Food regulator under CAG lens

NEW DELHI: In a first, the Comptroller and Auditor General of India (CAG) is doing a comprehensive performance audit of the country’s food regulator.

The audit of the Food Safety and Standards Authority of India (FSSAI) comes against the backdrop of the food regulator’s controversial decision to ban manufacturing and sales of Maggi instant noodles — a popular snack sold by Swiss company Nestle in India — in 2015 under the helm of former FSSAI chief executive Yudhvir Singh Malik.

CAG’s audit is looking at issues such as how FSSAI fixes standards, finalises rules, approves products, ensures compliance and conducts surveillance. “This is a fairly comprehensive audit and is being done for the first time since the regulator came into existence,” said a government official requesting anonymity.

FSSAI was set up in August 2011 under the Food Safety and Rupee/$ Standard Act, 2006. It has powers to lay down standards for food articles and to regulate their manufacturing, storage, distribution, sale and import. Some of its activities include licensing and surveillance of food and beverages outlets, enforcement of safety regulations across registered food vendors and ensuring safety of imported food items, their standards and labelling.

Pawan Kumar Agarwal, CEO of FSSAI, confirmed the development.

“This started last year and the exit meeting is likely sometime next month. After that, CAG will submit its report to the Parliament. And it’ll be made available to public. Not just FSSAI, the audit includes the food safety offices of the states. This is not a matter of concern. What comes out of the report will help us in improving our work,” Agarwal said.

A CAG spokesperson said: “A performance audit of FSSAI is being done. No date has been yet decided for the exit meeting.” He declined to elaborate further.
FSSAI IN NEWS

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FSSAI performance comes under CAG scanner

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“This started last year and the exit meeting is likely sometime next month. After that, CAG will submit its report to the Parliament. And it’ll be made available to public. Not just FSSAI, the audit includes the food safety offices of the states. This is not a matter of concern. Rather, what comes out of the report will help us in improving our work,” Agarwal said.

A CAG spokesperson said: “A performance audit of FSSAI is being done. No date has been yet decided for the exit meeting.” He declined to elaborate further.

Performance auditing is focused on improving good performance in public administration by examining whether public programmes and services achieve the principles of economy, efficiency and effectiveness and identifying conditions or practices that hamper performance and enable the auditor to make suitable recommendations, according to CAG’s website.

Malik, who came down hard on most of the multinational food and beverages companies operating in India during his short tenure of about a year (October 2014-September 2015), was shifted a month after the Bombay high court overturned the ban on Maggi.

After the crackdown on Maggi, questions were raised on FSSAI’s capabilities and operations including things like product approval process, one of the primary things the regulator used to do. The Bombay high court in July 2015 asked FSSAI to justify its actions against the noodle brand. On 13 August 2015, the Bombay high court set aside the ban imposed by FSSAI on Maggi noodles and asked Nestlé to retest samples at three laboratories certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL). On 5 November, Nestlé India said its Maggi noodles received clearance from three laboratories certified by NABL and relaunched the popular snack on 9 November 2015.

“As an audit like this will eventually help the organization enhance its performance. It would find out the loopholes, highlight what the regulator should do to cover up those. It is a good thing,” said Rajat Wahi, partner and head of consumer markets at consulting firm KPMG in India. He added there are questions regarding FSSAI’s capabilities and whether it has the capacity to ensure safe food for a country as big as India with its limited manpower. “Nobody knows if the laboratories it has are sufficient and capable of carrying out testing,” he said.