



FIAO Internal audit process

1. Background

The FIA PNG Office (FIAO) is fully responsible for managing and ensuring MSC group CoC principles are met. When a site or member joins the FIAO MSC Group CoC; it will be audited on a regular basis in announced and unannounced audits (processors, exporters, and also documentation-based audit or off-site)

FIAO and all the members of the FIAO MSC group CoC scheme will allow the certification assessment body (CAB) to audit at any time the implementation of the MSC CoC requirements and allow ASI (the accreditation body) access to audit (witness or compliance audits).

The following internal audit process describes the FIAO MSC group CoC controls, for assessing and ensuring the MSC Group CoC certification and avoiding the risk of mixing non-MSC with MSC-certified Lobster. There will be demonstrable and continually verified traceability from MSC-certified Lobster, across the Lobster processing, packing, and export of the MSC-certified Lobster. The FIAO must comply with these procedures and maintain accurate records in order to demonstrate compliance.

Document version control. *This is a live document and will be updated regularly; modifications are to be recoded below:*

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FIAO MSC Group CoC Process

2. Purpose

This procedure delineates the system for planning, conducting and reporting Internal Audits to ensure that the documented MSC-CoC Management System of FIA PNG Lobster Group CoC scheme is complying with the requirements of Marine Stewardship Council- Chain of Custody Standard Group. This procedure is set forth to verify that the documented, systematic, transparent, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes of the FIA PNG Group CoC - Lobster MSC-CoC Scheme is effectively implemented and maintained.

3. Scope

This procedure applies to all aspects of the FIA PNG MSC-Group CoC Management System. A typical MSC Chain of Custody (CoC) audit can take from one (1) to one and a half (1,5) days, depending on the complexity and products handled by the site.

4. Guidelines

The FIA PNG MSC Group CoC Coordinator/Representative shall ensure that the procedures for the conduct of internal audits of all FIA PNG Lobster's members' sites are effectively implemented and continually reviewed for suitability. He/she shall ensure that the appointed FIAO MSC Group CoC Auditors possess the necessary competencies to carry out the task delineated herein.

The FIA PNG MSC CoC Auditors shall be responsible for the conduct of the audit according to planned intervals to all FIA PNG MSC Group CoC sites or members.

The FIA Office headed by the FIA PNG Sustainability and CSR Director shall ensure that all findings noted during the internal audit are acted upon within the reasonable time frame.

The audit process is generally a ten-step procedure as outlined below, FIAO has included 3 more steps in this internal process. Please click through the steps in order to better understand the process. These steps are followed and implemented in each FIA PNG MSC Group CoC internal audit.

5. Notification

First, the FIA office (Coordinator) will send an email/ letter to inform site or member of an upcoming audit. The auditor will send to the site or member a preliminary checklist. This is a list of documents (e.g. procedures, records) that will help the auditor learn about the site before planning the audit.

There will be an unannounced audit that will skip this step.



6. Planning

After reviewing the information, the auditor will plan the review, conduct a risk workshop primarily to identify key risks and raise risk awareness, draft an audit plan, and schedule an opening meeting at the FIA MSC Group CoC site or member facility.

7. Opening Meeting

The opening meeting should include the site or member MSC controller, QC person, and any staff that may be involved in the audit. During this meeting, the scope of the audit will be discussed. The site or member is free to ask the auditors to review areas that site or member is concerned about.

8. Fieldwork (Reception, processing, cleaning, packing, freezing, and others)

After the opening meeting, the auditor will finalize the audit plan and begin fieldwork. Fieldwork typically consists of talking with staff, reviewing procedure manuals, and inspecting the FIA PNG MSC Group CoC site policy and procedures, testing for compliance with applicable policies, procedures and regulations, and assessing the adequacy of internal controls against the MSC CoC standard. The site or member's staff is aware that the auditor will be scheduling meetings with them.

A mass balance test (output vs inputs) and traceability test (from shipping back to the Lobster's reception and to the fishery) will be carried out in each audit. Lots or batches will be chosen randomly.

9. Communication

The auditor will keep the site/member informed, and she/he will have an opportunity to discuss issues noted and the possible solutions.

10. Report Drafting

After the fieldwork is completed, the auditor will draft a report. The report consists of several sections and includes: the distribution list, list of attendances, list of interviews, type of audit, the follow-up date, a general overview of site or process, the scope of the audit, any major audit concerns, the overall conclusion, and detailed commentary describing the findings and recommended solutions.

11. Management Response

Once the report has undergone the FIAO peer review and is finalized, RDFP will request the MSC site or members' responses. The response consists of 3 components: whether the site agrees or disagrees with the problem. The action plan to correct the problem and the expected completion date will be coordinated with the FIA PNG MSC Group CoC coordinator and team.

12. Closing Meeting

A closing meeting will be held so that everyone can discuss the audit report and review the MSC site or member and management responses. This is an opportunity to discuss how the audit went and any remaining issues.



The FIAO audit shall inform that the report will be sent after 10 to 15 working days max.

13. Report Distribution

The report is then distributed to the FIA office, and site personnel, and it is also distributed an audit report to the audited site to request feedback about the audit. Feedback is important to the FIA PNG office since it will help to improve the audit process.

14. Non-conformances

Non-conformances will be raised on the report template given.

A major non-conformance means that the site has not reached a sufficient level to be approved by the FIA PNG office to handle MSC-certified Lobster. Major non-conformances must be closed out before FIA PNG Office will approve and accept the site. Minor non-conformances must have a corrective action plan agreed upon and in place before approval is granted.

15. Decision on-site conformity

The final decision on whether a site conforms with all MSC and group requirements is made by a member of the FIA PNG MSC Group CoC team who did not do the site's audit or was not involved in the site's audit report.

The final decision will be communicated to the FIA PNG MSC Group CoC team and the site or member. Then the site or member name and basic date will be included on the FIA PNG MSC website and its status (public access place)

16. Follow-Up

The FIA PNG MSC Group CoC coordinator/ FIA PNG auditor team members are responsible for the Follow-up reviews are performed on an issue-by-issue basis and typically occur shortly after the expected completion date, so that agreed-upon corrective actions can be implemented. The purpose of the follow-up is to verify that the site/member has implemented the agreed-upon corrective actions. The auditor will interview staff, perform tests, or review new procedures to perform the verification. The site/member will then receive a letter/email from the FIA PNG MSC Group CoC auditor indicating whether site has satisfactorily corrected all problems or whether further actions are necessary.

17. Audit sampling and surveillance time

Before the beginning of each calendar year, the FIA PNG MSC Group CoC coordinator shall perform an annual review of all internal audits and assessments obtained for each site (processor, and exporters) recorded/from the FIA PNG MSC Group CoC the previous year.

This annual review shall include a synthesis of results from the office, documentation, and integrated audit reports (from fishing to reception at the factory – weighing).

The FIA PNG MSC Group CoC coordinator shall inform the FIA PNG office about her/his findings and where the results from sampling were found to be inadequate or insufficient; the FIA PNG MSC CoC coordinator shall make recommendations to improve the site conditions in order to address risks. Improvement plans shall be incorporated into the annual plan for the coming years.



Members of sites to be audited:

- Lobster primary processor
- Lobster secondary processor
- Packing and exporters
- Quality and content of training session and Quality of the trainer.