpoint after unloading at the Kwai Tsing Container Terminal. However, for food consignments subjected to physical inspections at warehouses or cold stores, contrary to the requirement of the Operational Manual (see para. 2.77(b)), 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 the CFS's inspections (see Photograph 31 for an example).

Photograph 31

Foods in a cold store



Source: Photograph taken by Audit in April 2018

2.79 In late September 2018, the CFS informed Audit that:

- (a) the arrangement of having CFS staff to witness the act of breaking seals of containers is applicable to targeted containers (e.g. foods affected by food incidents and foods previously with unsatisfactory laboratory test results under the Food Surveillance Programme) that are selected for physical inspections at the KCCH checkpoint, warehouses or cold stores only; and
- (b) CFS staff could not witness the act of breaking seal at regular physical inspections at warehouses or cold stores due to time and resource considerations. The entire process of verifying import documents, breaking seal, unloading all foods into the warehouse or cold store (which is particularly time consuming if a variety of food types is involved), and

subsequent inspection for each consignment took several hours to complete and involved a large amount of manpower.

2.80 Audit considers that the CFS needs to reconcile the discrepancy between the requirement of the Operational Manual (see para. 2.77(b)) and the actual practices at warehouses or cold stores (see para. 2.78).

Small number of food consignments examined at the KCCH checkpoint

2.81 Audit examined the records of the physical inspections conducted by the CFS at the KCCH checkpoint in the period from late October 2015 (date of commencement of operation of the KCCH checkpoint) to 30 June 2018 and found that:

- (a) only 47 physical inspections (involving 47 food consignments) were conducted at the KCCH checkpoint. In the 32-month period from late October 2015 to June 2018, on average, only about 1.5 inspections were conducted monthly;
- (b) all these 47 inspections were conducted by the HKKO (i.e. no inspections were conducted by FIRLO at the KCCH checkpoint); and
- (c) of these 47 inspections, 38 (81%) were for eggs, 7 (15%) for fruits and vegetables, 1 (2%) for fish and 1 (2%) for milk. No other high-risk foods had been inspected at the KCCH checkpoint.

2.82 While the number of physical inspections conducted by the CFS at the KCCH checkpoint was limited, the vast majority of physical inspections had been conducted at warehouses or cold stores and not at the point of entry. In 2017, of the 3,616 physical inspections (involving 3,616 consignments) (see para. 2.72), 18 (0.5%) were conducted at the KCCH checkpoint and 3,598 (99.5%) were conducted at warehouses or cold stores.

2.83 In late September 2018, the CFS informed Audit that the inspections conducted at the KCCH checkpoint had limitations (e.g. insufficient cold storage

facilities for inspection/sampling) which accounted for the low usage rate as compared with inspections conducted at warehouses or cold stores.

2.84 It was the intention of the CFS to align the practice of monitoring foods imported by sea with that of foods imported by air and road (see para. 2.75). However, as shown in paragraph 2.82, only a very small number of inspections had been conducted at the KCCH checkpoint. Audit considers that the CFS needs to take measures to address the low usage rate of the KCCH checkpoint, including for example, improving its cold storage facilities (see para. 2.83).

Some importers of foods imported from Japan not identified

2.85 As mentioned in paragraph 2.18, in a paper submitted to LegCo Panel on Food Safety and Environmental Hygiene in June 2018, the FHB informed the Panel that every food consignment from Japan was subjected to radiation tests. In so far as import of foods by sea from Japan is concerned, radiation tests are conducted by the CFS's Radiation Inspection Office (RIO). The RIO:

- (a) conducts radiation tests by using the hand-held survey meter (as in the case of foods imported from Japan by air — see para. 2.19(a)); and
- (b) selects food samples from consignments and delivers the samples to the CFS's Food Chemistry Section (located in Sheung Shui) for the conduct of CMS tests (see para. 2.19(b)).

2.86 Same as the practice for conducting physical inspections of food consignments, RIO staff make appointments with importers for conducting tests at the KCCH checkpoint, warehouses or cold stores. In the period from late October 2015 to June 2018 (see para. 2.81), 46 inspections involving 194 radiation tests using the hand-held survey meter were conducted at the KCCH checkpoint. While in 2017 alone, the RIO conducted 27,975 inspections involving 46,338 radiation tests (using the hand-held survey meter and the CMS machine) at warehouses or cold stores.

2.87 Audit examined the RIO's practice for conducting radiation tests and noted that:

Control of foods imported by sea

- (a) according to the CFS, it has informed trades via letters, trade forums and press releases of the need to report every food consignment from Japan to the RIO for arranging inspections and radiation tests; and
- (b) at the same time, the CFS has requested the C&ED to provide, on a regular basis, EMAN I (see para. 2.76(b)) for identifying importers with food consignments imported from Japan so that the RIO can make appointments with the importers to conduct radiation tests. EMAN I contains information on consignments voluntarily declared in advance (i.e. prior to arrival of shipments) by importers to the C&ED for import clearance facilitation purpose. However, according to the C&ED, as advance declaration is made on a voluntary basis, only about 85% of sea cargo information could be obtained through EMAN I. As the RIO relied on EMAN I to identify importers, some importers of foods imported from Japan might not have been identified, though according to the CFS, the importers have been notified in writing as well as reminded through forums to report every food consignment from Japan to the RIO (see para. (a) above). Audit considers that the CFS needs to take further measures to ensure that all food consignments imported from Japan are subjected to radiation tests. For example, the CFS could explore with the C&ED the feasibility of using information from EMAN II (i.e. under which it is mandatory for the electronic manifest to be submitted by the importer/carrier within 14 days after arrival of the vessel in Hong Kong) to facilitate inspections and the conduct of radiation tests. The CFS could compare the information between EMAN I and EMAN II to identify those importers whose submissions relating to the arrival of their consignments from Japan have not been covered by EMAN I so as to ensure that their current and/or future consignments would be subjected to radiation tests.

Audit recommendations

2.88 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) **sort out the discrepancy between the requirement of the Operational Manual and the actual inspection practices (see paras. 2.77 and 2.78);**
- (b) **take measures to improve the utilisation of the KCCH checkpoint, including for example, improving its cold storage facilities; and**

- (c) take further measures to ensure that all food consignments imported from Japan are subjected to radiation tests.

Response from the Government

2.89 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

- (a) it is not feasible for CFS staff to witness the act of breaking seal for non-targeted containers due to time and resource constraints and possible hindrance to trade operation. The CFS will sort out the discrepancy between the requirement of the Operational Manual and the actual inspection practices;
- (b) the CFS will solicit assistance from relevant parties to explore the possibility of setting up a formal food control office with cold storage facilities at the KCCH for inspection of targeted food consignments imported via sea route; and
- (c) the CFS has been working with relevant authorities on Trade Single Window (see para. 5.25) which plans to capture all pre-arrival import information, among other things.

Issues relating to import licences

Import licences cancelled by importers when the food consignments covered by the licences were selected for physical inspection

2.90 As mentioned in paragraph 2.70, for food consignments selected for import documents checking and physical inspection (hereinafter collectively referred to as physical inspection unless otherwise stated) by the CFS, the importers are generally notified in advance that their consignments will be subjected to the CFS inspection. Audit noted that there were cases where importers had cancelled their import licences when their consignments covered by the licences had been selected for physical

Control of foods imported by sea

inspection (for simplicity, hereinafter referred to as import licences selected for physical inspection) (Note 31).

2.91 Table 8 shows, for the period 1 January 2017 to 31 March 2018, for import of foods by sea, the proportion of import licences selected for physical inspection vis-à-vis import licences cancelled by importers. It can be seen from Table 8 that for those import licences selected for physical inspection, there was a high percentage of cancellation of licences. There is a risk that cancellation of import licences is used as a way to evade the CFS's physical inspection of food consignments.

Note 31: *The cost of an import licence is \$3 while the cost of a set of 20 import licences is \$20.*

Table 8

**Cancellation of import licences for import of foods by sea
(1 January 2017 to 31 March 2018)**

Period	Import licences (Note)	
	Selected for physical inspection (No.)	Cancelled (No.)
January to December 2017		
An original health certificate	1,219	201 (16%)
A photocopy of a health certificate	307	146 (48%)
An import permission	377	64 (17%)
Overall	1,903	411 (22%)
January to March 2018		
An original health certificate	305	68 (22%)
A photocopy of a health certificate	57	11 (19%)
An import permission	98	16 (16%)
Overall	460	95 (21%)

Source: Audit analysis of CFS records

Note: An import licence may be issued upon the submission of an original health certificate, a photocopy of a health certificate or an import permission.

2.92 Case 5 is an example showing that an importer had cancelled its import licences when the licences had been selected for physical inspection.

Case 5

Cancellation of import licences by an importer

1. In the period 1 January 2018 to 31 March 2018, an importer applied 383 import licences for importing meat and poultry mainly from Brazil, the Netherlands and the United States of America by sea.
2. Of the 383 import licences issued to the importer, 13 import licences had been selected for physical inspection by the CFS. Of these 13 import licences, 11 (85%) had been cancelled by the importer.

Source: Audit analysis of CFS records

High percentage of import licences issued but not used

2.93 According to the Operational Manual, to prevent improper use of import licences by importers, FIRLO needs to spot out import licences unused by importers for cancellation. An importer, for example, may apply for a number of import licences (and re-apply if the licences expired) and keep some of them unused. When an import licence is selected for physical inspection, the importer could replace the import licence with an unused import licence to import the same food consignment in order to evade physical inspection.

2.94 Audit examined the import licences issued by the CFS in years 2013 to 2017 and found that:

- (a) in each of the five years, the proportion of unused import licences was high; and
- (b) the number of unused import licences had increased from 60,865 in 2013 to 85,475 in 2017.

Details are shown in Table 9 below.

Table 9

**Import licences issued for foods imported by sea
(2013 to 2017)**

Import licence	2013	2014	2015	2016	2017
	(No.)				
Issued	70,598	82,089	73,200	84,552	88,836
Cancelled	841 (1%)	1,280 (2%)	1,845 (2%)	1,089 (1%)	906 (1%)
Used (i.e. consignments had been arrived in Hong Kong and subjected to CFS's import documents checking and physical inspections (see para. 2.70) as well as import documents checking (see para. 2.71))	8,892 (13%)	9,199 (11%)	7,817 (11%)	5,708 (7%)	2,455 (3%)
Unused (i.e. the CFS did not know whether the importers had used the licences or held some licences unused, or the licences were time-expired (see para. 2.93))	60,865 (86%)	71,610 (87%)	63,538 (87%)	77,755 (92%)	85,475 (96%)

Source: Audit analysis of CFS records (based on information on the FICS)

Remarks: In 2017, the percentages of unused import licences for consignments imported by air and road were much lower (i.e. 37% and 11% respectively).

Control of foods imported by sea

2.95 During the time of audit in June 2018, the CFS had taken actions to deal with the unused import licences (Note 32). These actions comprised:

- (a) in early June 2018, notices had been displayed at FIRLO informing importers that they should return to the CFS the expired unused imported licences;
- (b) in mid-June 2018, the CFS had launched an exercise to identify and cancel unused import licences (whose issuance was based on submission of import permissions — Note 33). As mentioned in paragraph 2.71, foods whose import requires import permissions are foods of higher risks. As such, the CFS checks the import documents of all foods imported by sea with import permissions. The CFS contacted the importers to find out whether the import licences issued to them were unused, and required them to return the original expired import licences for cancellation. As at early September 2018, the exercise was still underway; and
- (c) in late September 2018, the CFS further informed Audit that:
 - (i) in cases where an original health certificate was used in applying for an import licence which had been selected for physical inspection, FIRLO had taken measures to prevent the importer from cancelling his/her import licence and reusing the health certificate to apply for a new licence when his/her consignment had been selected for physical inspection. As a machine-printed date and licence number had been marked on the licence and the original health certificate, FIRLO would not accept any health certificate with such marking when vetting an application for import licence (according to the CFS, this measure was in practice before 2018);

Note 32: *The actions covered unused import licences for import of foods by air, road and sea (though the problem was less serious in respect of import by air and road — see Note to Table 9 in para. 2.94).*

Note 33: *According to the CFS, an import licence may be issued with the submission of an original health certificate, a photocopy of an original health certificate or an import permission (see also para. 2.10). In 2017, of the 88,836 import licences issued, 71,447 (80%) were issued based on original health certificates, 16,030 (18%) on photocopies of health certificates and 1,359 (2%) on import permissions.*

- (ii) with effect from June 2018, in cases where a photocopy of a health certificate was used in applying for an import licence which had been selected for physical inspection and subsequently cancelled by the importer, cancellation of a licence to avoid physical inspection is prevented through computerised check following enhancements to the FICS. When the importer applied for a new licence by using the same health certificate, the consignment would still be subjected to physical inspection; and
- (iii) for all import permission cases (i.e. an import licence is issued with the submission of an import permission), the condition that a consignment/health certificate was required to be inspected upon arrival had been imposed. There was, therefore, no point for cancelling and re-applying for another import licence.

2.96 Audit noted the CFS's initiatives and considers that:

- (a) the CFS needs to complete the exercise to identify and cancel unused import licences (see para. 2.95(b)) in a timely manner;
- (b) the CFS needs to duly carry out the measures mentioned in paragraph 2.95(c);
- (c) with regard to the import permission cases (see para. 2.95(c)(iii)), importers can still apply for new import licences if previous ones are selected by the CFS for physical inspection (as an import licence may be issued upon the submission of an import permission — see Note 33 to para. 2.95(b)). The CFS needs to take measures to plug this loophole; and
- (d) the CFS needs to continue to identify and cancel unused import licences on a regular basis. In this connection, the CFS could explore with the Trade and Industry Department about the feasibility of enlisting the Department's help to facilitate ascertaining the status of the import licences as according to the Import and Export Ordinance (Cap. 60), after the arrival of a consignment of meat and poultry, the importer/carrier is required to submit within 14 days the related import licence together with the manifest to the Department. Under the Ordinance, any person who fails to comply with the requirement is liable to a maximum fine of \$5,000. The CFS could

Control of foods imported by sea

seek the Department's assistance followed by direct contact with importers where necessary.

Need to improve the follow-up of submission of original health certificates

2.97 As stated in paragraph 1.10, control at source is an effective control mode in food safety. Control at source includes requiring the presence of health certificates issued by overseas authorities for import of foods. As a measure to prevent the use of counterfeit photocopies of health certificates, if an import licence is issued to an importer based on a photocopy of the health certificate (see Note 33 to para. 2.95(b)), as a condition of the import licence, the importer is required to submit the original health certificate to the CFS within 42 days after the date of issue of the import licence (i.e. before the expiry of the import licence which is valid for 6 weeks — see Note 1(b) to Appendix D) and before the release of the food consignment to the market.

2.98 Table 10 shows the statistics on import licences issued based on photocopies of health certificates for foods imported by sea in years 2013 to 2017.

Table 10

**Import licences issued based on
photocopies of health certificates for foods imported by sea
(2013 to 2017)**

Import licence	2013	2014	2015	2016	2017
	(No.)				
Issued	70,598	82,089	73,200	84,552	88,836
Issued based on photocopies of health certificates	6,738 (10%)	11,819 (14%)	14,575 (20%)	19,887 (24%)	16,030 (18%) (Note)

Source: Audit analysis of CFS records

Note: The proportion of import licences issued based on photocopies of health certificates decreased in 2017 because with effect from late March 2017, photocopies of health certificates are no longer accepted by the CFS for import of meat and poultry from Brazil (following a food incident concerning substandard Brazilian meat incident in March 2017).

2.99 According to the Operational Manual:

- (a) if an importer is in breach of the condition of the import licence (e.g. original health certificate not submitted within 42 days) for the first time, a first warning letter will be issued to the importer;
- (b) if the importer is in breach of the condition for the second time, a second warning letter will be issued to the importer. It is the CFS's practice that a second warning letter will be issued:
 - (i) in respect of another import licence issued to the same importer based on the photocopy of a health certificate and the original health certificate has not been submitted within 42 days; or
 - (ii) if after the issue of the first warning letter, the original health certificate has still not been submitted; and
- (c) if the importer is in breach of the condition for the third time, the CFS will interview the importer and give him/her a verbal warning, and inform him/her that his/her next food consignment will be subjected to physical inspection. The importer is also required to submit a written undertaking whereby he/she must retain his/her consignment until after the physical inspection. A third warning letter will also be issued to the importer. It is the CFS's practice that these procedures will be adopted:
 - (i) in respect of another import licence issued to the same importer based on the photocopy of a health certificate and the original health certificate has not been submitted within 42 days; or
 - (ii) if after the issue of the first and second warning letters, the original health certificate has still not been submitted.

Before issuing a warning letter, the CFS may also issue reminders to importers (e.g. to remind them to submit original health certificates).

Control of foods imported by sea

2.100 Audit selected the import licences issued based on photocopies of health certificates in 2016 and 2017, and examined the adequacy of the CFS in ensuring importers submitted their original health certificates within 42 days. Audit found that:

- (a) as far as Audit could ascertain (Note 34) in 2016 and 2017, there were 281 and 34 import licences (relating to 36 importers) 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). The CFS had issued reminders/warning letters to the importers concerned, but the importers had not submitted the original health certificates to the CFS (as at 30 June 2018) (Note 35); and
- (b) in following up the 315 (281 + 34) cases, the action taken by the CFS was less than adequate (see Cases 6 and 7 for examples).

Note 34: *Prior to mid-June 2016, the CFS only kept manual records concerning submission of original health certificates. The records have been gradually computerised since mid-June 2016 and fully computerised since 2017. According to the CFS, as the manual records in 2016 were no longer available, they could not be provided for Audit's examination.*

Note 35: *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.*

Case 6

Follow-up of submission of an original health certificate
(2017)

1. An importer submitted a photocopy of a health certificate and an import licence was issued to the importer for a consignment of frozen pork on 16 January 2017. The importer did not submit the original health certificate to the CFS within the 42 days. The CFS took the following actions:

Date of action	Action
20 February 2017	A reminder issued
26 May 2017	A reminder issued
6 July 2017	First warning letter issued
17 August 2017	First warning letter issued
18 September 2017	Second warning letter issued
9 October 2017	A reminder issued

Audit comments

2. Audit's comments about this case are as follows:

- (a) in accordance with the Operational Manual, on 17 August 2017, a second warning letter should have been issued. However, as shown in the Table above, only another first warning letter had been issued (it was stated on the warning letter that the warning was a first one);
- (b) in accordance with the Operational Manual, the importer could have been interviewed and given a verbal warning, and informed that his/her next consignment would be subjected to physical inspection. There was, however, no evidence indicating that these had been done;
- (c) no further reminders or warning letters had been issued by the CFS to the importer since 10 October 2017 (the last action day was 9 October 2017 — see Table above) (Note);

Case 6 (Cont'd)

- (d) as at 20 July 2018, the importer still had not submitted the original health certificate to the CFS; and
- (e) in the meantime, it appeared that the consignment of frozen pork had been sold.

Source: Audit analysis of CFS records

Note: In September 2017, the CFS had conducted a physical inspection of a consignment of the importer. However, this consignment was imported into Hong Kong with a retrospective import licence (i.e. an import licence issued after arrival of the consignment in Hong Kong). According to the CFS, all consignments with retrospective import licences must be subjected to physical inspection.

Case 7

**Follow-up of submission of original health certificates
(2016 and 2017)**

1. Importer A imported meat and poultry from various countries into Hong Kong with import licences issued based on submission of photocopies of health certificates. The following table showed the CFS's follow-up of the submission of original health certificates by Importer A up to late March 2018:

Year	Number of import licences issued based on submission of photocopies of health certificates	Number of import licences with reminders/warning letters issued by the CFS	Number of import licences with original health certificates submitted	Number of import licences not followed up
2016	2,707	146 (Note 1)	1	145
2017	1,593	649	649 (Note 2)	Nil

Note 1: In 2016, the CFS only issued a reminder to Importer A for the submission of original health certificates of 146 import licences in August 2016. For the remaining import licences, the CFS could not provide manual records for Audit's inspection (see Note 34 to para. 2.100(a)).

Note 2: Since the time of audit in June 2018, the CFS has followed up cases of delay in submitting the original health certificates by importers including Importer A.

Audit comments

2. Inadequate action had been taken by the CFS to follow up Importer A's submission of original health certificates in 2016.

Source: Audit analysis of CFS records

2.101 Since the time of audit in June 2018, the CFS has stepped up the follow-up of delay in submitting original health certificates by importers (e.g. checking for cases of original health certificates received but not updated into CFS records and contacting importers who had not submitted original health certificates within 42 days).

Audit recommendations

2.102 Audit has *recommended* that the Director of Food and Environmental Hygiene should:

- (a) **complete the exercise to identify and cancel unused import licences (see para. 2.95(b)) in a timely manner;**
- (b) **ensure that the measures taken to prevent importers from cancelling their import licences when their consignments are selected for physical inspection (see para. 2.95(c)) are duly carried out and monitor the effectiveness of the measures taken;**
- (c) **take further measures to deal with the situation where importers cancel their import licences and apply for new ones with the submission of import permissions;**
- (d) **continue to identify and cancel unused import licences on a regular basis; and**
- (e) **for import licences issued based on photocopies of health certificates:**
 - (i) **take measures to ensure that follow-up action to deal with delay in submitting original health certificates by importers is taken until the importers have submitted the certificates; and**
 - (ii) **take measures to ensure that follow-up action is carried out properly in accordance with the CFS's Operational Manual and practices (see para. 2.99) unless there are justified reasons for not doing so.**

Response from the Government

2.103 The Director of Food and Environmental Hygiene agrees with the audit recommendations in paragraph 2.102(a) to (c) and (e). She has said that:

- (a) the 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;
- (b) the CFS has notified importers in writing to return the expired unused licence (permission cases) for cancellation;
- (c) the CFS has already implemented improvement measures to select additional import licences to make up for those that could not be subjected to physical inspection due to cancellation;
- (d) the 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; and
- (e) the CFS has enhanced supervision to ensure frontline operation is conducted according to the guidelines.

Regarding the audit recommendation in paragraph 2.102(d), she has said that the CFS would consider the way forward upon completion of the exercise (see (a) above) at 4th quarter of 2018.

Discrepancies in import documents and physical inspections of consignments

Discrepancies in import documents

2.104 According to the Operational Manual, if there are any discrepancies in import documents, the importers shall be asked to clarify and rectify the discrepancies as soon as possible. Audit examined the import documents of 40 food consignments (see para. 2.73) and found that in 6 (15%) consignments, while there were

Control of foods imported by sea

discrepancies in import documents, the CFS had not taken action to investigate and rectify the discrepancies:

- (a) in 2 consignments, the health certificates of the consignments were dated later than the shipped-on-board date;
- (b) in 3 consignments, the names of exporters shown on the health certificates were not the same as those shown on the import licences; and
- (c) in 1 consignment, the total number of cartons of chilled beef differed between the import documents. Although the difference was only 1 carton (520 versus 519 cartons), the CFS should have ascertained the reasons for the difference to ensure the safety of foods imported.

Physical inspections of food consignments

2.105 Audit examined the CFS's conduct of physical inspection of food consignments imported by sea. Audit findings are shown in the ensuing paragraphs.

2.106 ***Replacement inspections not conducted.*** As shown in Table 8 in paragraph 2.91, in 2017, of the 1,903 import licences for food consignments selected by the CFS for physical inspection, 411 (22%) had been cancelled. Audit, however, noted that the CFS did not have the practice of selecting additional import licences to replace those that had been cancelled. As a result, the actual number of inspections conducted by the CFS was lower than that stipulated in the Operational Manual (see Table 11).

Table 11

**Stipulated and actual number of physical inspection
conducted by the CFS
(2017)**

Imported with an import licence issued based on	Stipulated number of physical inspection	Average number of physical inspection conducted
An original health certificate	5 consignments daily	4.1 consignments daily
A photocopy of a health certificate	1 out of every 50 consignments (i.e. 2%)	1 %

Source: Audit analysis of CFS records

2.107 ***Inadequacies in physical inspections.*** In the 10 accompanied inspections (see para. 2.73), Audit found that:

- (a) ***Warning letter not issued to an importer.*** In one inspection, it was stated as a condition of the import permission that, “*on arrival, the importer shall cause the consignment for inspection by the Health Inspector at a licensed cold store or a registered cold storage before release*”. During the inspection conducted in April 2018, 20 of 96 cartons of chilled beef were found to be missing. Upon enquiry of the CFS staff, the importer brought back the 20 cartons of chilled beef to the cold store. Two days later, the CFS staff visited the cold store again and inspected the 96 cartons of chilled beef. In late September 2018, the CFS informed Audit that the 20 cartons of chilled beef had been stored temporarily at a refrigerating device in the importer’s office (i.e. neither a licensed cold store nor a registered cold storage, contrary to the condition in the import permission). The CFS also told Audit that the importer’s office had not maintained any stock records for the 20 cartons and that physical inspection at the importer’s office had not been conducted. In Audit’s view, there was no assurance as to whether the 20 cartons, which were brought back to the cold store and subsequently checked by the CFS staff, were those that were found to be missing. In this case, in accordance with the condition of the import licence, a warning letter should have been issued. However, the CFS staff released the chilled beef without issuing a warning letter to the importer;

Control of foods imported by sea

- (b) ***Quantity in release letter overstated.*** In one inspection at a cold store, 20 of 190 cartons of frozen chicken were found short-shipped. The CFS conducted a physical inspection of the 170 cartons. However, the CFS issued a release letter for a consignment of 190 cartons to the importer;
- (c) ***Quantity of foods inspected less than required.*** According to the Operational Manual, for import of meat and meat products, CFS staff normally need to inspect 5% (in quantity) of a food consignment. Audit, however, noted that in one inspection of frozen beef, less than the required 5% of foods was inspected. The CFS staff only inspected 2 cartons out of a total of 2,025 cartons (i.e. 0.1% of the consignment). There was no justification for inspecting only 2 cartons;
- (d) ***Overall examination of the whole consignment and cross-checking to supporting documents not conducted.*** According to the Operational Manual, at the beginning of an inspection, CFS staff should conduct an overall examination of the whole lot of the consignment for any defects such as defective boxes or filth. Furthermore, during the inspection, the type and total quantity of food should be verified by physical counting and cross-checking against supporting documents (e.g. original health certificates and bills of lading). In 3 inspections, no overall examination of the consignments had been conducted by the CFS staff. In 2 inspections, the CFS staff did not open any of the foam boxes for transporting chilled freshwater aquatic products in order to cross-check the type and total quantity against the supporting documents; and
- (e) ***Sample of foods not properly selected.*** According to the Operational Manual, for meat and meat products imported by sea, CFS staff are required to select units randomly at surface and different portions inside the pallet or container. However, Audit found that in one inspection, the CFS staff only selected 2 cartons of food readily accessible at the front of the consignment lot for inspection. The CFS needs to take measures to ensure that CFS staff select food samples randomly for the conduct of physical inspections (including, for example, extending the “randomisation sampling” (see para. 2.55(b)) to inspection of foods imported by sea).

Audit recommendations

2.108 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) **take measures to ensure that discrepancies, if found, in import documents are investigated and rectified;**
- (b) **consider selecting additional import licences to compensate for those that could not be subjected to physical inspection due to cancellation;**
- (c) **take measures to ensure that warning letters are issued to importers for breaching the conditions of import licences where applicable;**
- (d) **take measures to ensure the accuracy of figures quoted in letters for releasing food consignments;**
- (e) **take measures to ensure that physical inspections of food consignments (in respect of the 5% inspection requirement and overall examination of the whole consignment and cross-checking to supporting documents — see para. 2.107(c) and (d)) are conducted in accordance with the Operational Manual; and**
- (f) **take measures to ensure that CFS staff select food samples randomly for the conduct of physical inspections (including, for example, extending the “randomisation sampling” (see para. 2.55(b)) to inspection of foods imported by sea).**

Response from the Government

2.109 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

- (a) the CFS has reminded frontline staff to make clarifications with importers on any discrepancies in import documents. Action taken should be properly documented;

Control of foods imported by sea

- (b) the CFS has already implemented improvement measures to select additional import licences to make up for those that could not be subjected to physical inspection due to cancellation;
- (c) the CFS has enhanced supervision to ensure frontline operation is conducted according to the guidelines; and
- (d) the CFS will provide guidance to frontline staff on selection of food samples randomly for the conduct of physical inspections.

PART 3: CONTROL OF LIVE FOOD ANIMALS AND LIVE AQUATIC PRODUCTS

3.1 This PART examines the CFS's control of live food animals and live aquatic products, focusing on the following issues:

- (a) control of livestock imported by road (paras. 3.6 to 3.18);
- (b) control of live aquatic products imported by road (paras. 3.19 to 3.33); and
- (c) control of livestock admitting into slaughterhouses (paras. 3.34 to 3.39).

Background

3.2 According to the CFS, in addition to the import of live freshwater aquatic products from the Mainland by sea through the CSWWFM and the WWFM (see para. 2.68(b)), live food animals (comprising livestock and live poultry) and live aquatic products (Note 36) from the Mainland are imported into Hong Kong by road through the MKTBCP. In 2017, the number of live food animals imported from the Mainland by road comprised:

- (a) some 1.5 million heads of livestock;
- (b) some 76,000 heads of live poultry; and
- (c) some 39,000 tonnes of live aquatic products.

Livestock (e.g. bovines, swine and goats) and live aquatic products are mainly imported into Hong Kong from the Mainland (see Appendix F). According to the CFS, there has been no import of live ducks and geese since 2004 as well as live chicken since 2016 from the Mainland. Since early 2017, there has also been no import of other live poultry (e.g. guinea fowl and silky chicken) from the Mainland.

Note 36: *Under the Public Health and Municipal Services Ordinance and the Food Safety Ordinance, live aquatic products are classified as food.*

Control of live food animals and live aquatic products

3.3 Under the administrative arrangements with the Mainland (see Note 4 to Appendix D), live food animals and live aquatic products must originate from registered farms approved by the GACC. In addition, they must be imported with animal health certificates issued by the GACC (Note 37). Each certificate specifies information such as the names of the consignor and consignee, the quantity of animals/aquatic products exported, and the name and farm code of the registered farm.

3.4 To control the import of live food animals and live aquatic products from the Mainland, the CFS has set up the Man Kam To Animal Inspection Station (MKTAIS), which is located next to the MKTFCO (see para. 2.29). Table 12 shows the types of documents required for the import of different types of live food animals and live aquatic products from the Mainland by road.

Note 37: *It is also a statutory requirement that import of live poultry and livestock must be accompanied by animal health certificates under the Public Health (Animals and Birds) Regulations (Cap. 139A) and the Public Health (Animals and Birds) (Chemical Residues) Regulation (Cap. 139N) respectively. The certificate is issued by a competent authority of an exporting economy certifying that the live poultry and livestock show no sign of certain diseases (e.g. rabies) and contain no prohibited chemicals.*

Table 12

**Documents for import of live food animals and
live aquatic products from the Mainland by road**

Document required for import	Livestock (i.e. swine, bovines and goats)	Live aquatic product	
		Freshwater fish (e.g. eel, grass carp, grey mullet and freshwater grouper) and hairy crab	Seafood and shellfish (e.g. abalone, lobster, red crab and mud snail)
Original animal health certificate	✓	✓	✓
Permit issued by the AFCD (see para. 3.12 for details)	✓	N.A.	N.A.
Food import declaration form (Note)	N.A.	✓	✓

Source: CFS records

Note: According to the CFS, a food import declaration form is voluntarily filled in by an importer or driver transporting live aquatic products as it is not a statutory requirement to do so. Information contained in the form comprises the names of the importer and exporter as well as the particulars (e.g. description of the consignment and its quantity) of the live aquatic products.

Remarks: Since early 2017, there has been no import of live poultry from the Mainland. The documents required for import as shown in the Table therefore do not include those for live poultry.

3.5 For livestock and live aquatic products imported from the Mainland by road, Audit randomly selected and examined the import documents of 5 consignments of live aquatic products imported in January 2018 and 5 consignments of livestock imported in April 2018. On 16 and 17 May 2018, Audit also randomly selected and accompanied CFS staff in 23 inspections of livestock (21 consignments of swine and

Control of live food animals and live aquatic products

2 consignments of bovines) and 6 inspections of live aquatic products conducted at the MKTAIS (Note 38).

Control of livestock imported by road

3.6 The CFS's VPHS under the Risk Management Division of the CFS (see Appendix A) is responsible for conducting inspection at the land border to ensure safe supply of live food animals for human consumption. In respect of livestock from the Mainland, upon arrival of a vehicle carrying the livestock at the MKTAIS, Field Officers (Note 39) of the VPHS will:

- (a) collect and check the original animal health certificate issued by the GACC (certifying that the animals are in good health);
- (b) check that the seal attached to the vehicle carrying the livestock is intact and that the seal number corresponds with the number shown on the original animal health certificate, and break the seal after checking (see Photograph 32);

Note 38: *The import control of live poultry is not covered in this audit review as there has been no import of live poultry from the Mainland since early 2017.*

Note 39: *Field Officers are seconded from the AFCD to work in the CFS.*

Photograph 32

Breaking a seal after checking the original animal health certificate



Source: Photograph taken by Audit in May 2018

- (c) conduct physical inspection of the livestock by:
 - (i) checking the tattoo marks on swine (see Photograph 33) or ear tag numbers on bovines and goats (see Photograph 34). The tattoo marks or ear tags are used to identify the farm supplying the livestock; and
 - (ii) inspecting the livestock for any physical injuries or clinical signs of diseases;

Photograph 33

Tattoo mark on a swine



Source: Photograph taken by Audit in May 2018

Photograph 34

Ear tag on a bovine



Source: Photograph taken by Audit in May 2018

- (d) reseal the livestock consignment with a CFS seal (see Photograph 35); and

Photograph 35

**Resealing a livestock consignment
with a CFS seal**



Source: Photograph taken by Audit in May 2018

- (e) upon satisfactory checking of the original animal health certificate and conduct of physical inspection of the livestock, issue a Record of Movement Permit/Admission Direction (movement permit) to the vehicle driver for admitting the livestock to a designated slaughterhouse (see para. 3.34). The movement permit records the quantity of the livestock (which corresponds with that on the original animal health certificate) admitting to the slaughterhouse (Note 40).

3.7 After the release of the consignment of livestock, Field Officers will input the following information into the Live Food Animal System (LFAS):

Note 40: *The importers are required to obtain movement permits issued by the CFS in order to have their imported livestock admitted into the slaughterhouses. All vehicles carrying livestock will therefore need to enter into the MKTAIS.*

Control of live food animals and live aquatic products

- (a) information shown on the animal health certificate, such as the animal health certificate number, farm code, export date, tattoo number/ear tag number, place of origin, exported quantity, animal species, Hong Kong registration number of the vehicle carrying the livestock and name of consignee; and
- (b) information shown on the movement permit, such as the movement permit reference number and CFS seal number.

Need to verify the origin of livestock on a timely basis

3.8 As stated in paragraph 3.3, live food animals imported from the Mainland must originate from registered farms approved by the GACC. The GACC publishes and updates a list of registered farms on its website.

3.9 In accompanying the Field Officers in the 23 inspections of livestock conducted at the MKTAIS on 16 and 17 May 2018 (see para. 3.5), Audit observed that in 2 consignments of bovines, the bovines were originated from a farm not on the list of registered farms as shown on the website of the GACC. Audit further noted that the Field Officers had not contacted the GACC for clarification. In late September 2018, the CFS informed Audit that the Field Officers conducted the inspections had checked the farm codes on the animal health certificates against the list of registered farms maintained by the VPHS based on the information on the website of the GACC, and previous correspondences with the GACC and the former AQSIQ (see Note 4 to Appendix D) (i.e. clarifications of the registration status of the farms). In late October 2018, the CFS further informed Audit that the CFS had double checked all the cattle consignments of 16 and 17 May 2018. There were altogether 8 consignments of bovines imported from three registered farms. The Field Officers also confirmed that they had checked the farm codes on the animal health certificates against the list. In addition, the CFS had explained that the registration status of a bovine farm was previously clarified with the Mainland authority. Since clarification was made, the farm had continuously supplied bovines to Hong Kong.

3.10 Audit also examined the number of livestock consignments imported during the period 27 April to 28 May 2018 (Note 41) to ascertain whether there were cases of import of livestock from farms not on the registered list. Audit found that, in the period, 7 other consignments of bovines and 15 consignments of swine were imported from 6 farms that were not on the list. Of the 6 farms:

- (a) according to CFS records, for 3 farms, the Field Officers clarified with the GACC (e.g. by e-mails) the registration status of the farms only after the consignments were released. The GACC confirmed that the farms were registered farms; and
- (b) for the other 3 farms, upon Audit's enquiries, the Field Officers told Audit that for 2 farms, clarifications with the former AQSIQ had been sought in February and April 2017. The former AQSIQ confirmed in 2017 that these 2 farms were registered farms. Accordingly, the CFS did not seek further clarification from the GACC and released the animals. In Audit's view, the CFS should have sought further clarification as the previous clarifications were sought in February and April 2017 while the import of the consignments in question was in May 2018. As for the remaining one farm, the Field Officer told Audit that there might be a typing mistake on the farm code as shown on the list of registered farms on the website of the GACC and that clarification had not been sought with the GACC. In late September 2018, the CFS informed Audit that the farm had supplied livestock to Hong Kong since 2010. The CFS had clarified with the GACC on 26 September 2018 and confirmed that there was a typing mistake on the farm code.

3.11 Audit considers that the CFS needs to take measures to ensure that, prior to the release of consignments of livestock, the livestock are originated from approved farms in the Mainland and seek immediate clarification with the GACC where warranted.

Note 41: *The dates of updating the list of registered farms by the GACC before and after Audit's accompanied inspections in May 2018 were 27 April 2018 and 29 May 2018 respectively.*

Need to comply with the terms of AFCD permits

3.12 As mentioned in Table 12 in paragraph 3.4, an AFCD permit is required for the import of livestock from the Mainland. Under the Rabies Regulation (Cap. 421A), a person shall import into Hong Kong any animal with a permit issued by the AFCD. The permit, which is valid for one month and for multiple consignments, states the daily maximum quantity of livestock permitted for entering into Hong Kong from the Mainland. Other information contained in the permit includes the name of the permittee, place of export, port of import, and kinds of animal. Any person who imports livestock without a permit is liable to a maximum fine of \$50,000 and imprisonment for one year. The permit is issued on the condition that the import of livestock meets the terms for importation. One of the terms of the permit is that an importer should show the permit to a Field Officer upon arrival of the animals at the MKTAIS. Failure to do so shall render the animal liable to detention (Note 42). Furthermore, the permittee may be prosecuted under the Rabies Ordinance (Cap. 421) and is liable to a maximum fine of \$10,000 and imprisonment for 6 months.

3.13 In all the 23 accompanied inspections (see para. 3.5) (involving 23 consignments), Audit found that contrary to the terms of the AFCD permit that importers should show the AFCD permits to Field Officers upon arrival of the animals at the MKTAIS (see para. 3.12), the importers failed to do so. Audit also noted that it was a practice of the AFCD that after issuance of an AFCD permit, the AFCD would send a copy of the permit to the CFS. Based on the permits received from the AFCD, on a monthly basis and for each importer of livestock, Field Officers would check the total quantity of livestock imported against the maximum quantity of livestock permitted for importing into Hong Kong (see para. 3.12) to ensure that the quantity imported did not exceed the maximum quantity permitted. Nevertheless, Audit observed that Field Officers did not make use of the permits received from the AFCD to verify that the livestock were covered by valid permits when they entered Hong Kong.

3.14 In late September 2018, the CFS informed Audit that at present, the original copy of an issued permit is kept by the permittee (i.e. importer). The AFCD will

Note 42: *According to the CFS, it will consider detaining the consignments that are not covered by a valid AFCD permit, instead of not showing the permit.*

send the duplicate copies to the CFS after issuance. The truck driver carrying a livestock consignment, who is neither an airline agent nor a shipping agent, will not have a copy of the permit. It would not be possible for every driver to show the permit upon arrival. Nevertheless, the CFS had held a meeting with the AFCD and permittees (i.e. importers) in mid-October 2018 and reached an agreement on improvement measures.

3.15 Audit considers that the CFS needs to take measures to ensure that AFCD permits are always shown to the CFS for checking upon arrival of the livestock at the MKTAIS, or make use of the permits received from the AFCD to verify that the livestock are covered by valid permits when they are imported into the territory.

Audit recommendations

3.16 Audit has *recommended* that the Director of Food and Environmental Hygiene should:

- (a) ensure that, prior to the release of consignments of livestock, the livestock are originated from approved farms in the Mainland;
- (b) in cases where the livestock are imported from farms not on the list of registered farms or there are other irregularities, seek immediate clarification with the GACC; and
- (c) take measures to ensure that AFCD permits are always shown to the CFS for checking upon arrival of the livestock at the MKTAIS in accordance with the terms of the permits, or make use of the permits received from the AFCD to verify that the livestock are covered by valid permits when they are being imported into the territory.

Response from the Government

3.17 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

Control of live food animals and live aquatic products

- (a) with effect from 4th quarter of 2018, prior to the release of consignments of livestock, the CFS would seek immediate clarification with the GACC if the registration status of the farm is uncertain or there are other irregularities; and
- (b) the CFS has met with relevant parties to implement improvement measures with effect from November 2018 so that the permittee shall present the original special permit to the CFS in a timely manner.

3.18 The Director of Agriculture, Fisheries and Conservation has said that the AFCD had arranged a meeting with the three permittees for import of food animals and the CFS on 11 October 2018 in finding a practical way for the permittees to present the original import permits issued by the AFCD to the CFS on a regular basis.

Control of live aquatic products imported by road

3.19 Upon arrival of a vehicle transporting live aquatic products at the MKTAIS (see Photograph 36), Field Officers of the VPHS will:

Photograph 36

A vehicle carrying live fish



Source: Photograph taken by Audit in May 2018

- (a) collect and check the original animal health certificate issued by the GACC. The certificate contains information on, for example, the farm from which the live aquatic products are exported and the identification of the products (i.e. species, breed and quantity);
- (b) check the farm code on the original animal health certificate against the list of registered aquatic food animal farms approved by the GACC;
- (c) collect the food import declaration form (see Note to Table 12 in para. 3.4);
- (d) check that the seal number of the seal attached to the vehicle carrying the live aquatic products corresponds with the number shown on the original animal health certificate, and break the seal after checking;

Control of live food animals and live aquatic products

- (e) conduct physical inspection of the live aquatic products (e.g. to identify the fish types) (see Photograph 37); and

Photograph 37

Visual examination of a fish type



Source: Photograph taken by Audit in May 2018

- (f) reseal the consignment of live aquatic products with a CFS seal.

3.20 After the release of the consignment of live aquatic products, Field Officers will input the information shown on the animal health certificate and food import declaration form into the LFAS and FICS (see Note 10 to para. 2.2(e)).

Discrepancies relating to import documents

3.21 Audit examined the documents relating to the import of live aquatic products and found that there were discrepancies as shown in paragraphs 3.22 to 3.29.

3.22 ***Discrepancies in quantities of imported live aquatic products.*** In examining the import documents of the 5 consignments of live aquatic products (see para. 3.5), Audit found that in one consignment, the quantity of live aquatic products stated on the food import declaration form of 6,000 kg was greater than that shown

Control of live food animals and live aquatic products

on the original animal health certificate of 2,710 kg (i.e. a difference of 3,290 kg). Furthermore, in the 6 accompanied inspections of live aquatic products conducted at the MKTAIS (see para. 3.5):

- (a) in all the 6 inspections, the quantities of live aquatic products stated on the food import declaration forms were not the same as those shown on the original animal health certificates (see Table 13);

Table 13

Discrepancies in quantities of live aquatic products

Consignment number	Quantity of live aquatic products stated on		Discrepancy (c) = (b) – (a)
	Food import declaration form (a)	Animal health certificate (b)	
1	4,000 kg	6,200 kg	2,200 kg
2	4,200 kg	6,000 kg	1,800 kg
3	5,300 kg	5,200 kg	(100 kg)
4 (see also Case 8)	3,000 kg	2,000 kg	(1,000 kg)
5	Information not declared	4,460 kg	Undetermined
6		5,760 kg	

Source: CFS records

Control of live food animals and live aquatic products

- (b) in 2 of the 6 inspections, the quantities of live aquatic products stated on the food import declaration forms were greater than those shown on the original animal health certificates (see consignment numbers 3 and 4 in Table 13 above) (see also Case 8 below for an example). There was a risk that the excess quantities of live aquatic products were imported without the GACC's certification; and

Case 8

Discrepancy in import documents of a live fish consignment

1. On 16 May 2018, a consignment of live fish from the Mainland was importing through the MKTAIS. The quantity of the consignment as shown on the food import declaration form was 3,000 kg while that shown on the original animal health certificate issued by the GACC was 2,000 kg (i.e. a difference of 1,000 kg). Audit found no evidence that the CFS had ascertained the reason for the discrepancy or sought clarification from the GACC.

2. In late September 2018, the CFS informed Audit that:

- (a) in cases where there is a serious irregularity found during import inspection, such as absence of the official health certificate, the consignment may be detained at the MKTAIS and Field Officers will contact the GACC for clarification. According to the Operational Manual, consignments of live aquatic products in the absence of an accompanying health certificate can be held by the CFS's Food Import and Export Section (see Appendix A). The VPHS has also set out some scenarios (in its "Guidelines for handling doubtful official health certificate") that require immediate attention and rectification with the GACC, such as the absence of or flawed original health certificates and suspicion of tampering. In those cases, Field Officers are required to report the incidents to their supervisors for further instructions/advice;

Case 8 (Cont'd)

- (b) in this case, the VPHS colleague had done an initial assessment and considered that there was no major irregularity. Since the main purpose of voluntary submission of food import declaration form (the form is filled in by the driver on a voluntary basis) is to collect information such as the contact information of the driver/importer to facilitate communication in case there is a need for further follow-ups, the VPHS considered the quantity put down by the driver in the form as merely an estimate. The import quantity listed in the original animal health certificate had been input into both the LFAS and the FICS; and
- (c) nevertheless, in view of Audit's comments, the VPHS will, in future, clarify with drivers in case the import quantity on the food import declaration form is greater than that on the original animal health certificate.

Source: Audit analysis of CFS records

- (c) in another 2 of the 6 inspections, the quantities of live aquatic products had not been stated on the food import declaration forms. Audit therefore could not ascertain whether there were any discrepancies in quantities between the forms and the original animal health certificates.

3.23 There was no documentation indicating that the CFS had looked into the reasons for the above discrepancies and taken action where warranted to rectify the discrepancies.

3.24 ***Discrepancies in names of importers and exporters.*** In examining the import documents of the 5 consignments of live aquatic products, Audit also found that:

Control of live food animals and live aquatic products

- (a) in 3 consignments, the importers' names on the food import declaration forms were not the same as the consignees' names on the original animal health certificates; and
- (b) in one consignment, the exporter's name on the food import declaration form was not the same as the consignor's name on the original animal health certificate.

3.25 In addition, in the 6 accompanied inspections (involving 6 consignments), Audit also found that:

- (a) in 5 consignments, the importers' names on the food import declaration forms were not the same as the consignees' names on the original animal health certificates; and
- (b) in 3 consignments, the exporters' names on the food import declaration forms were not the same as the consignors' names on the original animal health certificates.

3.26 In late September 2018, the CFS informed Audit that the food import declaration form is filled out voluntarily by the driver to facilitate traceability. The consignee/consignor and importer/exporter are not necessarily the same according to the trade practice. While noting the CFS's explanation, Audit considers that there is merit for the CFS to investigate the reasons for the discrepancies (e.g. by clarifying with the importers and/or drivers) and take action to rectify them where necessary. This would, for example, help trace the importers more accurately and speedily in the case of a food incident.

3.27 *Unclear information on food import declaration forms.* In examining the import documents of the 5 consignments of live aquatic products, Audit found that in all the 5 consignments, the information on importers and exporters filled in by the drivers of vehicles carrying the products on the food import declaration forms was unclear (e.g. missing the address and business registration number of the importer). Furthermore, in the 6 accompanied inspections (involving 6 consignments), Audit found that:

Control of live food animals and live aquatic products

- (a) in 5 consignments, some information on importers and exporters were not filled in by the drivers; and
- (b) in 2 consignments, there were scribbles on the food import declaration forms (see Photograph 38 for an example).

There was no evidence indicating that Field Officers had followed up any of the above unclear information.

Photograph 38

Scribbles on a food import declaration form

The image shows a form titled '香港入口商 Importer' (Hong Kong Importer). It contains several fields for information: '姓名/商號*' (Name/Company*), '地址' (Address), '商業登記證號碼' (Business Registration Certificate No.), and '電話號碼' (Tel. No.). The 'Name/Company*' field is filled with a large, illegible scribble. The 'Address' field is also partially obscured by a scribble. The other fields are empty.

Source: CFS records

3.28 Aside from impropriety, the discrepancies in respect of importers' names and unclear information as shown in the aforesaid paragraphs might render it difficult for the CFS to trace the relevant parties in the food distribution chain in the event of a food incident.

3.29 In late September 2018, the CFS informed Audit that the food import declaration form is filled in by drivers on a voluntary basis. However, when unclear information is filled in by drivers on the food import declaration forms, Field Officers will clarify with the drivers.

Need to improve the conduct of physical inspection of live aquatic products

3.30 According to the Operational Manual of the VPHS, in a physical inspection of live fish, a Field Officer should inspect (see Photograph 37 in para. 3.19(e)) the types of fish and ensure that they match those shown on the original animal health certificate. In the 6 accompanied inspections, Audit found that in one inspection of a consignment involving 4 types of fish, the Field Officer only inspected one type of fish (i.e. Mud Carp). The other 3 types of fish (i.e. Grass Carp, Bighead Carp and Goldfish) had not been inspected. Furthermore, Audit noted that the Field Officer had not verified the other 3 types of fish against those shown on the original animal health certificate.

3.31 In late September 2018, the CFS informed Audit that there were about 15 to 25 containers in each consignment of live fish. The CFS performed random checks on the fish containers of every consignment and not necessarily all the fish types were checked. The driver of the aforesaid consignment carrying the same kinds of fish species from the same farm arrived at the MKTAIS for CFS inspection nearly every day. No major irregularities linked to this farm had been detected during past import inspection by the CFS. The VPHS believed the existing risk-based approach (i.e. random checking the containers of each consignment) was deemed appropriate and scientific. While noting the CFS's explanation, Audit considers that to comply with the requirements of the Operational Manual of the VPHS and given that as many as 15 to 25 containers containing different fish species are involved in a consignment of live fish, there is merit for inspecting more than one type of live fish in a consignment involving several types of fish.

Audit recommendations

3.32 **Audit has *recommended* that the Director of Food and Environmental Hygiene should ensure that:**

- (a) **the CFS clarifies with drivers (and importers where necessary) in cases of any discrepancies noted between food import declaration forms and original animal health certificates, and takes action to rectify the discrepancies where warranted;**

- (b) **Field Officers clarify with drivers in circumstances where unclear information is filled in by the drivers on the food import declaration forms; and**
- (c) **in inspecting consignments involving several types of live fish, the CFS inspects more than one type of fish and verifies the types against those shown on the original animal health certificates.**

Response from the Government

3.33 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that in view of Audit's comments, the CFS has proactively clarified with the drivers if necessary and has implemented an enhanced inspection scheme on fish types.

Control of livestock admitting into slaughterhouses

3.34 After the release of livestock (see para. 3.7) from the MKTAIS, the livestock are transported into either the Sheung Shui Slaughterhouse or the Tsuen Wan Slaughterhouse (Note 43). The Slaughterhouse (Veterinary) Section (SH(V)S) (see Appendix A) under the Risk Management Division of the CFS is responsible for verifying documents for livestock admitted into the slaughterhouses and surveillance of diseases. For every consignment of livestock admitted into a slaughterhouse, Field Officers of the SH(V)S, who are stationed at the slaughterhouse will:

- (a) collect and check the movement permit (see para. 3.6(e)), and record the quantity of the livestock admitted in the LFAS;

Note 43: *The slaughterhouses are operating under licences issued by the FEHD. They are subjected to the FEHD's monitoring to ensure that the operations of the slaughterhouses meet the required hygiene and environmental standards and that only meat fit for human consumption is released for sale in the market. In addition to the Sheung Shui Slaughterhouse and the Tsuen Wan Slaughterhouse, there is also a slaughterhouse in Cheung Chau. In 2017, there was no livestock directly admitted into the Cheung Chau Slaughterhouse. The operations of the slaughterhouses were covered in the audit review of "Provision of slaughtering facilities for supplying fresh meat" — Chapter 2 of the Director of Audit's Report No. 36 published in March 2001.*

Control of live food animals and live aquatic products

- (b) conduct initial check of the livestock to screen out animals suspicious of diseases or injuries, and move these animals to the isolation lairage to avoid the spread of diseases and prevent contamination of the premises, facilities and equipment;
- (c) select animals (including those from the isolation lairage) and collect urine samples for laboratory tests. The animals will only be released for slaughtering after the results of urine tests are confirmed to be negative; and
- (d) select animals that died in the slaughterhouse and collect tissue samples for disease surveillance.

Need to verify the number of livestock admitted into slaughterhouses

3.35 According to the Manual of Procedures for Slaughterhouse (Veterinary) Section, a Field Officer of the SH(V)S will:

- (a) record into the LFAS the quantity of every consignment of livestock admitted to a slaughterhouse (i.e. admitted quantity); and
- (b) verify the admitted quantity against the data entered into the LFAS by the Field Officer of the VPHS (see paras. 3.6 and 3.7). If a discrepancy is found, the Field Officer of the SH(V)S will contact the slaughterhouse licensee to verify the discrepancy and then the Field Officer of the VPHS for his/her necessary clarification with the GACC. If the discrepancy is confirmed, the livestock will be detained until the clarification with the GACC is sought.

3.36 Audit examined the records of admission of live swine into the two slaughterhouses for May 2018 and found that the admitted quantities of live swine (entered into the LFAS by a Field Officer of the SH(V)S) were different from the quantities of the live swine shown on the animal health certificates (entered into the LFAS by a Field Officer of the VPHS). Details are shown in Table 14. An example illustrating the discrepancies is also shown in Case 9.

Table 14

**Discrepancies between admitted quantities of live swine and
quantities of live swine shown on animal health certificates
(May 2018)**

Number of consignments with discrepancies	Admitted quantity <i>greater than</i> quantity shown on animal health certificates (Note 1)		Admitted quantity <i>less than</i> quantity shown on animal health certificates (Note 2)	
	Number of consignments	Quantity of live swine (Head)	Number of consignments	Quantity of live swine (Head)
263	98	140	165	215

Source: Audit analysis of CFS records

Note 1: The discrepancies ranged from 1 to 10.

Note 2: The discrepancies ranged from 1 to 6.

Control of live food animals and live aquatic products

Case 9

A case illustrating the discrepancies between admitted quantities and quantities shown on animal health certificates (May 2018)

1. In May 2018, an importer imported 319 consignments of live swine from 8 farms in the Mainland (see Table below). Audit noted that there were discrepancies between the admitted quantities of swine and quantities of swine shown on the animal health certificates:

Farm	Number of consignments imported	Number of consignments imported in which there was a discrepancy	Admitted quantity (based on number of consignments imported) (Head)	Quantity on animal health certificate (based on number of consignments imported) (Head)	Admitted quantity greater than quantity on animal health certificates (Head)	Admitted quantity less than quantity on animal health certificates (Head)
A	16	16	671	640	31	N.A.
B	44	3	1,763	1,760	3	N.A.
C	32	Nil	1,280	1,280	Nil	Nil
D	38	2	1,522	1,520	2	N.A.
E	60	29	2,375	2,400	7	32
F	33	3	1,316	1,320	N.A.	4
G	84	18	3,365	3,360	12	7
H	12	1	479	480	N.A.	1
Total	319	72	12,771	12,760	55	44

2. Audit found that in 40 of the 319 consignments, the admitted quantity was greater than that shown on the animal health certificates (involving 55 heads of swine — see Table above). In particular, for Farm A, in all the 16 consignments, the admitted quantity was greater than that shown on the animal health certificates (involving 31 heads of swine — see Table above). These discrepancies showed that the swine in question might have been imported without animal health certificates.

3. Upon enquiry in July 2018, the SH(V)S informed Audit that as the total admitted quantity of the swine (12,771 heads — see Table above) was less than the maximum quantity of swine (29,047 heads) permitted under the AFCD permit (see para. 3.12), it had not sought clarification from the VPHS.

Audit comments

4. While the total admitted quantity of swine was less than the maximum quantity of swine permitted under the AFCD permit, it did not help ensure that the 55 heads of swine (see para. 2 above) had been imported with animal health certificates. The SH(V)S should have sought clarifications with the VPHS regarding the discrepancies shown in the Table above.

Source: Audit analysis of CFS records

3.37 Audit further noted that it was a practice that the SH(V)S had sent a daily admission report, indicating the total admitted quantity of imported livestock, to the VPHS. However, upon receipt of the report from the SH(V)S, the VPHS did not take any action to clarify the discrepancies with the SH(V)S.

Audit recommendations

3.38 Audit has *recommended* that the Director of Food and Environmental Hygiene should:

- (a) **identify and clarify any discrepancies between the admitted quantities of livestock and the quantities shown on the animal health certificates; and**
- (b) **take follow up action on those cases of which the admitted quantity of livestock was greater than that recorded on the animal health certificate.**

Response from the Government

3.39 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that the 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 (see para. 3.6(e)) have been identified and verified with relevant parties on a daily basis.

PART 4: REGISTRATION AND INSPECTION OF FOOD TRADERS

4.1 This PART examines the registration and inspection of food traders (Note 44), focusing on the following areas:

- (a) registration and exemption of food importers/distributors (paras. 4.7 to 4.12);
- (b) inspection of food traders (paras. 4.13 to 4.22); and
- (c) management information (paras. 4.23 to 4.27).

Background

4.2 To facilitate identifying and tracing the sources of foods (e.g. in food incidents), under the Food Safety Ordinance:

- (a) any person who carries on a food importation or distribution business is required to register with the Director of Food and Environmental Hygiene as a food importer or food distributor (i.e. a food wholesaler). The person should submit an application to the FEHD for registration as a food importer or food distributor (Note 45). The registration is effective for a period of three years (subject to renewal every three years); and
- (b) as a trade facilitation measure, food importers or food distributors that have already obtained a licence/permit/certification (for simplicity, hereinafter collectively referred to as a licence) under other ordinances (see Table 15) are exempted from the registration requirement. The authorities shown in

Note 44: *Unless otherwise stated, hereinafter food traders comprise food importers, food distributors, food retailers, traders at food exhibitions and on-line food selling shops.*

Note 45: *A food importer or food distributor that fails to register commits an offence and is liable to a maximum fine of \$50,000 and imprisonment for 6 months.*

Table 15 are required to provide periodically lists of licensees/permittees/certificated owners (for simplicity, hereinafter collectively referred to as licensees) to the Director of Food and Environmental Hygiene. In cases where the licensees carry on a food importation/distribution business, upon the request of the Director, the licensees are required to provide information relating to their licences and businesses to the FEHD. The FEHD will review the information provided to ensure that they are eligible for exemption (Note 46).

Note 46: *A food importer or food distributor that fails to provide the required information commits an offence and is liable to a maximum fine of \$10,000 and imprisonment for 3 months.*

Table 15

Food importers/distributors exempted from registration

Item	Exempted food importer/distributor	Licensing authority
1	A holder of the permission (e.g. for a butcher shop) under section 30 of the Food Business Regulation (Cap. 132X)	Director of Food and Environmental Hygiene
2	A licensee of a licence (e.g. for a food factory) under Part IV of the Food Business Regulation	
3	A licensee of a licence (e.g. for a frozen confections manufacturer) under Part III of the Frozen Confections Regulation (Cap. 132AC)	
4	A licensee of a licence (e.g. for a hawker) under Part II of the Hawker Regulation (Cap. 132AI)	
5	A licensee of a licence (e.g. for a milk factory) under Part III of the Milk Regulation (Cap. 132AQ)	
6	A licensee of a licence (e.g. for a shark fin processor) under the Offensive Trades Regulation (Cap. 132AX)	
7	A licensee of a licence (e.g. for a slaughterhouse operator) under Part II of the Slaughterhouses Regulation (Cap. 132BU)	
8	A registered stockholder of a reserved commodity (e.g. for a rice stockholder) under regulation 13 of the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations (Cap. 296A)	Director-General of Trade and Industry
9	A holder of a licence (e.g. for a person engaged in fish farming) under section 8 or a permit under section 14 of the Marine Fish Culture Ordinance (Cap. 353)	Director of Agriculture, Fisheries and Conservation
10	A certificated owner of a vessel licensed under the Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation (Cap. 548D) in respect of a Class III vessel (e.g. fish carriers, fishing sampans, fishing vessels and outboard open sampans)	Director of Marine

Source: FEHD records

Registration and inspection of food traders

4.3 The Food Safety Ordinance also requires that a food trader who in the course of business, imports, captures (see para. 4.4), acquires or supplies wholesale food in Hong Kong, must keep transaction records (Note 47) for the periods specified below:

Type of food	To keep records for
<ul style="list-style-type: none">Food with shelf-life of 3 months or less	3 months after the date the food was imported, captured, acquired or supplied
<ul style="list-style-type: none">Food with shelf-life greater than 3 months	24 months after the date the food was imported, captured, acquired or supplied
<ul style="list-style-type: none">Live aquatic products	3 months after the date the food was imported, captured, acquired or supplied

A food trader who fails to provide transaction documents commits an offence and is liable to a maximum fine of \$10,000 and imprisonment for 3 months.

Note 47: *Both registered and exempted food importers/distributors are required to keep transaction records. However, the record keeping requirement does not apply to:*

- (a) retail supplies to ultimate consumers (though the retailers are required to keep the acquisition records);*
- (b) any person who imports the food solely in the course of food business as a food transport operator;*
- (c) any person who imports the food solely for the purpose of exporting it, if:*
 - (i) the food is an air transshipment cargo; or*
 - (ii) during the period between import and export, the food remains in the vessel, vehicle or aircraft in which it was imported;*
- (d) any person or a class of person exempted by the Director of Food and Environmental Hygiene (e.g. charitable food banks); and*
- (e) any acquisition, import or supply that took place before 1 February 2012 (date of commencement of the Food Safety Ordinance).*

Registration and inspection of food traders

4.4 According to the CFS, the records to be kept include the date of food acquired, the name and contact details of the person from whom the food was acquired, and the total quantity and description of the food acquired. The record keeping requirement is also applicable to the person who captures local aquatic products and who, in the course of business, supplies them in Hong Kong. A person must produce the records for FEHD's inspection when required.

4.5 Table 16 shows, for the years 2013 to 2017, the cumulative number of registered or exempted food importers/distributors. As at 2 October 2018, there were a total of 11,888 active food importers or food distributors (registered or exempted) (see Note to Table 16 below).

Table 16

**Cumulative number of registered and
exempted food importers/distributors
(2013 to 2017)**

	As at 31 December				
	2013	2014	2015	2016	2017
	(No.)				
<i>Registered</i>					
Food importers	6,779	8,103	9,664	11,276	12,777
Food distributors	5,959	6,934	8,032	9,219	10,345
Sub-total	12,738	15,037	17,696	20,495	23,122
<i>Exempted</i>					
Food importers	476	539	654	734	815
Food distributors	865	981	1,222	1,298	1,378
Sub-total	1,341	1,520	1,876	2,032	2,193
Cumulative total (Note)	14,079	16,557	19,572	22,527	25,315

Source: CFS records

Note: The figures are cumulative figures showing the number of registered food importers/distributors and the number of exempted food importers/distributors handled by the CFS since the enactment of the Food Safety Ordinance in 2011. The total number of active food importers or food distributors (registered or exempted) was 11,888 as at 2 October 2018.

4.6 FIRLO (see Table 7 in para. 2.69) is responsible for:

- (a) handling the application and registration of food importers/distributors;
- (b) maintaining a database of registered and exempted food importers/distributors;
- (c) conducting inspections relating to registration and record keeping; and
- (d) carrying out enforcement work against offenders.

Registration and exemption of food importers/distributors

Provision of information for exemption of registration

4.7 As mentioned in paragraph 4.2(b), upon request of the Director of Food and Environmental Hygiene, food importers/distributors who have obtained licences under other Ordinances are required to provide information on their licences and businesses to the FEHD. Under the Food Safety Ordinance, any person who carries on a food importation or distribution business but fails to provide the FEHD with the required supplementary information commits an offence and is liable to a maximum fine of \$10,000 and imprisonment for 3 months. However, if the food importers/distributors do not carry on any food importation/distribution businesses, they are not required to provide the information. Instead, they are required to reply to the FEHD (by filling in an FEHD reply slip) that they do not carry on such businesses. According to the CFS, it is not an offence under the Food Safety Ordinance that the reply slip is not returned to the FEHD if they do not carry on any food importation or distribution businesses.

4.8 Audit examined whether, in years 2013 to 2017, the requested information had been properly provided by food importers/distributors. Audit found that in the years, of the 3,420 licensees to whom request letters were sent by FIRLO, 483 (14%) had replied to FIRLO that they did not carry on any importation/distribution businesses or had provided the requested information to FIRLO. Audit further noted that FIRLO had not taken any follow-up actions on those licensees that had not replied to FIRLO.

Public awareness of the Food Safety Ordinance

4.9 In years 2013 to 2017, FIRLO conducted prosecutions against 44 unregistered food importers/distributors (Note 48). Audit examined the interview notes of these 44 prosecution cases and found that:

- (a) in 30 (68%) cases, the food importers/distributors told FIRLO that they were not aware of the registration requirement under the Food Safety Ordinance; and
- (b) in 9 (20%) cases, the food importers/distributors told FIRLO that they had heard about the registration requirement but they had misunderstood the requirement (Note 49).

4.10 Audit further examined the publicity work of FIRLO and noted that, after the enactment of the Food Safety Ordinance in 2011, FIRLO had organised promotional activities (e.g. roving exhibitions, briefing sessions in districts in the territory and television announcements) in 2011 and 2012. FIRLO had also publicised the registration requirement through the CFS's website and the biennial Food Safety Seminar for the food industry organised first-time in 2013 and then in 2015 and 2017. Nevertheless, as shown in paragraph 4.9, the majority of the offenders claimed that they were either unaware of or they had misunderstood the registration requirement. The CFS needs to step up its publicity efforts to raise food importers'/distributors' awareness of the registration requirement.

Audit recommendations

4.11 Audit has *recommended* that the Director of Food and Environmental Hygiene should:

Note 48: *The 44 prosecution cases were mainly originated from referrals by other departments (e.g. the C&ED upon conducting operations against smuggling at border control points) or were results of public complaints.*

Note 49: *There was no further deliberation in the interview notes on how they misunderstood the registration requirement.*

- (a) take measures to ensure that follow-up actions are taken on those licensees that have failed to reply to FIRLO concerning exemption of registration; and
- (b) step up publicity efforts to raise food importers'/distributors' awareness of the registration requirement of the Food Safety Ordinance.

Response from the Government

4.12 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

- (a) the CFS has put in place arrangements for keeping records of the non-responding licensees and further contacting these licensees by other means such as e-mails; and
- (b) the CFS has increased publicity and would continue to raise the awareness of the trade.

Inspection of food traders

4.13 FIRLO conducts inspections of food traders to ensure compliance with the registration scheme and the requirement of keeping transaction records under the Food Safety Ordinance. FIRLO has set a target of conducting 500 inspections in a calendar year.

4.14 The 500 inspections are carried out in accordance with a risk-based inspection plan. According to the plan, inspections are conducted for:

- (a) 10% of food traders of lower-risk businesses;
- (b) 40% of food traders of medium-risk businesses; and
- (c) 50% of food traders of higher-risk businesses.

Registration and inspection of food traders

The risk levels of businesses are determined based on the operation of food traders (e.g. lower risk for larger scale of operation) and types of food sold (e.g. higher risk for selling foods such as sashimi and oysters). For food retailers, the districts of their operations are also considered.

4.15 During inspections:

- (a) **Registered or exempted food importers/distributors.** FIRLO checks compliance with the record keeping requirement by food importers/distributors;
- (b) **Food retailers.** FIRLO inspects food retailers' food transaction records and cross-checks the registration status of their distributors;
- (c) **Traders at food exhibitions.** FIRLO inspects these traders' registration status (Note 50) and food transaction records; and
- (d) **On-line food selling shops.** FIRLO inspects these shops' registration status and food transaction records.

In addition, inspections are also conducted for public complaints against food traders mentioned in (a) to (d) above.

4.16 Table 17 shows the number of aforesaid inspections conducted by FIRLO in years 2014 to 2017 (Note 51).

Note 50: *Upon application to the CFS, traders at food exhibitions may be granted a one-off exemption for registration under the Food Safety Ordinance if they import foods on a one-off basis without the intention of becoming regular importers.*

Note 51: *As the CFS had not kept information on inspections conducted in 2013, Audit's examination covered the period 2014 to 2017 (i.e. four years) instead of 2013 to 2017 (five years).*

Table 17

**Number of inspections relating to registration and record keeping
under the Food Safety Ordinance conducted by FIRLO
(2014 to 2017)**

Inspection on	2014	2015	2016	2017	Average
	(No.)				
Food importers (Note)	310	206	348	316	295
Food distributors	65	142	127	125	115
Food retailers and on-line food selling shops	148	93	72	92	101
Public complaints	16	32	29	7	21
Total	539	473	576	540	532

Source: FEHD records

Note: Food importers include registered importers, exempted importers and traders at food exhibitions.

Need to enhance the conduct and documentation of inspections

4.17 Audit examined the inspections conducted by FIRLO and found that:

- (a) in issuing import licences by FIRLO to importers (Note 52), FIRLO checks whether the importers are registered under the Food Safety Ordinance. However, in examining the import documents of foods imported by air, road and sea, and in accompanying CFS staff in the inspections of food consignments imported through these three routes (as mentioned in PART 2), Audit found that 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). In the 117 import documents examined by Audit, there were 4 importers who had imported foods into Hong Kong without having been registered or

Note 52: *FIRLO is responsible for the issue of import licences to importers (see Table 7 in para. 2.69).*

Registration and inspection of food traders

exempted. Similarly, in the 54 accompanied inspections, there were 5 importers who had imported foods into Hong Kong without having been registered or exempted. Audit examination of the CFS records for the period January to April 2018 indicated that in this period, the 8 importers concerned (Note 53) had imported 345 food consignments into Hong Kong:

- (i) of foods imported by 46 importers by air, 2 (4%) unregistered importers had imported 28 consignments of aquatic products from Norway and Japan, and 14 consignments of pasta, noodles and vegetables from Korea;
 - (ii) of foods imported by 31 importers by road, 1 (3%) unregistered importer had imported 22 consignments of cooked chicken from the Mainland; and
 - (iii) of live aquatic products imported by 9 importers by road, 5 (56%) unregistered importers had imported 281 consignments of live aquatic products from the Mainland;
- (b) some inspections had not been conducted in accordance with the inspection plan (see para. 4.14). As shown in Table 18:
- (i) in years 2014 to 2017, less than 50% (ranging from 31% to 48%) of the yearly inspections had been conducted on food traders of higher-risk businesses; and
 - (ii) in years 2015 to 2017, less than 10% (ranging from 1% to 4%) of the yearly inspections had been conducted on food traders of lower-risk businesses; and

Note 53: *One importer was found unregistered (or not exempted) in both Audit's import documents examination and accompanied inspections.*

Table 18

**Inspections conducted by FIRLO on
businesses with different risk levels
(2014 to 2017)**

Risk of business (Note)	2014	2015	2016	2017
	(No.)			
Higher risk	165 (31%)	228 (48%)	249 (43%)	218 (41%)
Medium risk	299 (55%)	199 (42%)	278 (48%)	308 (57%)
Lower risk	59 (11%)	14 (3%)	20 (4%)	7 (1%)
Inspection on public complaints	16 (3%)	32 (7%)	29 (5%)	7 (1%)
Total	539 (100%)	473 (100%)	576 (100%)	540 (100%)

Source: Audit analysis of CFS records

Note: According to the CFS, excluding the inspections on public complaints, the inspection ratio of 10%, 40% and 50% is maintained under the risk-based approach (see para. 4.14).

- (c) 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 (see Table 19 for details).

Table 19**Number of invoices examined by FIRLO
(April 2018)**

Number of inspections conducted by FIRLO	Number of invoices received from suppliers checked by FIRLO in each of the inspections in (a)	Number of invoices issued to customers checked by FIRLO in each of the inspections in (a)
(a)	(b)	(c)
1	Nil	1
4	1	Nil
18	1	1
5	1	2
4	2	Nil
3	2	2
Total: 35 (Note)		

Source: Audit analysis of CFS records

Note: In April 2018, 35 inspections had been successfully conducted by FIRLO (see also para. 4.19 for audit observations on unsuccessful conduct of inspections).

4.18 In late September 2018, the CFS informed Audit that in each inspection conducted in April 2018 (see Table 19 in para. 4.17), the CFS staff had checked far more than the number of invoices shown in the Table. The numbers of invoices shown in Table 19 were the numbers of copies of invoices placed in CFS office files (as examples of invoices that had been checked by the CFS staff). Furthermore, in early October 2018, the CFS informed Audit that it has taken improvement measures including:

- (a) reminding staff to inspect food transaction records covering the record keeping periods as required under the Food Safety Ordinance (see para. 4.3);

- (b) requiring staff to take photographs showing the invoices inspected on the premises for office records;
- (c) requiring staff to record the number of invoices inspected in the inspection reports, and document the findings of inspections (including follow-up inspections) and actions taken in office files; and
- (d) conducting supervisory visits on a bi-monthly basis.

Need to enhance follow-up on unsuccessful inspections

4.19 Audit analysed FIRLO's inspection records for 2017 and found that of the 540 inspections (see Table 17 in para. 4.16) of food traders, 49 (9%) inspections (concerning food importers/distributors) were not successful due to the following reasons:

- (a) the business premises was under lock;
- (b) the business premises was the office of a company secretary; or
- (c) the address of the business premises was invalid.

4.20 Audit further noted that in respect of the 49 cases of unsuccessful inspections:

- (a) in 16 (33%) cases, FIRLO had not taken any follow-up actions; and
- (b) in the other 33 (67%) cases, FIRLO had sent correspondence to the food importers/distributors to follow up the cases. In 22 (67%) of the 33 cases, the importers/distributors had replied that they had no food business carried out or they had subsequently provided the required information (i.e. food transaction records) to FIRLO. However, in the remaining 11 (33%) cases:
 - (i) in 2 cases, the importers/distributors did not respond and FIRLO had not taken any further actions; and

- (ii) in another 9 cases, FIRLO had taken further actions to contact the food importers/distributors (e.g. through telephone and e-mails) but to no avail.

Audit recommendations

4.21 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) **conduct inspections (e.g. when conducting import documents checking or at the point of importing food consignments) to detect unregistered food importers;**
- (b) **take enforcement actions against those unregistered food importers where warranted;**
- (c) **take measures to ensure that inspections are conducted in accordance with the inspection plan;**
- (d) **ensure that all the improvement measures relating to the checking of invoices during inspections (see para. 4.18) are duly carried out;**
- (e) **take measures to ensure that FIRLO takes follow-up actions on unsuccessful inspections;**
- (f) **take further actions to resolve cases of which the results of follow-up actions are unsatisfactory (e.g. in cases where the food importers/distributors failed to respond to CFS enquiries); and**
- (g) **require FIRLO to conduct further inspections to replace unsuccessful inspections with no follow-up action taken to meet the target number of inspections where warranted.**

Response from the Government

4.22 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

- (a) CFS staff at the border offices have been reminded to promptly check the status of the importers at the point of importing food consignments;
- (b) the CFS has enhanced supervision to detect unregistered food importers;
- (c) the CFS has stepped up enforcement against unregistered food importers where warranted. In 2016 and 2017, the CFS took 14 and 8 prosecutions against unregistered food importers and food distributors respectively; and
- (d) the CFS has enhanced supervision to ensure that all the improvement measures are duly carried out.

Management information

Need to improve the provision of management information

4.23 It is the practice of FIRLO to report the actual number of inspections conducted in a year to the FEHD's senior management for monitoring purposes. In 2017, FIRLO conducted 540 inspections (see Table 17 in para. 4.16). However, Audit examination of FIRLO's inspection reports for 2017 indicated that of the 540 inspections:

- (a) no follow-up action had been taken for 16 (3%) unsuccessful inspections (see para. 4.20(a)); and
- (b) no further action had been taken for 11 (2%) inspection cases in which there was no response to FIRLO's enquiries and the food traders concerned could not be contacted (see para. 4.20(b)(i) and (ii)).

Audit considers that FIRLO needs to report more information on inspections to senior management of the FEHD (e.g. information on unsuccessful inspections with no follow-up action taken and the reasons for not following up).

Need to improve the recording of inspection results

4.24 It is FIRLO's practice that after the completion of inspections, inspection reports are prepared to record the results of inspections conducted (e.g. whether food transaction records had properly been kept by traders) for supervisory checking. However, these inspection reports are prepared manually and the inspection results had not been digitised (i.e. inputting the inspection results into a database for data analysis).

4.25 Audit considers that it would be useful for FIRLO to digitise the inspection results as the electronically recorded information would help enhance the formulation of the risk-based inspection plan (see para. 4.14). For example, food importers/distributors that have unsatisfactory inspection track records could be included in the category of higher-risk businesses (see para. 4.14(c)).

Audit recommendations

4.26 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) **require FIRLO to report more information on inspections to senior management (e.g. information on unsuccessful inspections with no follow-up action taken and the reasons for not following up); and**
- (b) **digitise the results of inspections to facilitate the formulation of the risk-based inspection plan.**

Response from the Government

4.27 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:

- (a) the CFS has enhanced supervision to ensure operation is conducted and recorded properly; and

- (b) 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 the CFS currently underway.

PART 5: OTHER ISSUES RELATING TO IMPORT CONTROL OF FOODS AND WAY FORWARD

5.1 This PART examines other issues relating to the import control of foods and the way forward, focusing on the following areas:

- (a) food safety standards (paras. 5.2 to 5.11);
- (b) Food Import Control System (paras. 5.12 to 5.17);
- (c) supervisory visits (paras. 5.18 to 5.24);
- (d) Trade Single Window (paras. 5.25 to 5.30); and
- (e) way forward (paras. 5.31 to 5.36).

Food safety standards

5.2 According to the CFS, food imported into Hong Kong should meet local standards for food safety. Having regard to the need for upholding these standards, various import control measures are implemented (e.g. checking health certificates of food consignments before releasing the foods at borders, and conducting laboratory tests at import level under the Food Surveillance Programme). In addition to “statutory food safety standards” (see (a) below), the CFS has also set “non-statutory action levels” (see (b) below):

- (a) ***Statutory food safety standards.*** A statutory food safety standard (i.e. food safety standard) specifies, for a specific substance of concern (e.g. a toxin), the maximum level which is permitted to exist in a particular food (e.g. in terms of micrograms of toxin per kg of food). Provisions for food safety standards are stipulated in the subsidiary legislation of the Public Health and Municipal Services Ordinance. These food safety standards cover various types of substances, for example, colouring matters, sweeteners,

metallic contaminants, harmful substances, preservatives and pesticide residues (Note 54); and

- (b) ***Non-statutory action levels.*** To better address public concern over evolving food incidents, the CFS sets non-statutory action levels (i.e. action levels) in addition to the food safety standards. Action levels provide a threshold for food hazards (e.g. in terms of micrograms of toxin per kg of food), which serves as a trigger point. If a threshold is exceeded, the CFS would take necessary action to follow up the case (e.g. assessing the related risk). As at 31 August 2018, action levels have been set for 27 substances of concern (e.g. food additives, contaminants, veterinary drug residues, and natural toxins). Being non-statutory, action levels are only for internal reference. Nevertheless, if the situation warrants (e.g. in case of a food incident), the concerned action level(s) would be made known to members of the trade and the public for risk communication (Note 55).

5.3 *Updating of food safety standards.* According to the CFS, the food safety standards (see para. 5.2(a) and (b)) have been set with reference to international practices (e.g. standards promulgated by the Codex Alimentarius Commission — see Note 3 to para. 1.8). To keep up with international developments, food safety standards were updated (i.e. introducing new ones as well as amending and removing existing ones) as follows:

- (a) ***Setting priorities for updating food safety standards.*** In early October 2018, the FHB and the CFS informed Audit that the setting of priorities for updating food safety standards was the ambit of the FHB in consultation with the CFS:

Note 54: *The food safety standards are set out in various regulations of the subsidiary legislation under the Public Health and Municipal Services Ordinance, for example, Colouring Matter in Food Regulations (Cap. 132H), Sweeteners in Food Regulations (Cap. 132U), Food Adulteration (Metallic Contamination) Regulations (Cap. 132V), Harmful Substances in Food Regulations (Cap. 132AF), Preservatives in Food Regulation (Cap. 132BD), and Pesticide Residues in Food Regulation (Cap. 132CM).*

Note 55: *According to the CFS's records, a food surveillance handbook has been compiled for CFS staff's reference. The action levels are included in the food surveillance handbook.*

Other issues relating to import control of foods and way forward

- (i) the CFS reviewed from time to time the need for updating food safety standards;
 - (ii) the CFS might, as circumstances warranted, invite the views of members of the Expert Committee (see para. 1.21) on the priorities for updating food safety standards on different types of substances to leverage on the scientific and expertise strengths of the members (see (b) below);
 - (iii) apart from the views of the Expert Committee, reference was also made to other factors such as policy considerations, operational needs, and other emerging and unforeseeable circumstances (e.g. food incidents and new scientific evidence); and
 - (iv) having regard to the various factors (see (ii) and (iii) above), priorities previously set might be revised and new priorities might be introduced;
- (b) ***Consulting the Expert Committee.*** The CFS consulted the Expert Committee twice, in 2006 and 2009, on setting priorities for updating food safety standards (see (a)(ii) above). Accordingly, the Expert Committee conducted two priority-setting exercises (i.e. in 2006 and 2009), covering eight selected substances of concern:
- (i) the substances were awarded scores on four factors (namely: (1) public health concern; (2) presence and adequacies of local food safety standards; (3) presence of international standards; and (4) stakeholders' concern); and
 - (ii) for the updating of food safety standards, substances which had higher scores were accorded higher priorities. Out of a maximum score of 11, an overall score of "0 to 4" was designated as low priority, "5 to 7" as medium priority, and "8 and above" as high priority; and

- (c) *Seeking advice of working groups.* The Expert Committee might set up working groups (Note 56) to advise on tasks related to the updating of food safety standards (e.g. assessing the size of any problems arising from substances of concern, consulting the trade on the matter, and providing technical advice on any necessary enactment of food safety standards).

For action levels, they have also been set with reference to international practices (e.g. Codex Standards). The CFS reviewed from time to time the need for updating the action levels.

5.4 The CFS's records indicated that in the two priority-setting exercises of 2006 and 2009 (see para. 5.3(b)), the Expert Committee 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" (see Table 20). According to the FHB and the CFS, they drew reference from various considerations (see para. 5.3(a)(iii)), including but not limited to the results of the priority-setting exercises, in updating food safety standards.

Note 56: *A working group comprises members of the Expert Committee, experts and representatives of the trade, and representatives of bureau/departments (e.g. the FHB, the FEHD, and the Department of Health).*

Table 20

**Priority-setting exercises of the Expert Committee
(2006 and 2009)**

Item	Substance of concern	Level of priority accorded to updating the related food safety standard	
		2006 exercise	2009 exercise
1	Pesticide residues	High	N.A. (Note 2)
2	Veterinary drug residues	High	N.A. (Note 2)
3	Shellfish toxins and mycotoxins	N.A. (Note 1)	High
4	Heavy metals	Medium	Medium
5	Sweeteners	Medium	Medium
6	Genetically modified foods	Medium	Medium
7	Colouring matters	Medium	Medium
8	Food contact materials	Low	Medium

Source: Audit analysis of CFS records

Note 1: The substance was not covered in the 2006 exercise.

Note 2: Subsequent to the 2006 exercise, a working group was set for each of the substances (Items 1 and 2 refer). As such, the substances were not further covered by the 2009 exercise.

5.5 The Government has committed to timely updating of food safety standards. In the Chief Executive's 2017 Policy Address, it was stated that the Government will make timely effort to update the local food safety standards, including tightening the regulation of metallic contaminants and other harmful substances in food.

Need to update food safety standards in a timely manner

5.6 The CFS's records indicated that of the 3 high-priority items, i.e. "Item 1: Pesticide residues", "Item 2: Veterinary drug residues" and "Item 3: Shellfish toxins and mycotoxins" (see para. 5.4), food safety standards for Item 1 were updated in

2012 by way of legislative amendments and came into effect in August 2014 (Note 57).

5.7 Audit noted that for the remaining 2 high-priority items, as at 31 August 2018, updating of food safety standards was not yet completed:

- (a) **Item 2: Veterinary drug residues.** Food safety standards for veterinary drug residues had been stipulated in the law (Note 58):
 - (i) in 2007, a working group on the review of the food safety standards was set up. From 2007 to September 2012, the working group held eight meetings to discuss the proposed refinement of the law for veterinary drug residues in foods; and
 - (ii) in the period October 2012 to August 2018, no working group meetings were held; and
- (b) **Item 3: Shellfish toxins and mycotoxins** (Note 59). For shellfish toxins, non-statutory action levels had been set for five toxins. For mycotoxins,

Note 57: *For “Item 1: Pesticide residues”, the updated food safety standards were stipulated in the Pesticide Residues in Food Regulation, which came into effect on 1 August 2014. For Items 4 to 8 (see Table 20 in para. 5.4), food safety standards were updated for:*

- (a) *“Item 4: Heavy metals”, the relevant legislation (i.e. Food Adulteration (Metallic Contamination) (Amendment) Regulations 2018) was gazetted in June 2018;*
- (b) *“Item 5: Sweeteners”, the relevant legislation (i.e. Sweeteners in Food (Amendment) Regulation 2010) was gazetted in May 2010; and*
- (c) *“Item 7: Colouring matters”, the relevant legislation (i.e. Colouring Matter in Food (Amendment) Regulation 2008) was gazetted in May 2008.*

Note 58: *The Harmful Substances in Food Regulations stipulate the maximum concentrations of 38 veterinary drugs which are permitted to exist in foods. The Regulations also prohibit the use of 7 veterinary drugs.*

Note 59: *Shellfish toxins are naturally produced by marine plants. Mycotoxins are produced by moulds growing on food crops during production and storage. There are different types of shellfish toxins and mycotoxins.*

Other issues relating to import control of foods and way forward

food safety standards had been stipulated in the law for one mycotoxin, and non-statutory action levels had been set for two mycotoxins (Note 60):

- (i) in 2009, a working group on the review of the food safety standards was set up;
- (ii) in June 2011, updating of the food safety standards was reprioritised. The Expert Committee decided to hold up further working group meetings; and
- (iii) after a lapse of 65 months, in December 2016, the working group meeting was resumed.

5.8 In October 2018, the CFS informed Audit that:

- (a) priority setting regarding legislative proposals involved a lot more than scientific and expertise considerations:
 - (i) views of the Expert Committee was only one of the considerations which the FHB and the CFS might draw reference. The FHB and the CFS had kept constant review of the priorities for setting food safety standards and made adjustments to previously planned priorities to meet the most pressing needs given that resources were not unlimited; and
 - (ii) it was a policy decision by the FHB in consultation with the CFS to accord priority to making an entirely new regulation to regulate the level of pesticide residues in food (i.e. the Pesticide Residues in Food Regulation (Cap. 132CM)), tightening the regulation of metallic contamination by updating the Food Adulteration (Metallic Contamination) Regulations (Cap. 132V), and then conducting a public consultation exercise on updating the Harmful Substances in Food Regulations (Cap. 132AF) which would deal with veterinary drug residues and mycotoxins;

Note 60: *The Harmful Substances in Food Regulations stipulated the food safety standards for one mycotoxin.*

Other issues relating to import control of foods and way forward

- (b) for veterinary drug residues, apart from updating the Harmful Substances in Food Regulations, the CFS had over the past years taken necessary actions on emerging food incidents including those related to veterinary drug residues. For instance, in November 2015, the CFS established action levels for ractopamine (a type of veterinary drug) in various animal products by making reference to the Codex Standards (see para. 5.3);
- (c) for shellfish toxins:
 - (i) in 2010, the CFS consulted commercial laboratories on their capability to conduct testing for shellfish toxins. None of the consulted laboratories provided the required testing service. The unavailability of local private testing facilities was one of the considerations for postponing the legislative exercise because, unless these facilities and services were readily available in the local market, the trade would have considerable difficulties in complying with the proposed standard without local laboratory support. In light of the low demand for the laboratory tests, no laboratories had expressed interest in developing these testing methods; and
 - (ii) in 2016 and 2017, the issue was further discussed in the working group meetings. Since the available information revealed that the required testing service for some shellfish toxins might still not be available in the local commercial sector, the CFS would continue to keep in view the latest development such as new technologies or updated testing methods; and
- (d) for mycotoxins, following the gazettal of the updated food safety standards for heavy metals in June 2018, the public consultation on amendment to Harmful Substances in Food Regulations (including updating the food safety standards for mycotoxins) was planned for 2019.

5.9 In Audit's view, as at 31 August 2018, considerable time (some 9 years) had elapsed since the working group on the review of food safety standards was set up in 2009 for shellfish toxins and mycotoxins. There is a need to closely monitor the updating of food safety standards for shellfish toxins and mycotoxins.

Audit recommendations

5.10 **Audit has *recommended* that the Director of Food and Environmental Hygiene should:**

- (a) keep in view the latest changes in factors relevant to the updating of food safety standards, i.e. latest international development, new scientific evidence, and changes in other prevailing circumstances (e.g. emerging food incidents, results of public consultations, and other competing priorities); and**
- (b) having regard to the relevant factors and any latest changes in the factors, closely monitor the updating of food safety standards for shellfish toxins and mycotoxins, with a view to updating the standards in a timely manner.**

Response from the Government

5.11 **The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that:**

- (a) the CFS will continue to work with the FHB and take into consideration a host of factors, including the latest international development and practice, emerging food incidents, etc., in updating the local food safety standards; and**
- (b) the CFS is currently reviewing the existing statutory control of harmful substances (including mycotoxins) in food, and aims to conduct a public consultation on enhanced control in 2019. For shellfish toxins, the CFS has adopted relevant Codex Standards as local action levels. The CFS has liaised with the laboratory testing sector on their testing capacities for shellfish toxins in food, and noted that the laboratory methods for some shellfish toxins might not be currently available in the local commercial sector. The CFS will keep in view the latest development including new technologies or updated methods for testing shellfish toxins.**

Food Import Control System

5.12 The FICS is a computer system used in carrying out import control (see Note 10 to para. 2.2(e)). It captures a range of information about imported foods (e.g. types and quantities of foods, names of importers and exporters, health certificate numbers, and import licence numbers). According to the FICS User Manual, the CFS can make use of the information to monitor the complete cycle of processing food importation.

Need to ensure accuracy and completeness of data input

5.13 According to the CFS's records, in performing control duties on food consignments imported, CFS staff are required to input relevant data into the FICS in relation to the consignments (e.g. details of import licences issued, dates of inspecting the consignments, and dates of releasing the consignments).

5.14 Audit examined the import documents of 117 food consignments (Note 61), and found that in 77 (66%) consignments, there were errors and/or omissions in inputting data into the FICS (see Table 21).

Note 61: *The 117 food consignments were imported in 2018, comprising 44 consignments imported by air (see para. 2.9), 33 consignments by road (including 28 consignments of high-risk foods and 5 consignments of live aquatic products — see paras. 2.36(a) and 3.5) and 40 consignments by sea (see para. 2.73).*

Other issues relating to import control of foods and way forward

Table 21

Errors and omissions in the FICS (January 2018)

	Food consignments imported				
	By air	By road	By sea	Total	Percentage
				(a)	(b) = $\frac{(a)}{117} \times 100\%$
	(No. of consignments)				
Error					
Incorrect name of importer (e.g. name of vehicle driver on the import declaration form incorrectly input as name of importer)	0	5	0	5	4%
Incorrect health certificate number	1	0	1	2	2%
Import licence indicated as unused but the related consignment was released	4	0	0	4	3%
Incorrect input of food description (e.g. cooked poultry input as frozen poultry, frozen wrongly input as chilled)	4	1	0	5	4%
Incorrect number of cartons	10	4	1	15	13%
Incorrect weight of foods	3	0	0	3	3%
Duplicated input of consignment information	1	2	0	3	3%
Omission					
Health certificate number	9	6	21	36	31%
Import licence number	5	4	0	9	8%
Import permission number	6	3	0	9	8%
Food description	0	1	1	2	2%
Number of cartons	4	9	1	14	12%
Name of exporters	0	24	7	31	26%
Overall (Note)	26	27	24	77	66%

Source: Audit analysis of CFS records

Note: A consignment might have multiple input errors and/or omissions. Hence, the numbers of food consignments concerned do not add up.

5.15 The FICS is the key system for monitoring the importation process. Errors and omissions in the system are not conducive to efficient and effective import control of foods (e.g. it could cause delay in response management of a food incident).

Audit recommendations

5.16 **Audit has *recommended* that the Director of Food and Environmental Hygiene should take measures to:**

- (a) **ensure that data on imported foods are accurately inputted into the FICS; and**
- (b) **prevent recurrence of errors and omissions in the FICS in future.**

Response from the Government

5.17 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that the CFS has provided a briefing to frontline colleagues regarding requirement of data input and plans to enhance supervision regarding data input.

Supervisory visits

5.18 The CFS requires Senior Health Inspectors to accompany Health Inspectors on inspection visits and on taking of food samples (hereinafter referred to as supervisory visits). Relevant requirements are laid down in the Operational Manual as follows:

- (a) supervisory visits shall be arranged once every two months (i.e. bi-monthly) or more frequently; and
- (b) during supervisory visits, Senior Health Inspectors shall observe and, if necessary, give advice on the practices of Health Inspectors in carrying out inspections and taking food samples.

Need to ensure that supervisory visits are carried out effectively

5.19 Audit examined the records of supervisory visits conducted in the period January to March 2018. Audit found that, of the 15 food control offices, only 4 recorded their supervisory visits. For 6 offices, Audit was informed that, while supervisory visits were not recorded, their Senior Health inspectors had monitored and supervised the work of Health Inspectors on site. For 4 offices, Audit was informed that as the officers did not conduct inspection of food consignments, supervisory visits were not applicable. For the remaining one office, supervisory visit was not conducted. Details are shown in Table 22.

Other issues relating to import control of foods and way forward

Table 22

**CFS supervisory visits
(January to March 2018)**

Item	Food control office	Number of offices	Supervisory visit			Inspection of food consignments not conducted
			Conducted		Not conducted	
			Recorded	Not recorded		
A	AFIO	3	N.A.	✓	N.A.	N.A.
B	Waterfront Office	2	N.A.	✓	N.A.	N.A.
C	HKKO	2	✓	N.A.	N.A.	N.A.
D	RIO	1	✓	N.A.	N.A.	N.A.
E	Offices controlling import of foods by road					
	• MKTFCO	1	N.A.	✓	N.A.	N.A.
	• Lok Ma Chau Food Control Office	1	✓	N.A.	N.A.	N.A.
	• Other offices	4	N.A.	N.A.	N.A.	✓
F	FIRLO	1	N.A.	N.A.	✓	N.A.
Total number of offices		15	4	6	1	4

Source: Audit enquiries and analysis of CFS records

Other issues relating to import control of foods and way forward

5.20 The practices among food control offices varied (see Table 22). In late September and late October 2018, the CFS informed Audit that, of the offices referred to in Table 22:

- (a) ***AFIO (Item A) and Waterfront Offices (Item B).*** Senior Health Inspectors, whilst on duty, provided on-site supervision to closely monitor the performance of Health Inspectors each and every day;
- (b) ***HKKO (Item C) and RIO (Item D).*** Senior Health Inspectors accompanied Health Inspectors to conduct inspections at cold stores/warehouses once every two months; and
- (c) ***6 offices controlling import of foods by road (Item E).*** Only 2 were set up for food consignment inspections:
 - (i) for the MKTFCO, both Senior Health Inspectors and Health Inspectors conducted inspections. The Senior Health Inspectors supervised the work of Health Inspectors every day; and
 - (ii) for the Lok Ma Chau Food Control Office, the Senior Health Inspector provided on-site supervision to Health Inspectors weekly. The supervision was recorded.

For the remaining 4 offices (i.e. 6 offices minus 2 offices), they were set up mainly for handling suspected cases of individual travellers illegally taking regulated food into Hong Kong as might be referred by the C&ED from time to time. They did not conduct inspection of food consignments.

5.21 The CFS also informed Audit in late September 2018 that the requirements of the Operational Manual on supervisory visits (see para. 5.18) were only applicable to the HKKO (Item C of Table 22) and the RIO (Item D of Table 22).

5.22 The fact that FIRLO had not conducted supervisory visits and that many (i.e. 6) food control offices had not recorded their visits was particularly unsatisfactory (see Table 22 in para. 5.19). In Audit's view, the lack of clear guidelines on the requirements for supervisory visits for individual food control offices (see para. 5.21), as well as the differences in supervisory practices among

food control offices (see para. 5.20), did not constitute good management practices. Furthermore, against the inadequacies identified in the respective PARTs of this Audit Report in carrying out inspections (see paras. 2.15, 2.55 and 2.107 for examples) and taking food samples (see para. 2.64), Audit considers that the CFS needs to enhance the practices of individual food control offices on the conduct of supervisory visits.

Audit recommendations

5.23 Audit has *recommended* that the Director of Food and Environmental Hygiene should:

- (a) review the adequacy of the practices of individual food control offices on the conduct of supervisory visits, taking into account the requirements of the Operational Manual and the relevant observations in this Audit Report (see paras. 5.18 to 5.22); and**
- (b) based on the results of the review, take measures to ensure that supervisory visits are properly carried out in future.**

Response from the Government

5.24 The Director of Food and Environmental Hygiene agrees with the audit recommendations. She has said that the CFS has enhanced supervisory measures to ensure that supervisory visits are conducted properly to assess performance of staff and give advice on the practice.

Trade Single Window

5.25 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 (Note 62). In his 2016-17 Budget Speech, the then Financial Secretary announced that the Government should establish a Single Window (referred to as Trade Single Window — TSW) which:

- (a) is for “one-stop” lodging of all the 50-plus trade documents and submissions with the Government for the purposes of trade declaration and customs clearance; and
- (b) will connect with other governments’ systems as well as trade information platforms run by the private sector.

According to the CFS, its computer system will interface with the TSW for carrying out import control of foods.

5.26 The Government expected that the TSW would not be fully rolled out until 2023 at the earliest.

Need to make use of TSW to enhance import control

5.27 CFS records indicated that the CFS had taken action to plan for the interfacing of its computer system with the TSW. Audit noted that, upon interfacing, the following key activities relating to import control could be performed on-line:

- (a) submission and processing of applications for:

Note 62: *According to the United Nations Centre for Trade Facilitation and Electronic Business, which is an intergovernmental body with global membership, a Single Window is a “facility that allows parties involved in trade and transport to lodge standardised information and documents with a single entry point to fulfil all import, export and transit-related regulatory requirements. If the information is electronic, then individual data elements should only be submitted once”.*

Other issues relating to import control of foods and way forward

- (i) registration as food importers or food distributors;
 - (ii) renewal of registration as food importers or food distributors; and
 - (iii) import licences and import permissions; and
- (b) accessing information for import control purposes, such as details of:
- (i) registered farms and food processing plants;
 - (ii) past applications for import licences and import permissions;
 - (iii) electronic health certificates of food consignments; and
 - (iv) food consignments arriving at customs offices.

5.28 This audit review has identified issues that the CFS has encountered in carrying out import control of foods. These issues included situations where there was a lack of automated processes for accessing up-to-date information. The TSW would provide an opportunity for the CFS to enhance its import control of foods (e.g. sorting out the uncertainty about whether import licences had been used by importers (see para. 2.94)).

Audit recommendation

5.29 **Audit has *recommended* that the Director of Food and Environmental Hygiene should, in planning for the interfacing of the computer system of the CFS with the TSW, explore opportunities for enhancing the CFS's existing import control practices having regard to the observations in this Audit Report.**

Response from the Government

5.30 The Director of Food and Environmental Hygiene agrees with the audit recommendation. She has said that:

Other issues relating to import control of foods and way forward

- (a) the CFS started to seek improvements in 2017 by obtaining LegCo's approval to create a new directorate post at D2 level for seven years up to 2023-24, to head a new division to examine ways for an overhaul of the CFS's information technology systems, with a view to upgrading the network infrastructure by phases, streamlining the work processes, updating existing and developing new information technology systems, and ensuring a smooth interface with the TSW; and
- (b) the CFS is currently revamping its information technology systems and is already in the process of reviewing the business processes and workflow in food import control, among other things. The findings in the Audit Report would be taken into account as far as practicable in the business process re-engineering process in particular.

Way forward

5.31 According to the FEHD, as over 90% of the food supply in Hong Kong is imported, import control is of paramount importance to ensuring food safety in Hong Kong. In 2017-18, the CFS spent \$337 million (or 57% of the total expenditure of \$592 million of the CFS) on import control of foods.

5.32 According to the CFS, while intense import control might provide greater assurance for food safety, it might inadvertently affect the smooth supply of foods in Hong Kong. To strike a balance between food safety and smooth supply, the CFS has mainly placed its efforts on controlling the import of high-risk foods.

5.33 To ensure the safety of imported foods, the CFS has implemented measures for the import control of foods. These measures include:

- (a) controlling the import of foods into Hong Kong from different channels, i.e. air, road and sea (PART 2);
- (b) conducting inspections on live food animals entering into Hong Kong (PART 3);
- (c) requiring food importers and food distributors to register under the Food Safety Ordinance (PART 4); and

Other issues relating to import control of foods and way forward

- (d) prescribing food safety standards and implementing supervisory controls on inspections carried out by CFS staff (PART 5).

5.34 While the measures are in existence, as shown in PARTs 2 to 5 of this Audit Report, there were incidences of non-compliance and difficulties in implementing the measures. Furthermore, as indicated in PART 2 of this Audit Report, the practices of import control varied among the food control offices responsible for controlling foods imported by air, road and sea. To enhance the efficiency and effectiveness of import control, there is merit for the CFS to review the operations of these food control offices so as to streamline or enhance the operations as well as to identify and establish good import control practices.

Audit recommendation

5.35 Audit has *recommended* that the Director of Food and Environmental Hygiene should consider the need for conducting a comprehensive review of the CFS's import control of foods, taking into account the findings and recommendations in this Audit Report.

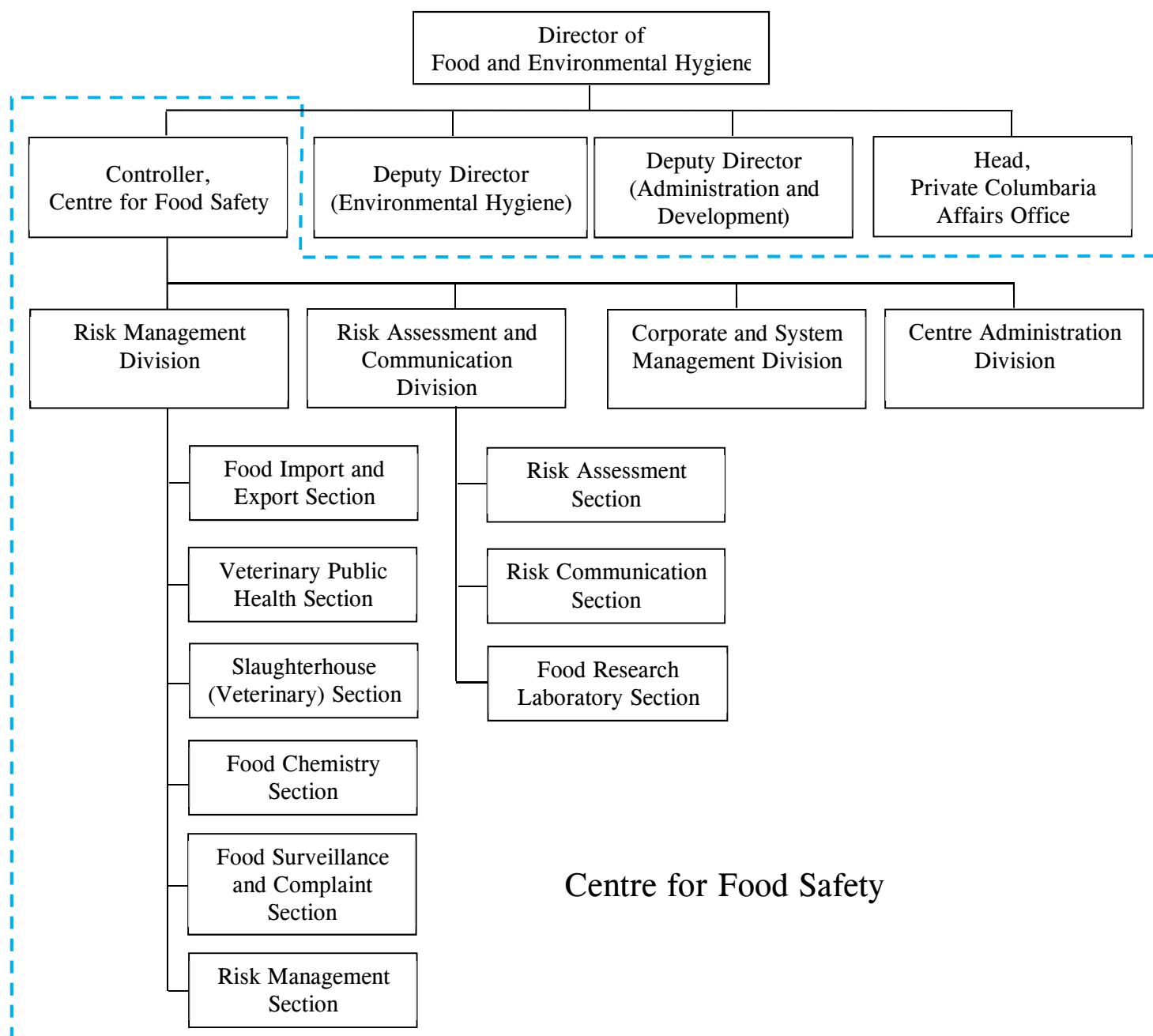
Response from the Government

5.36 The Director of Food and Environmental Hygiene agrees with the audit recommendation (see also the FEHD's response in para. 5.30).

Appendix A

(paras. 1.5, 1.14, 1.17,
2.7(c)(i), 2.24, 2.34(d),
2.69 and 3.6, Case 8 in
paras. 3.22(b) and 3.34 refer)

Food and Environmental Hygiene Department: Organisation chart (extract) (30 June 2018)



Source: FEHD records

**Subsidiary legislation of
the Public Health and Municipal Services Ordinance**

- (a) Colouring Matter in Food Regulations (Cap. 132H)
- (b) Dried Milk Regulations (Cap. 132R)
- (c) Sweeteners in Food Regulations (Cap. 132U)
- (d) Food Adulteration (Metallic Contamination) Regulations (Cap. 132V)
- (e) Food and Drugs (Composition and Labelling) Regulations (Cap. 132W)
- (f) Frozen Confections Regulation (Cap. 132AC)
- (g) Harmful Substances in Food Regulations (Cap. 132AF)
- (h) Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK)
- (i) Milk Regulation (Cap. 132AQ)
- (j) Mineral Oil in Food Regulations (Cap. 132AR)
- (k) Preservatives in Food Regulation (Cap. 132BD)
- (l) Slaughterhouses Regulation (Cap. 132BU)
- (m) Pesticide Residues in Food Regulation (Cap. 132CM)

**Meaning of meat, poultry, prohibited meat, game,
eggs, and milk and frozen confections under
the Public Health and Municipal Services Ordinance**

- (a) **Meat** includes chilled or frozen beef, mutton, pork, veal or lamb, and the offal of any animal from which such meat is derived.
- (b) **Poultry** includes chilled or frozen carcass of a domestic fowl, duck, goose or turkey or any part of such a carcass, and any part of a bird mentioned which is edible or used in the preparation of food.
- (c) **Prohibited meat** includes:
 - (i) meat which consists of scraps, trimmings or other pieces (whether with or without bone) of such shape or in such condition as to afford insufficient means of identification with a definite part of a carcass;
 - (ii) meat comprising the wall of the thorax or abdomen from which there has been detached any part of the pleura or (save in the case of meat derived from a pig) the peritoneum, other than a part necessarily removed in preparing the meat;
 - (iii) meat, other than mutton and lamb, from which a lymphatic gland, except a gland necessarily removed in preparing the meat, has been taken out; and
 - (iv) the head of an animal without the submaxillary gland.
- (d) **Game** includes chilled or frozen carcass, flesh or other edible part, including edible viscera and offal, of an animal other than an animal from which meat is derived.
- (e) **Eggs** means an egg of a bird belonging to a type of bird sold or offered for sale for human consumption or any edible part of such an egg:
 - (i) whether such an egg or edible part is shelled or unshelled; is raw or partially cooked; is salted, preserved or otherwise processed; is in frozen, liquid or dried form; or contains any functional ingredient; but
 - (ii) excludes such an egg or edible part that is fully cooked; or constitutes one of the ingredients of any compounded food.
- (f) **Milk and frozen confections** include such foods as ice cream, frozen yoghurt and sundaes.

Appendix D

(paras. 1.11, 2.7(b)(i), 2.9 and 2.10, Case 1 in para. 2.12(b), paras. 2.32(b), 2.33(b) and (c) and 2.36(a), Case 3 in para. 2.46, paras. 2.47 and 2.49, Table 7 in para. 2.69, paras. 2.71, 2.73, 2.97, 3.3 and 3.9 refer)

Import control of foods

Import control requirement	Types of foods									
	High-risk foods (Note 1)								Other imported foods	
	Frozen meat	Frozen poultry	Chilled meat and chilled poultry	Prohibited meat	Game and eggs	Milk and frozen confections	Livestock and live poultry (Note 3)	Aquatic products (Note 2)	Vegetables	Others (Note 5)
Health certificate (Note 1(a))	✓	✓	✓	✓	✓	×	✓	×	×	×
Import licence (Note 1(b))	✓	✓	✓	✓	×	×	×	×	×	×
Import permission (Note 1(c))	×	×	✓	✓	✓	✓	×	×	×	×
Certificate of country of origin (Note 1(d))	×	×	×	×	×	✓	×	×	×	×
Subject to administrative arrangements for import from the Mainland	×	✓ (Note 4)	✓ (Note 4)	×	×	×	✓ (Note 4)	✓ (for freshwater aquatic products — Note 4)	✓ (Note 4)	×

Source: Audit analysis of CFS records

Appendix D

(Cont'd)

(paras. 1.11, 2.7(b)(i), 2.9 and 2.10, Case 1 in para. 2.12(b), paras. 2.32(b), 2.33(b) and (c) and 2.36(a), Case 3 in para. 2.46, paras. 2.47 and 2.49, Table 7 in para. 2.69, paras. 2.71, 2.73, 2.97, 3.3 and 3.9 refer)

Note 1: These foods (i.e. frozen meat, frozen poultry, chilled meat and chilled poultry, prohibited meat, game and eggs, and milk and frozen confections — see Appendix C for definitions of these foods) are classified by the CFS as high-risk foods as they are easily perishable and more likely subject to risk of pathogens. Under the legislation (i.e. Part V of Public Health and Municipal Services Ordinance (see para. 1.6(a)) and the Import and Export Ordinance (Cap. 60)), specific import documents (i.e. a health certificate and/or an import licence and/or an import permission and/or a certificate of country of origin) are required for the import of these foods into Hong Kong, as follows:

- (a) a **health certificate** is issued by a competent authority of an exporting economy (recognised by the FEHD) certifying that the foods being imported are fit for human consumption;*
- (b) an **import licence** is issued by the FEHD under the Import and Export Ordinance under the delegated authority of the Director-General of Trade and Industry (who is responsible for the administration of the Ordinance). An import licence covers the import of a single food consignment and is valid for a period of six weeks;*
- (c) an **import permission** is issued by the FEHD. An import permission covers the import of multiple food consignments and is valid for a period of six months; and*
- (d) a **certificate of country of origin** is issued by an overseas jurisdiction (recognised by the FEHD) certifying the origin of foods being imported.*

Note 2: Aquatic products are classified by the CFS as high-risk foods as they are easily perishable and more likely subject to risk of pathogens.

*Note 3: An **animal health certificate** is required for the import of livestock and live poultry under the Public Health (Animals and Birds) Regulations (Cap. 139A) and the Public Health (Animals and Birds) (Chemical Residues) Regulation (Cap. 139N). The certificate is issued by a competent authority of an exporting economy (recognised by the FEHD) certifying that the livestock and live poultry show no sign of certain diseases (e.g. rabies) and contain no prohibited chemicals.*

Appendix D

(Cont'd)

(paras. 1.11, 2.7(b)(i), 2.9 and 2.10, Case 1 in para. 2.12(b), paras. 2.32(b), 2.33(b) and (c) and 2.36(a), Case 3 in para. 2.46, paras. 2.47 and 2.49, Table 7 in para. 2.69, paras. 2.71, 2.73, 2.97, 3.3 and 3.9 refer)

Note 4: The Mainland is Hong Kong's largest source of food supply especially with respect to foods with a premium on freshness. Since 2002, to strengthen the control of foods imported from the Mainland, the Government of the Hong Kong Special Administrative Region has entered into administrative arrangements with the former General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) to regulate foods imported into Hong Kong. Since April 2018, the responsibilities of the former AQSIQ with respect to import/export control of foods, among others, have been incorporated into the General Administration of Customs of the People's Republic of China which is a border agency and responsible for customs control matters. The salient features of the administrative arrangements are as follows:

- (a) foods covered by the administrative arrangements comprise livestock, live poultry, freshwater aquatic products (live, chilled and frozen), vegetables, frozen poultry, as well as chilled meat and chilled poultry;*
- (b) livestock, live poultry and live freshwater aquatic products imported into Hong Kong must be originated from registered farms in the Mainland (the farms are required to follow relevant regulations of the Mainland governing sanitation, use of veterinary drugs/pesticides, and quarantine control). Further details are shown in PART 3 of this Audit Report;*
- (c) frozen poultry as well as chilled meat and chilled poultry imported into Hong Kong must be originated from registered production lines of food processing plants in the Mainland; and*
- (d) vegetables imported into Hong Kong must be originated from registered farms and registered production lines of food processing plants in the Mainland.*

Note 5: Other imported foods refer to foods other than high-risk foods (e.g. beverages, cereals, fruits and vegetables). These foods may be subjected to the CFS's physical inspection and tests at the time of import (see para. 1.12).

**Quantity and value of high-risk foods imported
(2013 to 2017)**

		2013	2014	2015	2016	2017
Meat, poultry and game						
Bovines	(Tonne)	328,948	408,336	288,791	358,611	387,445
	(\$ million)	12,661	16,777	11,794	13,349	15,483
Swine	(Tonne)	236,626	237,690	253,586	341,815	359,371
	(\$ million)	5,254	5,384	5,473	6,785	7,684
Poultry	(Tonne)	819,219	949,594	781,449	866,939	828,656
	(\$ million)	10,158	12,929	10,150	10,903	11,355
Others (Note 1)	(Tonne)	723,328	844,064	696,436	784,693	844,822
	(\$ million)	14,102	17,387	13,050	13,619	16,481
Eggs						
Eggs in shells	(No.) (’000)	2,242,906	2,282,963	2,317,256	2,481,464	2,588,806
	(\$ million)	1,475	1,606	1,583	1,426	1,488
Eggs without shell and egg albumin	(Tonne)	3,014	2,875	2,960	3,339	3,327
	(\$ million)	77	76	78	82	77
Milk and frozen confections	(Tonne)	234,396	244,540	238,297	256,431	259,452
	(\$ million)	11,292	13,738	12,466	12,990	11,647
Live animals (Note 2)						
Live bovines	(Head)	19,154	18,584	17,911	17,493	17,338
	(\$ million)	430	438	422	413	416
Live swine	(Head)	1,578,913	1,625,889	1,598,352	1,453,108	1,456,654
	(\$ million)	3,325	3,429	3,509	3,311	3,311
Live poultry (i.e. chickens, ducks and geese) (Note 3)	(Head)	2,003,090	828,310	78,470	39,200	0
	(\$ million)	55	25	2	1	0

Appendix E
(Cont'd)
(para. 1.11(a) refers)

		2013	2014	2015	2016	2017
Live chicks	(Head)	1,334,125	1,304,010	1,688,800	1,642,640	1,510,940
	(\$ million)	10	6	6	6	5
Live goats	(Head)	6,490	1,650	7,700	3,410	3,471
	(\$ million)	10	3	17	7	6
Others (e.g. pigeons, turtles and frogs)	(Head)	5,868,398	5,828,714	5,682,078	5,370,730	4,885,906
	(\$ million)	771	908	961	881	1,079
Aquatic Products (Note 4)						
Live fish (Note 5)	(\$ million)	2,903	3,036	3,229	2,803	2,563
Fish other than live fish (e.g. frozen fish)	(Tonne)	180,052	188,211	191,976	185,498	165,489
	(\$ million)	9,110	9,475	9,968	11,039	10,138
Crustaceans, molluscs and aquatic invertebrates	(Tonne)	178,493	167,145	147,674	150,526	148,117
	(\$ million)	17,437	15,718	14,436	15,376	15,415

Source: Audit analysis of C&SD's published trade statistics

Note 1: Others include, for example, game (e.g. rabbits) and edible offal.

Note 2: The figures for live animals include live animals not for human consumption. The C&SD did not separately record figures for imported live food animals.

Note 3: Since early 2017, there has been no import of live poultry from the Mainland as it adopted more stringent measures for managing registered farms supplying live poultry to Hong Kong in the light of the avian influenza threat in the Mainland and nearby areas. Although there is no import ban on live poultry from the Mainland, on commercial considerations, the registered farms in the Mainland have not supplied live poultry to Hong Kong since then.

Note 4: The figures for aquatic products include both freshwater and marine aquatic products. The C&SD did not separately record figures for freshwater aquatic products.

Note 5: The C&SD measured the import of live fish in monetary value only. The figures for live fish included live fish not for human consumption. The C&SD did not separately record figures for imported edible live fish.

**Main suppliers of high-risk foods imported
(2017)**

	Top three places from which largest food quantities were imported	Share of food imported	
		In quantity (%)	In value (%)
Meat, poultry and game			
Bovines	Brazil	55	43
	United States of America	25	35
	Canada	4	5
Swine	Brazil	28	24
	United States of America	17	13
	The Mainland	14	23
Poultry	United States of America	35	31
	Brazil	31	28
	The Mainland	19	24
Others (Note 1)	Brazil	26	29
	United States of America	19	21
	Germany	10	8
Eggs			
Eggs in shells	The Mainland	60	54
	United States of America	22	20
	Malaysia	7	7
Eggs without shell and egg albumin	United States of America	32	23
	Canada	17	14
	Belgium	13	12
Milk and frozen confections	Netherlands	25	47
	The Mainland	12	5
	Australia	10	8

Appendix F
(Cont'd)
(paras. 1.11(a) and
3.2 refer)

	Top three places from which largest food quantities were imported	Share of food imported	
		In quantity (%)	In value (%)
Live Animals (Note 2)			
Live bovines	The Mainland	100	100
Live swine	The Mainland	100	100
Live chicks	The Mainland	100	100
Live goats	The Mainland	100	100
Others (e.g. pigeons, turtles and frogs)	Thailand	81	1
	Peru	9	1
	United States of America	2	2
Aquatic products			
Live fish	The Mainland	N.A. (Note 3)	55
	Philippines		12
	Indonesia		9
Fish other than live fish (e.g. frozen fish)	The Mainland	48	29
	Vietnam	12	4
	Norway	9	9
Crustaceans, molluscs and aquatic invertebrates	The Mainland	45	30
	Vietnam	8	5
	Japan	6	18

Source: Audit analysis of C&SD's published trade statistics

Note 1: Others include, for example, game (e.g. rabbits) and edible offal.

Note 2: Since early 2017, there has been no import of live poultry. This type of food is therefore not included in the Table.

Note 3: The C&SD measured the import of live fish in monetary value only.

Quantity and value of other imported foods (2013 to 2017)

		2013	2014	2015	2016	2017
Processed meat, poultry and game	(Tonne)	452,242	511,678	381,875	276,221	313,964
	(\$ million)	8,623	9,713	7,319	6,120	6,958
Vegetables and fruits						
Vegetables	(Tonne)	985,078	984,925	999,391	1,030,356	1,060,742
	(\$ million)	5,265	6,179	6,649	6,837	6,756
Fruits	(Tonne)	1,973,420	1,969,581	1,957,128	2,068,140	2,066,298
	(\$ million)	30,614	32,427	31,684	35,675	34,914
Dairy products (other than milk and frozen confections)	(Tonne)	25,910	31,128	33,255	35,727	36,096
	(\$ million)	1,118	1,452	1,315	1,283	1,451
Other foods						
Cereals and cereal preparations	(Tonne)	784,054	792,622	768,192	779,003	781,656
	(\$ million)	8,412	8,519	8,532	8,698	8,341
Sugars, sugar preparations and honey	(Tonne)	250,256	251,988	257,889	238,087	249,351
	(\$ million)	2,882	2,889	3,011	2,839	2,954
Coffee, tea, cocoa and spices	(Tonne)	81,947	85,643	85,060	127,463	147,890
	(\$ million)	4,506	5,035	4,700	6,669	7,565

Appendix G
(Cont'd)
(para. 1.11(b) refers)

		2013	2014	2015	2016	2017
Miscellaneous edible products and preparations						
Miscellaneous edible products and preparations (e.g. soy sauce and tomato ketchup)	(Tonne)	321,109	333,452	352,522	383,569	384,399
	(\$ million)	9,971	10,786	12,211	14,652	14,354
Vinegar and substitutes for vinegar obtained from acetic acid	(Litre)	5,813,986	6,458,581	6,222,182	6,736,419	6,897,659
	(\$ million)	69	83	73	73	74
Beverages and water						
Beverages	(Litre)	478,630,060	511,011,194	521,263,025	515,203,963	530,848,084
	(\$ million)	14,767	15,779	17,858	19,819	19,780
Water (Note)	(\$ million)	3,944	3,840	4,454	4,745	5,056

Source: Audit analysis of C&SD's published trade statistics

Note: The C&SD measured the import of water in monetary value only.

**Main suppliers of other imported foods
(2017)**

	Top three places from which largest food quantities were imported	Share of food imported	
		In quantity (%)	In value (%)
Processed meat, poultry and game	The Mainland	27	42
	United States of America	9	9
	Russia	9	5
Vegetables and fruits			
Vegetables	The Mainland	86	66
	United States of America	6	11
	Thailand	1	3
Fruits	Thailand	20	10
	United States of America	20	36
	The Mainland	13	6
Dairy products (other than milk and frozen confections)	New Zealand	28	32
	The Mainland	18	7
	Australia	13	14
Other foods			
Cereals and cereal preparations	Thailand	31	19
	The Mainland	26	28
	Japan	9	15
Sugars, sugar preparations and honey	Korea	38	14
	The Mainland	20	22
	Thailand	20	9
Coffee, tea, cocoa and spices	The Mainland	50	41
	Malaysia	5	4
	Italy	5	6

Appendix H
(Cont'd)
(para. 1.11(b) refers)

	Top three places from which largest food quantities were imported	Share of food imported	
		In quantity (%)	In value (%)
Miscellaneous edible products and preparations			
Miscellaneous edible products and preparations	The Mainland	48	26
	Japan	8	9
	United States of America	7	14
Vinegar and substitutes for vinegar obtained from acetic acid	The Mainland	51	39
	United States of America	14	14
	Taiwan	11	12
Beverages			
Beverages	The Mainland	46	32
	Korea	11	2
	Malaysia	6	1
Water	The Mainland	N.A. (Note)	95
	France		2
	Italy		1

Source: Audit analysis of C&SD's published trade statistics

Note: The C&SD measured the import of water in monetary value only.

Acronyms and abbreviations

AA Terminal	Asia Airfreight Terminal
AFCD	Agriculture, Fisheries and Conservation Department
AFIOs	Airport Food Inspection Offices
AQSIQ	General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China
Audit	Audit Commission
C&ED	Customs and Excise Department
CFS	Centre for Food Safety
CMS	Contamination Monitoring System
CP Terminal	Cathay Pacific Cargo Terminal
C&SD	Census and Statistics Department
CSWWFM	Cheung Sha Wan Wholesale Food Market
EMAN	Electronic System for Cargo Manifest
EU	European Union
FEHD	Food and Environmental Hygiene Department
FHB	Food and Health Bureau
FICS	Food Import Control System
FIRLO	Food Importer/Distributor Registration and Import Licensing Office
FMO	Fish Marketing Organization
GACC	General Administration of Customs of the People's Republic of China

Appendix I
(Cont'd)

HKKO	Hong Kong and Kowloon Offices
HK Terminal	Hong Kong Air Cargo Terminals Limited
KCCH	Kwai Chung Customhouse
Kg	Kilogram
LegCo	Legislative Council
LFAS	Live Food Animal System
MKTAIS	Man Kam To Animal Inspection Station
MKTBCP	Man Kam To Boundary Control Point
MKTFCO	Man Kam To Food Control Office
RIO	Radiation Inspection Office
ROCARS	Road Cargo System
SH(V)S	Slaughterhouse (Veterinary) Section
TSW	Trade Single Window
VPHS	Veterinary Public Health Section
WHO	World Health Organization
WWFM	Western Wholesale Food Market