

Extension of Audit Frequencies at FSA Approved Meat Establishments within England, Wales and Northern Ireland

Food Standards Agency (FSA)

RPC rating: validated

Description of the measure

Audit frequencies (that is, the period between audits) for FSA approved meat establishments vary depending on the type of establishment and previous audit scores. The measure extends audit frequencies for meat establishments that have been rated “Good” on two consecutive occasions.

Impacts of the measure

The assessment explains that the measure (in force since January 2017) has extended audit frequencies for 318 businesses. The FSA estimates that this will reduce the number of audits undertaken by 234 per annum. This benefits business by reducing the time taken to prepare for inspection and deal with FSA officials during site visits and follow up. The FSA estimates this benefit by multiplying the overall time saving (2,082 hours per annum) by the wage rate of a typical manager (£30.64 including uplift for non-wage labour costs). This results in a total saving to business of around £60,000 per annum.

Businesses are also required to pay for audits carried out on their premises, based on the opportunity cost of the time spent by officials in carrying out the audit. Using typical wage rates of officials (£39 in England and Wales, £49 in Northern Ireland) and a reduction in inspection hours of 2,082, the FSA estimates that this will save businesses with extended audit frequencies around £80,000 per annum.

The FSA also estimates that it will take each business around 15 minutes to become familiar with the requirements. This imposes a total cost of familiarisation on all businesses of around £8,000.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of -£0.1 million. This is a qualifying regulatory provision that will score under the Business Impact Target.

Quality of submission

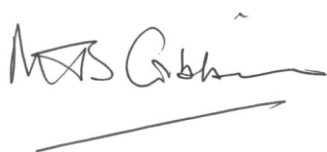
The FSA has provided proportionate evidence to support its estimate of the impact of the measure. The assessment could usefully have provided more evidence to support its assumptions, especially around cost savings to business. However, it is unlikely that changing these assumptions would have affected the EANDCB materially, and so the RPC is able to validate the EANDCB presented. The assessment could have made it clearer that familiarisation costs fall on all businesses but that the benefits only accrue to businesses that achieve good audit ratings. Finally, it is pleasing that the assessment considers familiarisation costs to the FSA, even though these are not included in the EANDCB figure.

Regulator assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	‑£0.1 million
Business net present value	£1.3 million

RPC assessment

Classification	Qualifying regulatory provision
EANDCB – RPC validated ¹	‑£0.1 million
Business Impact Target (BIT) Score ¹	‑£0.5 million



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.