

# 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;

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- (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

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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

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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);

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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

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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).

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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

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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).



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### 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).

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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

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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

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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

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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

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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

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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

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- (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)



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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

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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));**

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### ***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));**

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- (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

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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).

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### **Response from the Government**

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